

What would be included in an Internal Sales Rate Development?

Checklist before submitting rates.

General guidelines

All rates must:

- fully recover but not exceed costs
- document all subsidies
- be set to breakeven
- be based on total cost
- be reviewed, updated and submitted to Internal Sales at least once per year
- be consistent for all internal customers
- only include costs that are incurred to complete the activity

Specific guidelines

All rates must be based on:

- consistently predictable outcomes
- productive time not total resources available
- annual estimated costs
- a determined actual usage measured as units of output
- the best estimate of actual expected outcomes
- excluding unallowable costs
- incurring costs directly attributable to the functions of the activity
- direct costs unless defined by a specialized service center, utility or auxiliary unit (do not include indirect/overhead costs)
- assumptions for cost estimates that can be documented
- previous year-end results on a line-by-line basis
- separate billing rates for each distinctive type of goods or services
- absorbing the previous year's surplus or deficit
- the same rate that is calculated using the above guidelines