Recharge Basics Overview
Recharge Rate Outline

- Recharge Rate Definition
- Recharge Rate Activity
- Roles and Responsibilities
- Typical Audit Findings
- Outreach Actions
A recharge rate is a charge for **goods / services** provided by your unit to other internal users of that service.

The focus is on **direct costs** when establishing rates with the intention of the activity to break even.

Rates need to be **consistently** applied to internal users.
Recharge Rate Activity

Includes a wide array of services including:

- Facilities & Operations recharge rates for labor and utilities
- Labor consulting rates
- Event services
- Anatomical donations
- DNA sequencing
- Other research related rates across campus

$500M+
Revenue from approved recharge rates

200+
Units performing recharge services

400+
Rate approvals per year

~5,000
Rates collectively
Roles and Responsibilities

<table>
<thead>
<tr>
<th>Unit</th>
<th>Financial Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Establish / modify recharge rates</td>
<td>1. Review / approve recharge rates</td>
</tr>
<tr>
<td>2. Bill for services</td>
<td>2. Provide training and consultation</td>
</tr>
<tr>
<td>3. Maintain supporting documentation</td>
<td>3. Compliance monitoring</td>
</tr>
</tbody>
</table>

Financial Analysis will assist with any issues that may arise with the recharge rate process, including:

- Establishing a new recharge rate
- Finance / Accounting assistance
- Departmental staff turnover assistance
- Rate adjustments for unexpected increases or decreases in service volumes
Typical Audit Findings

- Units are billed for services without an approved recharge rate
- Customers are not charged consistently
- Unit-published website rates (billing) are not the same as approval letter rates
- Incorrect billing amounts or billing rate changes prior to approvals
- Units unable to provide supporting documentation for direct costs
On-going Outreach Actions

Proactively reaching out to units to clarify the importance of adhering to U-M recharge rate policies and guidelines

Resource materials and content are made available on the Office of Financial Analysis website

Training and/or workshops are provided to units

On-going Communications to recharge rate contacts

Follow-up with units issued audit findings / comments regarding recharge rates
Contact Information

Recharge Rate Contact Information

Website - www.finance.umich.edu/analysis/recharge-rates

e-mail - recharge@umich.edu

Phone - (734) 764-9272

Staff Contact Information

Tony Burger – tburger@umich.edu; (734) 615-3309

Sheryl Bourlier – sbourlie@umich.edu; (734) 647-3431

Lori Hogan – lkhogan@umich.edu; (734) 936-2060