



# Recharge Basics Overview

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# Recharge Rate Outline

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# Recharge Rate Definition

A recharge rate is a charge for **goods / services** provided by your unit to other internal users of that service

Rates may only include **direct costs** and be established with the intention for the activity to **break even**

Rates need to be **consistently** applied to internal users based upon current approved rate(s)



# 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+**

Recharge rate revenue

**200+**

Units with recharge services

**400+**

Rate approvals per year

**~5,000**

Rates collectively

# Roles and Responsibilities

## Unit

1. Establish / modify recharge rates
2. Bill for services
3. Maintain supporting documentation

## Financial Planning & Analysis

1. Review / approve recharge rates
2. Provide training & consultation
3. Compliance monitoring

**Financial Planning & 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 Financial Planning & 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](http://www.finance.umich.edu/analysis/recharge-rates)

e-mail - [recharge@umich.edu](mailto:recharge@umich.edu)



## Staff Contact Information

Sheryl Bourlier – [sbourlie@umich.edu](mailto:sbourlie@umich.edu); (734) 647-3431

Lori Hogan – [lhogan@umich.edu](mailto:lhogan@umich.edu); (734) 936-2060

Matthew Thomas – [thomatt@umich.edu](mailto:thomatt@umich.edu); (734) 936-1843



**Questions / Comments?**



**Thank you!**