Recharge Basics Overview
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).
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

- On-going communications to recharge rate contacts

- Training and / or workshops are provided to units

- 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

Staff Contact Information
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Questions / Comments?

Thank you!