



Recharge Basics Overview

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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

e-mail - recharge@umich.edu



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Questions / Comments?



Thank you!