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Budget and Institutional Analysis

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Finance

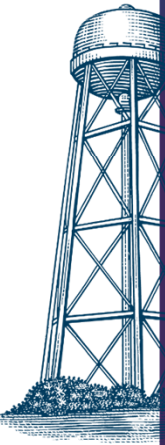
Recharge Forum

April 24th, 2023



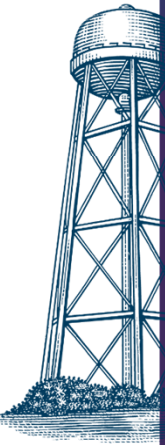
Agenda

- FAQs Update – Joe Borges
- Rate Workbook Tutorial – Octavio Valencia
- Open Q&A – All



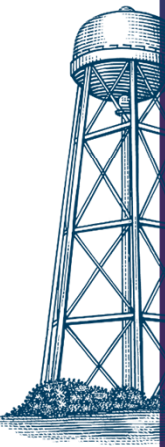
Frequently Asked Questions

- When updating the rates to capture current salaries and CBR and the volume is modified, does this require BIA or CP&A approval?
 - Yes, this would qualify as a change to the calculation methodology. Changes to volume should be based upon current trends or sound rationale as to what is driving the volume change(s) and consequent impact to calculated rate.
- For only salary and benefits adjustments, only Dean/Vice Chancellor approval needed?
 - Correct. Updates for salary, benefits & NUD can be made to an existing approved rate package and require only Dean/VC approval. Please send copy of updated approval to recharge@ucdavis.edu.



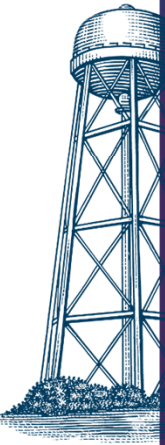
Frequently Asked Questions

- What is the best way to handle multi-year maintenance agreements that skew annual compliance because the expenses hit every other year or infrequently?
 - Rates should be constructed with the appropriate average annual costs that include covering any maintenance agreements. Agreements that hit infrequently should be described on the Recharge Operation Form (line 38) *in advance*.
 - Annual 193 compliance reporting flags due *only* to timing of maintenance agreement expenses can be classified as timing issue and will not require an action plan, assuming rate package is appropriately documented and ledger details support this conclusion.
 - An Auxiliary Voucher may be used to defer or accrue income/expenses if over \$10K
 - More info >>> <https://financeandbusiness.ucdavis.edu/systems/kuali/fiscal-close/accrual-defer>



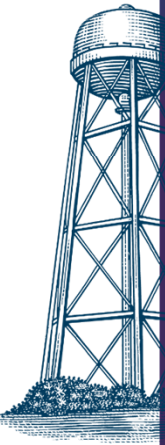
Frequently Asked Questions

- If a core director salary is subsidized and is not included in internal recharge rates, can it be charged externally?
 - Short answer, no this is not appropriate.
 - By definition a subsidy is an expense covered under a fund source other than the primary recharge operating fund. Recharge Operations can only build expenses into rates that are allocated against the operating fund.
 - There are no formal restrictions that do not allow core facilities to recover the cost of the Core director's salary both internally and externally, but rates must be correctly constructed as noted above.
 - For recharge operations that bill both internal and external clients, please work with the recharge help desk to utilize an alternative rate calculation worksheet to exclude the subsidy benefit from external clients. Every effort should be made to exclude rate subsidies from benefiting external customers.



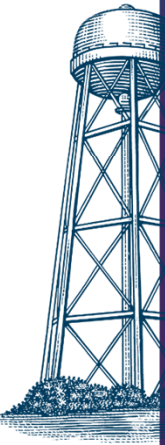
Frequently Asked Questions

- Users who have projected costs into grants, is recharge unit required to use those rates?
 - No. Recharge units are obligated to recover full cost of providing services and are not held to award budgets. That said, Recharge units are expected to give customers at least a 30-day notice of any rate increases. Additionally, Users are obligated to build in annual rate increases to award budgets consistent with planning parameters and/or guidance provided by Office of Research. Depending upon sponsor policy, users may be able to re-budget to fulfill project needs.
- Is it possible to have a different rate for internal vs. external?
 - Recharge operations should have the same “Base Recharge Rate” calculation for internal and external clients unless subsidized (email recharge@ucdavis.edu if this situation applies to you). External customers are obligated to pay the base rate plus NUD. Additional “mark-up” can be added as well to ensure services are charged on par with market conditions. Every effort should be made to charge as much as the market will bear.



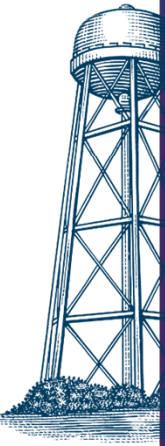
Frequently Asked Questions

- Any approval considerations if recharge operation is primarily external clients and minimal internal?
 - Recharge authorization is outlined on the recharge website:
<https://financeandbusiness.ucdavis.edu/finance/self-supporting-activities/authorization>
 - No exclusions from policies and procedures, still rate based operations that must have appropriate methodology and ensure full cost recovery. If the recharge operation has less than \$50k to contracts & grants and less than \$250k internal recharges then falls under “Low-risk” activities and only requires Dean/VC Office approval.
 - As with all approved recharge rates, copies should be sent to recharge@ucdavis.edu Dean/VC may request BIA/CP&A approval for any workbook regardless of the approval matrix.



Frequently Asked Questions

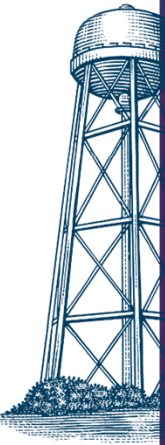
- Can you provide guidance on when to use “material pass-through” in rate work sheet?
 - Pass-through is utilized in a limited fashion for recharge operations that have a significant amount of commodities or materials costs, such as building Maintenance Services or Reprographics. Does not apply to 99% of recharge rates.
 - Some administrative recharges will be structured with materials pass-through when providing to internal customers so items are provided “at cost”, this consideration is not required for external customers.
 - Supplies and materials charged to contract and grants pay the full F&A costs, so scientific recharges should be consistent in capturing these expenses as part of the overall rate structure and materials pass-through should not be utilized.
 - Email recharge@ucdavis.edu with any specific scenario or questions.



Frequently Asked Questions

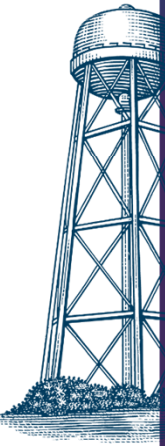
- Recharge Operations Website will soon be updated with FAQs, please note the link below:

<https://financeandbusiness.ucdavis.edu/finance/self-supporting-activities/training#FAQ>



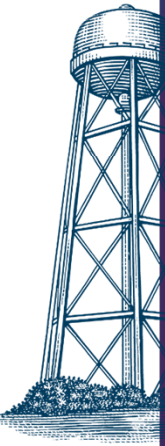
Rate Calculation Workbook Overview

- Live Tutorial



Open Q&A Session

- Questions?



Stay in Touch

- We are restarting the use of the Recharge Administrators list serve
 - Keep informed on upcoming forums, policy/compliance changes, website updates and other information helpful to involved with or managing recharge operations.
 - Sign up by emailing sympa@ucdavis.edu and in in the subject line input:
 - **"subscribe rechargeadministrators FirstName LastName"**
 - You will receive an email confirming your subscription
- Questions? Email us at recharge@ucdavis.edu

