TIP SHEET- **Recharge Units**

Official Recharge Unit Activities

A guide for facilities within UC Irvine School of Medicine.

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What is a Recharge? An accounting function that credits expense in one UC Irvine department and debits expense in another when services/goods are provided internally. Recharges do NOT create income – they only operate on a no-gain/no-loss basis.

What Qualifies?

Official Recharge Activity Must Be:

- Standard, frequent, & continuing
- Serving multiple departments/units
- Significant volume ($ and transactions)
- Unique/specialized services (not general admin)

Official Recharge Facility:

- Total activity >$100,000 annually OR has charges to federal funds

What's Not Covered?

- Auxiliary Enterprises & Medical Center
- Letters of Agreement (low-risk, incidental federal charges)
- Central Campus Assessments (G&A, indirect costs, etc.)
- Sales to external entities (see Policy 701-23)

Key Review Cycles & Deadlines

Q: When is the Revenue Cycle?
Annual Review and Mid-Year Review

Q: When are the submission dates?
Annual review submission is in August.
Mid-year review submission date is in December.

Q: When are the rates effective by?
Annual review rates are effective by October.
Mid-year review rates are effective by February.

Note: Annual reports are required even if no rate changes are requested.

Rate Requirements

- Must recover full direct costs

- Based on allowable costs (federal compliance)
- Identical rates for identical services
- Can be subsidized (with proper accounting)
- External users charged higher rate (direct + indirect)

Financial Management

- Surplus/deficit ≤60 days operating costs
- Regular reconciliation required
- Maintain detailed records
- Charge when service provided (not in advance)
- Provide receipts & monthly statements

Required Documents

- Recharge/Sales & Service Info Sheet
- Rate Calculation Template
- Annual Recharge Report Template
- Recharge Review Report
- Customer comments on proposed rates
- Approving Authority signature

Unit Responsibilities

- Submit proposals with rate calculations
- Obtain customer feedback
- Maintain financial records per UC policy
- Use proper KFS accounts (IB/SB codes)
- Update asset "recharge indicator" field
- Submit annual reports on time
- Notify if surplus/deficit exceeds limits
- Provide business plan to correct imbalance

Approval Chain

- Unit Manager: Prepares & submits proposal to Dean’s Office Finance
- Dean’s Office Finance: Approves, signs & submits to Cost Accounting
- Accounting & Fiscal Services: Reviews compliance
- Recharge Rate Review Committee: Reviews & recommends
- Provost & Executive Vice Chancellor: Final approval

To establish a new recharge unit, please first reach out to your Department Administrator.

Important Reminders

✓ DO:

- Establish separate rates for each service class
- Keep capital expenditures out of operating fund
- Use separate subsidy/reserve accounts when needed

x DON'T:

- Shift indirect costs to direct costs (violates federal rules)
- Charge different rates for identical services
- Bill in advance of providing services
- Let surplus/deficit exceed 60 days operating costs

For More Information

Resources:

UCI Official Recharge Website

UCI Recharge Policy I