



University of California
San Francisco

Recharge Basics

Policies Affecting Recharge Activities

Recharge Review
Budget & Resource Management

This module will help you understand the **policies** governing recharge activities

Topics

- Policies
- Recharge policy resources

UCSF uses recharges to recover **allowable direct costs for services** performed from all users of the recharge services and must comply with:



▪ **Federal Policies**

- External Costing Regulations



▪ **University of California (UC) System Wide Policies**

- University-wide Business and Finance Bulletins



▪ **UCSF Policies**

- Administrative Policy Guide (APG)

Key federal compliance regulations are determined by **2 CFR Chapter II, Part 200, et. al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)**

- Services are charged based on actual usage of services and a schedule of rates
- Methodology to calculate rates does not discriminate between activities under Federal awards and other activities of the non-Federal entity
- Rates are designed to recover only the aggregate costs of the services, which include direct costs and the allocable share of Facilities and Administration (F&A) costs
- Rates shall be adjusted at least biennially and shall take into consideration over/under applied costs of the previous period(s)
- Regulations require a physical inventory of equipment at least once every two years

Cost Accounting Standards Board (CASB) and Cost Accounting Standards (CAS) are federal regulations affecting recharges which are now incorporated into **Uniform Guidance** and require:

- Consistency of costing (treating costs as either direct or indirect)
- Consistency in estimating, accumulating, and reporting costs
- Unallowable costs to federal sponsored agreements will be identified and excluded from any billing



Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, establishes standards of financial accounting and reporting for leases

- Equipment purchases under **finance purchase capital leases** (>\$100,000, longer than 12-month useful life, and transfer ownership to UCSF) are treated as acquisition of assets
 - Depreciation and interest are allowable costs on the recharge
 - Actual lease payment is not allowable (unlike operating leases)
- **Capital leases** (>\$100,000, longer than 12-month useful life, and vendor retains ownership) and **operating leases** (<\$100,000 and/or shorter than 12-month useful life) are treated as current operating expenses
 - Free rent on facilities rentals must be amortized over the life of the lease

BFB A-47, University Direct Costing Procedures, References, Introduction establishes

- Procedures for direct costing, including recharges as a direct cost
- Definitions for recharge categories
- Recharge proposals are to be reviewed in accordance to locally established campus procedures
- Year-end surpluses or deficits are not to exceed 60 days of the recharging unit's activity



UC BFB A-56, Academic Support Unit Costing and Billing Guidelines establishes:

- Guidelines for the costs of goods and services which are to be recharged to extramural and University fund activities by academic support units
- Any inventoriable equipment assigned to the activity other than that furnished by the Federal government shall be depreciated
- A separate rate shall be established for each class of goods or services provided and be stated in measurable units



UCSF policies affecting recharge activities

Campus Administrative Policies:

- **300-48:** Sales & Service Center(s) Recharges, External Sales & Services of Education Related Activities, & Common Cost Allocations establishes:
 - Regulations and a methodology for recovery of costs of products or services provided by a recharge unit
 - Review and approval process for recharge rate proposals
 - Costing guidelines
 - Surplus and deficit monitoring requirements
 - Rates should be based on full cost recovery
 - Accounting and billing procedures



Additional UCSF Recharge Policy Resources

- [UCSF Sales and Service Center Policy Guidance Manual](#)
 - Provides support to the areas outlined in the Sales and Service Center Policy 250-11
- [UCSF Controller' Office Cost Accounting Standards Guidelines – Appendix B: Frequently Asked Questions](#)
 - Clarification of terms used in the UCSF Cost Accounting Guidelines (CAS), charging practices for Sponsored Projects document
 - Allowable and unallowable expenses charged to federal funds through recharge rates
- [Expenditures of Sponsored Projects: 300-19](#)
 - Defines Program Income and policies related to reporting and accounting for program income generated by a sponsored activity or earned as the result of the federal award



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