

2023-24 Recharge Activity Monitoring Report

Compliance Assessment Matrix and Recommended Corrective Actions

Monitoring Tools:	Description:	Recommended Corrective Actions:
Approved Through	Recharge activity's current approval expiration date	N/A
Recharge Approval Status	<ul style="list-style-type: none"> • Approved activity, • Pending; or • W/O Approval = Without current approval. 	<p>Approved: Recharge activity has a current approval. No action is necessary.</p> <p>Pending: Recharge proposal is in review. Continue to work collaboratively with your assigned Recharge Review Analyst to obtain approval.</p> <p>W/O Approval: Recharge activity's approval has expired. Submit a full proposal to Recharge Review as soon as possible. If the recharge activity is no longer active, please submit a formal request for discontinuation as soon as possible.</p>
Approved Risk Category	<p>The Institutional Risk Category is determined based on the planned expenditures and anticipated federal fund participation.</p> <ul style="list-style-type: none"> • Category 1 proposals are lower risk • Category 2 proposals are higher risk 	N/A
Increased Risk Category	Actual 2022-23 expenditures and federal funds participation are evaluated to determine whether or not the institutional risk has increased (from Low Risk to Category 1 or 2, or Category 1 to Category 2). Recharge activity approval duration is set based on the institutional risk level. When the risk level increases, activities that were approved as lower risk no longer qualify for as long of an approval duration.	<p>No: Institutional risk level has not increased. No action necessary</p> <p>Yes: Institutional risk level has increased. Please submit a revised full proposal electronically in Excel file (.xls) format to Recharge Review by February 23, 2024. Recharge proposal submission guidelines and forms are available on the Budget and Resource Management website at: https://brm.ucsf.edu/recharge-call.</p>
2022-23 Equipment Depreciation Transfer	The GL is reviewed to determine whether the 2022-23 planned equipment, renovation and/or building depreciation per the last approved depreciation schedule has been transferred to the renewal and replacement reserve fund.	<p>N/A: No depreciation was included in the plan. No action necessary.</p> <p>Complete: 2022-23 planned depreciation has been transferred to the renewal and replacement reserve fund.</p> <p>Incomplete: Planned depreciation was not transferred to the renewal and replacement reserve fund. One of the following actions must be completed:</p> <ul style="list-style-type: none"> • Submit a 535 Financial Journal to transfer the planned 2022-23 depreciation (Account 59025) from the recharge fund to a reserve fund, • Submit a revised 2022-23 depreciation schedule to support the depreciation transferred for 2022-23, or • Submit a request to waive the planned depreciation transfer including a plan on how renewal and replacement not covered by the recharge will be funded.

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2022-23 (Surplus)/Deficit over Allowable 16.6%	<p>The 2022-23 surplus/(deficit) balance is calculated by dividing the 2022-23 year-end net position by the actual 2022-23 total expense. In any given fiscal year, the actual surplus or deficit balance in a recharge activity should not exceed the allowable 16.6% (two months of the recharging unit's activity).</p>	<p>Between -16.6% and 16.6%: The surplus/(deficit) balance is within the allowable threshold. No action necessary.</p> <p>Under -16.6% or over 16.6%: The surplus/(deficit) balance exceeds the allowable threshold. Evaluate the validity of the business plan to determine the issues that led to the surplus or deficit balance. If the rates need to be adjusted to bring the surplus/(deficit) balance within the allowable threshold, submit a revised rate proposal to Recharge Review as appropriate.</p> <ul style="list-style-type: none"> • If there is no change in the previously approved rate methodology, submit a rate change request to include increases or decreases in recharge operating costs. • If there is a change in the previously approved rate methodology, submit a full renewal proposal.
Generally Unallowable Expenses/Transactions in 2022-23	<ol style="list-style-type: none"> 1) One or more generally or always unallowable expenses were charged to the recharge operating fund (5018) in 2022-23 without approval. 2) Unallowable non-capital expenses were charged to the renewal and replacement reserve fund (5500) in 2022-23 without approval. 3) Revenue was collected in an unauthorized revenue account in 2022-23. 	<p>No: No expenses found in unallowable accounts. No action necessary.</p> <p>Yes: Unallowable expenses/transactions found on the ledger.</p> <ol style="list-style-type: none"> 1. Transfer unallowable expenses identified in Attachment 2 off of the recharge operating fund (5018) as soon as possible. 2. Transfer unallowable non-capital expenses identified in Attachment 2 from the renewal and replacement reserve fund (5500) to the operating fund (5018). 3. Revenue was collected in the F&A waived revenue account (42106) with no approved waiver. Revenue collected from external users without a waiver to collect F&A should post to account 42105 so the F&A can be assessed. Please submit a reconciliation of the user(s) and rate(s) charged that correspond to the revenue collected in account 42106 (identified in Attachment 2) to Recharge Review to determine how to bring these transactions into compliance.