

UCSF
RECHARGE REVIEW PROCESS

SERVICE LEVEL AGREEMENT

UCSF
Recharge Review
Service Level Agreement

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Section I. Effective date of this Service Level Agreement is November 14, 2023.

Section II. Recharge Review Team Contact Information

The successful operation of recharge service centers is the responsibility of numerous individuals and organizations within UCSF. However, the ultimate accountability is on the institution. When compliance requirements and cost analysis require input from all parties, coordination, communication and partnership is essential for successful oversight of recharge activities. The Recharge Review team is continuously striving to provide high quality support and services to campus departments related to direct cost analysis and management of service centers while also strengthening partnership and collaboration.

Please contact us freely with any recharge related questions!

Executive Director of Operating Budget & Recharge Review	Michael Baldelli Michael.Baldelli@ucsf.edu
Recharge Review Manager	Gabriella Hato Gabriella.Hato@ucsf.edu
Recharge Review Analysts	Sarah Hislen Sarah.Hislen@ucsf.edu Sarah Ritterskamp Sarah.Ritterskamp@ucsf.edu
Recharge Review Team	recharge@ucsf.edu
Website	UCSF Recharge Review

Section III. Overview and Objectives

The purpose of this Service Level Agreement (SLA) between UCSF Recharge Review and campus departments is to:

- provide a clear and concise understanding of the service procedures and responsibilities that contribute towards the management of the recharge rate review and approval process
- document the review and approval process for rate proposals in accordance with federal, UC-wide and UCSF policies. This ensures:
 - Recharge Review's ability to maintain service level requirements
 - department compliance with UCSF and federal regulations
 - risk minimization of disallowed charges on federal awards

Section IV. Description of Services

Budget Resource Management Recharge Review Team will provide the following services:

Rate Proposal Review

- Review and approve Recharge and External Sales and Service of Education Related Activities rate proposals: new, renewal, rate change, discontinuation and transfer of ownership requests submitted by campus departments
- Ensure that UCSF complies with federal regulations governing allowable costs charged to federal sponsored agreements
- Assist departments in succeeding their business needs and meeting compliance requirements

Recharge Policy and Guidance Manual

- Maintain and update Campus Recharge Policy and Policy Guidance and Procedures Manual in order to adhere to university and federal policies and minimize the risk of disallowed charges on federal awards

Recharge Rate Development and Submission

- Provide assistance to departments during rate proposal development
- Establish submission guidelines in the annual Recharge Call Letter

Annual Recharge Activity Monitoring Report

- Prepare and distribute an annual monitoring report summary to department managers and control points comparing existing recharge activities with approval status and various transactions recorded in the General Ledger (e.g., depreciation transfers, surplus/deficit balances, unallowable expenses, percent of federal funds recharged, etc.)
- Analyze financial data to determine if departments are operating recharge activities without a formal approval from Budget and Resource Management and notify department managers and control points

Training and Job Aids

- Offer Recharge Training Modules and recharge proposal exercises on the BRM Recharge Review website
- Provide job aids and FAQs on the BRM Recharge Review website
- Provide in-person or phone consultations, as requested
- Facilitate lunch and learn discussions

Section V. Partnerships / Service Level Expectation

The Recharge Review team provides review and final approval to all UCSF sales and service center proposals and rates prior to charging out for the services provided.

Recharge Review works closely with departments to assist in complete submission of recharge proposals in a timely manner. Incomplete proposals or requests can cause delays in the review process. In order to meet campus departments' business needs, the Recharge Review manager and/or director may contact management service officers of the department and if needed, designated control point reviewer for assistance in resolving outstanding issues.

Campus departments depend on Recharge Review to review and approve service center rates prior to recharging. If service commitments are not met by Recharge Review, departments may contact the Recharge Review manager or director for assistance in resolving outstanding issues.

Incomplete recharge proposals may be returned to departments or control points for completion.

Benefit of Service Level Agreement:

- Improve compliance by reducing number of activities with expired or unapproved rates
- Establish clearly defined roles and responsibilities to improve understanding of the services provided and the interdependencies between Recharge Review, departments and control points involved in the recharge review process
- Facilitate improved service delivery with more timely recharge proposal submission, review and approval
- Strengthen partnership between department and Recharge Review
- Provide a clear framework to monitor performance and service quality to support continuous improvement

Section VI. Submission Guidelines

Recharge Review Process

A risk level will be assigned based on the level of institutional risk for all recharges except for Common Cost Allocations (CCAs). Institutional risk will be determined based on the total annual plan and anticipated percentage of federal participation (i.e., – anticipated revenue from federal fund sources) as shown in the table below:

Recharge Institutional Risk Matrix

		Federal Participation (%)			
		0%	>0% to <50%	50% or higher	
Annual Plan (\$)	< or = \$100,000	Low	Low-Medium	Medium	CATEGORY 1
	>\$100,000 and <\$500,000	Low-Medium	Medium	Medium-High	
	> or = \$500,000	Medium-High	Medium-High	High	CATEGORY 2

- **Category 1** proposals, which include CCAs, Low, Low-Medium, and Medium-risk proposals should be submitted directly to Recharge Review for functional, financial and compliance reviews and approval, with a copy sent to the control point.
- **Category 2** proposals, which include Medium-High and High-risk proposals, should be submitted to the control point for financial and functional review prior to forwarding to Recharge Review for a compliance review and final action. In addition, all projects with a plan of at least \$500,000 need to obtain user committee endorsement of approval after Recharge Review has reviewed the proposal and is ready to approve the rates.
- The maximum length of an approval is based on assigned risk level.

The Recharge Review and Approval Process consists of 3 types of reviews:

1. Functional Review

- Evaluates the need for the services provided by a proposed recharge activity and of the relevance to the department or organization’s strategic objectives and priorities to ensure efficient utilization of department resources.
2. Financial Review
 - Evaluates the financial viability of a proposed recharge to assess that the right equipment, personnel, funding, target users, product/service unit measures, rate methodology, rate, administration, and service/product have been included when proposing the recharge function and cost recovery mechanism.
 3. Compliance Review
 - Validates that both recharge activity and the method by which the entity aims to recover costs for that recharge activity are compliant with both University of California and Federal policies, regulations, and requirements.

Multi-Year Approval Duration

The maximum duration of rate approval is tied directly to the recharge’s risk level as shown in the table below. These approval periods assume there has been no change in rate calculation methodology.

Risk Level	Reviewer (s)	Approval Duration
Common Cost Allocations / Low	Recharge Review	Permanent
Low-Medium	Recharge Review	5 years
Medium	Recharge Review	3 years
Medium-High	Control point and Recharge Review	2 years
High	Control point and Recharge Review	1-2 years*

*2-year approvals may be granted to high-risk activities that meet compliance standards

Recharge Proposal Submission Dates and Procedures

2023-24 Recharge Proposal Submission Guidelines				
Type of Proposal	Submission Due Date	What to Submit	Category	Submit to
New recharge activities	Two months prior to start date	New Proposal Form	Category 1	Submit directly to Recharge Review for functional, financial and compliance review, and copy to control point
			Category 2	Submit to control point for functional and financial review, then control point will forward proposal to Recharge Review for a compliance review and final action. If needed, obtain user committee endorsement of approval after Recharge Review has completed the review and is ready to approve the rates.
Recharges that have an approval through 2023-24 and require renewal for 2024-25. Once approved, rates will become effective July 1, 2024	Between January 2, 2024, and February 23, 2024*	Renewal Proposal Form	Category 1	Submit directly to Recharge Review for functional, financial and compliance review, and copy to control point
			Category 2	Submit to control point for functional and financial review, then control point will forward proposal to Recharge Review for a compliance review and final action. If needed, obtain user committee endorsement of approval after Recharge Review has completed the review and is ready to approve the rates.

2023-24 Recharge Proposal Submission Guidelines

Type of Proposal	Submission Due Date	What to Submit	Category	Submit to
Recharges that have an approval through 2023-24 or later that wish to <u>change</u> only their recharge <u>plan or rates</u>	Between April 14, 2024 and May 31, 2024*	Rate Change Request Form	Category 1	Submit directly to Recharge Review for functional, financial and compliance review, and copy to control point
			Category 2	Submit to control point for functional and financial review, then control point will forward proposal to Recharge Review for a compliance review and final action. If needed, obtain user committee endorsement of approval after Recharge Review has completed the review and is ready to approve the rates.
Requests to <u>discontinue</u> recharges	One month following the end date	Discontinuation Request Form	Category 1	Submit directly to Recharge Review for review and final action. Control point may be contacted to address activity net position (surplus/deficit)
			Category 2	Submit to control point for review and action on recharge activity net position (surplus/deficit), then control point will forward proposal to Recharge Review for final action

2023-24 Recharge Proposal Submission Guidelines				
Type of Proposal	Submission Due Date	What to Submit	Category	Submit to
Requests to <u>transfer ownership</u> of recharges	One month before transferring ownership	Request to transfer ownership, which includes: <ul style="list-style-type: none"> the effective date of the transfer; a financial reconciliation of the recharge activity (Dept ID - Fund - Project net position); approval signature from both department MSOs including agreement on terms of: <ul style="list-style-type: none"> recharge activity net position and personnel transfers, transfer of reserve net position(s) – if applicable; the new Department will need to provide a Dept ID; <p>If there are changes in rates and rate methodologies, the new Department needs to submit a full proposal in accordance with the revised recharge review process (all Recharge Proposal forms).</p>	Category 1	Submit directly to Recharge Review for functional, financial and compliance review, and copy to control point
			Category 2	Submit to control point for functional and financial review, then control point will forward proposal to Recharge Review for a compliance review and final action. If needed, obtain user committee endorsement of approval after Recharge Review has completed the review and is ready to approve the rates.

Note:

* 2024-25 **renewal proposals** submitted after the February 23, 2024 or other assigned deadline and 2024-25 **rate change requests** submitted after the May 31, 2024 deadline are not guaranteed to have their rate reviewed and approved in time to go into effect at the start of the next fiscal year.

Early submission of proposals are accepted before the submission due date.

Section VII. Recharge Rate Review - Roles and Responsibilities

Mutual clarity of the roles and responsibilities facilitates the completion of the review and approval process in a timely manner.

The following is the responsibility of the Recharge Review team:

UCSF Recharge Review strives for the highest level of customer satisfaction. To ensure we deliver consistent, quality, timely service, UCSF Recharge Review commits to the following standards:

- Provide compliance review of Category 2 recharge proposals and financial, functional and compliance review of Category 1 recharge proposals
- Approve all sales and service center rates and establish Project IDs prior to providing services and billing to users
- Respond to customer requests for service via phone, email or a consultation request, as specified in the completion time guidelines
- Provide rate proposal development assistance and/or resolve any pending review issues
- Assist departments in successfully achieving their business needs and meeting compliance requirements
- Promote a culture that reinforces roles and responsibilities and policies and procedures in order to achieve the campus' need for compliance

The following is the responsibility of the departments:

- Obtain the necessary training required for recharge rate development and management of recharge activities
- Develop and submit proposal adhering to submission guidelines included in the Service Level Agreement
- Respond to all outstanding rate review issues, as specified in the completion time guidelines
- Obtain rate approval from Recharge Review prior to recharging to users
- Manage recharge activities according to management compliance standards:
 - The recharge activity complies with UCSF recharge policy and applicable federal costing policies
 - Maintain surplus/deficit balance within the allowable limit of two months (16.6%) of the recharging unit's activity
 - Ensure that unallowable expenses are not posted on recharge projects
 - Post all revenues and expenses to the appropriate accounts within the assigned chartstring(s)
 - Transfer all planned equipment depreciation to renewal/replacement reserve fund on an annual basis at minimum
 - Process recharge journals and invoices to all users on a monthly basis
 - Reconcile all billing and revenue on a monthly basis
 - Reconcile year-end surplus and deficit balances for each service based on actual expenses and revenue

- Maintain all records necessary to support and document operations in accordance with university record retention requirement

The following is the responsibility of the control point:

- Provide financial and functional review for Category 2 recharge proposals. Once reviewed and approved, rate proposal will be forwarded to Recharge Review Team for compliance review and approval
- Provide any questions or comments to Recharge Review Team with two weeks of submission for Category 1 recharge proposals
- Assist departments in resolving outstanding issues and revising incomplete proposals for resubmission

The following is the responsibility of the user committee:

- The user committee includes representatives of the largest users of the recharge activity and the recharge manager
- The user committee must review and endorse the proposed cost pool, rate methodology, and rates for recharge activities with an annual plan of at least \$500,000 before rates are approved by Budget and Resource Management

Rate Development and Submission Process	Primary Responsibility	Completion Time Guidelines
Issue annual recharge call letter	Recharge Review team	Annually – November
Develop and submit rate proposal	Department	As specified in the recharge proposal submission guidelines
Financial and functional review of Category 2 proposals Forward control point approval along with proposal electronically to Recharge Review	Control point	As specified in the recharge proposal submission guidelines
Rate Proposal Review Process*	Primary Responsibility	Completion Time Guidelines
Recharge Review manager assigns proposal to Review Analyst upon receipt of electronic submission	Recharge Review team	Within 1-2 days of receipt of electronic proposal submission
Recharge Review analyst provides acknowledgement memo to department via email	Recharge Review team	Within 1-2 days of receipt of electronic proposal from Recharge Review manager
Recharge Review analyst reviews recharge proposal and contacts department with all outstanding issues and provides department with 1-2 week deadline for their response	Recharge Review team	Within 2 weeks from date received by Recharge Review
Department responds to recharge review analyst and resolves outstanding issues	Department	Deadline provided by the Recharge Review analyst
If no additional questions need to be addressed by department, Recharge Review analyst forwards proposal to Recharge Review manager for final review. Recharge Review manager provides approval letter within 2-3 weeks of department answering all questions from Recharge Review team	Recharge Review team	Within 2 weeks of final review, a signed approval letter will be sent to department with a copy to control point.
Recharge Review Analyst establishes and updates approval expiration dates for all Recharge and Sales and Service Activity Project IDs	Recharge Review team	Upon rate approval

***Applicable to New, Renewal, Rate Change Recharge Proposals and Sale and Service of Education Related Activities Review.**