

December 16, 2022

ALL RECHARGE UNITS

Subject: Recharge Rates

I am writing to inform you the annual recharge rate review cycle has begun. Please find attached information and deadlines, as well as planning assumptions for proposing or renewing rates for the 2022-23 fiscal year.

Recharge is a part of UC's internal economy for recovering costs of uncommon goods and services from campus customers. Per UC policy recharge rates cannot be charged unless approved by the designated principal. At UC Santa Cruz, I am the designated principal, as the Associate Vice Chancellor of Budget Analysis and Planning.

The campus Direct Costing Committee (DCC), chaired by Lucy van Doorn, Financial Analyst in Budget Analysis and Planning, is responsible for the review activities. DCC membership is comprised of representatives from across campus. The DCC is charged with two primary tasks:

- Ensuring that costs are appropriately identified and charged, consistent with all relevant policies; and,
- Identifying new expenses reflected in a recharge activity (e.g., new positions, costs related to new or enhanced levels of service, additional administrative overhead, costs formerly covered by other fund sources, etc.) before final recharge rates are recommended for approval.

In addition to projecting costs, considerations of your planning should include a review of spending patterns and organizational structures to determine how services can be effectively delivered at the lowest possible costs. Recharge units may consider a range of options to control overall operational costs and, in consultation with departments that use those services, may explore changes in service delivery, frequency of service, and quality of service. Units requesting a rate increase will be asked to identify what cost-saving measures and/or revenue-enhancing plans will be implemented to help mitigate increased costs.

In planning rate submissions, please allow adequate time for review by the relevant division office and principal officer approval, prior to submission.

Thank you for your attention to this matter.

Sincerely,



Kimberly Register
Associate Vice Chancellor, Budget Analysis and Planning

Attachment

cc: Direct Costing Committee