**What is a Recharge Center?**

A recharge/service center is a unit within NDSU which provides goods and/or services of a specialized nature to other NDSU users on a recurring basis and charges a fee for those goods/services. Operations that are set up as recharge/service centers are designed to recover the costs of their operations primarily through charges to internal (NDSU) users.

Note: “Service Centers” are similar to Recharge Centers except they are used to provide services to off-campus clients and rates should be at market rates.

**Criteria for Establishing a Recharge Center**

Centrality to the mission of NDSU (extension, research, education)

Unique or specialized service

Demand Exists

Dollar volume/ volume of transactions

Defined unit of measurement (machine hour, lab test)

**Examples**

Copy and Print Services

Ag Communications

Animal and Range Nutrition Lab

Facilities Management

**General Principles**

Established to recover actual costs.

Cannot charge Internal users more than cost

Rates do not discriminate between internal users, especially federal

Rate modifications when necessary (deficits and surpluses)

Charges should be based on actual usage

Expected to break-even over 3 to 5 years

Proper matching of revenues and expenses

Surpluses from the center should not be used to fund unrelated activities

Must maintain a published price list

Keep all appropriate documentation (usage log, invoices, expense records, etc.)

**Allowable Costs**

Salaries, wages and fringe benefits

Materials and Supplies

Maintenance contracts

Depreciation expense for equipment purchased with non-federal funds

**Unallowable Costs**

Alcoholic Beverages

Bad Debt

Entertainment

Fines and Penalties

Purchase price of equipment

**Authoritative Sources**

Federal Regulations (CFR 200 Circular)

NDUS Guidelines

ND State Auditors Office

NDSU Grant and Contract Accounting

**Accounting Codes**

Fund Range 22000-22999

Revenue Codes 479005-479020

**Common Mistakes of Recharge Centers**

Billing rates based on “market” rates and not actual costs

Surpluses not carried forward

Unallowable costs included in billing rate

Improper accounting for costs of subsidies

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In order to allow the billing of expenses for work that your department is doing for other departments on campus (including grants), it is important that such a fund be initiated for this purpose. By setting up a recharge fund to accumulate all costs incurred for providing goods/services, you will have good documentation to support the charges for those activities.

We are unable to process billings from one department to another without adequate documentation of the costs incurred. Only actual costs are allowed on grants or user fees from recharge center funds with established rates.

If you would like to set up a recharge fund to charge internal customers (NDSU departments via IDB), contact me.

Helpful links to the recharge information are:

<https://www.ndsu.edu/accounting/gl/funds/summary_of_recharge_centers/>

<https://www.ndsu.edu/fileadmin/policy/812.pdf>

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