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RECHARGE Frequently Asked Questions

This is a living document and is continually edited and updated. We welcome your feedback and contributions. To get involved, please sign up for our [Listserv](#).

General Information:

Q: How do I know who my Campus Services Representative is in Business and Financial Services (BFS)?

A: This information can be found on the BFS/Campus Services [website](#). You can find your Campus Services Representative by selecting a department number or searching by division area.

Q: What is a 21 account?

A: A 21 account, which is also referred to as recharge center account, is used for business activities related only to internal customers (CSU). The goal of a recharge center 21 account is to break-even between revenue and expense. It is not to make a profit, as this is unallowable. A surplus of up to two month's working capital is allowable.

Q: What is a 22 account?

A: A 22 account, which is also referred to as a general operations account, is used for business activities that are external to CSU. A surplus is allowed within general operations accounts. There should not be any Federal activity in the 22 account as this creates problems with the Uniform Guidance and costing of work.

Q: What are the steps for setting up a new account?

A: Follow this [link](#) for the recharge account checklist when setting up a new account.

Q: How does the recharge process work?

A: An established 21 account will have an approved business plan and billing rates. On a regular basis a department will incur expenses and customers will be billed per the approved billing rates on file. If there are expenses that need to incur on the account, but are not in the approved business plan and billing rates a revised business plan and/or billing rates need to be sent to Campus Services for review and approval prior to implementation of the changes. The goal of a 21 account is break-even between revenue and expense. Billing rates should be calculated factoring in an "at cost" analysis.

Q: What is direct cost?

A: Per UG 200.413: Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. In short, direct costs are expenses that can be identified and charged directly to the job. For example: time of employees, materials, equipment depreciation, etc.

Q: What is indirect cost?

A: Per UG 200.56: Indirect Facilities and Administrative (F&A) means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

Q: How do I know when to set up a 21 and/or 22 account?

A: Reference the [CORE WEBSITE](#) for more information. A 21 account is used for internal activity and a 22 account is used for external activity.

Policies, Resources and Guides:

Q: What are policies guiding these accounts?

A: The Office of Management and Budget (OMB) 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([Uniform Guidance](#)) establishes principles for determining costs applicable to federal grants and contracts, and other sponsored agreements with educational institutions. University recharge centers must assure compliance with Uniform Guidance.

Q: What is Uniform Guidance?

A: Uniform Guidance is a set of regulations that CSU is required to follow for 21 recharge accounts that bill grants (53 accounts, direct costs) or other university accounts (direct or indirect cost). Reference the question related to “what are policies guiding these accounts” for more information.

Q: Are there any helpful guides that summarize Uniform Guidance as it relates to 21 (Recharge) Accounts?

A: National Institutes of Health (NIH) FAQ’s [link](#) provides additional information related to recharge accounts.

Q: What is the benefit of using the Recharge Fiscal Officer’s listserv?

A: The emails are searchable using this [link](#), it is a good resource for answers. It is good to share questions so the answers can be shared to all on the listserv. You can join [here](#).

Q: What other tools are available to me?

A: [The Research Core Facilities website](#), [21 and 22 User’s Guide](#), [FPI 2-20](#), and [Campus Services website](#).

Billing Rates:

Q: How do I develop my rates?

A: The [Recharge Center Rate Workbook](#) is a very helpful tool for rate calculation. Also, the [21 & 22 User Guide](#) provides guidance on developing new rates.

Q: How often should I adjust my billing rates?

A: Per UG 200.468 billing rates must be updated at a minimum of every 2 years. It is recommended to review rates annually to ensure billing rates are correct. If needed (a new service provided, equipment purchased, etc.) a department can update the billing rates as needed. Campus Services must review and approve the billing rate updates prior to implementation.

Q: If salaries are booked on a 21 account, but there is turnover causing salary savings in the 21 account, what can that balance be used on?

A: Contact your Campus Services Representative to discuss options (i.e. deferred maintenance). However, the billing rates must be adjusted going forward taking the surplus into consideration.

Accounting for 21/22 Accounts

Q: What are subaccounts?

A: Sub-accounts are within the 21 or 22 accounts and are linked solely to that account. They allow departments to track financial activity within a particular account to a finer level of detail. Departments create and maintain their own sub-accounts which are 1-5 alpha/numeric characters.

Q: Is there a cheat sheet on object codes?

A: Yes, there is a high level cheat sheet by the smart coding of an object code (i.e. 5xxx – salaries) located [here](#) on slide 23 and a listing of all object codes and their descriptions is located [here](#).

Q: What object codes/expenses are not allowed on 21 accounts?

A: Advertising, alcoholic beverages, authorized business functions, donations/contributions, entertainment costs, fines/penalties, memberships/subscriptions (if not required to complete the job), and promotional items are not allowable on 21 accounts. [FPI 2-7](#) exhibits additional categories of cost that are identified as unallowable by the Federal government. For further questions on object codes not allowed contact the [Office of Sponsored Programs](#).

Q: Can one service center subsidize another?

A: Only with prior approval from Campus Services. Justification on how the service center is similar to the one it is subsidizing is required, as this is not a common occurrence. There would need to be similar users and similar goods and services being offered.

Q: What accounts can subsidize 21/22 accounts?

A: Prior to subsidizing, it first must be approved by Campus Services. E&G 13 accounts, RARSP 16 accounts, 22 GENOP, or GIFT 64 accounts are the most widely used accounts that subsidize 21/22 accounts. Other accounts also are allowed to subsidize though, contact your Campus Services representative with any questions. It is uncommon for a 21 to subsidize another 21 account, justification on how the service center is similar to the one it is subsidizing is required.

Q: How can I interpret reports to understand the activity in my account?

A: Depending on the types of reports you are looking at, there are multiple ways to interpret them. Use this [link](#) starting on slide 25 if you are looking at Quali reports. [Campus Services](#) is always willing to meet one on one with you to go over your reports and how to view them.

Q: How does a department purchase equipment on the 21 account?

A: To purchase equipment an Equipment Acquisition Request Form is completed. The accounting for the equipment is on a central account, but monthly the department will be charged the recharge (which is the monthly depreciation) amount for the equipment. Before the equipment can be purchased you need to work with your Campus Services Provider to ensure your billings rates can accommodate the monthly recharge amount.

Q: What is the 6720-recharge recover object code? How is it different from depreciation?

A: Object code 6720 – recharge recovery is a calculated monthly amount (very similar in depreciation amount) that posts monthly to the 21 account to recognize the cost of the equipment over the useful life. This monthly expense posting should be calculated into the 21 account billing rates so customers will recover the cost of the equipment utilized on the 21 accounts. True financial depreciation of equipment takes place in 7721000, but the recharge is a way to capture the cost in the 21 account and build the cost into the billing rates.

Q: How is a deficit handled in a 21 account? Does it have to be cleared immediately or is there time to clear it?

A: In most cases, billing rates need to be updated to cover the deficit in the coming year(s). If there are extenuating circumstances please contact your Campus Services Representative. If billing rates have not been adjusted for the deficit, a department should cover the deficit with another account by fiscal year-end. Any surplus/deficit should be carried forward into future rate development and appropriate departmental/college personnel should be kept informed.

Q: What can be done with a surplus in a 22 account?

A: There is more flexibility on how a surplus in a 22 account can be spent. Most commonly it is used to cover the deficit in 21 accounts and purchase new equipment.

Q: What are the best accounting practices for a 21/22 account combo?

A: All the expenses should post to the 21 account, and then the 21 should bill the 22 account for services performed for the 22. The revenue related to the 22 account should post directly to the 22 account. The rate for the 22 account should be the same as the 21, but also include the 22.5% overhead and any profit margin that needs to be built in. A profit margin is unallowable in 21 account billing rates. By following this method, your 22 account balance should only be your profit margin.

Q: How is the overhead of 22.5% calculated?

A: The overhead of 22.5% is calculated on the expenses that post monthly to the account. Certain expense object codes are excluded from this calculation.

Q: What is Profit Margin?

A: Profit Margin can include unallowable cost, but also must be consistent and be defined. This is the rate the market can handle. This can only be on 22 accounts.

Q: What is market value?

A: Market value is currently what the product or service you are offering is selling for to the general public. 22 Accounts must at least have a rate that is comparable to market value.

Q: How is consumable inventory booked on 21/22 accounts?

A: Inventory is booked on the 21/22 accounts by using object codes 15xx and 70xx. This inventory must follow [FPI 2-13](#). The rate charged for inventory, must be directly related to the cost of the inventory. If there are other expenses related to providing the service (such as reimbursement for salary expenses) they must be documented and accounted for in the 21 account as a separate rate.

Q: What is best practice/steps to follow when inheriting an existing 21/22 account to be a successful manager?

A: Talk to your supervisor as well as your Campus Services Representative to see what history you can find out about the account. Your supervisor should be able to give any basic issues to watch for along with the general monthly process. Campus Services can provide any historical information on issues that have come up based on monthly 21/22 account meetings.

Q: What is the difference between a cash balance and fund balance?

A: Cash balance is the balance in the 1100 object code. Fund balance comprises your assets less liabilities. To calculate a fund balance add all 1XXX (asset) object codes (except for 18XX object codes) and subtract 2XXX (liability) object codes. We exclude 18XX object codes when calculating a fund balance because it relates to the recharge process. Reference page 25 and 26 of this [link](#) for fund balance calculation examples. When looking at what you have available in the account, look at overall fund balance.

Q: What is an appropriate fund balance to have on a 21 account?

A: Up to two months working capital.

Q: What is two months working capital?

A: Two months working capital is 12 months of expenses on the 21 account, divided by 12 then multiplied by 2 months.

Q: What is an appropriate fund balance to have on a 22 account?

A: There are no restrictions on how much of a surplus a 22 account can have.

Q: When/how does Unrelated Business Income Tax (UBIT) become a concern on 22 accounts?

A: When a department is offering goods or services to external parties that does not align with the University's core mission, then UBIT can become a concern. For additional information refer to [FPI 2-4](#). For any questions contact the [Tax Manager](#).

Q: What is appropriate documentation when completing a billing?

A: The invoice related to the billing should have the invoice date, services performed, the rate, quantity, and the overall amount charged. This needs to be attached to the Kuali document. This allows for easy review to ensure it matches the rates on file.

Q: How do I find out if there are other similar services offered by CSU?

A: Some can be located on the CORE finder, however, there is no complete list. The VPRs office, BFS, or posting the question on the listserv are your best resources.