



What is a Recharge?

- Recharges are charges for goods or services provided by one internal university unit to another internal university unit
- Rates must be approved by Financial Planning & Analysis
- Includes direct costs only (ex. technicians to maintain testing equipment, supplies consumed, equipment maintenance costs; etc.)
- Intended to operate on a break-even basis (i.e. cost recovery)
- Operates in the auxiliary internal services fund (52000)
- Must be billed using a Service Unit Billing (SUB)

Accounting for Recharge Activity

Example: Chemistry Lab analyzes samples for another department

- Expense recorded on purchasing unit's chartfield using account 613225 (Chemical Analysis Fees)
- Chemistry records recharge revenue on their chartfield using account 410000 (General Recharge Revenue)



Recharges/Recharge Process – Contact [Financial Planning & Analysis](#)
Service Unit Billing Process – Contact the [Shared Services Center](#)

What is a Rebill?

- Moves the original cost of a good / service from the unit originally charged to another unit that utilized that same good / service
- Does NOT generate revenue, i.e. rebills are a one for one exchange of actual cost
 - Not recorded as revenue
 - Utilizes “contra-expense” accounts within the Internal Rebill range of accounts (620200 to 620999) on both sides of the transaction, i.e. to both credit the unit’s own chartfield and to charge another units chartfield
- Program “REBIL” may be used to identify rebill activity (not required)
- Can be between most operating funds and some non-operating funds
- Preferred method of rebilling is through Service Unit Billings (SUB)

Accounting for Rebill Activity

Example: Unit A purchases test tubes in bulk, then Unit A charges “other” units for the test tubes using the purchase price

- Unit A receives the original charge on their chartfield for the expense on account 618350 (Laboratory Supplies)
- Unit A then –
 - Credits a rebill account on their chartfield for the amount to be rebilled on account 620416 (Rebill Supply Expense)
 - Debits Unit B’s chartfield for their portion of the expense on the same account 620416 (Rebill Supply Expense)



Contact the [Shared Services Center](#)

What are Rebates and Personal Reimbursements?

- Supplier Rebate
 - Payment received from a supplier to offset the cost of a purchase

- Personal Reimbursement
 - Personal use of university resources
 - Strongly discouraged and should not happen
 - However, if it does occur, the employee must reimburse the university for resources used for their personal benefit

- Recorded via a Cash Receipt Ticket (CRT) or payroll deduction (Concur activity) to properly reflect the university's cost

- Recorded as negative expense using the same account as the original expense

- Non-revenue generating activity, the university only records the original cost of the goods or service utilized

Accounting for Rebates and Personal Reimbursement Activity

Supplier Rebate Example - Department A receives a \$50 rebate check from OfficeMax for the purchase of a desktop printer

- The unit uses a cash receipt ticket to credit the chartfield used for the original purchase

Personal Reimbursement Example - Employee uses departments copy machine to print personal copies

- Employee writes the university a check and the department submits a cash receipt ticket to credit the department's chartfield using account 615080 - Printing



Contact the [Shared Services Center](#) or [Financial Operations](#)

Quick Reference Guide

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- Rebill
 - Moves the original cost of a good/service from the unit originally charged to another unit that utilized that same good/service

- Rebates and Personal Reimbursements
 - Rebate is a payment received from a supplier to offset the cost of a purchase
 - Personal Reimbursement is personal use of university resources (discouraged)

If the activity doesn't fit within the scope of the Three R's listed above, it is probably revenue



Not sure how to classify your activity?
Contact [Financial Operations](#)

Resources

Recharge Process – Financial Planning & Analysis

<http://www.finance.umich.edu/analysis/recharge-rates>

Transactions – Shared Services Center

<https://ssc.umich.edu/contact>

Proper Activity Accounting Procedures –
Financial Operations – Accounting Operations:

<http://www.finance.umich.edu/finops/accounting>