**Appendix I: Sample approval letter for establishing a new activity**

**NOTE:** This is an example of an approval letter to establish a new recharge activity. Units are free to modify the language to better fit their needs; however, the information provided is required for General Accounting to set up the activity within the DaFIS/Kuali. At a minimum, actual approval letters must contain the same information.

[Insert date]

**To: Department/Unit**

**Re: Establishment of a New Recharge Activity**

This is to inform you that the [Insert Dean/VC Office] has approved the establishment of the [Insert recharge activity name] and the supporting recharge rates effective [Insert effective date].

Per the Policy and Procedure Manual 340-25, offices of the deans/vice chancellors have the authority to approve the establishment of recharge activities where there is no mandated good or service, the unit responsible for the activity is not the only reasonable provider and the activity will not generate more than $50,000 in annual recharge revenue from federal contracts and grants.

This letter is being forwarded to General Accounting with the appropriate information to establish OP fund number(s) as needed for the activity.

Account manager’s name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DaFIS Organization: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Anticipated annual revenue: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Anticipated annual revenue from federal contracts and grants: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Does the department plan to charge non-university customers? Yes No

 If yes, the department is reminded that the rates approved in this proposal do not include the non-university differential (NUD). The NUD must be assessed on rates charged to non-university customers.

Is depreciation for equipment included in any of the rates for this activity? Yes No

 If yes, the depreciation schedule that was included in the proposal is included with this letter.

Is a reserve for improvement (RFI) included in any of the rates for this activity? Yes No

 If yes, the department is reminded that RFIs are only permitted for activities that generate less than 15% of their revenue from federal contracts and grants.

Sincerely,

[Dean/VC Authorized Personnel]

cc: Cassidy Tanasse- General Accounting

 Kristen Fernandez- Budget and Institutional Analysis

 Mike Legrand - Costing Policy and Analysis

**To be established by General Accounting**

**DaFIS OP Fund Number for:**

**Recharge Activity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Equipment Depreciation (Reserve and Renewal): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Reserve for Improvement (RFI): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Appendix II: Sample approval letter for modifying an activity**

**NOTE:** This is an example of an approval letter to modify an existing recharge activity. Units are free to modify the language to better fit their needs.

[Insert date]

**To: Department/Unit**

**Re: Modification to an Existing Recharge Activity**

This is to inform you that the [Insert Dean/VC Office] has approved the modifications to the recharge rates associated with the [Insert recharge activity name] effective [Insert effective date]. The OP Fund Number for the activity is [Insert OP Fund Number].

Per the Policy and Procedure Manual 340-25, in some instances, offices of the deans/vice chancellors have the authority to approve modifications to recharge activities. The modifications approved by [this office] are as follows:

Created a new rate that is consistent with an existing pricing rationale

Created a new rate that is not consistent with an existing pricing rationale for an activity that is non-mandatory and generates less than $50,000 in annual federal recharge revenue

Changed a pricing rationale for an activity that is non-mandatory and generates less than $50,000 in federal recharge revenue

 Increased a rate consistent with the annual budget planning guidelines

 Increased a rate inconsistent with the annual budget planning guidelines for an activity that is non-mandatory and generates less than $50,000 in annual federal recharge revenue

Decreased a rate

As a reminder, the rates approved in this proposal do not include the non-university differential (NUD). The NUD rate must be assessed on rates charged to non-university customers.

 Sincerely,

 [Dean/VC Authorized Personnel]