Recharge Committee – Policy Regarding Units in Deficit

1. A recharge unit should not carry a deficit that exceeds 60 days operating costs.
2. As part of the annual recharge rate review, units that carry an unacceptable deficit are required to explain a deficit situation and corrective action that will be taken to eliminate it.
3. If a unit does not make discernible improvement on the deficit by the end of the 4th quarter following the annual review, the coordinating point will be notified at the end of July and the unit required to submit a deficit reduction plan by the end of August.
4. The deficit reduction plan must include a narrative and supporting financial analysis that details how the deficit will be reduced to acceptable limits by the end of the fiscal year.
5. If the deficit is not reduced to acceptable limits in that timeframe, the coordinating point must cover the deficit.

July '07
Annual Review - Unit reports unacceptable deficit and corrective actions to eliminate it.

July '08
Q4 Deficit Check

Is the Unit making progress?

Yes

Letter of support to Coordinating Point that informs them of the good progress, and reminds them of the policy that requires deficit elimination within the next 12 months, otherwise the deficit must be covered by Coordinating point. Track Quarterly progress.

July '09
Annual Review – If unit still carries an unacceptable deficit, the coordinating point must cover it.

No

Letter to Coordinating Point that informs them of deficit and requests submittal of detailed reduction plan by August 30th. Track Quarterly progress.