Background

Some parts suppliers apply a core charge as an additional cost to the invoice. This is done when the damaged parts still have value to the supplier (i.e., for remanufacturing or rebuilding other parts). Suppliers typically reimburse the core charge after the original damaged part is returned.

MPI will consider reimbursing repair shops for core charges when the core is missing, stolen as part of the loss, or the supplier deems a returned part unusable due to the condition resulting from the loss.

Rules

1. All core charges must be approved by MPI.

2. Supporting documentation must be provided for each core charge request:

   - Supplier confirmation why the core is not acceptable for return

   - Photos (if possible)

3. Markup is not permitted on core charges.

   All requests are subject to audit and part selection reviews.

Examples

A shop has begun repairs on an MPI claim that includes replacing a wheel and tire that were stolen and not recovered. The shop is unable to locate an alternate part type so they decide to order an OEM wheel. Upon receiving the wheel they realize that the OEM supplier has applied a core charge. The shop proceeds to apply the **Core Charge** Long Expansion entry to the estimate and input their cost in the price column. Before submitting the supplement, the shop also uploads the invoice to support their request.

A second wheel on the same claim was damaged as a result of the loss but is still attached to the vehicle. The shop confirms that the wheel is not repairable and there are no alternate part types available. The OEM supplier applies a core charge to the replacement wheel; however, the repair facility is able to return the damaged wheel back to the supplier. The shop will not be requesting a core charge on this part as the cost will be reimbursed to them by their supplier.

Parts Autonomy Privileges

No core charge will be considered for Parts Autonomy or supplier of choice decisions made by the shop. All requests are subject to audit and part selection reviews.

Best Practices

Check with the supplier to determine if the core charge can be reimbursed prior to adding to the estimate. This will prevent unnecessary supplements and reviews.

Reference

See MPI Parts Business Rules, section 2.4.3, for Core Charges.

See Invoices for requirements of an invoice supplied for payment of a core charge.
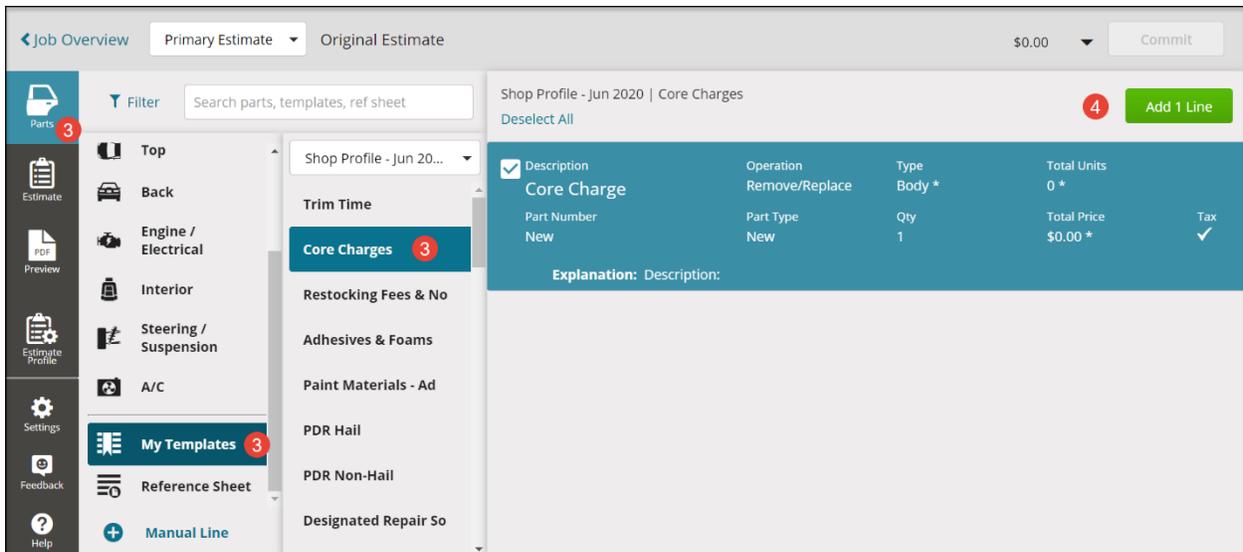
Procedure

Mitchell Cloud Estimating (MCE)

Follow the steps below to add a core charge to the estimate.

1. Determine the shop cost of the core charge.

2. Upload the core charge invoice to the file. The request must match the shop cost from the invoice
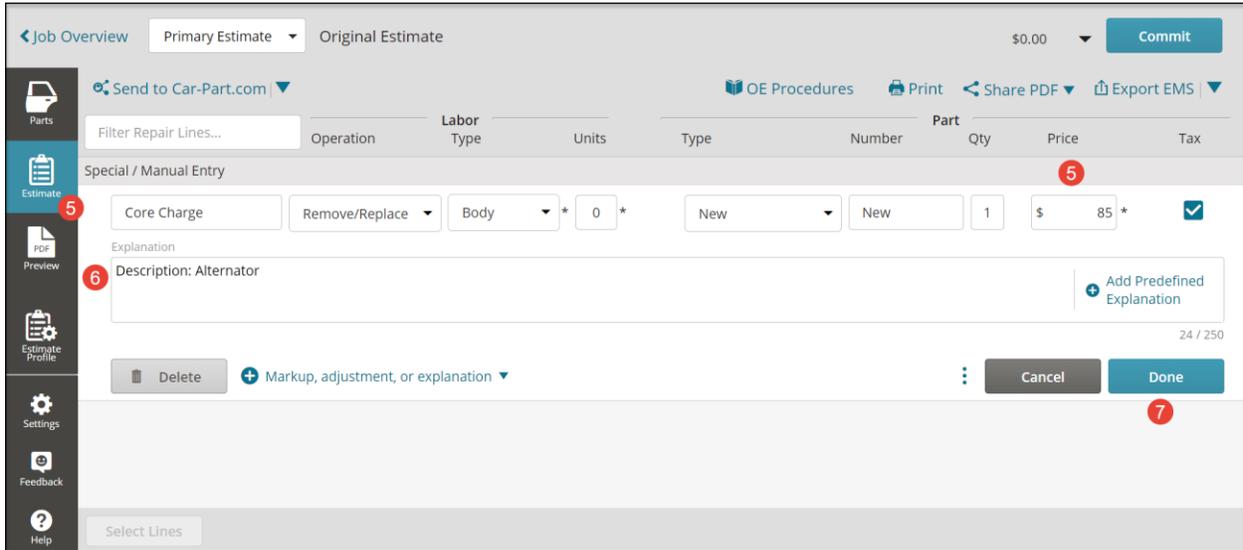
In Mitchell Cloud Estimating,

3. From the **Parts** tab, select the **Core Charges** category under **My Templates**.

4. Select **Core Charge** and then click **Add Line**.

5. From the **Estimate** tab, select the applicable line item and enter the shop cost in the **Price** field

6. In the **Explanation** line provided, enter the part description that corresponds to the core charge.

7. Click **Done.**

8. Submit the supplement to MPI for review.

Revision History

- June 2021 - Updated formatting and added new standard sections (background, examples, parts autonomy privileges, best practices).

- September 2021 – Added Mitchell Cloud Estimating procedures and screenshots.