OP 62.26: Charging Departments for Goods and/or Services

DATE: April 29, 2015

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to outline the procedures for charging departments for goods or services.

REVIEW: This OP will be reviewed in July of even-numbered years by the managing director of Financial Services and Tax with substantive revisions forwarded to the assistant vice president for financial and managerial reporting services and the vice president for administration and finance and chief financial officer.

POLICY/PROCEDURE

1. Policies

a. Only those departments that have been approved as service centers or support activities (those conducted by auxiliary enterprises or education-related business activities) under the provisions of OP 62.23 and OP 62.15, respectively, or otherwise approved by Financial Services and Tax (FST), may use an Intra-Institutional Voucher (IV) to charge other accounts for goods and services.

b. All transactions must be processed and entered into the system no later than 30 days after the provision of the goods or services. At fiscal year end, all final transactions for the fiscal year must be completed no later than month end close for August, as all activity must be billed in the same fiscal year that the goods or services are provided.

2. Procedures

a. Intra-Institutional Voucher Processing FiTS:

Processing is done via the Financial Transaction System (FiTS). Departments must use FiTS to charge other departments for goods or services. This system should be used only to recognize revenue in the department’s FOP and record expenses for the departments receiving the goods or services. The following steps are necessary to begin using FiTS.

(1) Requests for access to FiTS should be submitted to fst@ttu.edu with the following information:

   (a) The service center or support activity FOP that will receive revenue;

   (b) Names and eRaider usernames for all individuals who will be using the system.

(2) Training for FiTS users is available through AFISM.
b. Intra-Institutional Voucher Processing Gateway:

Large volume users can request Gateway System access to upload financial transactions through a web application by contacting FST to determine if this method is an option.

c. Compliance with Related Service OPs and Financial Restrictions

(1) It is the responsibility of the service department to bill against appropriate funding sources and to utilize appropriate account codes that properly reflect the expenditure and revenue activity. Questions concerning funding sources and proper account coding may be directed to FST or ORA, as appropriate.

(2) It is the responsibility of the service department or support activity to ensure that charges for the services performed are at rates in compliance with OP 62.23 or OP 62.15.

c. Supporting Documentation

Each service department or support activity must maintain supporting documentation for all IV entries. This supporting documentation, which should include proper authorization in writing or through e-mail by the organizational financial manager or approver, as defined on the TEAM application (see OP 62.03), will be used as justification and explanation for the charge(s) and to address any questions that may arise.

(1) The supporting documentation must include the following:

(a) Name and FOAP of the service department;

(b) Name and FOAP of the department to be charged;

(c) Date(s) of delivery of goods or services;

(d) Unit cost(s) of the goods or services provided by the service department;

(e) Unit of measure of goods or services provided by the service department and received by the department;

(f) Total quantity of goods or services received by the department;

(g) Total charge to be made to the recipient department; and

(h) Documentation of approval of the goods or services by the recipient department.

(2) All internal or external inquiries on IV transactions will be forwarded to the appropriate service department or support activity for a timely and appropriate response.

(3) Copies of supporting documentation must be provided to the recipient department and retained as prescribed below.
d. File Retention

Each service department or support activity must retain a copy of all IV entries with supporting documentation attached for a period of not less than the current fiscal year plus three prior fiscal years. For charges to sponsored projects, a longer retention period may be required. Please consult ORA for retention requirements.

The files shall be available for review and examination by FST, the State Auditor, Office of Audit Services, and other external auditors or duly authorized individuals. The file copies of IV documentation will be surrendered to the requesting individual only after the service department or support activity has determined that the individual is authorized to review and examine such documents and, then, only upon written request of the authorized individual.

e. Cost Associated with Compliance with this OP

All costs including, but not limited to, personnel, data entry equipment, and other associated expenses and forms are the responsibility of the service department or support activity. The service department or support activity is required to recover such costs through rates billed for goods and services charged to the receiving department.