



TEXAS TECH UNIVERSITY

Operating Policy and Procedure

OP 62.26: Charging Departments for Goods and/or Services

DATE: May 12, 2023

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 Chief Accounting Officer and Controller with substantive revisions forwarded through administrative channels to the Senior Vice President for Administration & Finance and Chief Financial Officer.

POLICY/PROCEDURE

1. Policies

- a. Only those departments that have been approved as academic service centers, central service units, or support activities (those conducted by auxiliary enterprises or education-related business activities) under the provisions of [OP 62.23, Academic Service Centers](#), and [OP 62.15, Sales of Goods and Services by Auxiliary Enterprises and Education-Related Business Activities](#), respectively, or otherwise approved by Accounting Services (AS), may use an Intra-Institutional Voucher (IV) to charge other accounts for goods and services.
- b. All transactions should be processed and entered in the same fiscal month of the provision of the goods or services. At fiscal year end, all final transactions for the fiscal year should be completed by established deadlines, as all activity should 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 use FiTS:

- (1) Requests for access to FiTS should be submitted to AccountingServices@ttu.edu with the following information:
 - (a) The activity FOP that will receive revenue;
 - (b) Names and eRaider usernames for all individuals who will be using the system;
and

- (c) Organization financial manager approval.
- (2) Training for FiTS users is available through Data Management for Financial Resources (DMFR).
- b. Intra-Institutional Voucher Processing Gateway:

Large volume users can request Gateway System access to upload financial transactions through a web application by contacting AS 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 AS.
 - (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, Academic Service Centers](#), or [OP 62.15, Sales of Goods and Services by Auxiliary Enterprises and Education-Related Business Activities](#).
- d. 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 email by the organizational financial manager or designated approver, as defined in the TEAM application (see [OP 62.03, Financial Manager Designation and Approval Authority](#)), will be used as justification and explanation for the charge(s) and to address any questions that may arise.

- (1) The supporting documentation should 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.

e. Document 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 fiscal years. For charges to sponsored projects, a longer retention period may be required. Please consult AS for retention requirements.

The files shall be available for review and examination by AS, 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 only upon written request of the authorized individual.

f. 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.