

Internal Billing Transactions - Appendix B Internal Billing Accounting Quick Reference Guide

This appendix discusses the accounting needed to prevent University-level income and expense reporting from being grossed-up due to internal billing or transfer activity.

The University must report total income and expense based upon activity with *outside* parties. Internal charges and transfers must not result in an increase in our reported income and expense. Therefore, there must be NO INTERNAL ENTRIES BETWEEN INCOME AND EXPENSE.

All internal billings must DEBIT & CREDIT expense This means that the billing tub and the tub being charged must agree on how a charge will be processed.

The same object code may be used for both the debit and the credit coding. In some cases, tubs have set up specific codes to capture their recoveries; these are labeled "INTERTUB" or "INTRATUB" codes. In **all** cases, the recovery object code should be in the same "giga" group as the original charge (e.g., supplies+equipment, space+occupancy, other).

Intertub Billing:

Example 1: HUIT bills FAS for phone services.

			FAS fund <u>337104</u>	HUIT fund <u>000001</u>	Total <u> </u>	
Income:	4350	Gifts for current use	15,000		15,000	
		<i>Total income</i>	<u>15,000</u>	<u>0</u>	<u>15,000</u>	
Expenses:	6050	Exempt Staff salaries	7,000		7,000	
	6270	Exempt Staff fringe assessment	1,750		1,750	
	8490	Telephone usage, INTERTUB Sales		(1,200)	(1,200)	} <u>0</u>
	8510	Telephone+Telecommunications	1,200		1,200	
		<i>Total expenses</i>	<u>9,950</u>	<u>(1,200)</u>	<u>8,750</u>	
		<i>Net income</i>	<u>5,050</u>	<u>1,200</u>	<u>6,250</u>	
Non-operating activity:		<i>Total non-operating activity</i>	<u>0</u>	<u>0</u>	<u>0</u>	
		<i>Total Change in Net Assets</i>	<u><u>5,050</u></u>	<u><u>1,200</u></u>	<u><u>6,250</u></u>	

Intratub Billing:

Example 2: The Technology Products Center (TPC) bills HUIT for computer repair.

			TPC fund <u>000001</u>	HUIT fund <u>000001</u>	Total <u> </u>	
Income:	5490	Other services	10,000		10,000	
		<i>Total income</i>	<u>10,000</u>	<u>0</u>	<u>10,000</u>	
Expenses:	6050	Exempt Staff salaries	8,000		8,000	
	6270	Exempt Staff fringe assessment	2,000		2,000	
	8090	Hardware, Software+Network Fees, Repairs, Maintenance		2,000	2,000	} <u>0</u>
	8095	Tech Repair Svcs, INTRATUB	(2,000)		(2,000)	
		<i>Total expenses</i>	<u>8,000</u>	<u>2,000</u>	<u>10,000</u>	
		<i>Net income</i>	<u>2,000</u>	<u>(2,000)</u>	<u>0</u>	
Non-operating activity:		<i>Total non-operating activity</i>	<u>0</u>	<u>0</u>	<u>0</u>	
		<i>Total Change in Net Assets</i>	<u><u>2,000</u></u>	<u><u>(2,000)</u></u>	<u><u>0</u></u>	