Financial Transaction SOP: Financial Processing, Internal Billing (IB)
　　　SOP Owner: Financial Processing Manager
　　　Version Number, Date Revised: #2, 09/10/14

Standard Operating Procedure

1. **Purpose**

　　Internal Billing (IB) e-doc to is used to bill for goods or services provided by one university department to another university department, reflecting internal income to the provider and expense to the customer. An IB is *not* used to record the transfer of capital equipment between university accounts—this type of transaction is usually recorded via a Transfer of Funds (TF) e-doc, (to move associated funds), and an Asset Transfer e-doc (to move the asset itself). **Note**: the IB e-doc is not used to report external income.

Examples of when to use an IB include:
- ILR Conference Center Billing
- CIT Training and Documentation Billing
- Parking Permits
- Recharge Operation
- Department use of golf course

2. **Procedure**

Figure 1 – Main Menu, Transactions

In addition to the standard financial transaction tabs, the IB has a unique tab, called: Items.

Figure 2 – Internal Billing e-doc

Figure 3 – *Items tab*

The Items tab is optional; however, if you choose to use this tab, Quantity and Item Cost are required fields. Note: this tab *does not have any impact on the Accounting Lines information*, nor does it need to balance to the accounting lines. Filling out the Items tab does not automatically update the total of the accounting lines and should be used for informational purposes only. (**Note**: Items tab does not have an import function.)

Table 1 Items tab field definitions

Field Name	*Description (* indicates a required field)*
Date	Optional. Enter the date of service or select it from the Calendar.
Stock #	Optional. Enter the stock number for the goods or services provided.
Description	Optional. Enter the description of goods or services.
Quantity	Conditionally required. Enter the quantity of goods or services provided.
UoM	Optional. Enter the unit of measure.
Item Cost	Conditionally required. Enter the cost per item for goods or services.
Total	Display-only. The extended cost is calculated when you click **add** to add the line.

Figure 4 – *Internal Billing example*

Best Practice recommendation: require client to provide an account number before the good(s) / service(s) are delivered.

Business Rules

- Negative accounting line amounts are allowed for billing corrections (i.e., processing a credit).
- There must be at least one accounting line in the **Income** section and one accounting line in the **Expense** section.
- Total **Income** section must equal total in **Expense** section in the Accounting Lines tab.
- Object codes must have a sub-type of ID Interdepartmental Activity.
- Fund and Sub-fund Groups allowed on the doc are controlled by parameters.
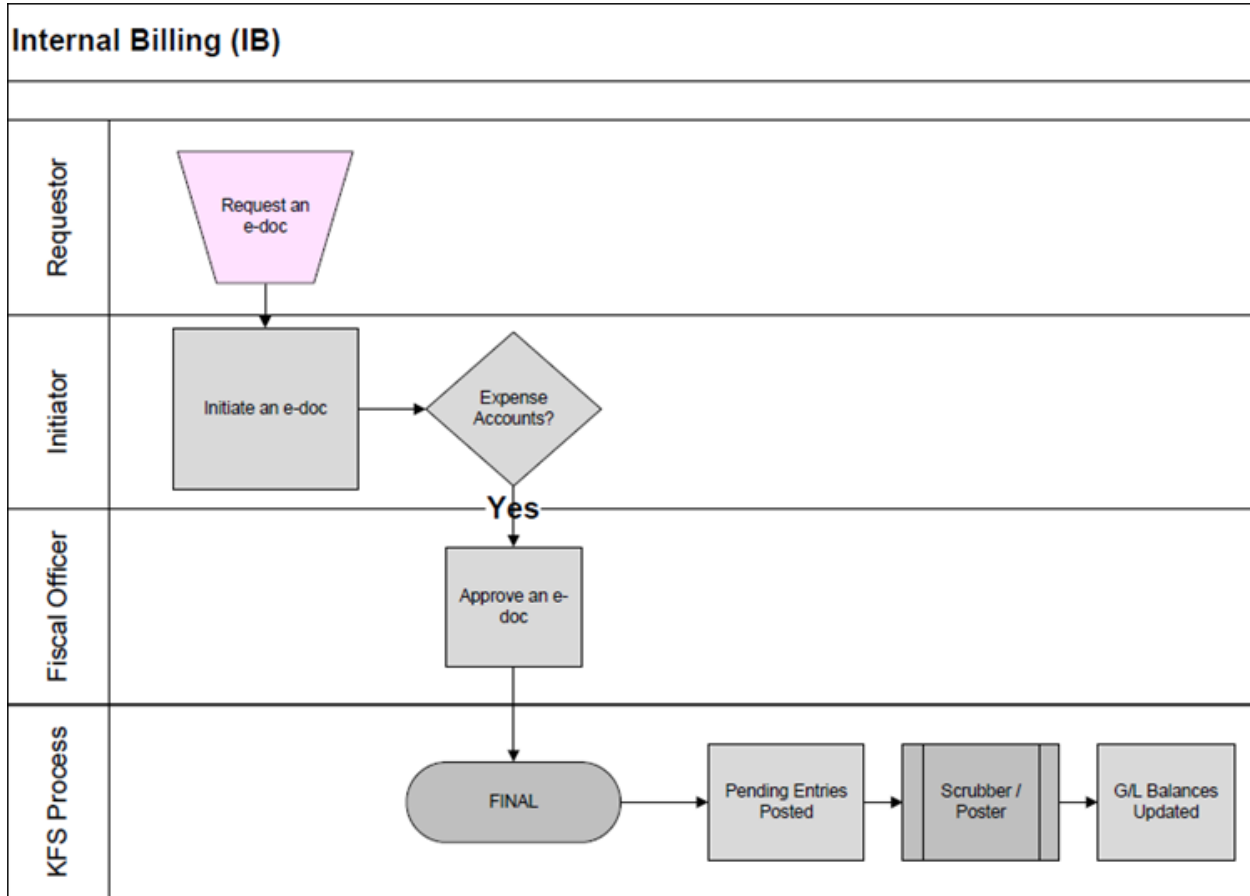
Workflow

Internal Billing (IB)

Requestor	Request an e-doc
Initiator	Initiate an e-doc → Expense Accounts?
Fiscal Officer	Yes → Approve an e-doc
KFS Process	FINAL → Pending Entries Posted → Scrubber / Poster → G/L Balances Updated

Figure 5 – Internal Billing e-doc workflow

3. Definitions

- KFS at CU: Chart of Accounts
- KFS at Cornell Glossary
- Old World / New World, Definitions, Helpful Information

4. References

- KFS Basics Tutorials
- Financial Processing, Overview, SOP and tutorial
- Internal Billing tutorial