



FACILITIES MANAGEMENT DEPARTMENT

POLICY: II: 02- Chargeback Billing Procedures

DATED: December 2000

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Procedure Review: Annually

APPROVED: Executive Director of Facilities and Construction: _____

I. PURPOSE

To explain the information used from the types of AiM Chargeback Reports and the related billing processes that properly reimburse and code all recoveries received from customers and their charge/paying orgs from their chargeable work order activity. Some costs recorded in AiM are billed directly from the vendor's invoice to reduce errors. Some billing processes come from non-AiM processes, specifically reimbursements for vehicle trips/chauffeurs and gasoline, and are also briefly referenced in this procedure as part of the billing processes and recovery account coding.

II. DEFINITIONS

- A. **Billing Upload** – Process utilized to upload billing into PeopleSoft Financial System via csv file that allows one JMU organization to charge, or debit, the funds of another JMU organization (org/department). This billing form cannot be used to bill orgs that begin with “8” (local accounts) or “9” (special invoicing). It is used to bill the following: all auxiliary enterprises, which are orgs that begin with “3”, E&G orgs which begin with “1”, grants “5” and capital outlay “7”.
- B. **Chargeback** - Process of reporting, summarizing, and billing the FM labor performed and the materials FM purchased for work request activity. Outsourced labor and materials directly purchased from vendors for work request activity are coded to the organization (org) receiving labor and/or materials directly on the vendor's invoice, so no chargeback reporting or billing is required. When FM is the paying org, no chargeback is necessary. The FM org is either directly invoice-charged for outsourced costs or if FM orgs appear on the chargeback billing report, no billing is prepared except for vehicle repair parts where the FM employee was negligible and their org reimburses the FM garage for the repair parts.
- C. **Chargeback billing report** - Provides cost summaries by the charge/paying org codes and by the total of the work request labor hours and labor costs and by the total material costs. The report totals all costs of the completed work requests for the billing period of the chargeback report. A billing period is the calendar month.
- D. **Completed work requests** - All labor hours plus the material costs committed up to the completion of the work requests labor. This means that some purchase orders would not be billed on chargeback. Open purchase orders are billed at a later chargeback billing period under the same work request number or another phase of the original work request number, but no

additional labor charges are incurred.

- E. Not marked chargeback - If the E&G org is a FM org, no charges are billed, with the exception of orgs: special projects (100257), Lockshop (100238), Recycling and Waste Management (100259), and the Power Plant (100264).
- F. Recovery account codes - The JMU accounting system requires credits for services provided by JMU employees and reimbursements for supplies and materials be properly coded to six-digit recovery account codes.
 - 1. The first two digits of the account code are always "1 1" for labor recovery from E&G orgs (begin with "1"), "11" and "12" for FM labor charged at the full costing rate, which applies to orgs that begin with 3, 5, 7, 8, and 9. "12" for costs associated with labor of central fleet trip vehicles and "13" for supplies/material and gas reimbursements.
 - 2. If the recovery/reimbursement is from another state agency, such as VDOT, the third and fourth digits of the six-digit code will always be "98". If the recovery is from an auxiliary enterprise, the third and fourth digits will always be "96".
 - 3. If the recovery is from any source other than another state agency or an auxiliary enterprise, the third and fourth digits will always be "99".
 - 4. Generally, the last two digits of recovery account codes are "00".

III. RESPONSIBILITIES

- A. Executive Director of Facilities and Construction - Responsible for overall implementation of this procedure.
- B. Business Process Analyst - Responsible to ensure that all financial, administrative, and customer service practices are appropriately followed.
- C. Budget Manager - Reviews and approves the chargeback billing prior to the forwarding of upload or other billing processes to JMU Financial Reporting. Reviews work request charges to FM's special projects org 100257, Parking Lot, and Auxiliary Reserve accounts.
- D. Accounting Technician - Generates/reviews/audits the chargeback billing reports. Notifies and requests work request corrections from the Work Control Center. Prepares all types of customer billings. Mails copies of correct chargeback billing reports or other billing documentation to customers.
- E. Work Control Center, Program Support Technician - Correct errors on chargeback billing, as requested.
- F. Operations Directors and Managers - Review all information on the work requests for correctness and completeness. Review copies of the chargeback billing reports for work requests where FM org. codes are the "paying orgs: Warehouse (100224), Transportation (100232), Administration/Project Management (100250), Housekeeping (100254), Maintenance (100255), Landscaping (100258), Lockshop (100238), Recycling and Integrated Waste Management (100259) and the Power Plant (100264) are actual paying customers of FM and receive the

customer copy of the Chargeback Billing Report. Upon final review of the billing report(s), directors/managers signature and date of review is required to fulfil audit requirements.

IV. PROCEDURES

A. AiM chargeback billing reports for labor

1. Labor hours completed for work requests received are entered into AiM by the technician or supervisor and are summarized on the monthly AiM chargeback Billing Report.
2. Labor hours are billed at a minimum of 0.2 hours, with increments of 0.1 hours thereafter.
3. Billing is processed using the upload billing file in csv format, the JMU special accounts' billing forms, or the special invoicing to all charge orgs/paying customers.
4. When billing is completed, a copy of the chargeback billing report is mailed to the customer.

5. Chargeback labor breakouts

- a. Labor hours are shown by craft, as each FM craft has a specific chargeback rate and the craft recoveries are credited to three FM budgets: project management labor to Administration org 100250, Motor Vehicle Mechanic and Vehicle Services Attendant, and all Maintenance crafts to Maintenance org 100255, Housekeeping and carpet cleaning to the Housekeeping org 100254, Landscaping to 100258 and chauffeur/trips to the Transportation org 100232. Summer workers have two crafts, one for Landscaping, and one for Maintenance and hours are recovered to 100255 for Maintenance and 100258 for Landscaping.
- b. AiM shows the combination of regular and over-time hours charged. Overtime hours are shown in AiM at 1.334 times the regular craft rate.
- c. A portion, approximately (5%), of only the full costing labor charges is recovered/coded to 129600/129900, non-personnel, because part of these labor rates represents non-labor administrative overhead costs. The remainder, approximately (95%), of the labor hours recoveries are coded 119600/119900 to offset employee personnel costs. This is splitting of the recovery coding is solely an accounting transaction, invisible to the customers who see all labor charged to their org codes and account expenditure codes.
- d. For the E&G customer accounts the recoveries are coded solely to 119900, personnel.

e. Labor Recoveries are coded as follows:

Project Mgmt.-Org 100250-119600-129600	for Auxiliaries "3"
119900-129900	for "5, 7, 8, 9" Orgs
119900	for "1" Orgs

Housekeeping-Org 100254-	119600-129600	for Auxiliaries "3"
Crafts: HSKP, HER	119900-129900	for "5, 7, 8, 9" Orgs
	119900	for "1" Orgs
Maintenance- Org 100255-	119600-129600	for Auxiliaries "3"
Crafts: HVAC, BAS, BST,	119900-129900	for "5, 7, 8, 9" Orgs
Carp, Elec, EPS, OB,	119900	for "1" Orgs
Paint, Plum, REFR, Sign, Util; Sum3		
Motor Vehicle		
Mechanic/ Vehicle Services Attendant.		
	119800	for VDOT MVM Labor
Landscaping-Org 10025	119600/129600	for Auxiliaries
Crafts: LAND, IPM, SUM2	119900/129900	for "5, 7, 8, 9" Orgs
	119900	for "1" Orgs

B. Chargeback Special Reports

1. Stock issued on work orders: stock issue request report and stock issued NOC
 - a. Describes the material issued, cost of the material, organization and account code and references the work request number.
 - b. Customers are billed the weighted average cost of materials.
 - c. These reimbursements are coded as recoveries to the FM Warehouse Complex org code #100224, account codes 139600 for work requests charged to orgs beginning with a "3" and 139900 for work requests beginning with anything other than a "3."
2. Chargeback external cost report for auxiliaries, orgs that begin with "3".

Chargeback external cost report NOC for all other orgs that begin with "1, 5, 7, 8, or 9."

 - a. These costs are charges for: glass/freon/sign material, where the material reimbursements are charged to FM Maintenance, org 100255, and to FM Housekeeping, org 100254, carpet cleaning goes to org 100254, respectively. Also, Garage's state inspection fees where reimbursements go to org 100255 and charges for vehicle mileage and/or chauffeurs where reimbursements go to Transportation, org 100232.
 - b. Carpets are charged on a square foot basis.
 - c. Recoveries are coded as follows:
Glass- 100255-139600/139900;
State inspection fees - 100255-119600/119900;
Carpet cleaning - 100254 — split coded as non-personnel recovery to

129600/129900 -- and split as a labor recovery, to 119600/119900.

3. Vehicle trips - All mileage for central fleet/motor pool vehicles are billed to the non-FM user and there are per mile rates established annually for the different types of vehicles: autos, van, buses, and motor coaches. Whenever a vehicle driver/chauffeur is required, a per hour rate is charged. Customer billing is done by an upload csv to Financial Reporting from AiM and recoveries are as follows:

Vehicle mileage and flat rate fees — 100232-129600/129900

Vehicle chauffeur hours — 100232-119600/119900

C. Gas Billing

1. At the beginning of each month, gasoline costs are calculated based on actual costs for purchasing gas from outside sources with the addition of .15 per gallon. Included are regular unleaded, bio-diesel, and ethanol.
2. Gasoline costs for campus vehicles are generated on a report from the Fuel Focus System that is loaded by work order into AiM via a crosswalk is created annually. This system tracks all gasoline consumption by the use of a key fobs used at all gasoline pumps. The report is broken down by org. numbers. Followed by vehicle number. All internal FM org's are charged and all other campus org's are charged for consumption.
3. Upload csv file is prepared listing the org to be charged and account code 132300. Recoveries are coded to 100232-139900 for org's "1", "5", and "7". If gas is charged to an "8" org. a special billing voucher is prepared. Campus customers receive a copy of the billed transactions.

