



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 recoveries received from customers and their charge/paying orgs from chargeable work order activity. Specific 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 fuel, which are also briefly referenced 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, “4” foundation, “5” and capital outlay “7”.
- B. Chargeback - Process of reporting, summarizing, and billing the FM labor charges and material(s) purchased for work requests. Outsourced labor and materials purchased directly from vendors for work requests are coded to the org directly from the vendor's invoice, therefore, no chargeback reporting or billing is required. When Facilities Management (FM) is the paying org, chargeback is not 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. Vehicle repair costs due to employee negligence will be charged to the responsible shop org.

Chargeback billing report - Provides a cost summary by org codes and total of the work request labor hours/costs and by total material costs. The report totals all costs of the completed work requests for the billing period. A billing period is the calendar month.

- C. Completed work requests for billing - Labor hours plus the material costs committed up to the completion of the work request.
- D. No Marked Chargeback - If the E&G org is a FM org, charges are not billed, with the exception of orgs:
 - Special projects (100257),
 - Lockshop (100238),
 - Recycling and Waste Management (100259)
 - Power Plant (100264).

E. Recovery Account Codes - The JMU accounting system requires credits for services provided by JMU employees and reimbursements for 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 beginning with 3, 4, 5, 7, 8, and 9. "12" for costs associated with labor of central fleet trip vehicles and "13" for supplies/material and fuel 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 be "98". If the recovery is from an auxiliary enterprise, the third and fourth digits will 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 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. FM Accounting Staff - Generates/reviews/audits the chargeback billing reports. Notifies and requests work request corrections from the Work Control staff. Prepares all types of customer billings. Sends copies of chargeback billing reports or other billing documentation to customers.
- E. Work Control Center staff – Corrects any errors on chargeback billing, as requested.
- F. Directors and Managers - Reviews information on the work requests. Reviews the chargeback billing reports for work requests for FM org. codes consisting of:

- Warehouse (100224)
- Transportation (100232)
- Administration/Project Management (100250)
- Housekeeping (100254)
- Maintenance (100255)
- Landscaping (100258)
- Lockshop (100238)
- Recycling and Integrated Waste Management (100259)
- Power Plant (100264)

Upon final review of the billing report, directors/managers electronic signature and date of review

is required to fulfil audit requirements. Records of the reports with signature verification will be kept for a minimum of five years.

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 summarized on the monthly AiM chargeback billing report. Timecards are to be approved/posted by an employee's supervisor or manager.
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 charge orgs/paying customers.
4. When billing is completed, a copy of the chargeback billing report is mailed customers.
5. Chargeback labor breakouts
 - a. Labor hours are shown by craft, as each FM craft has a specific chargeback rate. 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.
 - Chauffeur/trips to the Transportation org 100232.
 - Summer workers have two crafts, one for Landscaping, and one for Maintenance. Hours are recovered to 100255 for Maintenance and 100258 for Landscaping.
 - b. AiM reports the combination of regular and over-time hours charged. Overtime hours are shown in AiM at 1.334 times the regular craft rate.
 - c. Approximately 5% of only the full costing labor charges is recovered/coded to 129600/129900, non-personnel due in part of the labor rates representing non-labor administrative overhead costs. The remainder of the labor hours recoveries are coded 119600/119900 to offset employee personnel costs. The splitting of the recovery coding is solely an accounting transaction, invisible to the customers who view labor charged to their org codes and account expenditure codes.
 - d. E&G customer accounts recoveries are coded to 119900 (personnel).
 - e. Labor Recoveries are coded as follows:

Project Mgmt.-Org 100250-119600-129600	for Auxiliaries "3"
119900-129900	for "4, 5, 7, 8, 9" Orgs
119900	for "1" Orgs

Housekeeping-Org 100254-	119600-129600	for Auxiliaries "3"
Crafts: HSKP, HER	119900-129900	for "4, 5, 7, 8, 9" Orgs
	119900	for "1" Orgs
Maintenance- Org 100255-	119600-129600	for Auxiliaries "3"
Crafts: HVAC, BAS, BST,	119900-129900	for "4, 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 100258	119600/129600	for Auxiliaries
Crafts: LAND, IPM, SUM2	119900/129900	for "4, 5, 7, 8, 9" Orgs
	119900	for "1" Orgs

B. Chargeback Special Reports

1. Stock issued on work orders: stock issue request report.
 - a. Describes material issued, cost of the material, organization, account code and references the work request number.
 - b. Customers are billed the weighted average cost of materials.
 - c. Reimbursements are coded as recoveries to the FM Warehouse 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".
 - a. Chargeback external cost report for all other orgs that begin with "1, 4, 5, 7, 8, or 9."

These costs are charges for: glass/freon/sign material, where material reimbursements are charged to Maintenance, org 100255, and to Housekeeping, org 100254, carpet cleaning goes to org 100254, respectively. Garage's state inspection fees reimbursements go to org 100255 and charges for vehicle mileage and/or chauffeurs reimbursements go to Transportation, org 100232.
 - b. Carpet cleaning is 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 - Mileage for central fleet/motor pool vehicles are billed to the non-FM user and are per-mile rates established annually for different types of vehicles: autos, van, buses, and motor coaches. When a driver/chauffeur is required, a per-hour rate is charged. Customer billing is accomplished 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. Fuel Billing

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