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POLICY: II:03-Customer Refunds from Billing for Labor and/or Materials  
Procedure Review: Annually

DATED: August 2000  
UPDATED: December 2024

APPROVED: Executive Director of Facilities and Construction



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I. PURPOSE

This procedure defines how labor and/or material costs billed to customers and afterwards questioned are handled; who is responsible for determining if a partial or full refund is made and for procedurally handling the refund.

II. DEFINITIONS

- A. Agency transaction voucher (ATV) - The state accounting document and FM billing form that allows one JMU organization to charge, or debit, the funds of another organization's account. This form is used to refund the account originally billed by reversing the original transaction, stating the work order number and the accounting transaction voucher number of the prior debit.
- B. Chargeback Billing - The process of reporting, summarizing, and billing FM labor, materials, and external charges for work order activity, generally on a monthly basis. When charges occur to the FM accounts, chargeback billing does not occur. An upload is the sent to Financial Reporting for billing transactions.
- C. Chargeback Report – The report sent to customers on a monthly basis that reports labor, materials and external charges to a customer's account(s). When the decision is made to refund a customer's account previously billed, a credit is shown on the chargeback report with the other work order charges, reducing that month's chargeback billing. This ensures the accuracy of customer credit history.

III. RESPONSIBILITIES

- A. Work Control Coordinators – Responsible for reviewing questions related to work order charges, following up with the appropriate associate(s) related to labor, material, and/or external charges in question. Approved customer refunds are processed, as documented by the Billing Charge Corrections form for customer refunds.
- B. Technicians, Supervisors, Managers and/or Warehouse Supervisor - Responsible for further researching work order charges and providing additional information to Work Control Coordinator(s) if a full or partial refund is warranted.
- C. Budget Manager - Responsible for review of the chargeback report to ensure work order charges are accurate.
- D. Warehouse Staff – Responsible for stock returns.

#### IV. PROCEDURE

When a customer has a question regarding work charged to an account, the following process is in place.

- A. Customer contacts Work Control Coordinator(s). This contact may be in the form of an email or phone call.
- B. Charges are researched. If all the information is accurate, the customer is contacted with additional information regarding the charges.
- C. If the work order is researched and reimbursement to an account is needed, the following process is in place.
  - a. Labor charges
    - i. Work Control Coordinators back out the labor, corrects the account, re-enters the labor to the correct account. This is done through a timecard adjustment.
  - b. Purchase Card and Purchase Orders
    - i. Work orders that have reimbursement of purchase card purchases/purchase orders require a copy of the small purchase credit card record/purchase order.
    - ii. Accounting Technicians back out the purchase(s), and routes paperwork to Work Control.
    - iii. Work Control backs out labor, corrects the account, re-enters the labor with the correct account. Work Control then sends the paperwork back to the Accounting Technician.
    - iv. The Accounting Technician re-enters the purchase card disbursement/purchase order to the correct account. ATV's are sent to the customer if the charge has already been processed to an incorrect account.
  - c. Storeroom Materials
    - i. Work orders with storeroom materials charged are sent to the Storeroom first to back out the materials
    - ii. Storeroom staff then sends the Billing Charge Correction form to Work Control to correct the account.
    - iii. Storeroom staff re-enters materials to the work order with the correct account.
  - d. External Charges
    - i. External charges are backed out and re-entered with the correct account by Work Control staff.

The information required for approving and documenting the refund(s) is captured on the Billing Charge Correction form. Work item(s) are completed, initialed, dated and the form is returned to the Work Control Center for record keeping purposes.

# Billing Charge Corrections

Work Order # \_\_\_\_\_ Phase \_\_\_\_\_

Org originally charged \_\_\_\_\_

Org to charge correctly \_\_\_\_\_

**REVERSALS:**

	ITEM	DATE	INITIALS
1	Store Room Material Reversed		
2	Credit Card Charges Reversed		
3	PO Charges Reversed		
4	External Charges Reversed		
5	Labor Reversed		

**RETURNS:**

	ITEM	DATE	INITIALS
1	Labor Re-Entered		
2	External Charges Re-Entered		
3	Store Room Material Re-Entered		
4	PO Charges Re-Entered		
5	Credit Card Charges Re-entered		

ATV sent		
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