

PN 3.057
(Revised)

CHARGEBACK POLICY

A chargeback is an expenditure transfer between two internal departments or cost centers for goods or services provided by one department to another. An internal department or cost center is specified by a Financial Records System (FRS) account number. Goods or services provided to anyone without an FRS number would be external and are not covered by this policy (see external billing policy). The primary purpose of the chargeback is for a department to recoup costs for providing goods or services to another department when these types of expenditures are not provided for through the University's normal budgeting process.

The charging department will provide an estimate of costs to the user before provision of goods or services. The charging department will then furnish the user a detailed invoice once the service is complete or the goods are delivered. At the close of the month the charging department shall provide the General Accounting Office with a summary list of charges for the month by the ten digit FRS account number and shall include a brief description of the goods or services, encumbrance number (if applicable), and the total dollar amount to be charged for the month.

Certain University events may be exempt from any application of chargebacks. Individuals and/or groups may request an exemption from charges by submitting a request in writing sixty days before the event is to take place. This request must be forwarded to the Executive Committee by the appropriate vice president. Exceptions to this policy may be made by the President and/or designee. Homecoming, Career Day, Commencement, Summer Planning, and Parents' Weekend have been granted exemption from chargebacks.

The chargeback policy manual details the specific chargeback policies for each charging department.

(Internal)