INTERDEPARTMENTAL INVOICE POLICY

Policy Statement

In the normal course of university business, transactions will be made that do not involve outside parties. Transactions between university departments should be processed on interdepartmental invoices.

Reason for Policy/Purpose

This policy is required for the effective communication of university policy regarding interdepartmental transactions.

Who Needs to Know This Policy

All department budget directors at The University of Southern Mississippi.

Website Address for this Policy

www.usm.edu/institutional-policies/policy-adma-fin-006

Definitions

Policy/Procedures

Transactions between university departments should be processed on interdepartmental invoice.

REQUIRED FIELDS
Mark the “Original” box in the top right corner of the invoice in red ink. This allows the Controller’s Office to distinguish between which invoices should be processed and which are duplicates. Only one copy should be submitted to the Controller’s Office.

Provide the information for the departments involved on the “CHARGE” and “CREDIT” spaces at the top of the form. This allows for verification of budget strings at the bottom of the invoice. It also lets the processor of the invoice know who to contact if there is a question.

An adequate description should be entered in the “Description of Goods or Services” box. For transfers of funds, acceptable descriptions include “Transfer to cover expenses from PO #...” or “Transfer to cover June salary for …” Unacceptable descriptions include “Transfer of funds” or “Transfer to cover expenses.”

The full budget string for each department involved should be provided in the appropriate “Charge” or “Credit” section at the bottom of the invoice.

The account code should also be provided with the budget string. For a list of valid expense codes, go to www.usm.edu/controller/chart-accounts.

The dollar amount should be clearly displayed along with the budget string. The total debits and credits should be equal.

An authorized signature is required on at least one side of the transaction. A date is also required.

If the invoice involves a grant (any budget string with a fund code beginning with 16), Sponsored Program Administration must review and approve the invoice before it can be processed.

Only in rare circumstances can a revenue account code (beginning with 4) be used on an interdepartmental invoice for general fund budgets (beginning with 10).

Interdepartmental invoices are used to

- process transfers of funds or reimburse expenses between budget strings
- For re-charge center, bill on-campus departments for goods or services.
- Correct error in processing the original charges
- Process cost transfers on grant budgets (pending approval from SPA)

Do not use the interdepartmental invoice to

- transfer funds between categories in a single budget. (Use a Budget Revision Form instead for fund codes beginning with 10, 12 or 13);

**Review**
The Associate Vice President of Finance/Controller is responsible for the review of this policy every four years (or whenever circumstances require immediate review).

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**Forms/Instructions**

Interdepartmental invoice can be found at [http://www.usm.edu/controller/forms-0](http://www.usm.edu/controller/forms-0)

Budget Revision Form available at [http://www.usm.edu/budget-tax-compliance/forms](http://www.usm.edu/budget-tax-compliance/forms)

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**Appendices**

N/A

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**Related Information**

N/A

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**History**

11/1/11: Formatted for Institutional Policies website
02/20/13: Formatted for template. Minor editing for punctuation and word usage throughout.

**Amendments**: Month, Day, Year – summary of changes
Authorization

INTERDEPARTMENTAL INVOICE POLICY
ADMA-FIN-000-006

As the Responsible Officer, I have reviewed this policy and believe it represents the current policy.

[Signature]

Responsible Officer

3-13-13

Date