Baylor University

ignite

Intercompany Transactions



OBJECTIVES

Today, we will cover:

- Understand fundamentals, and terminology related to Intercompany
- Understand Intercompany roles
- Overview of the Intercompany process
- Requesting an Intercompany transaction
- Common issues & examples

What is Intercompany and what is it used for?

Intercompany Accounting

- ❑ Subledger to the General Ledger
- ❑ Allows for interdepartmental billing
- ❑ Allows units to request funding transfers
- ❑ Allows for charging expenses to PPM projects

What Intercompany is not:

- ❑ Not used for corrections

Ignite Transaction Types

1. **Internal Billing** - Used when charging another department for goods or services. Includes charges to PPM projects.
    a) If charging a project, the POET(AF) information is required. After submission, the transaction flows to Payables and Receivables if a project is involved.

2. **Funding Transfer** - Used when transferring funds from one unique pool of money to another. After submission, the transaction flows directly to the General Ledger.

Transaction Examples

Internal Billing:

- BU Police department provides services for Athletic events
- Rental of Ferrell Center for University events
- Supplies from the Chemical Stockroom in Arts & Sciences are used for research and are charged to a project

Funding Transfer:

- To fund a newly created Project in Faculty Funds PPM
- One Department “sponsors” a banquet hosted by another
- Transfer funds to cover year-end expenses

Terminology

Internal Billing

- A unit requests goods or services from another who provides those goods/services at an agreed-upon amount.

Receiver

- The unit that requests and receives the goods/services/funds. They will be charged by a debit to a distributed cost account (ie, 980XX)
- Receives funds in a funding transfer

Provider

- The unit that provides the goods/services/funds. They will create the Intercompany template to bill the Receiver, and will receive credit in a distributed cost account (ie, 980XX)
- Provides funds in a funding transfer

Life of an IC Transaction

1	2	3	4
Receiving entity requests goods/services or funding (out of the system) at an agreed-upon rate or amount	Providing entity submits I/C Template request to Box	IC Accountant coordinates needed Budget adjustments, and creates the transaction in Ignite	Posted transactions are monitored by Providing and Receiving entities

Policy and Procedures

- Include POET/AF information if a PPM project is being charged.
- No in-system workflow approval. The request for goods or services by the Receiving Entity serves as the approval.
- Provider should obtain COA or POETAF information before providing goods/services in order to timely bill Receiver.
- Support for transactions must be provided with the Intercompany template.

Requesting an Intercompany Transaction

Templates

Internal Billing: Used to charge another department for goods or services. Includes charges to PPM projects, via Project Invoice. POET(AF) must be provided in the specified column in the template in order for charges to flow to Projects.

Funding Transfer: Used to transfer funds from one unique pool of money to another.

Example Template- Internal Billing

Internal Billing Intercompany Template

Fiscal Year: 2026

Providing Entity:
Division:
Approver:
Accounting Month:

Receiving Entity:
Division:
Approver:

Does transaction Balance? TRUE

Batch Description:

* The 98XXX account utilized should be entered for both the Provider and the Receiver

				Receiving Entity COA (Expense string to charge for services received):								Providing Entity COA (Revenue string to credit for services provided):						
	Line Description	Debit Amount	Credit Amount	Entity	Department	Fund	Designation	Account*	Purpose	Activity	POETAF (if charging a project)	Entity	Department	Fund	Designation	Account*	Purpose	Activity
Example	*Rent SUB bowling lanes for department event*	*250.00*	*250.00*	*360*	*36115*	*100*	*1000000*	*98032*	*101*	*0000*		*160*	*16210*	*100*	*1000000*	*98032*	*501*	*4022*
To Add Rows																		
	Total	-	-															

Example Template- Funding Transfer

Funding Transfer - Intercompany Template

Fiscal Year: 2026

Division:
Approver:
Accounting Month:

Does transaction balance? TRUE

Batch Description:

				Expense COA (Transfer FROM):							Revenue COA (Transfer TO:)							Budget Adjustment information (budget offset to the transfers)							
																		If Funding to/from Funds 100-104, or Fund 820, provide the location the funds will be going to/coming from							
	Line Description	Debit Amount	Credit Amount	Entity	Department	Fund	Designation	Account	Purpose	Activity	Entity	Department	Fund	Designation	Account	Purpose*	Activity	Entity	Department	Fund	Designation	Account	Purpose	Activity	Temp or Perm
Example	*Move funds from salary reserve to fund new position for remainder of fiscal year*	*10,000.00*	*10,000.00*	*410*	*41310*	*107*	*1050009*	*94100*	*158*	*0000*	*410*	*41310*	*100*	*1000000*	*57100*	*158*	*0000*	*410*	*41310*	*100*	*1000000*	*91100*	*158*	*0000*	*Temp*
To Add Rows																									
	Total	-	-																						

Funding Transfers: Guiding Principles

- Intercompany Funding Transfers are needed when moving funds between Entities, Funds, or Designations.
- Budget Adjustments are needed in conjunction with Intercompany Funding Transfers involving an Operating fund.
- A Funding Transfer should not be completed if only Operating Funds 100-103 are involved. Instead, a BAT should be submitted.
- The only funds budgeted in Ignite are Funds 100- Operating, 101- Operating- Auxiliaries, 102- Operating- Reserves, 103- Operating- Designated Fees, 104- Operating-Incentivized and 820- Agency-Subsidiary.
    - Budget Adjustments outside of these Funds are not possible or needed.

Transaction Account Numbers

Funding Transfer

- Receiver: Credit 57100 – Funding Received from Other Funds
- Provider: Debit 94100 – Funding Provided to other Funds

Internal Billing

- Receiver: Debit 980XX - Distributed Cost
- Provider: Credit 980XX - Distributed cost

For a Project Charge

- Receiver: Debit 980XX - Distributed Cost
  - Must also include POET/AF
- Provider: Credit 980XX - Distributed Cost

Commonly Used Account Codes

Funding Transfer

- Receiver: Credit 57100 – Funding Received from Other Funds
- Provider: Debit 94100 – Funding Provided to other Funds

Internal Billing

- 98032- Distributed Cost-Facility Rental
- 98035- Distributed Cost-Guest Housing
- 98040- Distributed Cost
- 98042- Distributed Cost-Professional Services
- 98047- Distributed Cost-Supplies
- 98049- Distributed Cost-Contract Services

Box Uploading Instructions

After the transaction is reviewed and approved, the Providing entity will submit the completed Template for processing by uploading to:

- Box: https://baylor.app.box.com/folder/172796185170
  - Folder Name: “Intercompany Requests”
- Use a standard naming convention
  - Providing entity number, transaction type (ICB for Internal Billing, and FT for Funding Transfer), and submission date.
  - *Example: 340-ICB-090122*
- Upload intercompany template and support for transaction

Box Folder Access

Business Officers & Financial Managers are automatically granted access to IC Box folder

Business Officers should request any additional needed accesses to IC Box submission folder

Timeline

- Requests submitted by Friday will be processed the following week
- Following existing Subledger accounting due dates, all requests for a month must be submitted by the 25th
- Intercompany subledger is closed on the first business day of the next month

Pre-Submission Checklist

Please utilize the below checklist to ensure an Intercompany request has been entered properly in the template before submitting to BOX:

1. Confirm the correct type of Intercompany template is being used:
   - Internal Billing v. Funding Transfer
2. Did you include a **Batch Description, and line descriptions**?
3. Was the full and correct COA provided?
4. For Internal Billings, is support provided that shows the request/approval provided by the Receiving entity?
5. If charging a PPM Project, did you include the **POET(AF)** in the template?
6. Is the necessary **support** being uploaded along with the Template?

Common Issues & Examples

Common Issues

- Funding transfers
  - Operating Fund to Operating Fund (funds 100-103) transfers are not needed or processed. Only a BAT is needed.
  - Budget Adjustments
    - Actual expense account
- Account number considerations
  - 980XX- Distributed Cost for internal billing templates
  - Transfer accounts must be used on **both** sides of funding transfers
- Missing support (i.e. email communication)
- Invalid COA segments

Example of Internal Billing

Scenario:

Department rents out bowling lanes at SUB for $250.

- COA 1: 300-30340-100-1000000-98032-501-0000
- COA 2: 160-16210-100-1000000-98032-501-4022

Questions:

- Determine which COA is Receiving & Providing entity
- Complete template to submit to Intercompany Box folder

Example of Funding Transfer

Scenario:

Transfer funds from an Excellence fund to Operating fund- $5,000. Use your entity and a related department.

- COA 1: XXX-XXXXX-124-2200299-94100-152-0000
- COA 2: XXX-XXXXX-100-1050028-57100-152-0000
- COA 3: XXX-XXXXX-100-1050028-93863-152-0000

Questions:

- Determine which COA is Receiving entity, Providing entity, & the needed budget adjustment.
- Complete template to submit to Intercompany Box folder

Intercompany Resources

Intercompany Teams channel

- Monthly closing reminders
- Questions
- Request Templates and Job Aids

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Questions?

