

Intracompany Activity – Policy

Date Effective
January 2018

Responsible Administrator: Vice Chancellor for Finance and Chief Financial Officer
 Responsible Office: Controller’s Office
 Policy Contact: Assistant Controller

Contents

1. Policy Statement 1
 2. Scope 1
 3. Definitions..... 1
 4. Policy 1

1. Policy Statement

This document defines the policies for recording transactions between Vanderbilt entities, wherein one entity is the provider of goods or services and one entity is the receiver of goods or services.

2. Scope

This policy applies to all personnel in the initiation, processing and authorization of Vanderbilt University transactions in the Intracompany Transactions (ICT) module.

3. Definitions

Intracompany transactions – Transactions incurred to record the cost of goods or services exchanged between two Vanderbilt entities where one entity provides a good or service and one receives a good or service. A few examples include:

- Printing services charges an entity for a printing job
- Plant operations charges entities for utilities and repairs and maintenance
- Dining/catering charges entities for meals

Provider – Vanderbilt entity providing a good or service to a receiving entity.

Receiver – Vanderbilt entity receiving a good or service from a providing entity.

4. Policy

- a) The Intracompany account must only be used to record activity between Vanderbilt financial units.

- b) The intercompany account should not be used to record activity between Vanderbilt and an external party; likewise, intracompany transactions and allocations must never be recorded in external revenue and external expense accounts.
- c) Intracompany Transaction Entries to record such activity should be a debit to the user and a credit to the supplier through the intercompany (ICT) module in Oracle.
- d) No transactions should be processed with an intracompany account on one side and an external revenue or external expense account on the other side.