

ADMINISTRATIVE POLICY

Intercompany Transactions Policy

Approval Authority: Vice Chancellor for Finance
Responsible Administrator: Controller
Responsible Office: Finance
Policy Contact: Assistant Controller

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January 2018

**Current version
effective as of:**
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POLICY STATEMENT/REASON FOR POLICY

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.

THIS POLICY APPLIES TO

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

POLICY

- A. The Intracompany account must only be used to record activity between Vanderbilt entities.
- 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. Entries to record such activity should be a debit to the receiver and a credit to the provider.
- 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.

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:

- o Printing services charges an entity for a printing job
- o Plant operations charges entities for utilities and repairs and maintenance
- o 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.

CONSEQUENCES OF NON-COMPLIANCE

The Controller will review ICT transactions at least annually and will reach out to non-compliant departments for further action, which could include removal of access to the ICT module in Oracle.

PROCEDURES

See link below to an ICT example template.

FREQUENTLY ASKED QUESTIONS

N/A

ADDITIONAL CONTACTS

Subject	Contact/Position	Office	Phone
Intercompany Questions	Assistant Controller	Central Finance	(615) 322-7936
Accounting Questions	Assistant Controller	Central Finance	(615) 322-7936

RELATED POLICIES/DOCUMENTS

<https://www.vanderbilt.edu/skyvu/business-unit-approvers.php>

HISTORY

Issued: January 2018
Reviewed: November 2019
Amended: November 2019

Procedures Website

N/A

FAQ Website

N/A