

### Methods for Processing Internal Charges

Internal charges are financial transactions for a specific good or service provided by a Caltech organization or Service Center to another Caltech Organization.

There are three mechanisms for capturing and processing internal charges:

1. **Recharges to PTA** offset costs to Caltech organizations or Service Centers for goods/services provided to other Caltech organizations. Examples include copier usage, facilities usage, photosynthesis lab work and use, etc. These financial transactions are documented and processed solely within Oracle Applications. This type of transaction is created using the Web Internal Charge (WIC) form in the Internal Charges application.
2. **Recharges to UID** are charges to student, employee, or faculty accounts, and are referred to as *Personal Internal Charges* (PICS). Accountability for this type of charge belongs to the Bursar. Not all Internal Charges application users will have access to create PICS.
3. **Peripheral System Charges** are related to revenue realized by Caltech organizations for providing goods/services where the financial transactions are handled within third-party software applications that are not connected to Oracle. These financial transactions must be loaded into the Oracle Grants Management (OGM) module via electronic files. Examples include Point of Sale (POS) transactions from the Caltech Bookstore, Post Office, Campus Card, Physical Plant, Wired, Telecommunications, Library, Graduate Housing, and Undergraduate Housing charges.

This documentation will focus on recharges to a PTA using the Internal Charges application.

### Transaction Matrix

Transaction Type	Process
Service Center Organization recharge to Division/Department for goods or services	Web Internal Charge (WIC) form - Recharge to POETA
Service Center Organization recharge to Personal Account for goods or services	Personal Internal Charge (PIC) form - Recharge to UID
Electronic feeds from Service Center Organization (Bookstore, Mail Services, Telecommunications Office, Campus Card Systems, Wired, Library, Post Office, Physical Plant, Grad and Undergrad Housing)	Peripheral System feeds to Oracle
Transferring expenditures from one account to another (where the original expenditure was recorded in Oracle)	Cost Transfer Application
Transferring funds from one PTA combination to another	Request to the appropriate Financial Representative based upon the fund type

### Internal Charge Accounting Information

There are two types of Caltech service centers who use the internal charge process:

1. **Profit-Oriented** are Caltech service centers who earn revenue as a means of supporting, operating, and sustaining their business and organization.
2. **Non-Profit Oriented** are Caltech service centers who simply recover the cost(s) of providing goods/services.

Internal charge financial transactions generated by profit-oriented service centers are transferred to Project Revenue accounts in Oracle Grants Management (OGM) and are then posted to Oracle General Ledger (GL). The cost(s) and any realized profit associated with goods or services provided are posted as credits to the service center's revenue/income account in OGM and are posted as debits to the receiving organization's expense account.

Internal charge financial transactions generated by non-profit-oriented service centers are transferred to Usage accounts in Oracle Grants Management and are then posted to the GL. The recuperative cost associated with the goods/services provided are posted as credits (negative usage) to the service center's usage account in OGM and are posted as debits (positive usage) to the receiving organization's expense account.

The Internal Charge (IC) process includes validation for PTAs and UIDs.

### Examples of Appropriate Use of the WIC Application

1. Charging for Copier/Fax usage.
2. Charging for Lab and Lab Equipment usage.
3. Charging departments to recoup the cost of an event paid for on their behalf.
4. Charging for classes. (i.e., the IMSS Desktop group)
5. Charging for providing Goods or Services. (i.e., Stockrooms)
6. Charging for Computing Usage.

### Examples of Inappropriate Use of the WIC Application

1. Creating a WIC to make a "correction" to one that was previously submitted because the requesting department has now decided that the item should be charged to a different account. This should be accomplished by the requesting department complete a Cost Transfer form and forwarding it to Finance.
2. Using a WIC to "move" expenditures from one PTA to another for the purpose of affecting the available balances on a Project/Award. This should be accomplished by the requesting department completing a Cost Transfer form and forwarding it to Finance.
3. Using a WIC to "give" money to another department. This should be accomplished by sending an email to Finance requesting that they do a funds transfer. You must provide them with the "From" and "To" PTA as well as the dollar amount.

## Recharges to PTA Scenario

The Photosynthesis Lab has agreed to perform synthesis analysis for a lab in Engineering and Applied Science.

1. The lab performs the service.
2. A WIC is created for the associated charge.
3. The WIC is submitted and inserted into the Internal Charges (IC) table.
4. During nightly processing, the valid IC transactions are interfaced to Oracle Grants Management (OGM).
5. The transactions are costed and then interfaced to General Ledger (GL).

## Integration of Internal Charges Application and Oracle Application

