Summary of Charge Back Procedure

Background

The College provides services such as postage, printing/duplicating, paper and envelopes, and parking cards to the various departments operating within the College. The expense for these services is “charged back” to the departments on a monthly basis. This process varies depending on the type of service provided and the reports or source documents available.

Problem Statement

In the past the sum of these items have been budgeted and charged to the VP cost centers, and others have been charged to specific departmental cost centers and grants. Additionally, some types of charges have been charged only to grants and agencies, but not to General Fund cost centers. For budgeting and reporting, as well as grant compliance purposes, it is important that this process is consistent.

Procedural Solution

In order to develop consistency in our charge back process, all internal charge backs will be applied to specific cost centers as specified by MCC managers/requestors. Appropriate activity numbers have been assigned for each type of chargeback type and are as follows:

- **Printing and duplicating**: 23550
- **Postage**: 25430
- **Toner**: 2352
- **Paper & Envelope charges**: 23520
- **Pack Cards**: 23520

**Printing**

Currently, users order a print job by utilizing a requisition process within the “Printing/Duplicating Application”. Users enter an account number on this requisition. The requisition totals are automatically calculated based on the type of paper used, size, color, special finishing, etc. and entered on the requisition within the application. On a monthly basis, the Accounting Department performs a download from the application of all the requisitions completed within the previous month and creates a journal entry upload based on the account numbers provided on the individual requisitions.

**Postage**

Postage charges are currently being charged back to individual/departmental cost centers on a monthly basis. The mail room has assigned a mail code to each department then sends the total dollar amount of postage (metered, bulk mail, business reply, express mail and UPS) used for each mail code to the Accounting Department on a monthly basis. Accounting then prepares a journal entry upload that includes a line item for each individual department (per mail type) based on the information provided by the mail room.
**Toner**

Toner charges are ordered from Office Depot/Staples through an automated process that keeps track of the toner level in each individual printer. When the toner level is getting low, the toner is automatically drop shipped to the appropriate department. Each individual printer has been assigned to a specific cost center based on the department/location. When a toner cartridge has been drop shipped, Office Depot/Staples then charges the college’s purchase card based on the cost center information assigned to that specific printer. All toner charges are posted to the GL monthly through a journal entry upload of purchase card transactions.

**Paper & Envelopes**

Paper and envelope charges are charged to the account number given to the mail room at the time these supplies are ordered. The mail room attendant writes this account number on each request slip. These slips are then forwarded to the Accounting Office on a monthly basis. The totals for each account number are entered on a worksheet along with the description of the item entered and the amount of each item. The charges are then posted to each account number.

**Park Cards**

Park card charges are charged back monthly to the account number given to Cashier’s Office at the time the order for the cards is made. Once the charges are received from the Cashier’s Office, Accounting prepares the journal entry in the general ledger system. There are not always charges each month.