

# Northern Kentucky University Interdepartmental Bill and Recode Procedure

## Responsibility

The account responsible person/principal investigator (PI) is designated as the individual who is fully responsible for the proper management of each fund center/internal order/grant. The account responsible person /principal investigator is expected to fulfill this responsibility by:

- Approving charges or activities used for recording the expenditures/revenues or designating an authorized alternate to the responsible person with authority to approve all such charges. (Grant responsible person will always be the PI.)
- Reviewing the monthly accounting reports on a timely basis to ascertain the propriety of all entries made in SAP.
- Initiating any necessary corrections and/or appropriate transfers, consistent with this procedure statement.

## Definitions

- A recode is an after-the-fact reallocation of costs or revenue, either salary or non-salary costs, to one fund center/internal order/grant from another fund center/internal order/grant or a reclassification of charges (commitment item/gl) within a fund center/internal order/grant. There are four types of recodes.
  - Revenue—deposits that require a correction
  - Labor--Corrections made to assure that payroll records accurately report services actually performed for a specific purpose
  - Procard—Corrections made to charges incurred on a University procard.
  - Other—all other charges not related to salary, benefit, procard or revenue transactions.
- An interdepartmental billing (IB) is a charge to a University or Foundation cost center/grant/internal order for a service provided by another University or Foundation cost center/grant/internal order. The department providing the service initiates the IB workflow.

Examples of proper use of the IB:

- Student Union equipment rental
- Sponsorship of campus event

Examples of improper use of the IB:

- Purchase order processed to the wrong account number (This is a recode.)
- Reimburse a department for a shared expense (This is a recode.)

## Procedure

Recodes--Initiate a recode request for procard charges or expenses not related to payroll through the MyNKU FI request tab. Instructions for completing this request can be found at <http://mynkuhelp.nku.edu/tabbased/firequest.html>.

- To be considered allowable, all recodes must be timely, documented and explained in detail, adhere to the sponsor's standards if applicable, and have all appropriate approvals. Recodes should be prepared and submitted as soon as the need for the correction is identified, no later than 60 days from the posting date in SAP. During the year-end closing process the recode deadlines will be published on the Comptroller's office website <https://inside.nku.edu/comptroller/Closing.html>.
- Listed below are some examples of recode requests submitted through workflow that will be **rejected or returned to the initiator for correction**.
  - Adequate documentation is not provided with the request. Proper documentation includes a thorough description of the error. Simply saying to recode \$x.xx from one gl account to the other in most cases is not sufficient justification.
  - The sole purpose of the recode is to cover a budgetary deficit. A budget transfer is required **not** a recode.
  - The sole purpose is to "use up" unspent funds in awards/grants etc. This is not allowed.

For labor and benefit related reallocations please follow the procedures on the HR website and submit the following form. [http://hr.nku.edu/content/dam/human-resources/toolkit-docs/Labor\\_Distribution\\_Discrepancy\\_Request\\_.pdf](http://hr.nku.edu/content/dam/human-resources/toolkit-docs/Labor_Distribution_Discrepancy_Request_.pdf)

Recode requests related to deposits made at the Cashier's window in Student Account Services should be submitted to [studentaccounts@nku.edu](mailto:studentaccounts@nku.edu). Recode requests related to ACH deposits should be sent to [comptroller@nku.edu](mailto:comptroller@nku.edu).