Administrative Division FINA Administration and Finance		Policy Number FINA 2.06
Policy Title Internal Charges		
Scope of Policy USC System	Date of Revision June 23, 2025	
Responsible Officer Executive Vice President for Administration and Finance and Chief Financial Officer	Administrative Office University Finance – Controller's Office	

Purpose

University departments regularly transact with each other during their operations. This policy outlines the appropriate method to account for activity between departments.

Definitions and Acronyms

Contra Expense: An account in the general ledger that is paired with and offsets a specific expense account.

Internal Charge: A transaction whereby one University department provides goods or renders services to another University department (e.g., printing, information technology, etc.), formerly known as an Intra Institutional Transfer (IIT). Internal charges are only used when charging for goods or services based on a Board-approved rate and will not be used to transfer funds or correct errors.

Policy Statement

The department providing the goods or services is responsible for initiating the internal charge. Internal charges are processed in the financial system as regular online journal entries (JEs). The use of a JE streamlines the process by eliminating the need to issue a paper check or make a bank deposit. The JE will capture the following offsetting account codes:

- 5XXXX Expense Account: Used for the department receiving the goods or services and will reflect a debit/positive value.
- 6XXXX Contra Expense Account: Used for the department providing the goods or services and will reflect a credit/negative value, acting as departmental revenue for financial reporting purposes.

Adequate documentation will be attached to support the JE, including a department created invoice, memo, spreadsheet, etc. Internal charge JEs do not require a copy of the general ledger balance to be submitted. In addition, entering "Internal Charge" in the JE description will speed up the approval and posting process.

All rates must be requested through the University's standard user fee solicitation process and approved by the Board of Trustees, with appropriate documentation maintained by departments to support transactions and rate setting.

Procedures

Refer to policy **FINA 1.21 Procedure – Recharge Centers** and the Controller's Office webpage for additional guidance on internal charges, including the proper account code combinations for specific charges. Questions may also be sent to the Controller's Office at controller@sc.edu.

Related University, State, and Federal Policies

FINA 1.00 Chart of Accounts
FINA 1.21 – Sales & Services Funds (E Funds)

History of Revisions

Date of Revision	Reason for Revision
October 10, 2006	Policy creation
February 17, 2015	Policy revisions due to departmental reorganization and name changes
September 20, 2024	Language, content, and formatting updates commensurate with streamlining process in general ledger
June 23, 2025	Added reference to the standard user fee solicitation process.