

# INTERNAL CHARGING POLICY

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## 1 PURPOSE

- 1.1 This policy outlines how internal charging will be managed at CQUniversity.
- 1.2 This policy forms part of the University's financial management practice manual, which contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2019](#) (Qld), by ensuring the allocation and calculation of internal charges and the circumstances that give rise to these charges.

## 2 SCOPE

- 2.1 This policy applies to internal charges raised by individual business areas of CQUniversity.
- 2.2 This policy does not apply to charges made by commercial operations.

## 3 POLICY STATEMENT

### Internal charging

- 3.1 To ensure the accurate reporting of expenditure, charges for internal services must be allocated to the business area consuming the service where it is administratively feasible to do so.
- 3.2 The business area is responsible for raising the charge to apply all relevant fees and charges.

### Allocation of internal charges

- 3.3 An internal charge will only be applied where it is administratively justified, and it can be shown that:
- the charge amount exceeds the costs of processing the charge
  - raising the charge will encourage efficiency in the consumption of goods and services
  - it is required to ensure the proper allocation of costs to activities or funds, and
  - it is required to enable the business area to reflect the full costs of activities or use of funds.

## Calculating an internal charge

- 3.4 Internal charges will be calculated on a cost recovery basis either through the reallocation of the actual costs incurred or through the application of a justified standard charge.
- 3.5 All charges attributed to a business area must be authorised in advance. This can occur through the relevant approving officer authorising the transfer of the expense or by having previously ordered goods and services for which it can reasonably be expected that a charge will apply.

## 4 RESPONSIBILITIES

### Compliance, monitoring and review

- 4.1 The Chief Operating Officer and Deputy Director Financial Accounting and Operations are responsible for implementing, monitoring, reviewing and ensuring compliance with this policy.
- 4.2 Compliance and monitoring will be assessed through monthly balance checks and quarterly analytical reviews.

### Reporting

- 4.3 No additional reporting is required.

### Records management

- 4.4 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.5 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email [records@cqu.edu.au](mailto:records@cqu.edu.au)).

## 5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

## 6 RELATED LEGISLATION AND DOCUMENTS

[Authorities and Delegations Register](#)

[Financial Accountability Act 2009](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

## 7 FEEDBACK

- 7.1 Feedback about this document by emailing [policy@cqu.edu.au](mailto:policy@cqu.edu.au).

## 8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Council
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Administrator	Chief Operating Officer
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Notes	This document was formerly known as the Internal Charging Policy (FMPM) (last approved 31/07/2017).