

# INTERNAL CHARGING POLICY (FMPM)



## CONTENTS

1	PURPOSE.....	1
2	SCOPE.....	1
3	POLICY STATEMENT .....	1
	Internal charging .....	1
	Allocation of internal charges.....	2
	Calculating an internal charge .....	2
4	RESPONSIBILITIES .....	2
	Compliance, monitoring and review.....	2
	Reporting.....	2
	Records management.....	2
5	DEFINITIONS .....	2
	Terms and definitions.....	2
6	RELATED LEGISLATION AND DOCUMENTS.....	2
7	FEEDBACK.....	2
8	APPROVAL AND REVIEW DETAILS.....	3

## 1 PURPOSE

- 1.1 The purpose of this policy is to provide information on CQUniversity's process of internal charging between responsibility centres, and the process of allocating and calculating internal charges and the circumstances that give rise to these charges.

## 2 SCOPE

- 2.1 This policy applies to all internal charges raised by individual responsibility centres of the University (with the exception of charges made by going concerns) and to all staff responsible for the recording, processing, approval and management of internal charges in accordance with the [Delegation of Authority Policy \(FMPM\)](#) and organisational structure of relevant responsibility centres.

## 3 POLICY STATEMENT

- 3.1 The [Financial Management Practice Manual](#) (FMPM) is the University's financial management policy framework. As such, this policy forms part of and must be read in conjunction with the FMPM.

### Internal charging

- 3.2 To ensure the accurate reporting of expenditure, charges for internal services must be allocated to the responsibility centre consuming the service where it is administratively feasible to do so.
- 3.3 The responsibility centre is responsible for raising the charge to apply all relevant fees and charges.
- 3.4 This policy applies to internal charges between responsibility centres, but do not apply to charges made by the University's going concerns, e.g. Student Residences and CQU Bookshops.

## Allocation of internal charges

- 3.5 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 responsibility centre to reflect the full costs of activities or use of funds.

## Calculating an internal charge

- 3.6 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.
- 3.7 All charges attributed to a responsibility centre must be authorised in advance. This can occur through the relevant approving officer or delegate 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 Deputy Director, Financial Accounting and Operations is responsible for managing the implementation of this policy and for ensuring its provisions are adhered to and applied consistently across the University.
- 4.2 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

### Reporting

- 4.3 No additional reporting is required.

### Records management

- 4.4 Staff must maintain all records relevant to administering this policy in a recognised University recordkeeping system.

## 5 DEFINITIONS

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

### Terms and definitions

**Going concern:** University entities that do not receive University funding, e.g. Student Residences and CQU Bookshops.

## 6 RELATED LEGISLATION AND DOCUMENTS

[Delegation of Authority Policy \(FMPM\)](#)

[Financial Accountability Act 2009](#)

[Financial and Performance Management Standard 2009](#)

[Financial Management Practice Manual](#)

[User Charging Policy \(FMPM\)](#)

## 7 FEEDBACK

- 7.1 University staff and students may provide feedback about this document by emailing [policy@cqu.edu.au](mailto:policy@cqu.edu.au).

## 8 APPROVAL AND REVIEW DETAILS

<b>Approval and Review</b>	<b>Details</b>
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Advisory Committee to Approval Authority	Audit, Risk and Finance Committee
Administrator	Deputy Vice-Chancellor (Finance and Planning)
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