FINANCIAL INFORMATION SYSTEM

Recording Internal Revenues & Expense Recoveries in FIS

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UNIVERSITY OF
TORONTO

Topics for discussion

- Why is tracking "internal" versus "external" important?

- Internal Transactions; what are they?

- Examples & Where to Record Transactions

- Internal Transaction Decision Tree

- How is the Internal Revenues/Expense Recoveries Input Screen Accessed?

- Features of the Internal Revenues/Expense Recoveries Input Screen

Why is tracking "internal" versus "external" important?

Key distinguishing factor ➜ *$$CASH$$*

- **"Internal"** revenues/recoveries *REDISTRIBUTE* **cash** already in the University's bank account

- **"External"** revenues/recoveries *ADD* **cash** to the University's bank account

For additional information on the "whys", please refer to the GTFM section: http://www.finance.utoronto.ca/gtfm/revexprec.htm#why

Internal Transactions; what are they?

Criteria to be met for "internal" transactions:

- **General**
  - NO cash implications for UofT; i.e. no cash is deposited, no A/R or A/P is recorded

- **The Posting entry must be**
  - Currency = CDN$
  - Company code = UOFT
  - Business Area = 1000

Following are a couple of transaction examples that meet the Internal Transaction criteria; however, each is processed through a different entry screens in FIS...

Internal Transactions:
Examples & Where to Record Transaction

1. **Internal Revenues or Internal Expense Recoveries**, such as:
   - sale of goods/services between UofT departmental units
   - interdepartmental conference contributions
   - recovery of expenses already paid for (i.e. via invoice, payroll*, etc.) and shared between UofT departmental units

These types of transactions should be recorded using the **Internal Revenues/Expense Recoveries screen** (transaction code ZIR01, document type SI).

Internal Revenues/Expense Recoveries transaction documentation is available at: http://www.finance.utoronto.ca/Assets/Finance+Digital+Assets/qrg/je/intrevexprec.pdf

***NOTE:** Payroll recoveries cannot be processed against HRIS payroll G/L accounts (801XXX range). G/L accounts in the 800XXX range should be used for recovery of payroll expenses.*

Internal Transactions:
Examples & Where to Record Transaction (cont'd)

2. **Corrections or adjustments to information already contained in the FIS system**, such as:
   - correction of tax codes
   - account coding (i.e. FC, CC, G/L, etc.)
   - adjustment of financial information (i.e. prepaid expenses or unearned revenues)
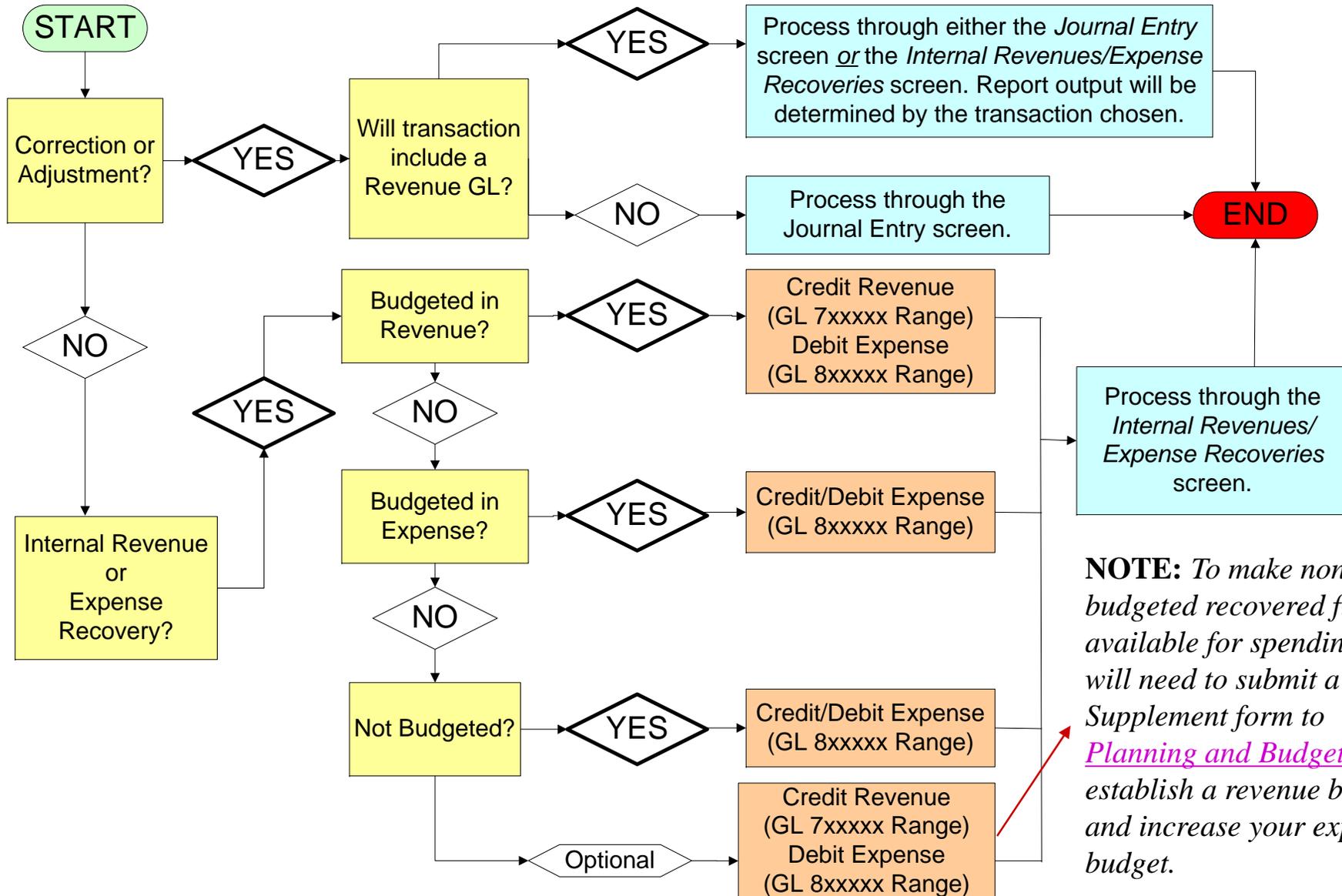
These types of transactions should generally continue to be recorded using the standard **Journal Entry screen** (transaction code FB50, document type SA).

Journal Entry transaction documentation is available at:
http://www.finance.utoronto.ca/fast/qrg/je/create.htm

"Internal" Transaction Decision Tree

When processing "internal" transactions, you need to consider where the activity was originally budgeted/posted and ensure that the transaction is posted the same way.

START

Correction or Adjustment? — YES → **Will transaction include a Revenue GL?**

- YES → Process through either the *Journal Entry* screen *or* the *Internal Revenues/Expense Recoveries* screen. Report output will be determined by the transaction chosen. → **END**
- NO → Process through the Journal Entry screen. → **END**

Correction or Adjustment? — NO → **Internal Revenue or Expense Recovery?** — YES → **Budgeted in Revenue?**

- **Budgeted in Revenue?** — YES → Credit Revenue (GL 7xxxxx Range) Debit Expense (GL 8xxxxx Range)
- **Budgeted in Revenue?** — NO → **Budgeted in Expense?**
  - **Budgeted in Expense?** — YES → Credit/Debit Expense (GL 8xxxxx Range)
  - **Budgeted in Expense?** — NO → **Not Budgeted?**
    - **Not Budgeted?** — YES → Credit/Debit Expense (GL 8xxxxx Range)
    - Optional → Credit Revenue (GL 7xxxxx Range) Debit Expense (GL 8xxxxx Range)

Process through the *Internal Revenues/ Expense Recoveries* screen.

NOTE: *To make non-budgeted recovered funds available for spending you will need to submit a Budget Supplement form to* Planning and Budget *to establish a revenue budget and increase your expense budget.*

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How is the Internal Revenues/Expense Recoveries Input Screen Accessed?

Following the menu path to the input screen is easy; it's located directly below the G/L Account Posting screen (used to process standard journal entries).
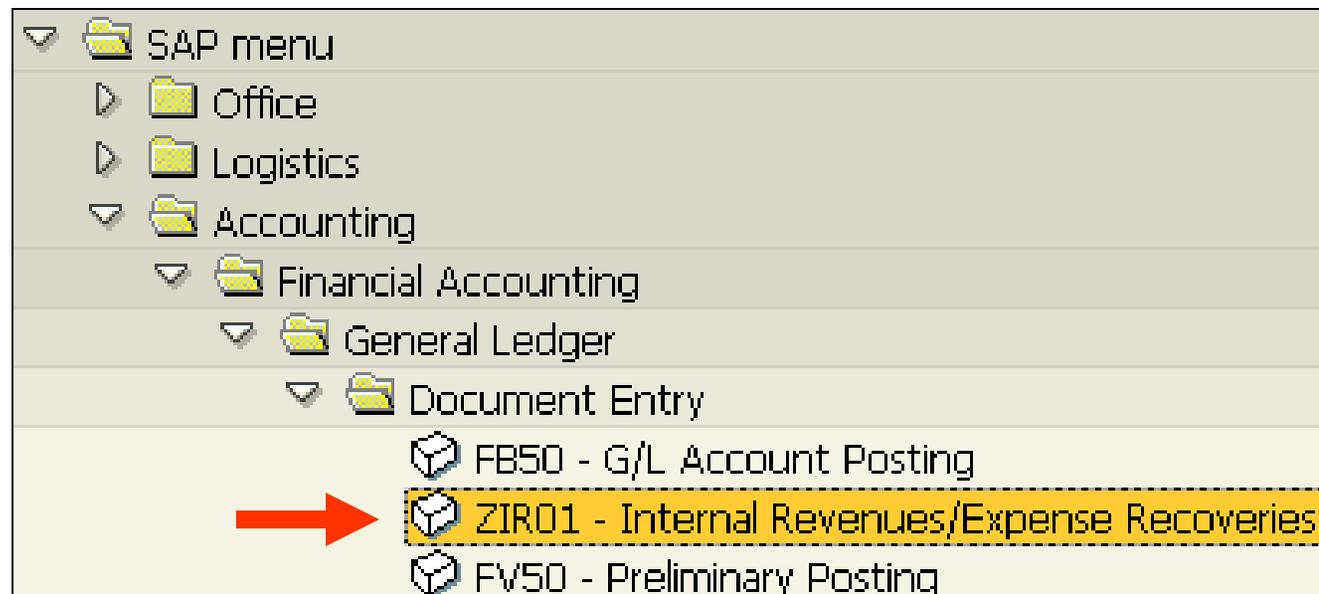
Features of the Internal Revenues/ Expense Recoveries Input Screen

The Internal Revenues/Expense Recoveries input screen has the same look and feel as the standard Journal Entry input screen. Best of all...the screen is self contained; documents are **Held***, **Parked***, **Posted, and Reversed all within the same screen!**

*These documents can also be deleted by clicking on the **Get Held Doc.** or **Get Parked Doc.** button and then clicking on the screen's **Delete** button.

Features of the Internal Revenues/
Expense Recoveries Input Screen (cont'd)

Benefits of new input screen dedicated to Internal Revenues / Expense Recoveries:

- Many fields are defaulted, such as document type, tax codes, etc., which reduces data entry time/errors

- Allows the assignment of a dedicated document type/numbering series (SI/28xxxxxxxx) to track these transactions, thereby removing the requirement to use the "79xxxx" or "89xxxx" series of G/L accounts

Constraints of new input screen:

- Only document type "SI" can be used in this screen

- Only "SI" documents will be displayed when selecting "Get Parked doc"

- If a non-SI document is used in the "post with ref" screen, only the valid line item information will be brought in; i.e. no balance sheet accounts, tax codes will default to j9 or s9, no customer or vendor accounts, etc.

Review

What have you learned?

- The **key distinguishing factor** between "External" and "Internal" revenue/recoveries is **CASH**; i.e. "External" adds cash to the University's bank account, "Internal" redistributes cash already in the University's bank account.

- The **criteria for an "internal" transactions**; i.e. no cash deposited, no A/R or A/P recorded, Company code = UofT, Currency = CDN$,Business Area = 1000.

- **Corrections or adjustments** to information contained in FIS will generally still use the existing standard Journal Entry screen, per slide 7.

- **Internal revenue/recoveries** will use the Internal Revenue/Expense Recoveries screen, per slide 7.

- Location and Features of the Internal Revenue/Expense Recoveries screen.

WEB Documentation & Helpful Links

FIS Reference Guides:
http://www.finance.utoronto.ca/fast/qrg.htm

Financial Forms:
http://www.finance.utoronto.ca/forms/processing.htm

Policy & Documentation:
http://www.finance.utoronto.ca/gtfm.htm

Glossary of Terms:
http://www.finance.utoronto.ca/fast/glossary.htm

Planning & Budget Contacts:
http://www.planningandbudget.utoronto.ca/contact.htm

Planning & Budget Administration
(Key Budget Dates, Budget Transfer/Revision form, etc.):
http://www.planningandbudget.utoronto.ca/budget/administration.htm

Need Help?

http://www.utoronto.ca/ams/help.htm

Help is a facility for all AMS subsystems:

- Use the WEB form found at the above address
- Select appropriate AMS module (e.g., FIS)
- Complete information required on the form
- Click on "**Send it!**" button

FIS mail box is monitored **Monday to Friday**
9:00 a.m. - 5:00 p.m.

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FIS Standard Curriculum Evaluation:
http://www.finance.utoronto.ca/fast/training/fissceval.htm
FAST website:
http://www.finance.utoronto.ca/fast.htm

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