

Policy Name:	Internal Charges for Goods & Services
Originating/Responsible Department:	Financial Services
Approval Authority:	Senior Management Committee (SMC)
Date of Original Policy:	March 2003
Last Updated:	June 2021
Mandatory Revision Date:	June 2022
Contact:	Assistant Vice-President (Financial Services)

Overview and Purpose

The delivery of most goods and services is a necessary component of university support operations and are provided at no cost to departments or support units. There are circumstances, however, where discretionary activities exceeding the normal level of support, result in additional costs being incurred by the department supplying the good and/or service. In order to control consumption and to compensate the provider of the goods and services, charges may be considered where appropriate.

Policy

Internal charges for goods and services must be approved by the Senior Management Committee (SMC) on an annual basis. Internal charges must be based on direct costs (labour and materials) plus a reasonable amount of overhead; no element of profit shall be included in the charge. Additionally, in approving the amount of the charges for goods and services, SMC will consider:

- The purpose for charging for the good or service;
- The consequences of not charging for the good or service; and
- The appropriateness of the amount proposed to be charged.

Scope:

Internal charges for goods and/or services are limited to those departments and their charges approved by the SMC; principally Facilities and Management Planning, Information Technology Services, Instructional Media Services, Campus Safety Services, University Communications and University Services.

The policy does not apply to sales of goods and services by Ancillary departments.

The policy does not apply to transfers of expenditures between funds.

Procedure:

Departments currently having SMC approval for internal charges, must submit annually (March 1 for charges effective in the new fiscal year) a list of, and rationale for, charges to the SMC. Departments wishing to initiate charges for the internal supply of goods and services must first submit a list of and rationale for, such charges to the appropriate Vice-President, or President (i.e. that position having oversight of departmental operations) and the AVP Financial Services for approval prior to submission for SMC for final approval.

Departments must be able to provide their goods and service via the University's purchasing system (eShop). Once approved, itemized charges must be published on the departmental website.

For transfers of expenses between funds (e.g. cost sharing for a major purchase, charges to research accounts for shared equipment maintenance, one-off sales of goods and/ or services, etc.) a request to transfer funds should be made to your research fund administrator, or the Controller's office for operating fund transactions. A journal entry will be made to account for these types of transactions.

Exceptions:

In some circumstances, exceptions to charging for goods and/or services may be required. These exceptions must be authorized by SMC.

Roles and Responsibilities:

The Assistant Vice-President (Financial Services) is responsible for the administration and renewal of this policy. Each individual department is responsible for implementing the approved prices and collecting payment from internal users.

Contact: AVP Financial Service

Related Policies:

Procurement

Alteration, Repair and Maintenance of Campus Buildings and Grounds

Golf Carts in Tunnels (as it speaks to cart maintenance)

Acquisition of Wireless Cellular Services

Telecommunications Cabling and Wiring

Desktop and Laptop Computer Equipment

Conference Services Space Booking Policy