1. INTRODUCTION

These policies and procedures provide guidance for processing Intra-Entity Transactions and Inter-Entity Transactions, including Joint Agreement and billings, within the Johns Hopkins SAP Controlling Module. Invoices will no longer be used for billing between Johns Hopkins legal entities.

Inter-Entity transactions, which represent transactions that cross legal entities, as defined by Business Area ranges, will be processed as CO Allocations using one of several SAP CO Allocation Tools. The allocation request will then be forwarded to the Inter-Entity Transaction Group in Accounts Receivable Shared Services for review and execution in SAP.

Intra-Entity Transactions, which represent transactions within the same legal entity, as defined by Business Area range, will be processed using the same SAP CO allocation tools as Inter-Entity transactions. However, Intra-Entity transactions will be reviewed and released by the JHHS Controller’s Office for JHHS transactions and Inter-Entity Accounts Receivable Shared Services for JHU transactions.

Questions concerning Inter-Entity/Intra-Entity Transactions policies and procedures should be directed to:

Accounts Receivable Shared Services Center
Johns Hopkins at Eastern
1101 East 33rd Street
2nd Floor, Suite C204
Baltimore, MD 21218

Email: InterEntity@jhu.edu or InterEntity@jhmi.edu
Phone: 443-997-2481
Fax: 443-997-5152
Website: http://ssc.jhmi.edu/accountsreceivable
## 2. CONTROLLING ROLES

<table>
<thead>
<tr>
<th>CONTROLLING ROLES</th>
<th>DESCRIPTION</th>
<th>ORGANIZATION UNIT</th>
</tr>
</thead>
</table>
| CO - Allocation Creator       | Responsible for creating and maintaining (but not executing) assessments and distributions to transfer costs from one cost object to another. Entry of statistical key figure (SKF) information, which are required for calculations in some assessments and distributions. The execution will be performed by the CO-Manager-Shared Services role. | • Accounts Receivable Shared Services (ARSSC)  
• JHU and JHHS Controller’s Offices  
• Divisional Business Offices (DBO) |
| CO- Cost Accounting           | Responsible for defining and setting up allocation steps in SAP, creating statistical data used for allocations and creating step down allocations. Creates and maintains assessments, distributions, activity allocations, manual cost allocations and statistical key figures. Runs and evaluates key reports during month-end close to ensure completeness of processes. | Accounts Receivable Shared Services                                               |
| CO-Display Master Data        | Responsible for viewing cost accounting master data of cost centers and internal orders for financial analysis reporting. Responsible for viewing master data related to allocations and allocation details and review | • JHU and JHHS Controller’s Offices  
• Department/Division  
• Support Organizations  
• Shared Services       |
<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
<th>Departments/Units</th>
</tr>
</thead>
</table>
| CO-Manager                                     | Responsible for cost accounting analysis and review of Master Data for Cost objects (Cost Centers and Internal Orders), Statistical Key Figures (basis for allocations), Cost elements (Primary G/L Account # and Secondary-Internal use), and Activity Type (segregate cost).  
  Responsible for executing allocations from one cost object to another.  
  Runs and evaluates key reports during month-end close to ensure completeness of processes.                                                                 | Accounts Receivable  
  Shared Services  
  JHU and JHHS Controller’s Offices                                                                 |
| CO-Manual Cost Transfer Spreadsheet Upload      | Responsible for uploading the manual spreadsheet to SAP. No role required to complete the Excel template.                                                                                                      | • Accounts Receivable  
  • JHU and JHHS Controller’s Offices                                                                 |
| CO-Service Center Issuer                       | Responsible for fulfilling orders. Once orders are flagged as fulfilled, a manual cost allocation is triggered to record the purchase. For external sales, normal billing is still required.                                      | • Departments                                                                 |
| Non-Payroll Cost Transfer Initiator & Approver Roles | This is a GL Role, however, there is an option available on the transaction to post a non-recurring cost allocation. The user creates and submits the transaction to be approved by the Non-Payroll Cost Transfer Approver. A manual cost allocation is triggered to record the transfer. | • Departments                                                                 |
3. CONTROLLING PROCEDURES

SAP Allocation Tools

1. **Assessment**
   An assessment cycle is an automated monthly transfer of amounts from Cost Center(s) to Receiver(s) such as Cost Centers, Internal Orders, or WBS elements. The cycle uses a defined allocation method and posts to a Secondary Cost Element. The **Sender can only be a Cost Center**. Access to create or change an assessment is assigned to the “Controlling-Allocation Creator” role within SAP. Allocation Creator roles are mapped to positions in Accounts Receivable Shared Services, Controller’s Offices, Budget Offices and central finance offices.

   - An assessment may be a pre-determined fixed amount or it can be calculated based on actual postings. Fixed percentages and weighted percentages based on key statistical figures may be used to automate the calculation of the amount.
   - Assessments are used for monthly recurring transactions.
   - Assessments use Secondary Cost Elements only.
   - Assessments may cross Business Areas and Legal Entities.
   - All Assessments are reviewed and released by the Inter-Entity group within Accounts Receivable Shared Services.
   - Examples: JHHS charge backs, University Administrative Tax, Joint Service Allocations.

2. **Distribution**
   A Distribution cycle is an automated monthly transfer of amounts from Cost Center(s) to Receiver(s) such as Cost Centers, Internal Orders, or WBS elements. A Cost Center collects costs posted to Primary Cost Elements and allocates them using the same Primary Cost Elements. The cycle sets up the specific rules under which the allocation is performed and eliminates the need to re-enter the same information each time the allocation runs. Distribution cycles may not be used if the transaction crosses business areas. Allocation creator roles can create the Distribution cycle but Accounts Receivable Shared Services approves and executes it.
An example of a Distribution Cycle is allocating the cost of electricity ($23,000) from Cost Center A to Cost Centers A1, A2, and A3, based on a fixed percentage as set for each cost center. The stated allocation rule for the electricity costs is: (a) 30% of costs to Cost Center A1; (b) 20% to Cost Center A2; and, (c) 50% to Cost Center A3. The results after execution would be: (1) $6,900 charged to cost center A1; (2) $4,600 charged to cost center A2; and, (3) $11,500 charged to Cost Center A3.

A Manual Cost Allocation is a tool within the CO module to perform simple cost transfers from one cost collector to another cost collector using secondary cost elements. The SAP CO transaction code for a manual cost allocation is KB15N. In a manual allocation, the only option is to use a FIXED amount. There are no features to calculate amounts based on actual postings, percentages or any other bases.

The manual cost allocation is the underlying transaction used for Internal Service Provider (Service Centers) charges and Non Payroll Cost Transfer, which are custom developed transactions for Johns Hopkins. In addition, the manual cost transfer is the underlying transaction used when posting some interfaces, for example Telecommunications and Maximo charges.

Multiple non-recurring cost allocations can be processed by uploading the information from an EXCEL spreadsheet into the SAP system. The CO allocation spreadsheet upload posts manual cost transfers using an EXCEL spreadsheet to allow multiple allocations across the Johns Hopkins entities, divisions and departments. The CO allocation spreadsheet upload, which uses KB15N, will replace the current billing going through Accounts Payable. Internal Service Providers (Service Centers) who do not use the custom developed transaction may also submit a CO allocation spreadsheet upload to record their service center charges.

KB15N
KB15N is the SAP CO transaction code used to post non-recurring cost allocations within the CO module. Enterprise users will identify the need for and specifics surrounding the cost allocation; however, the KB15N transaction has not been mapped to any roles available to users throughout the enterprise. The reason for this decision is that there is no approval routing functionality associated with the transaction as delivered in standard SAP. In order to provide adequate review and authorization of manual allocations, these processes have been put into place:
Accounts Receivable Shared Services will have access to execute KB15N allocations. Submissions may be routed manually through Divisional Business offices (JHU), JHU Controller’s Office, Budget Offices (JHHS and JHU) for approval before being executed by Accounts Receivable Shared Services.

The CO allocation spreadsheet upload for manual allocations will be uploaded by the JHHS Controllers’ Office when the transactions occur only within JHHS business areas. ALL Inter-Entity CO allocation spreadsheets will be reviewed, approved and uploaded by Accounts Receivable Shared Services.

Departments are responsible for maintaining the documentation to support the Inter-Entity and Intra-Entity transactions. Record retention guidelines require documentation to be maintained for seven years.

Characteristics of a KB15N:

- Johns Hopkins permits users to post manual cost allocations (KB15N) only through the CO allocation spreadsheet upload that will be reviewed and approved before posting to SAP.
- Every line item must have a Sender Cost Object and Receiver Cost Object.
- Only Secondary Cost Elements can be used.
- Sender and Receiver amounts are posted to the same Secondary Cost Element.
- Sender can be a Cost Center, Internal Order, or WBS element.
- Sender receives the credit.
- Receiver can be a Cost Center, Internal Order, or WBS element.
- Receiver receives the debit.
- Only option is to use a FIXED amount.
- Use for entries where account number and/or amounts change frequently, otherwise consider setting up the allocation as an assessment cycle or distribution cycle.
- Transactions will post the next day after spreadsheet upload.

Routing

- If the Sender and Receiver cross legal entities, (Inter-Entity) the spreadsheet should be mailed to the Inter-Entity Transaction Group within Accounts Receivable Shared Services. Email address: InterEntity@jhu.edu or InterEntity@jhmi.edu.
- For JHHS, if the Sender and Receiver are within the JHHS business area range the spreadsheet should be e-mailed to the JHHS General Accounting section of the Controller’s Office.
- For JHU, if the Sender and Receiver are within the JHU business area range the spreadsheet should be e-mailed to Inter-Entity Transaction Staff within Accounts Receivable Shared Services. Email address: InterEntity@jhu.edu or InterEntity@jhmi.edu.
- If charging a GCRC grant the spreadsheet should be e-mailed to Sponsored Projects Shared Services.

Logon to the following Website to learn more about completing the KB15N spreadsheet. 
http://ssc.jhu.edu/accountsreceivable/forms.html
4. **Internal Service Provider**

An Internal Service Provider (Service Center) is responsible for managing and supplying materials and services to internal Johns Hopkins requestors. When most Service Centers purchase supplies, the costs are posted to expense General Ledger (GL) accounts. A few larger Service Centers make purchases that are recorded in inventory (asset) GL accounts. Those larger Service Centers are set up as supply chain storage locations in SAP. This allows users to utilize the SAP shopping cart to order from these storage locations. Each Service Center is assigned a Provider Code, which is a five digit number representing the Service Center (Internal Service Provider) that provides the goods or services to the requestors. Service Centers that meet JHU guidelines will be subject to OMB Circular A-21 regulation and use a unique fund type that identifies them for compliance purposes.

Internal Service Providers (Service Centers) that do not use the supply chain shopping cart can use the custom developed Service Center Issuer Role, which allows them to establish a catalog or schedule of rates and accept orders from internal purchasers. Internal customers can select an item from a catalog. The Service Center Issuer is then responsible for reviewing and posting Service Center orders.

Service orders provide the posting to the appropriate accounting records within the CO module. A provider and catalog (rate schedule) must exist within SAP prior to creating the service order. All Service Center charges will post to Secondary Cost Elements in the Controlling Module. In the Grants Management module, Service Center charges will appear on grants as sponsored classes.

An Internal Service Provider (Service Center) is defined as a cost center (or Internal Order) issuing goods and/or services based upon a schedule of rates multiplied by quantity. Internal
Service Providers (Service Centers) should use secondary cost elements in the 92xxxx range (unless otherwise directed by your controller’s office). Internal Service Providers may use the custom developed transaction for Internal Service Providers, the Non Payroll Cost Transfer or the CO Manual Cost Allocation Spreadsheet Upload to record charges.

### 4. Secondary Cost Elements & GL Account Derivations

When the sender and receiver of a CO allocation belong to different business areas (or funds), a balancing entry is automatically posted to the balance sheet to record the Due-To/Due-From amount. At the same time, revenue and expense general ledger accounts are derived from the Secondary Cost Elements for posting purposes in the general ledger. This allows each entity to prepare GAAP basis financial statements, complete with receivables and payable between the separate legal entities.

The general ledger account derivations occur in the 49xxxx range for revenues and the 69xxxx range for expenses, to clearly identify Inter-Entity balances.

The blocking ranges for secondary cost elements and general ledger account derivations are summarized below:

#### Intra-Entity Revenue

Revenues and funding sources may be allocated, transferred or distributed using secondary cost elements in the 94xxxx range. Secondary cost elements and commitment items will use the same six digit numbers. Transactions using these secondary cost elements/commitment items may cross business areas but must stay within 100-299 or 400-599. All activity in this series will net to zero within 100-299 and 400-599. When crossing business area or fund, the activity will be summarized and posted to general ledger accounts as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Secondary Cost Element &amp; Commitment Item</th>
<th>G/L account (if crosses Business Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Revenue</td>
<td>940000 - 940099</td>
<td>494000</td>
</tr>
<tr>
<td>Tuition</td>
<td>940100 – 940199</td>
<td>494100</td>
</tr>
</tbody>
</table>
The offsetting entry will automatically post to general ledger account 299999 Due-To/Due-From Clearing account.

In order to allocate revenue, the amount entered in the CO Allocation Spreadsheet Upload must be a negative amount. That way, the sender will be debited and the receiver will be credited for the revenue allocation.

### Intra-Entity Expense

Expenses and costs may be allocated, transferred or distributed using secondary cost elements in the 96xxxx range. Secondary cost elements and commitment items will use the same six digit numbers. Transactions using these secondary cost elements/commitment items may cross business areas but must stay within 100-299 or 400-599. All activity in this series will net to zero within 100-299 and 400-599. When crossing business area or fund, the activity will be summarized and posted to general ledger accounts as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Secondary Cost Element &amp; Commitment Item</th>
<th>G/L account (if crosses Business Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>960100 - 960199</td>
<td>696100</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>960200 – 960299</td>
<td>696200</td>
</tr>
<tr>
<td>Supplies</td>
<td>960300 – 960399</td>
<td>696300</td>
</tr>
<tr>
<td>Services</td>
<td>960400 – 960499</td>
<td>696400</td>
</tr>
<tr>
<td>Bad debt</td>
<td>960500 – 960510</td>
<td>696510</td>
</tr>
<tr>
<td>Depreciation</td>
<td>960520 – 960529</td>
<td>696520</td>
</tr>
<tr>
<td>Interest expense</td>
<td>960530 – 960539</td>
<td>696530</td>
</tr>
<tr>
<td>Other</td>
<td>960900 - 960999</td>
<td>696900</td>
</tr>
</tbody>
</table>

The offsetting entry will automatically post to general ledger account 299999 Due-To/Due-From Clearing account.

### Intra-Entity -Other

The 90xxxx range consists of intra-corporation allocations that require more specialized derivations of general ledger accounts when crossing business areas, for example JHHS charge-backs and JHPress transactions. Secondary cost elements and commitment items will use the same six digit numbers. Transactions using these secondary cost elements/commitment items may cross business areas but must stay within 100-299 or 400-599. All activity in this series will net to zero within 100-299 and 400-599. When crossing business area or fund, the activity will be summarized and posted to general ledger accounts as follows:

<table>
<thead>
<tr>
<th>Secondary Cost Element &amp; Commitment Item</th>
<th>G/L account (if debit)</th>
<th>G/L account (if credit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>900000 – 900199</td>
<td>690400 (Services)</td>
<td>490500 (Other revenue)</td>
</tr>
</tbody>
</table>
The offsetting entry will automatically post to general ledger account 299999 Due-To/Due-From Clearing account.

**Internal Service Providers (Service Centers)**

Internal Service Providers (Service Centers) charge for materials and services using a rate multiplied by quantity. These costs will be charged using secondary cost elements in the 92xxxx range. Transactions using these secondary cost elements/commitment items may cross business areas and may cross from JHU to JHHS and vice versa. The activity will be summarized and posted to general ledger accounts as follows:

<table>
<thead>
<tr>
<th>Secondary Cost Element</th>
<th>G/L account &amp; Commitment Item (if debit)</th>
<th>G/L account &amp; Commitment Item (if Intra-Corp debit)</th>
<th>G/L account &amp; Commitment Item (if Inter-Corp credit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>921000 – 921199 (JHU)</td>
<td>692300 (Supplies)</td>
<td>692300 (Supplies)</td>
<td>492600 (Affiliates)</td>
</tr>
<tr>
<td>921200 – 922999 (JHU)</td>
<td>692400 (Services)</td>
<td>692400 (Services)</td>
<td>492600 (Affiliates)</td>
</tr>
<tr>
<td>924000 – 924199 (JHHS)</td>
<td>692300 (Supplies)</td>
<td>692300 (Supplies)</td>
<td>692300 (Supplies recovery)</td>
</tr>
<tr>
<td>924200 – 924999 (JHHS)</td>
<td>692400 (Services)</td>
<td>692400 (Services)</td>
<td>692400 (Services recovery)</td>
</tr>
</tbody>
</table>

The offsetting entry will automatically post to general ledger account 299999 Due-To/Due-From Clearing account.

**Internal Service Provider Billings**

There are three ways that an Internal Service Provider (Service Center) can bill other departments, including other business areas:

1. There is a custom SAP transaction called Service Center Order for Internal Service Providers. The transaction will execute a cost transfer between departments using a secondary cost element. This transaction is intended to replace the paper M & S form and the JHH bulk billing process.

   Staff with the Service Center issuer role will be responsible for creating and modifying services orders when an approved requestor identifies a need to order goods or services from the Service Center (Internal Service Provider) and charge it to a pre-determined cost collector.

   a) Service Center issuers input items requested by creating a service orders on behalf of the internal customer.
   
   b) A provider code and catalog (rate schedule) must exist within SAP prior to creating a service order.
   
   c) Service Center issuers have the ability to adjust amounts and to add surcharges to line items as necessary for fees that cannot be represented in the catalog.
   
   d) Service orders may charge multiple cost objects based on either specific line items or percent of total order.
   
   e) Cost objects that can be charged are cost centers, internal orders and WBS elements.
   
   f) All Service Center charges will post to secondary cost elements in the CO Module.
   
   g) Service Center charges appear on grants in the Grants Management Module as sponsored classes.
h) The service order triggers the posting of manual cost allocations for the requisitioned goods/services to the receiving costs objects associated with the purchase.

i) The posting will create a CO document.

2. Upload the spreadsheet template to a SAP KB15N transaction. This method will be used by Service Centers who do not have a provider code and catalog (rate schedule) set-up in SAP.
3. Select the non-recurring allocation option within the Non Payroll Cost Transfer transaction.

**Joint Administrative Agreement/Inter-Entity: JHU Pays JHHS**

The 981xxx series of secondary cost elements is reserved for Inter-Entity transactions where JHU is the payor (debit expense) to JHHS (credit recovery/revenue). JHHS includes Johns Hopkins Hospital, Johns Hopkins Health System Corp., Bayview Medical Center and others. Secondary cost elements and commitment items will use the same six digit numbers. Transactions using these secondary cost elements/commitment items will cross legal entities and cash will be settled. The CO activity will be summarized and posted to the general ledger as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Secondary Cost Element &amp; Commitment Item</th>
<th>G/L account (if debit)</th>
<th>G/L account (if credit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payout Endowment</td>
<td>981000 – 981099</td>
<td>498400 (EIP Rev)</td>
<td>498500 (Other Revenue)</td>
</tr>
<tr>
<td>Purchased Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DSM Labor1</td>
<td>981100 – 981199</td>
<td>698400 (Services)</td>
<td>698100 (Salary Recovery)</td>
</tr>
<tr>
<td>Purchased Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DSM Labor2</td>
<td>981200 – 981299</td>
<td>698400 (Services)</td>
<td>698200 (Fringe Benefit Recovery)</td>
</tr>
<tr>
<td>Supplies</td>
<td>981300 - 981399</td>
<td>698400 (Services)</td>
<td>698300 (Supplies Recovery)</td>
</tr>
<tr>
<td>Purchased Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>non DSM</td>
<td>981400 - 981499</td>
<td>698400 (Services)</td>
<td>698400 (Service Recovery)</td>
</tr>
</tbody>
</table>

The offsetting entry will automatically post to general ledger account 299999 Due-To/Due-From Clearing account.

**Inter-Entity Cost Recoveries Billed: JHU Pays JHHS**

The 985xxx series of secondary cost elements is reserved for Inter-Entity transactions where JHU is the payor (debit expense) to JHHS (credit recovery/revenue). JHHS includes Johns Hopkins Hospital, Johns Hopkins Health System Corp., Bayview Medical Center and others. Secondary cost elements and commitment items will use the same six digit numbers. Transactions using these secondary cost elements/commitment items will cross legal entities and cash will be settled. The CO activity will be summarized and posted to the general ledger as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Secondary Cost Element &amp; Commitment Item</th>
<th>G/L account (if debit)</th>
<th>G/L account (if credit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DSM Labor1</td>
<td>985100 – 985199</td>
<td>698400 (Services)</td>
<td>698100 (Salary Recovery)</td>
</tr>
</tbody>
</table>
### Joint Administrative Agreement Inter-Entity: JHHS Pays JHU

The 991xxx series of secondary cost elements is reserved for Inter-Entity transactions where JHHS is the payor (debit expense) to JHU (credit revenue). JHHS includes Johns Hopkins Hospital, Johns Hopkins Health System Corp., Bayview Medical Center and others. Secondary cost elements and commitment items will use the same six digit numbers. Transactions using these secondary cost elements/commitment items will cross legal entities and cash will be settled. The CO activity will be summarized and posted to the general ledger as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Secondary Cost Element &amp; Commitment Item</th>
<th>G/L account (if debit)</th>
<th>G/L account (if credit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payout Endowment</td>
<td>991000 – 991099</td>
<td>498500 (Other Revenue)</td>
<td>499400 (EIP Revenue)</td>
</tr>
<tr>
<td>Purchased Services DSM Labor1</td>
<td>991100 – 991199</td>
<td>699400 (Services)</td>
<td>499600 (Affiliates)</td>
</tr>
<tr>
<td>Purchased Services DSM Labor2</td>
<td>991200 – 991299</td>
<td>699400 (Services)</td>
<td>499600 (Affiliates)</td>
</tr>
<tr>
<td>Purchased Services DSM</td>
<td>991300 - 991399</td>
<td>699400 (Services)</td>
<td>499600 (Affiliates)</td>
</tr>
<tr>
<td>Purchasing Services non DSM</td>
<td>991400 - 991499</td>
<td>699400 (Services)</td>
<td>499600 (Affiliates)</td>
</tr>
</tbody>
</table>

The offsetting entry will automatically post to general ledger account 299999 Due-To/Due-From Clearing account.

### Inter-Entity Reimbursement from Affiliates: JHHS pays JHU

The 995xxx series of secondary cost elements is reserved for Inter-Entity transactions where JHHS is the payer (debit expense) to JHU (credit revenue). JHHS includes Johns Hopkins Hospital, Johns Hopkins Health System Corp., Bayview Medical Center and others. Secondary cost elements and commitment items will use the same six digit numbers. Transactions using these secondary cost elements/commitment items will cross legal entities and cash will be settled. The CO activity will be summarized and posted to the general ledger as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Secondary Cost Element &amp; Commitment Item</th>
<th>G/L account (if debit)</th>
<th>G/L account (if credit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing Services</td>
<td>995100 – 995199</td>
<td>699400 (Services)</td>
<td>499600 (Affiliates)</td>
</tr>
</tbody>
</table>

The offsetting entry will automatically post to general ledger account 299999 Due-To/Due-From Clearing account.
### DSM Labor1

<table>
<thead>
<tr>
<th>Purchasing Services</th>
<th>DSM Labor2</th>
<th>995200 – 995299</th>
<th>699400 (Services)</th>
<th>499600 (Affiliates)</th>
</tr>
</thead>
</table>

### DSM Labor2

<table>
<thead>
<tr>
<th>Purchasing Services</th>
<th>995400 - 995499</th>
<th>699400 (Services)</th>
<th>499600 (Affiliates)</th>
</tr>
</thead>
</table>

The offsetting entry will automatically post to general ledger account 299999 Due-To/Due-From Clearing account.

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**Other: HEBCAC, Utility, Intrastaff, etc.**

The 97xxxx series contains activity that may cross legal entities and will require unique derivations or do not otherwise fit into any of the other categories. Secondary cost elements and commitment items will use the same six digit numbers. The CO activity will be summarized and posted to the general ledger as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Secondary Cost Element &amp; Commitment Item</th>
<th>G/L account (if debit)</th>
<th>G/L account (if credit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misc.</td>
<td>970000 – 979999</td>
<td>697400 (Services)</td>
<td>497500 (Other Revenue)</td>
</tr>
</tbody>
</table>

The offsetting entry will automatically post to general ledger account 299999 Due-To/Due-From Clearing account.

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### 5. POLICY

This policy applies to Johns Hopkins University, Johns Hopkins Health System Corporation, Johns Hopkins Medicine and all its affiliated entities.

Departments are responsible for maintaining the documentation to support the Inter-Entity and Intra-Entity transactions. Record retention guidelines require documentation to be maintained for seven years.

Invoices will no longer be used for billing between Johns Hopkins legal entities.

Invoices will still be generated for organizations that do not have a SAP business area (Kennedy Krieger Institute, Good Samaritan Hospital, etc.)

Inter-Entity transactions will be processed as CO allocations and must be reviewed and executed in SAP by the Inter-Entity group within Accounts Receivable Shared Services.

Intra-Entity transactions will be processed using CO allocations. The JHHS transactions will be reviewed and released by the JHHS Controller’s Office and JHU transactions will be reviewed and released by the Inter-Entity group within Accounts Receivable Shared Services.

Departments preparing KB15N manual spreadsheets must have the approval of the receiver (payer) or the department being charged for the charges.
A provider code and catalog (rate schedule) must exist in SAP prior to creating SAP transaction Service Center Order for Internal Service Providers. If these are not in place then either the spreadsheet template to a SAP KB15N or the non-recurring allocation option within the Non-Payroll Cost Transfer can be used to process the transactions.

6. EXCEPTIONS TO POLICIES

Some transactions that will not go through Accounts Receivable Shared Services for execution and approval include:

a) Payroll Withholding  
b) Capital Projects  
c) Split Purchase Orders  
d) Supply Chain Shopping Cart Transactions  
e) Non-Payroll Cost Transfers