

Artifact	JHM Chargeback Service Agreement
Organization	JHU/JHHS
Functional Unit	Shared Service Centers
Cost Center(s)	4500030450, 4500030470, 1010560118
Service Area	Inter-Entity
Service Owner	Debbie Coppock reports to Lisa Alexander dcoppock@jhu.edu 443.997.5153
Fiscal Year	FY2020
Version	2018 10 22 Version 1

JHM Chargeback Service Agreement

1. Service Overview

- a. Overview The Inter-Entity Shared Service (IESS) department serves both the Johns Hopkins University and the Johns Hopkins Health System Affiliates. All intercompany transfers, with the exception of transfers processed via an Interface, flow through IESS for review and processing. IESS works with the JHHS Controllers and Treasury departments monthly to settle the net cash due between each JHHS Affiliate and JHU Divisions. IESS participates on multiple committees and helps to execute Inter-Entity Agreements (IEA). There are four FTE's including 3 accountants and the Sr. Manager.
- b. Shared Service Centers
 - i. Shared Service Center SLA http://ssc.jhmi.edu/inter_entity/index.html
 - ii. Shared Service Center Link <http://ssc.jhmi.edu/index.html>

2. Service/Cost Center Detail (one for each service or group of services)

- a. Inter-Entity Shared Service is committed to creating a collaborative environment that encourages trusted relationships and teamwork. The workload has grown as more Affiliates have been integrated into the Health System and SAP. Below is a list of services provided;

Process	Service Provided	Service Metris
Approve and process KB15N's (approximately 600 documents are processed every month)	Intercompany transfers are processed via the KB15N document. This is an Excel template that is prepared by responsible parties across JHU and JHHS and then reviewed and processed by IESS via upload into SAP.	Accurate entries are posted in SAP daily with final posting on 4 th workday. IESS is committed to processing documents within 3 days of receipt
Approve and process journals	Intercompany journal entries are sometimes needed for correction or transfers involving balance sheet accounts. IESS reviews and processes these documents in SAP.	Accurate entries are posted in SAP daily with final posting on 4 th workday IESS is committed to processing documents within 3 days of receipt

Update and process Assessment transfers for JHHS Chargebacks and various JHU operations	Assessments are SAP transfers to record budgeted, recurring allocations. Budgets mainly come from JHHS Controllers and JHUSOM Business Office.	Accurate entries are posted in SAP monthly with final posting on 4 th workday.
IO Settlement & Charge to JHHS Entities	SOM department Chair commitments are funded via the Inter Order settlement process. IESS helps to monitor spending against the dowry commitment. The 2 nd part of this process is to charge the JHHS Affiliates for their share as agreement states.	Accurate entries are posted in SAP monthly on 4 th workday. SOM department IO's are fully funded based on actual expense.
JHH, BMC and JHHS JAA	Prepare KB15N and process entries approved in the Joint Administrative Agreement (JAA). Monthly spreadsheets with updated amounts are received from the JHHS Controllers Office.	Accurate entries are posted in SAP monthly by the 4 th workday and based on amount received by JHHS Controllers Office.
Intercompany Due to Due From	Run SAP report after month end to identify net amount due to or from each JHHS Affiliate and JHU Divisions. Work with JHHS Controllers to settle via wire transfer.	Settlement of amount for each business areas should be made monthly one month in arrears.
Record JHHS Payments	Prepare and process journal for incoming payments from JHHS to JHU to clear intercompany balance.	Accurate posting of cash received in JHU bank from JHHS.
Inter-Entity Agreements (IEAs)	Serve on IEA Committee and coordinate review and signature of IEA's. Maintain Log of documents in process and document status. Post executed documents to JH Box and provide access to those that need it.	Legal documentation for agreements between JHHS and JHU. Provides support for specific intercompany transfers of support.
Shared Mission Document	Work with JHH and BMC to prepare the annual Shared Mission Document with supporting JAA and Non-JAA schedules.	Reporting documentation of JAA and Non JAA support between JHH, BMC and JHU. Shared with auditors and others.
Committee Work	Serve on various committees as needed and appropriate. Examples are DOF monthly meeting, Intercompany	Participate and sometimes lead in discussions regarding proper accounting structure and recording of entries.

	Solutions, recording and reconciliation of accruals and Accounting 606 Guidance.	
Intercompany Solutions Committee	Lead monthly committee meeting to discuss and resolve intercompany issues. This includes identifying open issues and preparing a report to be discussed at the meeting. Committee is comprised of all DOFs, JHU Finance and JHHS Controllers Office.	Contribute to accurate transfers being posted with approval and in the proper fiscal year. Helps to eliminate any year-end surprises otherwise known as the “June Miracle”
Intercompany Payroll	Monitor 299995 payroll activity and help to correct errors in recording pay for JHU employees paid on JHHS cost centers and vice versa. Policy does not allow this.	Proper reporting of FTE’s and payroll expenses for both JHHS and JHU.
GAAP Reporting	Provide explanations for affiliated activities/variances on the monthly GAAP statements.	Proper reporting
Monthly Accruals	Review and provide input for approving monthly School of Medicine department accruals. Reconcile JHUSOM actuals to JHHS’s accruals.	Proper reporting on both JHU and JHHS GAAP statements
Policies	Maintain various policies relating to intercompany transfers. This includes secondary cost element structure and use.	Policy Creation and Maintenance
Audit	Provide internal and external JHU and JHHS auditors with back-up for intercompany transfers.	Contribute support for activity reported on financial statements.

- a. IESS is committed to creating a collaborative environment that encourages trusted relationships and teamwork.
- b. The workload has grown as more Affiliates have been integrated into the Health System and SAP

2. Service Delivery

- a. Our service is measured daily by processing transactions in SAP on a timely basis which allows for proper institutional reporting. We are committed to processing transactions within 3 days of receiving transfers in our interentity@jhu.edu mailbox.
- b. We pride ourselves in helping customers with the intercompany process and procedures. We get great feedback through our email and customer service line. In addition we get direct feedback through our committee work with the DOF’s and senior leaders.

3. Allocation Methodology

a. Description

i. Inter-Entity is allocated 50% to JHU and 50% to JHHS affiliates. This is because all intercompany transactions have both JHU and JHHS on all entries. Considerations are made each budget period as to changes that might affect the allocation process.

b. Allocation Metrics

i. Allocation is 50% to JHU and 50% to JHHS Affiliates. JHHS allocates their share across the Affiliates based on the matrix provided by the Sr. Manager of Inter-Entity Shared Services on an annual basis at budget time. The matrix used is the average number of KB15Ns processed for each Business Area/Affiliate for a period of six months. The KB15N was picked as the measure because it is the primary document used for intercompany transactions.

400-430 BMC	7.6%	400-430 BMC
440 CP	5.5%	440 CP
450 JHHS	10.4%	450 JHHS
452 PMAP	0.0%	452 PMAP
455 EHP	0.6%	455 EHP
459 Supply Chain	0.0%	459 Supply Chain
460 JHMMC	1.7%	460 JHMMC
462 Intrastaff	0.0%	462 Intrastaff
463 JHRG	0.0%	463 JHRG
465 MSC	0.0%	465 MSC
470 Ophth	0.0%	470 Ophth
476 477 SSA	0.0%	476 477 SSA
480 JHH	45.8%	480 JHH
491 WB	0.0%	491 WB
492 WB	0.0%	492 WB
503 HC Supply Chain	0.0%	503
517 JHReg SC Netw	0.0%	517
520 JHI	4.3%	520 JHI
522 MedBiq	0.0%	522 MedBiq
530-545 JHHCG	1.2%	530-545 JHHCG
550 JHHC	4.6%	550 JHHC
555Imging	0.3%	555Imging
565 IRS	0.0%	565 IRS
575 JHEMS	0.4%	575 JHEMS
585 Utility	0.6%	585 Utility
586 Egy Serv	4.2%	586 Egy Serv
587 EMRS(EPIC)	1.2%	587 EMRS
600-611 Sububan	1.2%	600-611 Sububan
630 Sibley	3.7%	630 Sibley
640 HCGH	3.0%	640 HCGH

650-658 ACH	1.2%	650-658 ACH
900 Endow	0.3%	900 Endow
902 CRISP	0.1%	902 CRISP
925 Parking	1.4%	925 Parking
926 Parking	0.7%	926 Parking
	100.00%	