

Complete Policy Title: Financial Affairs Procedures for Affiliate/Intercompany accounts	Policy Number (if applicable):
Approved by: Controller	Date of Most Recent Approval:
Date of Original Approval(s): October 2019	Supersedes/Amends Policy dated: Procedures for 9 Ledger Accounts (January 2013)
Responsible Executive: Controller	Enquiries:
DISCLAIMER: <i>If there is a Discrepancy between this electronic policy and the written copy held by the policy owner, the written copy prevails</i>	

Scope:

This procedure covers the opening and monitoring of Due to/Due from accounts in the University financial system. These accounts are used to process transactions between student organizations and other closely related entities. Examples include:

- Student society accounts in which fees collected from students on behalf of the organizations are held; once a student society has submitted documentation in accordance with the Financial Accountability Policy for Student Groups.
<https://financial-affairs.mcmaster.ca/app/uploads/2018/07/Financial-Accountability-Policy-for-Student-Organizations-that-receive-Fee-Remittances-Sep2019.pdf>
- Hamilton Health Sciences Corporation (HHSC) accounts for recording transactions for shared facilities

Procedures:

Existing accounts:

- Accounts are assigned to the appropriate Financial Affairs representative for oversight responsibilities. Where applicable, a monthly, quarterly, annual timeframe is assigned for account analysis, reconciliation or settling of the balance owing to/from.
- The Manager, Financial Reporting maintains the control list and monthly summary which includes the details listed above. The Controller reviews this list on a quarterly basis and assigns follow up for any delinquent accounts.

08/10/2019

Request for new accounts

- If a request is received for a new affiliate/intercompany account, it will be forwarded to the Controller. The following factors will be considered:
 - Is this a student organization that the university collects fees for, and therefore charges can be netted, before any remittances are made to the organization?
 - Is there an existing account that could be used for university charges (e.g. food, printing) – if so, use current account.
 - Is this a for profit entity (e.g. a research spin off), which will buy goods and services from the University, which may be taxable, and therefore should be treated as an arm's length entity? If so, set up as customer in MacBill.

If the Controller approves the new account for opening, the Manager, Financial Reporting will work with Financial Systems Support to select an account to be added to an existing range.

If the Controller determines MacBill is the appropriate process, the request will be forwarded to the Manager, Student Accounts, or in the case of the Faculty of Health Science requests, to the Executive Director, Finance, Health Sciences.