FINANCIAL INTERACTIONS
UNIVERSITY HOSPITAL AND
UNM/HSC

Presented by
Laura Putz
11/09/09
Intercompany Invoicing

- Financial Interactions routinely occur between UNM, University Hospital (UH), and UNM Medical Group (UNM MG)
- These interactions can involve either revenue or expense for Health Sciences Center (HSC) or Main Campus
- UH, UNM MG, UNM / HSC are related entities
  - These transactions must be tracked differently than other transactions
UNM Hospital
When UH bills HSC

What they bill:

- Salary Agreements
- Catering Charges
- Facility Charges related to Clinical Trials
  - X-rays
  - Blood tests
  - Lab work
When UH bills HSC

Step One:
An Intercompany Agreement
When UH bills HSC

Step Two:
HSC department issues an internal purchase requisition

Includes Banner Index
Includes Banner Account
Includes contact names
When UH bills HSC

Step Three:
UH cost centers that provided service to HSC generate monthly report.

Sent to Special Billing/Referral Department (SBD)

SBD compiles data and sends invoices to UA-HSC
When UH bills HSC

Data evaluated at Unrestricted Accounting-HSC and loaded into Banner Finance

Expense items post to the index/account code on the Purchase Requisition

Document number is “HCXXXXXX”
When UH bills HSC

Invoice numbers that begin with:

• 1 are for general services such as salary agreements, lab supplies, or catering
• 3 are credit adjustments for general service invoices
• 5 are related to clinical trials
• 8 are credit adjustments for clinical trial invoices
When UH bills HSC
Clinical Trials Billing

Subjects frequently have certain medical tests completed, such as EKGs, blood test, chest x-rays and other imaging studies.
Clinical Trials Billing

- The clinical trial, not the patient is billed

- Hospital guarantor number beginning with 9999 is assigned the clinical trial and used

- A Referral Billing Questionnaire is completed before services can be provided at UH

- The Referral Billing Questionnaire details what services can be provided and billed to the clinical trial
Clinical Trials Billing

• Timely UH invoice review is critical

• Incorrect invoices charges must be reversed from the clinical trial

• Many payors (ie: patient’s insurance company) have 90 day windows during which billing must occur

• UH bills charges from the prior month. Frequently less than 60 days remain once the department is invoiced for UH to invoice another payor
Salary Agreement Procedures

UH Employee

1. UH initiates the Salary Agreement and sends to HSC AR Coordinator for tracking and processing

2. HSC AR Coordinator submits the Salary Agreement to the department for consideration.

   ✓ Obtain department signatures indicating approval
   ✓ Create Manual Purchase Requisition for department signatures
   ✓ Return executed documents to HSC AR Coordinator
3. The original, fully executed Salary Agreement and Purchase Requisition is mailed to UH Finance.

4. UH Finance contacts Special Billing/Referral Department to initiate monthly invoicing.
Salary Agreement - UH bills HSC

<table>
<thead>
<tr>
<th>Date Prepared</th>
<th>Nov 8, 2019</th>
</tr>
</thead>
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<tr>
<td>Effective Date</td>
<td>07/01/18</td>
</tr>
<tr>
<td>End Date</td>
<td>06/30/19</td>
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**Employee and Department Information:**
- **HSC DEPT.** Infectious Disease Clinic
- **UH DEPT.** Truman Street Clinic 3-01 TIBB
- **HSC EMPLOYEE:** [Redacted]
- **UH EMPLOYEE:** [Redacted]
- **CPU:** [Redacted]
- **JOB TITLE:** ISM Indirect Payroll Nursing Coordinator
- **HSC FTE:** 1.0
- **UH FTE:** 1.0

**Salary and Benefit Calculation:**

<table>
<thead>
<tr>
<th>Description</th>
<th>HSC</th>
<th>VM</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALARY AMOUNT</strong></td>
<td>$39,132</td>
<td>$</td>
<td>$39,132</td>
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<tr>
<td><strong>UH BENEFIT AMOUNT</strong></td>
<td>$12,832</td>
<td>$</td>
<td>$12,832</td>
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<tr>
<td><strong>HSC BENEFIT AMOUNT</strong></td>
<td>$5,784</td>
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<tr>
<td><strong>PAYROLL BENEFIT AMOUNT</strong></td>
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<td><strong>TOTAL</strong></td>
<td>$58,385</td>
<td>$</td>
<td>$58,385</td>
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</table>

**Notes:**
- The agreement is based on the employee's current salary and does not include any possible wage increases.
- The agreement is prepaid due to:
  - Non-biannual salary review
  - Change in salary or benefits resulting from new agreement
  - Non-biannual increase or promotion

**Employee Approvals:**
- **Health Sciences CTR:** [Signatures]
- **Health Affairs CTR:** [Signatures]
- **UH Hospital:** [Signatures]
- **UH Hospital:** [Signatures]
**Internal Requisition - UH bills HSC**

![Requisition Form](image)
Invoice - UH bills HSC

Index and account code for posting in Banner

Internal Requisition Number
General Guidelines

Internal Purchase Requisition are required

The Requisition number will be referenced on the invoice

Reference the appropriate contact person on the invoice
Travel Reimbursements

UH Traveler submits receipts to UH

Hospital reimburses employee

Hospital bills HSC, using the internal Purchase Requisition generated when the agreement was reached.
Internal Purchase Requisition Required

HSC Unrestricted Accounting reviews the invoices

Sufficient documentation must be provided per UNM Business Policy
Reconciliation Assistance

- Unrestricted Accounting-HSC can provide reports with UH invoicing data. Reports can be generated by:
  - Index
  - Organization Level 5
    - can be sorted by index or account code
- Contact the HSC AR Coordinator to request reports
- Invoice copies can also be obtained from the HSC AR Coordinator
When HSC Bills UH

UNM/HSC departments provide services and support to UH departments regularly. The support is documented by:

- Salary Agreements
  - HSC employee providing UH with their services
- Memorandum of Understanding (MOU)
  - general support
- Other Agreements
  - space lease or flow through expenditures, such as utilities and insurance
When HSC bills UH

Once an intercompany agreement has been reached:

- documentation is sent to the HSC AR Coordinator
- monthly invoices are prepared and sent to UH for payment

A Banner module called Non Student Accounts Receivable (NSAR) is used to produce and track these invoices.
Salary Agreements

Template for Salary Agreement is located on the Unrestricted Accounting-HSC’s website in the forms section

✓ http://hsc.unm.edu/.financialservices/acccounting/

✓ Template updated each fiscal year for current fringe benefit percentages

✓ Template contains macros and formulas that should not be overwritten when preparing the document

✓ Data entry cells are shaded yellow
Salary Agreement Procedures
UNM Employee

1. UNM department initiates the Salary Agreement and sends to HSC AR Coordinator for tracking and processing

2. HSC AR Coordinator submits the Salary Agreement to UH for consideration
   - Obtain UH signatures indicating approval
   - Executed document returned to HSC AR Coordinator

3. The copy of the fully executed Salary Agreement is sent to UNM department initiator

4. HSC AR Coordinators creates monthly invoices to be sent to UH Finance
Salary Agreement - HSC bills UH

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**UNM Health Sciences Center (HSC)**

**UNM Hospital (UH)**

**SALARY AGREEMENT FORM FY-2010**

<table>
<thead>
<tr>
<th>HSC DEPT: Pediatrics</th>
<th>Contact Person: Carla Sleazak</th>
</tr>
</thead>
<tbody>
<tr>
<td>UH DEPT: <em>1530 YCHC general</em></td>
<td>Contact Person: Sally Popocoy</td>
</tr>
</tbody>
</table>

**Employee and Department Information:**

- **Employee ID:** [Redacted]
- **Department:** Pediatrics
- **Contact Person:** Carla Sleazak
- **UH DEPT:** 1530 YCHC general
- **Contact Person:** Sally Popocoy

**HSC EMPLOYEE:** [Redacted]  
**ID #:** [Redacted]  
**Faculty or Staff:** [Redacted]  
**Nurse Practitioner:** [Redacted]  
**FTE STATUS:** 0.50  
**ANNUAL SALARY:** $32,773.00  
**HOURLY RATE:** $31.51

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**Salary and Benefit Distribution:**

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<thead>
<tr>
<th>Benefit Type</th>
<th>HSC</th>
<th>UH</th>
<th>TOTAL</th>
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<tr>
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<td>$32,773</td>
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<tr>
<td>UNM Benefit Amount</td>
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<td>$15,773</td>
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<td>HSC Facility Benefit Amount</td>
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<td>$15,773</td>
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<tr>
<td>HSC Staff Benefit Amount</td>
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<tr>
<td><strong>TOTAL</strong></td>
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**PPO/PO NUMBER:** [Redacted]

**RECENT INCOME INDEX/UH ACCOUNT(S) to be charged/credited:** 967650  
**0.00%**  
**100.00%**  
**100.00%**

---

**Comments:**

- **Approved:**
  - **OCT 21 2009**

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**Approvals:**

- **UNM Health Sciences Center:**
  - **Chief Financial Officer:** [Signature]
  - **Chief Financial Officer:** [Signature]
  - **Chief Financial Officer:** [Signature]

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**UNM Hospital:**

- **Chief Financial Officer:** [Signature]
Identifying the Revenue

- Revenue is recorded in the department index each time an invoice is generated.

- Banner form FGITRND supplies a detail listing of account detail.
## Identifying the Revenue

The screenshot shows a spreadsheet in Oracle Developer Forms Runtime Web, with data entries highlighting financial transactions. The table includes columns for Account, Organization, Program, Activity Date, Type, Document, Field, Amount, and Increase (+) or Decrease (-). The highlighted row details transactions with specific account, organization, and program codes, along with dates and amounts indicating changes in revenue.
# Identifying the Revenue

## University of New Mexico

**HSC Financial Service Division**  
**MSC09 5220**  
**1 University Of New Mexico**  
**Albuquerque, NM 87131-0001**

## Bill To:

**UH YOUNG CHILDRENS HEALTH CENTER**  
**UNM HOSPITALS, HOPE BLDG**  
**933 BRADBURY DR SE STE 3183**  
**ALBUQUERQUE, NM 87106**

- **Invoice Number:** S1256560  
- **Customer ID:** Y00000199  
- **Bill Date:** 31-OCT-2009  
- **Due Date:** 30-NOV-2009

If you have any questions regarding your bill, please contact your customer service representative at: (505) 272-6264

<table>
<thead>
<tr>
<th>Doc #</th>
<th>Date</th>
<th>Description</th>
<th>Rate</th>
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<td></td>
<td>$13,859.64</td>
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<tr>
<td></td>
<td>July 2009 - October 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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**Total Due:** $13,859.64

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Please reference Customer ID and Invoice Number on check. Detach this portion of the invoice and return with payment for proper handling.

- **Customer Name:** UH YOUNG CHILDRENS HEALTH CENTER  
- **Customer ID:** Y00000199  
- **Balance Due:** $13,859.64  
- **Invoice Number:** S1256560  

Please make check payable to: University of New Mexico

**Mailing Address Is:**  
**HSC Financial Service Division, MSC09 5220, 1 University Of New Mexico, Albuquerque, NM 87131-0001**
## Identifying the Revenue

### Salary Labor Benefits and Encumbrance Detail by Employee

**For multiple months, FY2010**

**Employee: RO**

### Included Organizations: 331A
- Included Indexes: 99705D
- Included Months: July, August, September, October

### Table: Fringe Benefits and Encumbrances

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<th>Trans Date</th>
<th>Labor</th>
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<th>Fringe Insurance (2160)</th>
<th>Fringe UE-Comp (2180)</th>
<th>Fringe W2-COMP (21A0)</th>
<th>Prof Liability (21C0)</th>
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<td>$2,955.80</td>
<td>$21,848.40</td>
</tr>
</tbody>
</table>

**Total:** 10,924.20 + 2,935.26 = 13,859.46

Page 1 of 1

13,859.46
UNM MG and UNM

- The UNM Medical Group (UNM MG) pays for expenditures within their accounting system on behalf of a UNM Department.

- UNM MG invoices UNM in order to be reimbursed for these expenditures.

- The most common type of UNM MG invoice is for Professional Liability (Malpractice) Insurance allocated to non-clinical departments.
When UNM MG bills HSC

Data evaluated at Unrestricted Accounting-HSC and loaded into Banner Finance

Expense items post to the index/account code on the invoice

Document number is “HSYXXXXXX”
UNM MG and UNM

September 30, 2009

UNM Health Sciences Center

SES Providers
MSC08 4600

Sept Malpractice

Invoice: #MG090909
Index: #160021
Account: #63P0

Total Due: $2,523.00

Payment made by HSC Financial Services to:

UNM Medical Group
PO Box 27200
Albuquerque, NM 87125

FOR QUESTIONS, PLEASE CONTACT UNM Medical Group, Inc., AT 505-272-3348. THANK-YOU.
Reconciliation Assistance

- Unrestricted Accounting-HSC can provide reports with UNM MG invoicing data. Reports can be generated by:
  - Index
  - Organization Level 5
    - can be sorted by index or account code
- Contact the HSC AR Coordinator to request reports
- Invoice copies can also be obtained from the HSC AR Coordinator
Questions?