

Artifact	JHM Shared Administrative Services (Chargebacks) Service Agreement
Organization	JHHS/JHU
Department	InterEntity (Intercompany)
Sub Department	InterEntity (Intercompany)
Cost Center(s)	4500030450, 4500030470, 1010560118
Service Owner	Rebecca Struckmeier reports to Lisa Alexander rstruck@jhu.edu 443.997.5153
Fiscal Year	FY24
Version	10.18.22 v1

JHM Chargeback Service Agreement

1. Service Overview

Inter-Entity Shared Service (IESS) department serves both the Johns Hopkins University and the Johns Hopkins Health System Affiliates. All intercompany transfers flow through IESS for compliance review and processing (with the exception of transfers processed via an Interface). IESS works with the JHHS Controllers and Treasury departments monthly to settle the net cash due to due from 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 1 accountant, 1 Sr. accountant, 1 Sr. Inter-Entity Accounts Specialist and the Sr. Manager.

- Shared Service Center SLA http://ssc.jhmi.edu/inter_entity/index.html
- Shared Service Center Link <http://ssc.jhmi.edu/index.html>

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

a. Service Name/Process	b. Service Description	c. Value Proposition Description
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 corrections or transfers involving balance sheet accounts or revenue postings. 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 various JHHS & JHU recurring transfers.	Assessments are SAP transfers completed to record budgeted, recurring allocations.	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 Internal 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 each 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 JAA and JHHS Misc Entries	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 Budget and 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, on JHU books, JHHS Affiliate Payments	Prepare and process journal for incoming payments from JHHS to JHU to clear intercompany balances.	Accurate posting of cash received in JHU bank from JHHS.
Inter-Entity Agreements (IEAs)	Help to coordinate review and signature of IEA's. Maintain Log of documents in process and document status. Post executed documents to One Drive 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 meeting, Accenture and EPI Use consulting, and Accounting 606 Guidance.	Participate and sometimes lead in discussions regarding proper accounting structure and recording of entries. Propose changes for improvements in the process.
Intercompany Solutions Committee	Lead monthly committee meeting to discuss and resolve intercompany issues. This includes identifying open	Contribute to accurate transfers being posted with approval and in the proper fiscal year. Helps to eliminate

	issues and preparing a report to be discussed at the meeting. Committee is comprised of all DOFs, JHU Finance and JHHS Controllers Office.	any year-end surprises otherwise known as the “June Miracle” for the SOM.
Intercompany Payroll	Monitor 299995 payroll activity and identify stakeholders responsible to correct errors in recording pay for JHU employees paid on JHHS cost centers and vice versa. Policy does not allow this. Annual cash settlement for larger ending balances.	Proper reporting of FTE’s and payroll expenses for both JHHS and JHU.
GAAP Reporting	Provide explanations for affiliated activities/variances on the monthly SOM GAAP statements.	Proper reporting
Monthly Accruals	Review and provide input for approving monthly School of Medicine clinical department accruals in Medvitals. Reconcile JHUSOM accruals to JHHS Affiliate accruals and report differences.	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.

3. Service Delivery

- a. IESS services are 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.

4. Allocation Methodology

- a. Description - Inter-Entity Shared Services 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 -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 three months. The KB15N was picked as the measure because it is the primary document used for intercompany transactions.
- c. Allocation Changes FY23 to FY24 – allocations are based on number of KB15N documents processed by Inter-Entity Shared Services for each affiliate.

PBA	PBA Description	FY24 Allocation	FY23 Allocation
400	BAYVIEW MEDICAL CENTER		9.6%
440	JH COMMUNITY PHYSICIANS		5.5%
455	JH EMPLOYER HEALTH PROGRAMS		0.9%
459	JHHS SUPPLY CHAIN COMPANY		0.0%
460	JHMMC PROP MGMT DIV- GRNSPRG		1.2%
462	JHMMC INTRASTAFF DIVISION		0.0%
480	JOHNS HOPKINS HOSPITAL		40.1%
503	HEALTHCARE SC INNOVATIONS LLC		0.0%
517	JH REGIONAL SC NETWORK LLC		0.0%
520	JH INTERNATIONAL LLC		1.1%
522	MEDBIQUITOUS		0.0%
530	JHHCG CORP (GROUP)		2.4%
550	JOHNS HOPKINS HEALTHCARE LLC		5.7%
555	JOHNS HOPKINS IMAGING LLC		0.5%
575	JH EMERGENCY MEDICAL SERVICES		2.5%
585	JHMI UTILITIES LLC		0.5%

586	ENERGY SERVICES		1.2%
587	EMRS PROJECT		1.1%
600	SUBURBAN HOSPITAL INC		2.1%
630	SIBLEY MEMORIAL HOSPITAL		4.2%
640	HOWARD CNTY GENERAL HOSPITAL		2.6%
650	ALL CHILDRENS HOSPITAL INC		1.8%
670	SURGICAL CENTERS		0.1%
900	JH HOSPITAL ENDOWMENT FUND INC		0.4%
902	CRISP		0.0%
925	MHHEFA PARKING- JHH		1.4%
926	MHHEFA PARKING- BMC		0.6%
Chargeback By Affiliate Total			85.5%
JHHS RETAINED			14.5%
		100.0%	100.0%

5. **Approved FY24 Budget Changes** (please check off any relevant boxes below if there are approved requests in the FY24 budget change tool; if so, list the relevant FY24 budget change tool request ID number(s) for reference)

- Approved Allocation Change(s)
 - If checked, please list relevant FY24 budget change tool request ID number(s): _____
- X Approved Budget Increase(s)
 - If checked, please list relevant FY24 budget change tool request ID number(s): _____
- Approved Department Transfer(s)
 - If checked, please list relevant FY24 budget change tool request ID number(s): _____