

This session will *not* be recorded, but this PowerPoint can found

<https://medschool.ucla.edu/research/research-infrastructure/administrative-support/department-of-medicine-office-of-research-3>

Sales and Service Funds

UCLA DEPARTMENT OF MEDICINE
OFFICE OF RESEARCH ADMINISTRATION
ZOOM TRAINING

Sales & Service Basics

What is a Sales and Service Fund?

- Self-Supporting fund.
- **Hint:** If the fund has no external customers the goal is to have your recharge revenue equal your expenses. “Must break even.”
- Sales and Service funds should not perform research.
 - Providing products or services for research activities is allowed but the S&S fund should not conduct research on it’s own.
- Sales & Service Policy: [UCLA Policy 340](#)

Purpose

- To provide goods and/or services to academic units within the University and/or to individuals or organizations outside the University at **reasonable** and **equitable rates**.
- See [Business & Finance Solutions – Costing Policy & Management Analysis webpage](#) to ensure that the proposed activity qualifies as a S&S activity. (e.g., Instruction, Research, and Community Services activities)

Who qualifies to be a PI on a Sales and Service Fund?

- A faculty member in the Professorial Series.
 - Must be a member of the [Academic Senate](#)
- For Activities in non-academic units, the person assuming responsibility for the fund should at least have the title of Director and/or equivalent.

Sales & Service Fund Management

How to Establish Sales and Service Funds

- Submit an application to Business and Financial Solutions S&S Unit through your Department Liaison.
 - [Sales & Service Application Form](#)
- All applications must be approved by the responsible faculty, and the Dean of the School before being sent to the S&S Unit for review. For DOM, the Department Chair needs to sign as well before it's sent to the S&S Unit
- Please note, all S&S funds will be established as 6XXXX fund numbers.

Sales and Service Changes

- Overhead must be charged to all external customers
 - The OH used is the “Other Sponsored Activities” rate. Currently 39%
- Mark-ups are allowed on external rates now
 - The mark-up can be as much as the S&S Unit wants
- Budgets under \$25k may not need a S&S application to be established
- Short Form must be used for most external customers
 - Conference attendees and store customers are exempt
 - The Short Form must be sent to the Dean Office for approval before the activity can proceed for DOM S&S funds.

Managing Sales and Service Funds

- The role of a fund manager:
 - Monthly fund reconciliation to ensure that expenditures are in line with the approved application.
 - Manage the revenue by producing invoices and processing payments and/or recharges
- A Revised Application is required for:
 - Rate changes
 - Methodology changes
 - Sub codes
 - Changes to the classes of customers
 - Responsible faculty member change and/or dept. changes.
- General Rule
 - You are allowed to have only 1-2 months worth of a surplus/deficit at any given time

Managing Sales and Service Funds (continued)

- If revenue is received (e.g. cash, checks, etc.), the fund manager is responsible for depositing it into the revenue account. (Hint: 2XXXXX-CC-6XXXX)
- If there are external customers, the CFS S&S Team will establish a separate revenue account/cc (2XXXXX-OH) for the overhead (OH) received.
- A separate revenue account/cc (2XXXXX-MU) will be set up for the mark-up (MU) too if there is a mark-up on your S&S.
- Depositing Revenue
 - Revenue can be deposited directly into the regular, OH and MU accounts directly
 - Revenue can also be deposited into the regular revenue account in full (OH/MU revenue included), and transferred to the respective OH/MU accounts by journal quarterly.
 - The CFS S&S team sends out quarterly worksheets where we are supposed to officially record OH and MU revenue.

Managing Sales and Service Funds (continued)

- Fund Managers Fiscal Closing responsibilities:
 - Must zero out the revenue account before fiscal close.
 - If applicable, prepare special reports to show the value of inventory and amount of accruals and deferrals of income and expenses that must be recorded in the June 30th General Ledger.
 - All special reports must be submitted via Department Liaison (in DOM)
- Work with your S&S Liaison on the annual review process. (Hint: Justifying end of year balance, revise application if needed)

Key Points about Sales and Service Funds

- Keep in mind that at the beginning of each fiscal year each S&S fund will be appropriated with the amount requested on the approved application (aka your permanent budget), regardless of how much income is actually earned.
- The S&S can now generate a profit from external customers. The profit is to remain within the School and should be used for the mission of the School.

Closing Sales and Service Funds

- Why? PI is no longer providing the product or service.
- If the fund is being transferred to another Department/Division.
- Fund balance at closing must be zero.
- Business & Financial Solutions will process the closing TOF
- [Transferring/Closing S&S Guidance](#)

Contact Information

- For DOM: Do **NOT** contact S&S Unit directly
 - Assistance in completing the application and any questions on S&S funds contact Tsegaye Teshome, 310-206-8351 | tteshome@mednet.ucla.edu
- Business & Financial Solutions S&S Unit:
 - David Beckstrom – Director | dbeckstrom@finance.ucla.edu
 - Paige Astbury – Policy, Compliance and Application Reviews | pastbury@finance.ucla.edu
 - Mary Chan – Finance | mchan@finance.ucla.edu

Survey Link

<http://goo.gl/forms/C3gdjsL5y1>

We appreciate if you would take a few moments to complete a short 7 question anonymous survey to help us improve your training experience. Thank you!