This session will *not* be recorded, but this PowerPoint can be found at:
https://medschool.ucla.edu/research/researcher-resources/administrative-support/department-medicine-office-research-administration/fund-management-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 the Corporate Financial Services website (https://www.finance.ucla.edu/corporate-accounting/sales-service) 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 Corporate Financial Services S&S Unit through your Department Liaison.

• 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 38%

• 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 one months worth of a surplus 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.
• Corporate Financial Services 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 | ttteshome@mednet.ucla.edu

• Corporate Financial Services 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 5 question anonymous survey to help us improve your training experience. Thank you!