

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

<https://medschool.ucla.edu/research/researcher-resources/administrative-support/department-medicine-office-research-administration/fund-management-training>

# 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 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.
  - Application Page: <https://www.finance.ucla.edu/corporate-accounting/sales-service/new-sales-and-service-fund-application>
- 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:

<https://www.finance.ucla.edu/corporate-accounting/sales-service/closure-sales-service-funds>

# 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](mailto:tteshome@mednet.ucla.edu)
- Corporate Financial Services S&S Unit:
  - David Beckstrom – Director | [dbeckstrom@finance.ucla.edu](mailto:dbeckstrom@finance.ucla.edu)
  - Paige Astbury – Policy, Compliance and Application Reviews | [pastbury@finance.ucla.edu](mailto:pastbury@finance.ucla.edu)
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# 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!