

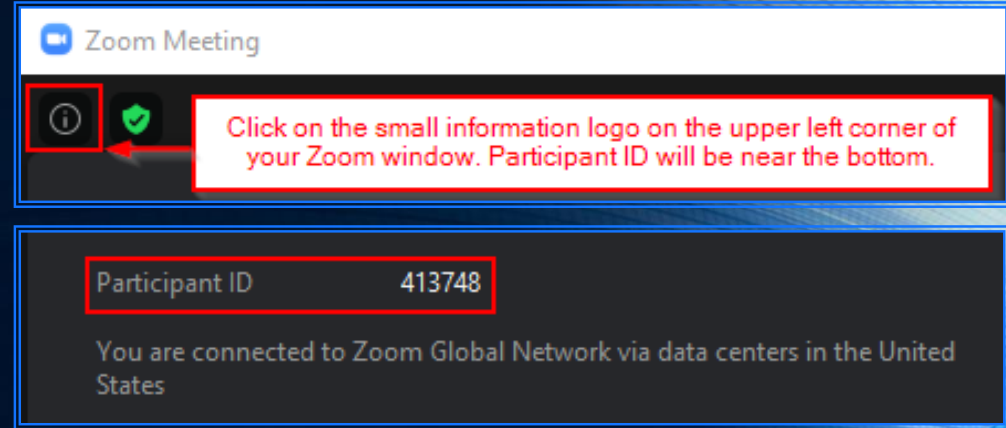
If you do not have a microphone on your computer, or using remote desktop to join this meeting, please also call in to participate in class discussions:

Call one of the "Join by Telephone" dial-in number provided in your invite (646-876-9923).

Enter the Meeting ID (976 9000 5150) followed by #.

Enter your Participant ID followed by #.

This session will *not* be recorded, but this PowerPoint can found <https://medschool.ucla.edu/ora/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 recharges or revenue equal your expenses. “Must break even.”
- Sales and Service funds can not do research.
 - Providing products or services for research activities is allowed but the S&S fund can 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.
- DGSOM cost centers to use:
<http://finance.dgsom.ucla.edu/pages/costcentersummary>

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.
- When depositing revenue, deposit it all (OH and MU revenue too) into the main revenue account.
 - The CFS S&S Team will send out quarterly worksheets where you can record and split the OH and MU revenue from the regular revenue. Then the S&S team will process a journal to move the OH and MU revenue into the appropriate OH and MU accounts.

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
- 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, x68351, or via email tteshome@mednet.ucla.edu
- Corporate Financial Services S&S Unit:
 - David Beckstrom – Director
 - Paige Astbury – Policy, Compliance and Application Reviews
 - Meng Jin – Finance

Hot Topic Poll

https://doodle.com/poll/qk8gixphphbagd8p?utm_source=poll&utm_medium=link

For those of you who missed out...or would like to consolidate information, complete poll to request various classes to be repeated later this year. We will try our best to accommodate.

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!