Cost Transfers or Quasi Revenue Accounts
What is a Departmental Sales & Services Account?

♦ There are two types of department sales and services that take place at the University.

♦ Fund 14100, account 449100, class 41100
  – “True Departmental Sales and Services”
  – Revenue comes in from a source outside the University for sales or services provided by the University

♦ Fund 10600, account 471100, class 41900
  – “Cost Transfers/Quasi”
  – Revenue comes in from a source inside the University (from one department to another
What is a Departmental Sales & Services Account?

- Your department should contact your College Administrative Officer to establish a new account.
- They will contact the appropriate budget personnel in order to set up the appropriate type of account in accordance with Generally Accepted Accounting Principles.
- See the DSS determination form under “Forms”.
Cost Transfers/Quasi Revenue Accounts

- Cost Transfer/Quasi revenues are generated for programs in:
  - computer operations
  - internal sales when material in amount and considered a basic resource for program support.

Examples of a Cost Transfer/Quasi programs:
1) A stockroom that routinely sells supplies to other departments on campus,
2) An IS&T department that provides network services to other departments.
Cost Transfers/Quasi Revenue Accounts

- Cost Transfer/Quasi programs are indicated by the chartfield:
  - Account - 471100
  - Fund - 10600
  - Class – 41900

- Revenue only generated by journal entry in Spectrum

- Revenues should be:
  - Part of an ongoing operation, and
  - Considered a basic resource for this program’s support.
Revenues for Program Support

- Collected on behalf of a specific program and can be used only by the program.

- Program should not spend more than the revenue collected:
  - There should be **no** deficit at the end of the year.

- If more expenses than revenue (a deficit) at year-end:
  - The college/administrative unit must cover the deficit from general operations.

- Surplus revenue is lapsed at fiscal year end and cannot be carried forward to be used in the subsequent fiscal year.
Cost Transfers

- This category, also referred to as “quasi-revenue,” is used to charge expenses to other departments at GSU and credit the DS&S department’s revenue code 47xxx.

- This revenue and the offsetting expense are eliminated for financial reporting purposes.

- Excess revenues do not carry forward to the next fiscal year.

- When revenue is generated by billing and funds OTHER THAN 20500, 60xxx, 96xxx or 98xxx, the revenue should be posted to 471xxx.
  - Fund Codes 60xxx (Agency), 20500 & 96xxx (Athletic Association) and 98xxx (GSU Research Foundation) are not GSU-funded,
  - Revenue for sales/services is considered “real” DS&S revenue and not a cost transfer.
  - Revenue should be booked to revenue code 449100 in Fund 14100 if significant.
Cost Transfers - Example

- **Department B purchases supplies from a stockroom in Department A that is within the University:**
  - Department A would bill the department by a journal.
    - The cost transfer revenue account 471100 for fund code 10600 would be credited to Department A.
    - The expense side of the journal would debit a 7xxxxx supplies expense code for Department B.
    - At year-end, the Quasi Revenue department’s own expenditures should at least match their 471100 revenue total.

- **The Athletic Association purchases supplies from Department A:**
  - Department A would bill the Athletic Association by a journal.
    - Since the Athletic Association is an outsider entity from the University:
    - The DS&S revenue account 449100 for fund code 14100 would be credited to Department A.
    - The expense side of the journal would debit a 7xxxxx supplies expense code for the Athletic Association.
Budget Information

- Cost Transfer/Quasi budgets **do not** carry forward in Spectrum from one fiscal year to the next fiscal year.
  - The department should work with its College/Administrative officer during the original budget preparation process to ensure that the appropriate budgets & revenue estimates are in Spectrum for use beginning July 1.

- After July 1, if a Quasi revenue estimate & organization budget needs to be established, a request should be made to the department’s College/Administrative officer.
  - The administrative officer will work with Budget & Planning to ensure that the appropriate budget & revenue estimate are established in Spectrum.

- From the budget perspective, the amount of estimated revenue for a department must match the total of the organization budgets (expenses) for a department.
  - Both a revenue estimate and an organization budget must be set up.

- In accordance with the GSU chart of accounts, the revenue estimates will typically fall into this category:
  - 10600-xxxxxxxxxx-41900-471100 Quasi Revenue – Cost Xfrs
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