



Cost Transfers or Quasi Revenue Accounts

What is a Departmental Sales & Services Account?

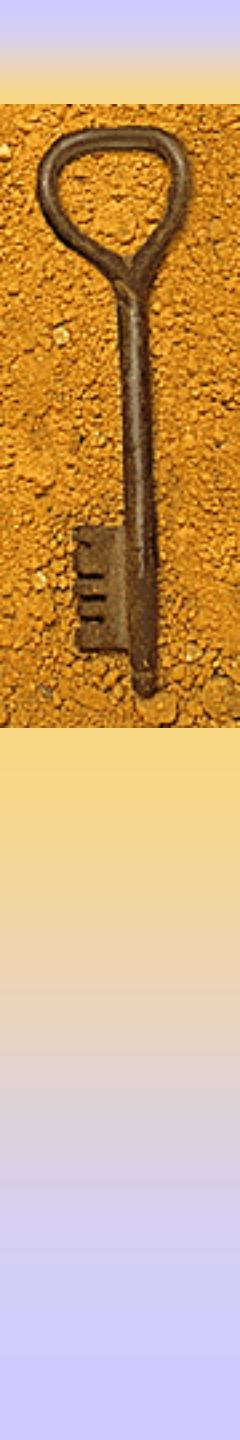
- ◆ There are basically two types of department sales and services that take place at the University. First there are “True” “Departmental Sales and Services” where revenue comes in from a source outside the University for sales or services provided by the University (Fund 14100, class 41100). Second there are “Quasi or Cost Transfers” where revenue comes in from a source



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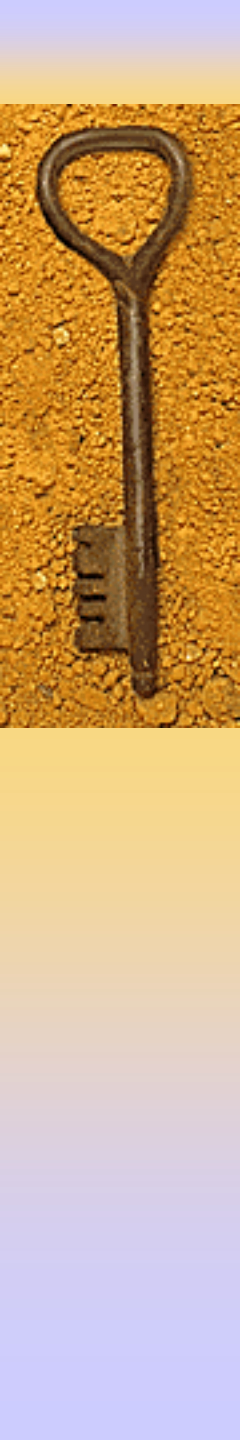
- ◆ (con't) inside the University (from one department to another) (Fund 10600, class 41900). Your department should contact your College Administrative Officer to establish a new account. They in turn will contact the appropriate budget personnel in order to set up the appropriate type of account in accordance with Generally Accepted Accounting Principles. Also, 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: A stockroom that routinely sells supplies to other departments on campus, an IS&T department that provides network services to other departments.



Cost Transfers/Quasi Revenue Accounts

- ❖ Cost Transfer/Quasi programs are indicated by the use of Fund 10600, and class 41900, and revenue only generated by journal entry in Spectrum.
- ❖ Cost Transfer/Quasi Revenues should always use the account 471100 or it is not a true Cost Transfer/Quasi account.
- ❖ Cost Transfer/Quasi Revenues should be significant in amount, 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 sometimes 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 60, 96 or 98, the revenue should be posted to 471xxx.**
 - ❖ **Because Fund Codes 60xxx (Agency), 96xxx (Athletic Association) and 98XXX (GSU Research Foundation) are not GSU-funded, revenue for sales/services to them is considered “real” DS&S revenue and not a cost transfer. Revenue should be booked to revenue code 449100 in Fund 14100 if significant.**
- ❖ Example: If Departments B, C, D and E purchase supplies from a stockroom in Department A here on campus, Department A would bill the departments by a journal. The cost transfer revenue code 471100 would be credited to Department A. The expense side of the journal would debit a 7xxxxx supplies expense code for Departments B, C, D and E. **At year-end, the Quasi Revenue department’s own expenditures should at least match their 471100 revenue total.**



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 / VP administrative officer during the original budget preparation process (March – May) 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 / VP 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 chart of accounts, the revenue estimates will typically fall into this category:**
 - 10600-xxxxxxxx-41900-471100 Quasi Revenue – Cost Xfrs





Contacts

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