



# 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)





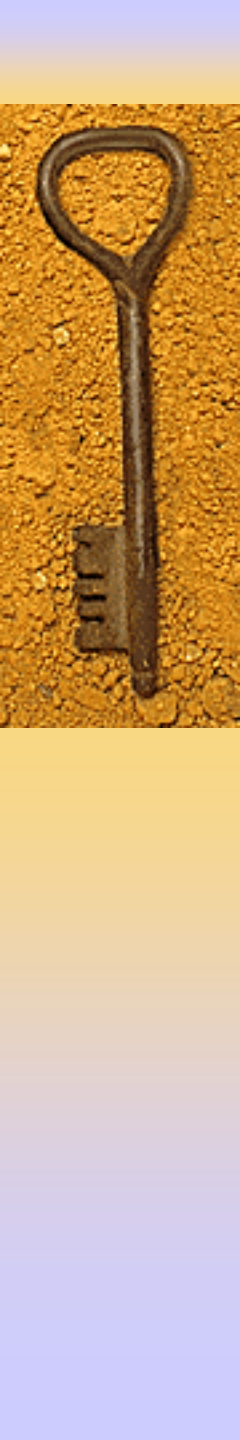
# What is a Departmental Sales & Services Account?

- ◆ 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

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- ❖ 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-xxxxxxxx-41900-471100      Quasi Revenue – Cost Xfrs



# Financial Contacts

## ❖ Budget Information

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[Budget and Planning Office Web page](#)

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