



# Departmental Sales & Services

# 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



# What is a Departmental Sales & Services Account?

- ◆ (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”.





# Departmental Sales & Services

- ❖ Departmental Sales and Services (DS&S) revenues are generated for programs in
  - **public services**
  - **computer operations**
  - **departmental sales** when material in amount and considered a basic resource for program support.
  
- ❖ Examples of DS&S programs: The GSU Police Department does security for the GSU Athletic Association. Veterinarian Services are provided to start-up Businesses operating in the University's Collab tech.



# Departmental Sales & Services

- ❖ DS&S programs are indicated by the use of Fund 14100 and **class** 41100 in Spectrum.
- ❖ Dept Sales & Services Revenues (Revenues for Program Support) should be significant in amount, an ongoing operation and considered a basic resource for this program's support.
- ❖ DS&S Revenues should use account code 449100 (DSS revenue) and never use 471100 (cost transfer).

# 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.
- ❖ Excess revenue is carried forward as an increase to operating budget. It is not booked in the following year as realized revenue again.



# Revenues for Program Support

- ❖ Managers should maintain a log of any outstanding/uncollected invoices, and periodically (at least by fiscal year end) record them as accounts receivable (1271xx) and revenue (449100) on the General Ledger, if significant (\$500.00 or greater).
- ❖ Debit account 1271xx (be sure to include the department).
- ❖ Credit account 449100.
- ❖ This entry should be reversed at the beginning of the next fiscal year..





# FUNDS CARRIED FORWARD

- ◆ To calculate funds eligible to be carried forward (budgeted into the following year's operating budget):
  - ◆ (a) Total revenue from all sources plus any prior year carryforward.
  - ◆ (b) Total expenditures
  - ◆ Subtract (b) from (a)





# Funds Carried Forward DSS calculation example

|                                       |               |
|---------------------------------------|---------------|
| Total realized revenue, all sources:  | \$45,000      |
| Plus Prior Year Carry Forward Budget: | <u>15,500</u> |
| Adjusted budget revenue:              | 60,500        |
| <br>                                  |               |
| Total expenditures:                   | \$39,900      |

## **CALCULATED FUNDS AVAILABLE TO BE CARRIED FORWARD:**

$$\mathbf{\$60,500 - 39,900 = \quad \$20,600}$$

**If total adjusted expenditures are MORE than total adjusted revenue, an operating budget for the department/unit/college must cover the deficit.**

# Budget Information

- ❖ **Dept Sales & Services budgets do not automatically carry forward in Spectrum from one fiscal year to the next fiscal year.**
  - If a budget in the current fiscal year will be needed in 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 DS&S 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:**
  - 14100-xxxxxxxx-41100-449100      Dept Sales & Services - External





# Contacts

## ❖ Budget Information

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