



Departmental Sales & Services





What is a Departmental Sales & Services Account?

- ❖ Departmental Sales and Services (DS&S) revenues are generated for programs in
 - **community education**
 - **public services**
 - **computer operations**
 - **departmental sales** when material in amount and considered a basic resource for program support.

- ❖ Examples of DS&S programs: A stockroom that routinely sells supplies to other departments on campus, an IS&T department that provides network services to other departments, a campus post office, Distance Learning programs.



- ❖ DS&S programs are indicated by the use of **classes 41001 and 41002** in Spectrum.
- ❖ Dept Sales & Services Revenues are divided into two categories:


Revenues for Program Support
Cost transfers (quasi-revenue)

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



Cost Transfers

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- ❖ 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 471xxx. This is **not true revenue**. Does not carry forward to the next fiscal year.
 - **When revenue is generated by billing any funds OTHER THAN 60, 96 or 98, the revenue should be posted to 471xxx.**
 - Because Fund Codes 60 (Agency) , 96 (Athletic Association) and 98 (GSU Research Foundation) are not GSU-funded, revenue from sales/services to them is considered “real” DS&S revenue and **NOT** a cost transfer. Revenue should be booked to revenue code 449100.

 - ❖ 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 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 DS&S department’s own expenditures should at least match their 471100 revenue total.**



Deferred Revenue

- ❖ Some education-related DS&S programs collect revenue in advance for future years of the program.
 - revenue collected during the current year for future years' activity is to be deposited to deferred revenue 216000 (tuition & fees) or 217100 (other) during the current fiscal year.
 - At the beginning of the fiscal year of the **final** year of the program, all deferred revenue must be realized on a journal, debiting the 216000 or 217100 account and crediting a 4xxxxx revenue account.
 - No deferred revenue should be deposited during the final year of the program.



SURPLUS (carry-forward)

- ◆ To calculate revenue eligible to be carried forward (budgeted into the following year's operating budget):
 - ◆ (a) Total revenue from all sources minus quasi revenue 471 100 total.
 - ◆ (b) Total expenditures minus amount equal to 471 100 revenue.
 - ◆ Subtract (b) from (a)



Surplus DSS calculation example

Total revenue, all sources:	\$45,000
Less 471100:	-15,500
Adjusted revenue:	29,500

Total expenditures:	\$39,900
Less 471100 equiv	-15,500
Adjusted expenditures:	24,400

SURPLUS:

\$29,500 – 24,400 = \$5,100

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

Allowable DS&S revenue codes



FC 10	CLASS 4100X	
449100	Departmental Sales & Services	These two codes for outside sources of revenue, including FC 60, 96 and 98
452005	Sales - Taxable	
471100	Cost Transfer	When charging GSU fund codes other than 60,96, 98
471200	Cost Transfer-Admin Charge	These cost-transfer revenue codes are not to be used for deposits at Cashier's Office
471300	Cost Transfer - Paper Charges	
FC 14	CLASS 4100X	
441110	Continuing Education Fees	Note: This revenue code CANNOT be used with FC 10

Sample Journal Entries

For the receipt of revenue for a cost-transfer of expense (inter-departmental)

Credit: 471100-10-10000000-1110-41001-2003 -450.00 (Dept A)

Debit 714100-50-70000000-1760-11000-2003-D1000 450.00 (Dept B)

(plus CSH10 and CSH50 lines to balance journal as required for budget checking)

Example: Department B receives supplies from Department A's stockroom

For revenue from a supply/service provided to GSU Research Foundation:

Credit: 449100-10-10000000-1110-41001-2003 -450.00 (Dept A)

Debit: 733100-98-30000000- 2800-43000-2003 450.00 (Dept B)

(plus CSH10 and CSH98 lines to balance journal as required for budget checking)

Example: Department B (not FC 10, 12, 13, 14, 20, or 50) receives supplies from Department A's stockroom

To realize previously-collected deferred revenue to match expenses for a program

Credit: 491100-10-12000000-1100-41001-2003 -1,000.00

Debit: 216000-10-12000000-1100-41001-2002 1,000.00

Example: Department began collecting fees revenue last year for a program that ends next year. They have \$1,000 in expenses this year for the program. Enough deferred revenue (collected and credited to 216000 last year) is now being realized to match the current fiscal year expenses.

For revenue from a supply/service provided to an Agency account:

Credit: 449100-10-10000000-1110-41001-2003 -450.00 (Dept A)

Debit: **241100-60**-30000000- -19000-2003 450.00 (Dept B)

(plus CSH10 and CSH60 lines to balance journal as required for budget checking)

Example: Dept B, an Agency account (always FC 6x), receives network services from Dept A.

Note that Agency accounts' expenses are charged to 241100, not to a 7xxxxx expense code.



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, 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 these main categories:**
 - 10-xxxxxxxx-41001-449100 Dept Sales & Services - External
 - 10-xxxxxxxx-41001-471100 Dept Sales & Services – Cost Xfrs





Spectrum Queries for DS&S

- ❖ These public queries are useful for checking the status of DS&S accounts. During a given fiscal year, all 4xxxxx revenue except residuals and any current **fiscal year**, current **budget period** expenses are included. Only transactions with class 4100x are included.
 - DSS BUDGET SUM: for budget status
 - DSS REPORT REVENUE: for total revenue
 - DSS DETAILS REVENUE: for journal detail
 - DSS REPORT EXPENSES: for total expenses
 - DSS DETAILS EXPENSES: for journal detail

- ❖ Queries will each prompt the user for a departmental ID#, fiscal year, and range of accounting periods to be examined. The wildcard (%) can be used for the departmental ID# if a range of departments is to be examined.
 - Example: Dept ID 11% will report activity for all DS&S accounts for departments beginning with 11.



Contacts

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