

A large stone wall sign for the University of California, Irvine. The sign is made of light-colored rectangular stones and features the university's name in large, dark, serif letters. To the left of the main text is a circular seal of the University of California. The sign is set against a background of green trees and a clear blue sky. In the foreground, there is a field of tall, green grass.

University of California, Irvine

Understanding Sales & Service

Accounting & Fiscal Services

Agenda

- Definition of Sales & Service (S&S)
- Functional Responsibilities
- Rate Development
- Executing Sales & Services Agreement
- Depositing Income
- Annual Review

Is it a S&S Activity?

If no contractual requirements and is irrevocable:

- Then it should be deposited as a **gift**.

The product or service customized:

- Then it should be deposited as a **private contract or grant**.

The product or service standardized:

- Then it should be deposited as **sales and services income**.

Recharge vs. S&S Activity

Recharge

- Provide products / services to other UC departments
- Kuali Internal Billing (IB)
- Governed by Federal costing guidelines
- Recover direct costs

S&S Activity

- Provide products / services to Non-UC Entities only.
 - Campus Online Deposit system (C.O.D.)
- Not subject to Federal guidelines
- Required to recover the Direct and Indirect costs

Sales & Service Definitions

- Sales and Service Activity - Provision of standardized goods or services to non-university entities at a uniform pre-established price
- Sales & service revenues should fully recover all costs
 - Direct costs
 - Indirect costs
- Services offered are necessary to advance the educational, research, or public service functions of the university.
- Services/sales cannot be purely commercial in nature.

Functional Responsibilities

Each UCI unit is responsible for:

- Following University of California policies in managing the resources available to it; and
- Submitting the appropriate forms and documentation to Accounting & Fiscal Services and Procurement Services:
 - Sales & Service Activity Information Sheet
 - Rate Justification/Calculation
 - Sales & Service Intake Form
 - Any revisions to the above.

Functional Responsibilities – Cont.

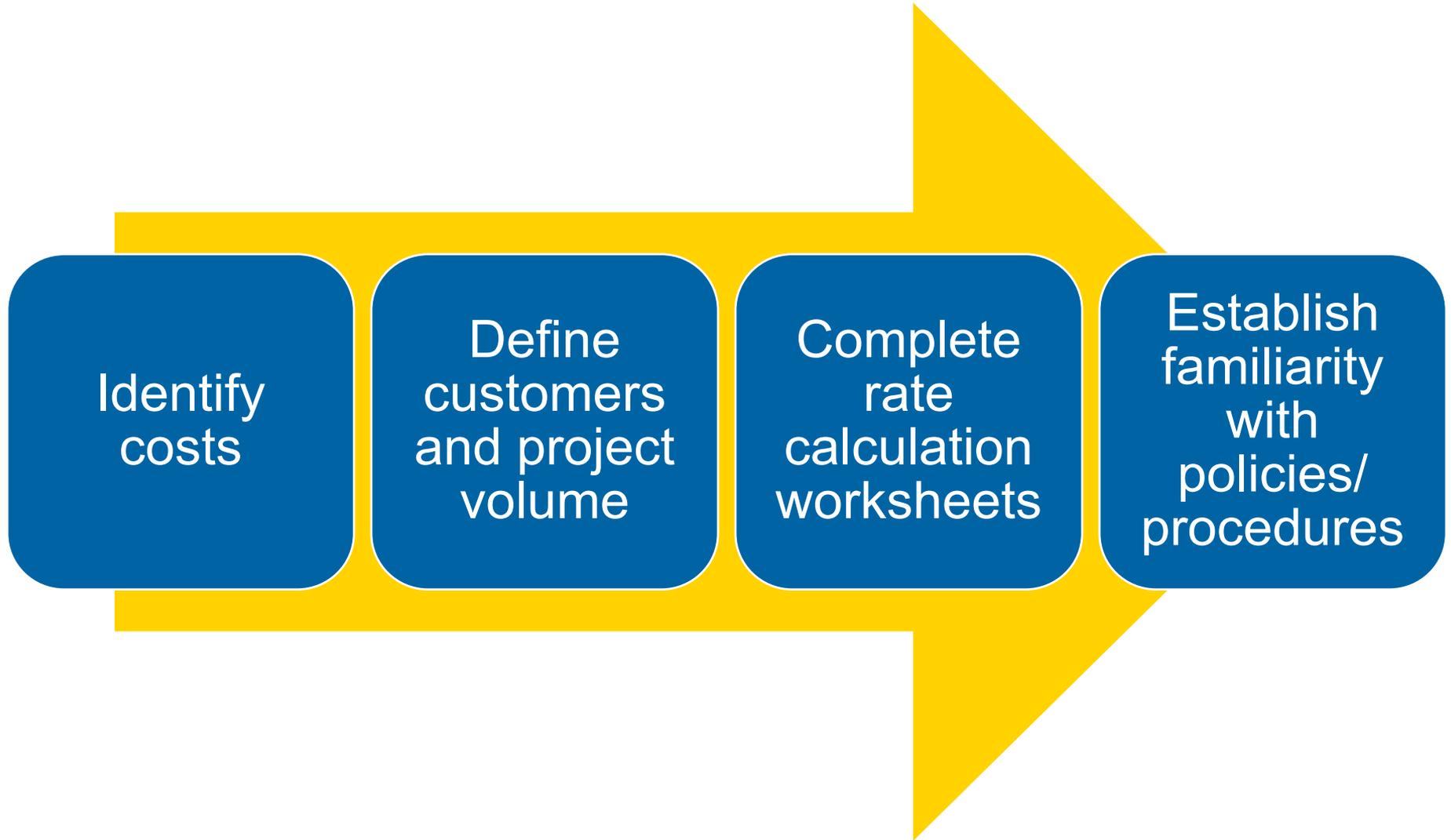
The unit's approving authority (dean/vice chancellor) is responsible for:

Overseeing the management and fiscal health of the activity

Approving requests to establish new sales and service activities

Reviewing requests for new or revised rates

How to Develop a Rate



Identifying Costs

The following must be identified for each activity:

Direct costs

Indirect costs

Direct Costs

- Readily identifiable costs which are associated with the furnishing of goods and services by the UCI unit.
- Examples
 - Personnel costs
 - Direct administration, if >5% effort
 - Consumables
 - Materials for the end product
 - Equipment Depreciation

Indirect Costs

- Sales & Service: Indirect costs must be charged to non-university entities.
- The rate should be sufficient to recover the:
 - Campus sales and service indirect support – 14.6%
 - Department/school/unit indirect support – 15.2%

Executing Sales & Services Agreement

- An executed Sales and Services Agreement is **required** prior to the start of services.
- UCI Department/Unit **must submit** the following to Procurement Services:
 - Approved Recharge / Sales & Service **Activity Sheet**
 - Completed Sales and Services Agreement **Intake Form.**
- Upon receipt of the required items, Procurement Services will –
 - Draft the Sales & Service Agreement;
 - Negotiate terms and work collaboratively with department/unit (as needed);
 - Assign a **unique agreement number**; and
 - Circulate the Agreement for signatures via DocuSign.

Sales & Services Agreement Intake Form

- To initiate drafting of the Sales & Services Agreement by Procurement Services, department/unit must complete the **Sales & Services Agreement Intake Form**.
- To access the Intake Form (a Google Dynamic Form), visit the Procurement Services website:
<https://procurement.uci.edu/contracts/sales-services-agreements.php>

The screenshot shows a web form titled "UCI Procurement Services" and "Sales and Services Agreement". The form includes a header with the UCI logo and title, a main heading, and a body of text providing contact information and instructions. A red asterisk indicates a required field for the email address. At the bottom, there is a "Next" button.

UCI Procurement Services

Sales and Services Agreement

If you have any questions about filling out this Sales and Services Agreement, please call Procurement Services at 949.824.6516 or email the Contracts team at contracts@uci.edu. THIS FORM CANNOT BE SAVED. PLEASE HAVE ALL YOUR INFORMATION, ATTACHMENTS AND OTHER MATERIALS (IF ANY) READY BEFORE STARTING THIS ONLINE AGREEMENT PROCESS!

Please use a UCI gmail to use this form. If you do not have a UCI gmail account, please click on the link for more information: <https://www.oit.uci.edu/help/google/>

* Required

Email address *

Your email _____

Next

Sales & Services Agreement Checklist

- Before completing the Intake Form, please review the Intake Form Checklist to ensure you have all of the necessary information and documentation to complete the Intake Form.
- The Intake Form Checklist is available here:

<https://procurement.uci.edu/contracts/sales-services-agreements.php>

UCI Sales and Services Agreement – Intake Form Checklist

IMPORTANT:

An executed Sales and Services Agreement must be in place before services may begin; see [UCI 701-23](#).

Please have the following information available before filling out the Sales and Services Agreement Dynamic Form:

Sales and Services Agreement Information	REC'D
• Client's company name, authorized Customer Signatory's full name; title, and email	<input type="checkbox"/>
• PI name, department and contact information	<input type="checkbox"/>
• Scope of Work: a description of the services, including any deliverables/reports/dates/milestones	<input type="checkbox"/>
• Duration of the services (What are the beginning and end dates?)	<input type="checkbox"/>
• Location of services – Will any of the services be performed on University property?	<input type="checkbox"/>
• Value/Amount of agreement	<input type="checkbox"/>
• Sources of any federal funding	<input type="checkbox"/>
• Name and email of Department Signatory (department budgetary officer)	<input type="checkbox"/>
• Copy of approved Recharge / Sales & Service Activity Information Sheet	<input type="checkbox"/>

Will the services involve access to restricted/sensitive data?	YES	NO
• PHI (protected health information)	<input type="checkbox"/>	<input type="checkbox"/>
• PII (personally identifiable information)	<input type="checkbox"/>	<input type="checkbox"/>
• Student records	<input type="checkbox"/>	<input type="checkbox"/>
• University networks/data systems	<input type="checkbox"/>	<input type="checkbox"/>

If any of the restricted/sensitive data questions have been answered with a "YES", then an appendix (for HIPAA and/or Data Security) must be incorporated into the agreement. Procurement Contract Services will provide the required appendix. For more information regarding restricted/sensitive data see [UCI Information Security and Privacy - Data Classification](#)

Also consider the following:	YES	NO
• Is the Client currently employed by UC?	<input type="checkbox"/>	<input type="checkbox"/>
• Was the Client a University employee at any time during the past 12 months?	<input type="checkbox"/>	<input type="checkbox"/>
• Was the selection of this Client made or influenced by a near-relative who is a UC employee?	<input type="checkbox"/>	<input type="checkbox"/>

If any of these questions have been answered with a "YES", please contact Procurement Services at (949) 824-6516 for additional assistance.

If you have any questions about this coversheet, call Procurement Services at (949) 824-6516 or email the Procurement Contracts team at contracts@uci.edu.

Income Deposit Object Codes

Income object code for current, base budget and actual

- SSXXXX Accounts in sub-fund group code 409190 (Sales and Service – Educational Activity)

Object Code	Object Code Title
R781	KEY DEPOSITS
R807	SALES OF GOODS
R821	SALES OF SERVICES
R841	RENTAL OF FACILITIES
R844	RESIDENT AFFILIATE AGREEMENTS
S138	CONFERENCES & RELATED INCOME

- OSXXXX Accounts in sub fund group code 410290 (Other Sources)

Object Code	Object Code Title
S754	S&S OTHER INCOME

Typical Accounts Needed

- Sales and Service/Recharge Account
- Reserve and Renewal Account
 - if equipment is used and depreciated.
- Subsidy Account
 - If recharge facility is being subsidized by the unit/school.
- Differential Account
 - For depositing the portion of sales and service income **over and above** the calculated S&S rate for external clients (recharge rate plus indirect cost amount.)

S&S Accounts Review

Accounting & Fiscal Services will annually review 1/5th of the accounts with sales & service income to confirm the following:

- An Income Activity Sheet is on file (and to collect a current version from the unit if one is not); and
- Evaluate whether the activity is being appropriately assessed to recover indirect costs, consistent with policy and documented waivers.

Proposed Review Schedule

Year 1 (FY 20-21)	Year 2 (FY 21-22)	Year 3 (FY 22-23)	Year 4 (FY23-24)	Year 5 (FY24-25)
School of Medicine	School of Medicine	School of Medicine	School of Medicine	School of Medicine
Academic Affairs	Office of Research	School of Humanities	School of Social Ecology	School of The Arts
School of ICS	School of Education	School of Law	School of Social Sciences	Information Technology
Executive Management		School of Nursing	VC Health Affairs	School of Engineering
Libraries		School of Physical Sciences	University Advancement	
School of Business			DFA	
School of Biological Sciences			OVP Teaching & Learning	

References

For more information about this topic, see the following policies and guidelines:

- [Sec. 701-23: Sales and Service Activities Interim Policy](#)
- [Appendix S: Sales & Service Activities Additional Information](#)
- [Sales & Service Agreement Supplemental Information](#)
- [Recharge Facility and Activity Review and Approval Interim Policy](#)
- [A-56 Academic Support Unit Costing and Billing Guidelines](#)
- [CFR Part 200](#)