

Policy Name: Departmental Sales and Services (DSS)

Policy Owner: Controller's Office

Policy Contact: Amry Stanley

Reviewed By: Controller's Office and Budget Office

Policy Steering Committee Approval: February 2023

Policy Purpose: This policy outlines accounting requirements for Departmental Sales and Services (DSS) charges and enables the Central Office Units and Campus Units to easily identify carry forward eligible funds. This policy also helps to ensure Institute and Board of Regents (BOR) policy requirements for Departmental Sales and Services funds are met.

Summary of Substantive Policy Changes:

- Throughout the policy, all references to former financial system data fields have been removed. References were added to include Revenue Categories and Balancing Units, Workday specific data fields which promote more effective financial reporting and increased compliance with USG policy,
- Throughout, Specific guidance for appropriate ledger accounts to use has been removed from the policy and posted in a Knowledge Article,
- Pages 3 & 4, Added additional definitions for financial terms used throughout the Policy.



Georgia Institute of Technology

Departmental Sales and Services (DSS)

Type of Policy: Administrative

Policy No.: 1.11

Review Date: January 2023

Policy Owner: Controller's Office

Policy Contact: Amry Stanley, Financial Compliance Program Manager,
amry.stanley@business.gatech.edu

1. Reason for Policy

This policy addresses accounting requirements for Departmental Sales and Services (DSS) charges and enables the Central Office Units and Campus Units to easily identify carry forward eligible funds. This policy also helps to ensure Institute and Board of Regents (BOR) policy requirements for Service Centers and Departmental Sales and Services funds are met.

2. Policy Statement

Overview

Georgia Tech has accounting requirements related to Departmental Sales and Services (DSS) funds and the ability to carry eligible funds forward in the next fiscal year. DSS accounting in the Georgia Tech financial system requires DSS driver worktags to correctly point to a non-lapsing fund which then allows campus units to carry forward eligible funds. Certain requirements must be met by the unit to carry forward funds. DSS accounting also requires specific revenue ledger account and revenue category (RC) codes to be used for Quasi/Internal revenue (includes GT Affiliates), revenue External to GT and GT Affiliates and revenue External Sponsored Grants/Awards. The ability to carry forward funds enables revenue centers to better manage their operations and plan ahead for future commitments. Financial administrators and managers are responsible for managing carry forward funds for their unit.

Exclusions

Revenue received for continuing education courses offered by Georgia Tech Professional Education (GTPE) is excluded from this process. These transactions are tracked in fund (FD) worktag FD14000.

Funds and Balancing Units

To ensure compliance with University System of Georgia (USG) and state audit requirements, DSS activity is required to be established using a fund worktag in the FD14xxx range. The Balancing Unit (BU) worktag should be used to maintain carry forward balances for DSS. For more information on balancing units, please visit the [DSS Knowledge Article](#).

Fund and Balancing Unit worktags are assigned to the DSS Driver Worktag (i.e. Designated or GTRI Charge Code) as a Related Worktag at setup. This will ensure these values are associated with the operational transaction or journal when the worktag is assigned.

For revenue to be tracked in a DSS fund (FD14xxx), at least 50% of the revenue source must be from external sources (e.g., student, faculty, staff, general public, grantors, other institutions/agencies, etc.). If less than 50% of the revenue source is from external sources, the activity must be tracked in FD10600 (Other General – Education and General) using Class Code CL11305 (Other General – No Fringe). FD10600 is a lapsing fund and activity tracked in this fund cannot be carried forward into the next fiscal year.

Quasi/Internal and External DSS revenue must be distinguished in the financial system for reporting purposes. This is accomplished by the use of specific revenue categories and revenue ledger accounts. DSS revenue is broken down into three categories:

- Quasi/Internal (includes GT Affiliates)
- External to GT and GT Affiliates
- External Sponsored Grants/Awards

For more details on DSS revenue categories and accounts, please visit the [DSS Knowledge Article](#).

Split Funded Transactions

When DSS activities are charged to multiple driver worktags (i.e. Designated, Gift, Grant, etc.), the revenue recognized by the service unit should be allocated to the appropriate DSS revenue categories and ledger accounts based on the percentage each driver worktag is paying for the service.

Lapsing Funds Exemption

Departmental Sales and Services are exempt from the state law concerning Lapsing Funds. Therefore, DSS surplus balances may be carried forward into the next fiscal year if certain requirements are met. The requirements per section [2.2.1 of the University System of Georgia's Business Procedures Manual \(BPM\)](#) (modified for GT financial system terminology) are as follows:

- The activity must generally be self-supporting
- The activity should not normally use state-appropriated or other general operations funds
- Revenue and associated expenses for each DSS activity should be readily identifiable; e.g., by class, cost center, driver worktag, balancing unit, etc.
- At least 50% of the revenue source must be from external sources; e.g., student, faculty, staff, general public, grantors, other institutions/agencies, etc.

Salaries and the accompanying fringe benefits should be charged to each DSS driver worktag in proportion to the effort of employees providing the goods or services for that activity.

The Office of Grants & Contracts Accounting will provide assistance as needed in confirming that the above requirements for service centers have been met.

General Operations vs. DSS Funds

DSS funds are in a separate fund category from General Operations Funds per the University System of Georgia. Funds in distinct categories cannot be combined and their balances cannot be used to offset balances in the other fund. Therefore, a surplus in a DSS fund or in a General Operations fund cannot be used to cover a deficit in the other fund. DSS funds/balancing units with a deficit at year-end are required to have a funding plan to clear the deficit in the next fiscal year(s). This plan should be documented and retained in the unit.

Contact Information

For assistance with this policy, please enter a ServiceNow request at www.services.gatech.edu > Financials > Financial Accounting. Specific questions can also be directed to the groups below as needed.

- Budget Office - Questions related to DSS budgeting should be emailed to the units Budget Analyst.
- Financial Accounting (Controller's Office) – Questions related to DSS revenue categories, revenue ledger accounts and DSS accounting.
- Grants (Grants & Contracts Accounting) – Questions related to Georgia Tech "Resident Instruction" Service Centers.

3. Scope

This policy applies to all Georgia Tech staff, faculty, and researchers who generate revenue from Departmental Sales and Services.

4. Definitions

| Term | Definition |
|--|--|
| Departmental Sales and Services (DSS) | Transactions generated from the sales of goods and services by one campus unit to another campus units or to entities outside of Georgia Tech. |
| Quasi/Internal Revenue | Quasi/Internal revenue is defined as income from sources internal to the Institute. DSS occurs when one campus unit (service unit) provides goods or services to another campus unit (receiving unit) and subsequently charges the receiving unit for the goods or services. The service unit books revenue to recognize income for the goods or services provided and the receiving unit is charged an expense to recognize the cost of the goods or services received. |

| | |
|---|---|
| DSS Revenue from External Sponsored Grants/Awards | DSS revenue earned from External Sponsored Grants is defined as income where the funding source is external to the Institute and its affiliated organizations. Because the Institute recognizes grant revenue based on expenses as part of the monthly closeout process, revenue from DSS activities charged to sponsored grants must be recognized by the unit as Quasi/Internal revenue. This will ensure revenue is not double counted for financial reporting purposes. |
| DSS Revenue from Entities External to GT and GT Affiliates | DSS revenue earned from entities External to GT and GT Affiliates is defined as income from sources external to the Institute and to its Affiliated Organizations |
| Lapsing Funds | Lapsing Funds are funds that if not obligated at fiscal year-end are required to be surplused to the state. DSS fund types are not lapsing fund types. Additional information on Lapsing Funds can be found include funds in the following fund types: <ul style="list-style-type: none"> • FD10000 – State Appropriations – Education and General • FD10500 – Tuition – Education and General • FD10600 – Other General – Education and General • FD50000 – Unexpended Plant • FD50200 – Unexpended Plant – GSFIC Non-MRR • FD50300 – Unexpended Plant – MRR • FD11015 – State Appropriations - EI² • FD11021 – State Appropriations - GTRI |
| CarryForward Funds | Georgia Tech’s ability to carry forward DSS funds is a result of section 20-3-86 of the Official Code of Georgia. Because DSS Funds (FD14XXX) are not lapsing funds, they are considered to be CarryForward funds and are not surplused at fiscal year-end if certain requirements are met. |

5. Procedures

| | |
|---------------------|--|
| Campus Units | Campus units will utilize the new financial system structure (i.e., driver worktags, revenue categories, ledger accounts, balancing units, reports, etc.) for DSS to more easily identify revenue and carry forward funds. |
|---------------------|--|

6. Responsibilities

Campus Unit

The unit is responsible for following the guidelines in this policy as well as initiating requests to set up new DSS DE and balancing unit worktags. The unit is also responsible

for reconciling transactions in the DSS worktag and creating and maintaining a funding https://www.usg.edu/business_procedures_manual/section2/C1086/#p2.2.1_current_funds plan for deficit balances.

Budget Office

The Budget Office is responsible for setting up DSS Designated and Balancing Unit worktags and working with campus units to ensure eligibility to carry forward DSS funds is met.

Controller's Office

The Controller's Office is responsible for working with campus units as it relates to DSS accounting and ensuring campus units understand the policy.

7. Related Information

| Resource | Link |
|--|---|
| DSS Knowledge Article | https://gatech.servicenow.com/home?id=kb_article_view&sysparm_article=KB0040233 |
| DSS Resource Guides | http://www.budgets.gatech.edu/File?F=GT_DSS.pdf |
| GT Policy Library - Cost/Service Centers | https://policylibrary.gatech.edu/business-finance/cost-service-centers |
| USG DSS Lapsing Funds Policy | https://www.usg.edu/business_procedures_manual/section2/C1086/#p2.2.1_current_funds |
| USG Study Abroad Policy | https://www.usg.edu/business_procedures_manual/section21/ |

8. Policy History

| Revision Date | Author | Description |
|---------------|-------------------------------------|---|
| 12/3/2013 | Carol Gibson | Minor revisions to verbiage |
| 3/26/2014 | Carol Gibson | Updated document exclude GTPE revenue from this process. Minor revisions to verbiage. Updated Procedures section. |
| 9/22/2022 | Controller's Office & Budget Office | Updated policy for Workday implementation and Institute policy changes. |