**Definitions**

**Budget**: The financial representation of the operating plan of a Sales and Service Activity, which sets forth its functional goals for a specified period of time and identifies the sources of funding as Recharges, Revenue, or Subsidy.

**Central Administrative Fee (CAF)**: A type of charge imposed through the recharge system, by which central administrative units charge self-supporting units for services provided. A CAF recharge is a billing based on a rechargee’s relative demand on core services, from one department categorized in the University’s Budget and Financial Systems as providing “general administrative or institutional services” and funded primarily by the General Fund to another department that is essentially self-supporting, for a non-contracted service.

**Contract Recharge**: A type of recharge made by a central administrative unit to a self-supporting unit for goods or services that are specifically identifiable to the self-supporting unit and that requires the central administrative unit to acquire additional resources such as staff in order to provide the goods or services. This recharge may be based on a unit price or a negotiated amount.

**Core Costs**: Those costs that would exist even if no recharge activity occurred. For example, the Vice Chancellor of Legal Affairs and his/her direct office staff would exist as the UCLA Campus Counsel even if the unit did not engage in recharge activity.

**Direct Cost**: A readily-identifiable cost associated with furnishing a good or service.

**Dual-Rate Structure**: A rate structure whereby one rate is charged to Federal users and another rate is charged to non-Federal users. This rate structure is needed whenever a unit proposes to include cost elements in its rates that are unallowable according to OMB Circular A-21.

**External User**: An entity or person over whom the University has no fiduciary responsibility regardless of the user’s relation to the University’s mission [e.g., students, staff and Faculty acting in a personal capacity, other Universities (non UC), commercial entities, and the public at large].

**Expense**: Outflow or other use of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other operational activities.

**Faculty**: A member of the Academic Senate.

**General Fund Recharge Activity**: An activity which is primarily supported from General Funds but also derives support by recharging for services or goods.

**General Fund(s)**: Money earned from student fees (e.g., Ed Fee) plus funds provided by the State of California. Within the overall constraints of the State-approved budget, General Funds may be used for any operating purpose specified by The Regents.

**Income**: Recharges and Revenue considered either separately or in combination.

**Indirect Cost**: A cost that cannot be readily identified with or related to a specific activity.

**Organizational-Level Fee**: A type of charge imposed through the recharge system, by which Organizations (e.g., Dean’s/Vice Chancellor’s Offices) charge budgetary units (e.g., Sales and Service Activities) within the organization for administrative services provided that are not recovered by other means (e.g., F&A recovery). An OLF recharge is a billing based on a rechargee’s relative demand on core services, from one budgetary unit categorized in the University’s Budget and Financial Systems as providing “general administrative services” and funded primarily by the General Fund to another budgetary unit within the organization for a non-contracted service.

**POSSSE**: Policy Committee on Sales and Service Activities and Service Enterprises.
**POSSSE Chair:** Department head of the Office of Academic Planning and Budget who chairs the POSSSE Committee and conducts day-to-day business on its behalf.

**POSSSE Staff:** Staff member(s) within the Office of Academic Planning and Budget assigned as staff to the POSSSE Committee and taking direction from the POSSSE Chair and/or the POSSSE Committee.

**Recharges:** The assessment and collection of a charge by one University entity for goods or services furnished to another University entity.

**Revenue:** Money generated from external sources.

**Royalties:** Amounts paid to a creator or a participant in a creative work based on individual sales of the work or negotiated by contract. In order to receive Royalties, the work must generally be copyrighted or patented.

**Sales and Service Activity:** An economic enterprise that: 1) provides specific goods or services for sale or rent to campus and non-campus entities, 2) has been clearly and uniquely identified and given a University fund number in the Sales and Service fund range, and/or 3) collects Revenue or records Recharges to recover costs. While goods or services might be available from commercial sources, the on-campus activity can provide them more effectively for reasons of convenience, cost, or control.

**Self-Supporting Activity:** An economic enterprise that operates on the basis of Revenues generated rather than general funding from the University and which has been designated as capable of covering its costs via charges to its customers. The fees charged are directly related, although not necessarily equal, to the cost of the goods or services furnished.

**Subsidy:** A form of financial assistance used to support activities that might otherwise fail or to encourage activities that might otherwise not be undertaken.

**Working Capital:** The activity’s accumulated balance that can be used for current needs such as inventories and capital needs such as equipment purchases (if approved in advance by POSSSE or POSSSE Staff).