Other Topics Related to Sales and Service Activities

Taxes

The University of California is a taxable entity for California sales and use tax purposes. Departments are responsible for properly assessing and collecting all applicable California sales taxes from external customers at the time of sale. In addition, sales made in states outside of California may subject the department to sales tax liability in those states.

The net Income of the Sales and Service Activity may be subject to unrelated business Income tax (UBIT) if the sale or service is unrelated to the tax exempt functions of education or research. Any related tax expenditure must be included in the activity’s Budget.

UCLA Tax Services reviews all newly-established Sales and Service funds to determine the extent of tax exposure; any information requested/required by UCLA Tax Services to make this determination must be provided.

Contact UCLA Tax Services www.tax.ucla.edu for additional guidance.

Documentation/Record-Keeping

Departments with Sales and Service funds are the office of record for certain types of documents (e.g., application/revision form, rate calculation documentation, cost allocation/recharge methodology, and approved rate lists to name a few) and are to follow the guidance in the UC Records Disposition Schedules Manual regarding retention.

Policy Waivers/Special Circumstances

For policy waivers or to discuss special circumstances, please contact POSSSE Staff. Waivers may be granted by POSSSE or the POSSSE Chair, depending on individual circumstances.