



# External Sales Overhead Charge

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## Overview

Overhead rates are used to partially recover the cost of central administration which benefit University activity meant to be self-supporting. This situation primarily arises for external sales units and auxiliary services. The overhead rate is set annually during the budget process and charges will be recorded on a monthly basis. The process for assessing the charge is outlined below.

## External Sales Revenue

External sales revenue will be charged the annual overhead rate in accordance with University policy UTDBP-3114. The charge will be assessed using account 89993 – External Sales Assessment on cost centers that meet the following criteria:

- Fund code 3910 – External Sales
- Is not a department currently listed as “University Central”

400000	Central University Funding	401000	Finance - Central
400001	Central University Revenue	401001	Bursar
400002	Central University Payments	403000	Budget - Central
400020	AES T&F Off-Set		

- Transactions to the following revenue accounts

46005	Sales & Serv External	48204	Other Sources
46006	Patient Fees	48205	Lease Income
46007	Prof Serv Contracts	48206	Rental Income
46008	Ind School Dist Svc	48207	Royalty Income
46010	Subscription Sales	48209	Equipment Use Fees
46011	Commissions General	48210	Licensing Revenue-Intellec Prp
46019	Conference Registration	48301	Misc Income
46026	Marketplace Sales	48304	Surplus Sales
46030	ALEKS Exam	48305	Deposit Agency Fund
48000	Admin Allowance	48320	Other Income

Based on these criteria, the total amount of eligible revenue will be multiplied by the annual overhead rate. The calculated amount will appear within the Account Reconciliation Application (ARA) with the following accounting.

- Debit Cost center XXX39XXX and account 89993
- Credit Central cost center 40039XXX and account 46005

## Reporting Requirements – Internal

For reporting purposes, 89993 is mapped to Sales and Service of Educational Activity