Procedures for University Sales

Background:
Departments occasionally engage in selling activities to students or the public. When this occurs, the sales are probably subject to sales tax. The policy of the University is to hold one seller’s permit to be used for all colleges and departments. These procedures are intended to provide departments with the tools to sell items, while insuring that the university reports and pays appropriate taxes on such sales.

Sales Subject to Sales Taxes:
Basically all sales of tangible goods are subject to the California sales tax. This also includes items such as software which include a hard copy or CD of instructions, etc. If you are unsure whether the items to be sold are subject to sales tax, the Tax Specialist should be contacted immediately.

Procedures:

1. The department faculty or staff member who is planning on selling items must call the Tax Specialist at x82325 to discuss the date(s) of the sales and the nature of what is being sold.

2. Tax Specialist will provide the responsible department seller with instructions on the required documentation that needs to be maintained.

3. The department will conduct the sale on the date(s) specified.

4. Following the sale, the responsible department seller will provide the Tax Specialist with all required documents, such as a description of what was sold, to whom it was sold, and a check or receipt number. Note that there are specific account numbers that are to be used when depositing the proceeds of such sales with the Bursar’s Office. Proceeds of the sale, excluding sales tax, should be deposited to CRS# 75500. Applicable sales tax should be deposited to CRS# 75510. These CRS numbers are linked to specific accounts in the financial system which will track all sales.

5. Tax Specialist will review the documents provided in support of the sales event to insure that sales taxes will be properly reported and paid the university. The documents will be forwarded to Accounts Payable.
6. Accounts Payable will query the financial system regularly to track sales activity and will share this information with the Tax Specialist.

7. Accounts Payable will pay the state Board of Equalization (BOE) on a quarterly basis and will have all the backup documentation scanned and housed in the imaging system.

Questions?

If you have questions, please contact:

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