

## University of Kansas Medical Center

### INSTRUCTIONS FOR COMPLETING RESTRICTED FEE ACCOUNT APPLICATIONS

- A. Application Date: Date you wish to have the restricted fee account established, revised or closed. Please note, only items A, B, D and G must be completed to close a restricted fee account.

Restricted Fee Number: Type current number for applications to revise or close an account. Control and Reporting will assign a new number for applications to establish an account. The account structure is RFFDDDXX where:

DDD is your three-digit department number in the KUMC budget system  
XX is random number between 30 and 59

- B. Indicate type of application.
- C. The restricted fee fund number is 2551 and the index code is 2600. The Program Cost Account (PCA) is an indicator to designated set of related operations that follows a planned course of action to achieve a specified purpose and set of objectives. Programs are used to classify agency services and provide a basic framework for resource allocation decisions. Control and Reporting will assign the PCA based on the KUMC budget system.
- D. Long and short titles must be provided that are indicative of the activity of the account. The short title must be no longer than 20 characters and the long title must be no longer than 50 characters. These titles will be used in the KUMC Financial Accounting System (FAS).
- E. Responsible Department: The department name, as listed in the KUMC budget documents, is responsible for the activity of this restricted fee account.

Responsible Party: The name of the KUMC employee in the department who is responsible for this account.

Responsible Party Address and Telephone: The KUMC address and telephone number of the responsible party.

- F. Other individuals in your department, employed by KUMC, authorized to approve expenditures of the restricted fee account.
- G. State the reason(s) for establishing, revising or closing the restricted fee account. Please see **Restricted Fee General Guidelines**, which follows this document, for further information.
- H. An estimate of how much revenue you anticipate the activity of the restricted fee account will generate annually.
- I. Indicate if you intend to bill other KUMC departments, or affiliated organizations (outside billing) for your services and products through the Interdepartmental Billing (IDB) System.

- J. Itemize the specific products/services your department will be providing and the corresponding charge for each product/service. Please attach additional pages if you will be providing more than eight products/services under this restricted fee account. Please note a current published schedule of charges may be attached in lieu of completing this section of the application. Please see **Restricted Fee General Guidelines**, which follows this document, for further information.
- K. Taxable retail sales made to the ultimate consumer are subject to all applicable sales taxes. These taxes need to be assessed and collected from the Purchaser at the point of sale.
- L. Unrelated Business Income Tax will be applied to income from sales of items that do not contribute to KUMC's exempt purpose. Currently, income is subject to tax if it is derived from a trade or business that is regularly carried on and is not substantially related to the exempt mission of the University of Kansas Medical Center.
- M. An estimate of the amount you anticipate will be expended annually to support the activity of this restricted fee account.
- N. Indicate if you intend to support the activity of this account through:
  - 1) Purchasing materials/services from other KUMC departments via the Interdepartmental billing (IDB) system.
- O. Itemize all anticipated expenditures and provide an explanation of how each expenditure will support the provision of products/services listed under this account's schedule of charges (e.g. supplies, travel, seminars, telephone expenses, maintenance, contracts, equipment, furniture, and rental expenses).
- P. Include, for KUMC employees to be paid under this restricted fee account, the position number and title description as stated in KUMC budget documents. Provide the type of duties the employees perform and the percent of time spent in support of the activity of this restricted fee account.
- Q. Responsible Party, Department Head/Chair and Dean/Vice Chancellor/Director approvals must be completed before the account will be approved for establishment, revision or closure by the Controller's Office.

Send Completed Form To:           Control and Reporting  
   Mail Stop 2035  
   Service Support Bldg.  
   3901 Rainbow Boulevard  
   Kansas City, KS 66160-7103

## University of Kansas Medical Center

### GENERAL GUIDELINES FOR ESTABLISHING AND MAINTAINING RESTRICTED FEE ACCOUNTS

Restricted fee accounts are established for the purpose of providing departments a means to receive remuneration for any products or services that they provide to entities outside of their own department. All costs incurred in the development and delivery of the products or services are to be charged to the restricted fee account. All revenues and expenditures from such restricted fees must comply with the State of Kansas, Department of Administration, Policies and Procedures as well as the Kansas Board of Regents Policy on Sales of Products and Services. All transactions are subject to University and State audit.

For each product or service to be provided a charge structure must be developed. This charge structure should indicate the rate that will be charged for each product or service. The rate should be determined through an analysis of the costs incurred in the production of the products or services. The cost analysis should consider all costs associated with the creation of the product or services. Some costs to be considered include, salaries, fringe benefits, supplies, rental expenses, depreciation and overhead. Overhead costs should be computed at the rate of 38%.

All activity conducted through the restricted fee accounts is subject to Federal Unrelated Business Income Tax (UBIT) and State of Kansas Sales Tax laws. UBIT imposes an income tax on the net income from activities that are unrelated to the exempt purpose of the Medical Center. The tax is designed to lessen the advantage a tax-exempt organization would have over a competing taxable entity. The Medical Center annually files a UBIT return. For additional information on UBIT contact Control and Reporting. Kansas state sales tax is generally imposed on a sale of goods to individuals or organizations that purchase such goods with non-state funds (i.e. cash, personal or corporate check). Contact Control and Reporting for additional information on sales tax.

Restricted fee accounts must be used solely for the specific approved purpose for which fees are collected. Deviations from the approved purpose will not be allowed without prior approval. The activities of each restricted fee account should be reviewed on a regular basis to ensure compliance with the specific approved purpose.

# University Of Kansas Medical Center

## Restricted Fee Account Application

A. Application Date: \_\_\_\_\_ Restricted Fee Number: \_\_\_\_\_  
B.        New Application                      Revised Application                      Close Account

C. Fund: 2551        Index: 2600                      Program Cost Account (PCA): \_\_\_\_\_

D. Short Title of Account: \_\_\_\_\_

Long Title of Account: \_\_\_\_\_

E. Responsible Department: \_\_\_\_\_

Responsible Party: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

F. List names of other individuals you will authorize to make charges on your account:

Name

Title

G. In as much detail as possible, explain the necessity of establishing, revising or closing this Restricted Fee Account:

H. Estimate of Annual Income: \$ \_\_\_\_\_

I. Will you bill for your services/products through the Interdepartmental Billing (IDB) System?

(See J - - IDB Billed Column)

Yes

No

J. Schedule of Revenues (Income)

Effective \_\_\_\_\_ the Department of \_\_\_\_\_ is authorized to make the following charges for services rendered and materials and supplies furnished to students and other individuals or groups.

| Description of Services and Products | Check If to Be IDB Billed | Charges |
|--------------------------------------|---------------------------|---------|
| 1.                                   |                           |         |
| 2.                                   |                           |         |
| 3.                                   |                           |         |
| 4.                                   |                           |         |
| 5.                                   |                           |         |
| 6.                                   |                           |         |
| 7.                                   |                           |         |
| 8.                                   |                           |         |
| 9.                                   |                           |         |

University departments or offices may collect only those charges established by the Board of Regents or listed on an approved "Schedule of Charges." All such charges shall be at prevailing rates but not less than cost, including a reasonable allowance for equipment, space and indirect costs.

The Kansas Board of Regents Policy on Sales of Products and Services should be referred to before adding new charges to the Schedule of Charges.

Charges for items regularly sold at established sales counters may be "as posted." Schedules should be revised when necessary by replacing the entire page which needs one or more items changed or added.

K. Will Kansas Sales Tax be assessed to the Purchasers?      Yes              No

L. Will the net income derived from the activity of this account be subject to Federal Unrelated Business Income Tax (UBIT)?      Yes      No

M. Estimate of Annual Expenditures: \$

N. Indicate if you will utilize these KUMC services in support of your Restricted Fee Account:

Interdepartmental Charging: Yes      No

O. List anticipated OOE and equipment expenditures and explain how they support the purpose of the Restricted Fee Account:

1.

2.

3.

4.

P. List the KUMC positions to be funded partially or wholly from this Restricted Fee Account:

| Position Number | Title Description | Duties To Support | Percent |
|-----------------|-------------------|-------------------|---------|
|-----------------|-------------------|-------------------|---------|

1.

2.

3.

4.

Signature of Responsible Party      Date

Signature of Responsible Party      Date

Dean/Vice Chancellor/Director      Date

Controller      Date