



University Community (faculty, staff and students)

SUBJECT (R*)	EFFECTIVE DATE (R)	PROCEDURE NUMBER
PROCEDURES FOR IDENTIFYING AND REPORTING SALES TAX	January 10, 2005	1110.040a

PROCEDURE STATEMENT (R)

1. The University is required to collect and remit sales tax for activities/sales identified by the Florida Department of Revenue (FDOR) as taxable. Generally, most transactions are taxable unless specifically exempted by law. For example, the following transactions require the collection of sales tax:

- a. Sales of taxable items at retail.
- b. Charges for admission to any place of amusement, sport, or recreation.
- c. Rental or lease of personal property.
- d. Rental or lease of real property.

The following is a list of examples of both taxable and non-taxable transaction that may be conducted by the University:

Taxable Transactions

Annual Membership Fees - Physical Fitness or Recreation
Binding Fee
Computer Hardware and Software Sales to Faculty/Staff/Students
Computer Time
Concessions - Athletic Events
Copyright Fee - Dissertation
Duplication/ Photocopying
Facilities Equipment Use/ Rental Charge
Food Service/ Sales/ Program
Game Program Sales
Game Room Sales (Pool Table, Video Machines)
Guest Housing (Non-students)
Hotel Room Rental
Locker Rental
Lost Items - Security Auction
Mailing Labels - Internal (No)
Medical & Pharmaceutical Supplies
Merchandise Sales
Parking Decals
Parking Meters
Phone Calls from Hotel Rooms
Photographs & Photograph Development
Printouts - Census Information
Publication/ Book Sales
Rental Fee -Scientific Equipment
Rental of Audio/ Visual Equipment
Rental of Facilities (Including Related Services)
Research Animal Sales
Residential Rent - Non-Student
Sale of Aluminum Cans
Sale of Informational Literature (SBDC)
Sale of Photographic Services
Sale of Scrap Metal
Sale of Scrap Paper

Sale/Auction of Surplus Property
 Study Guides
 Subscriptions
 Ticket/Admission Sales - Athletic Events
 Tower Rental - Radio/ TV
 Vending Machine Commissions
 Video Tapes & Audio Tapes, Disks
 Volume Feeding - Hospitality Management
 Washer/Dryer Commissions

Non-Taxable Transactions

Access/Identification Card Fee, or Passbook
 Activity & Service Fees
 All Breakage & Lost Library Materials
 Annual Membership Fees - Non-Physical Fitness or Non-Recreational
 Athletic Guarantees
 Attendance Fees - Sports/ Youth Camps - Instruction
 Auto/ Bicycle Impound Fine
 Bid Deposits
 Cadaver Sales
 Commission From Travel Agency
 Computer Line Support - Public Schools
 Consortium User Charges
 Contract and Grant Awards
 Copies of Police Reports
 Equipment Damage and Loss
 Fabricate, Modify, Repair Lab & Hospital Equipment
 Faculty Advisement Contracts
 Fees - Career Fair
 Fees - Conferences & Workshops
 Fees/Trade Mission Trips
 Grant Program Income
 Grants & Donations
 Guest Housing (Students)
 Health Service Fees (Shots, Prescriptions, etc.)
 Housing Rental Rates - Regular
 Housing Telephone Services
 Interlibrary Loans/Literature Searches
 Library Fines
 Lost Keys (Includes Cylinder Change)
 Material & Supply Fees (Lab Fees)
 Medical Laboratory Tests
 Medical Services - Clinical/ Not Covered by Health Fee
 Medical X-Rays
 Microfilm Fee
 Off-Campus Educational Activities (Non-Continuing)
 Parking Fines
 Pharmacy Sales (Not Covered by Health Fee)
 Postage
 Refuse Collection
 Reimbursement for Utilities (Electrical, Water/ Sewer, Custodial)
 Residential Rent - Student
 Returned Check Fee
 Royalties for Documentaries
 Royalty Fees for Using University Logo
 Security Access/ ID Card/ Duplicate Security
 Shipping Charges on Sales of Personal Computers
 Soil Analysis
 Sponsored Research Awards
 Standardized Tests (GRE, URE, etc.)
 Statistical Analysis Work
 Telephone Commissions

Telephone Services
 Television Revenue (Games)
 Ticket Master Commissions
 Transcript Fee
 Veterans Registration Administrative Allowance

If the specific transaction is not listed above (either taxable or non-taxable) or you are unsure of the sales tax treatment, contact Tax Compliance Services prior to the transaction taking place for guidance.

2. Once it has been determined that an activity will give rise to sales tax, the department will need to decide if the price of the goods or services being provided should be adjusted to accommodate for the sales tax. This can be done in one of two ways:

- a. The simplest method to adjust for the sales tax is to multiply the price of the goods or services being provided by 7% and adding that amount to the sales price.

Example:

Amount Without Sales Tax	\$25.00
Sales Tax (@7%)	<u>\$ 1.75</u>
Total Amount charged	\$26.75

- b. The second method to adjust for the sales tax is to back into the sales tax amount. This method would be used when the department wants to keep the total amount charged to a whole dollar amount. In order to calculate the sales tax amount using this method, the "Total Amount Charged" needs to be divided by 1.07. This gives you the "Amount Without Sales Tax". To calculate the "Sales Tax" you multiply the "Amount Without sales tax by 7%. The sum of the "Amount without Sales Tax" and the "Sales Tax" should equal the "Total Amount Charged"

Example:

Total Amount Charged	<u>\$100.00</u>
Amount Without Sales Tax (\$100/1.07)	\$ 93.46
Sales Tax (@7%)	\$ 6.54

3. Once the taxable activity has occurred and the department has collected the revenue, the department should deposit the sales tax collected at the Cashier's Office located at PC 120, within 48 hours. The sales tax amount should be deposited in Department Number 110400715 "Sales Tax", general ledger account number 611001 "Sales Tax Liability".

4. The Tax Compliance Section of the Controller's Office is responsible for remitting the sales tax monthly by the 20th of the following month.

REASON FOR PROCEDURE (O*)

Florida law states that each sale, admission charge, storage, or rental is taxable (i.e. subject to sales tax) unless the transaction is specifically exempt.

These procedures are set forth to give guidance to the University community when an activity gives rise to sales tax and how to report such transactions, as set forth by the University's policies on sales tax.

The current Florida sales tax rate in Miami-Dade County is 7%.

RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R*)

Office of Finance and Administration
Florida International University

RESPONSIBLE ADMINISTRATIVE OVERSIGHT (R*)

Controller's Office
Florida International University
11555 S.W. 17th Street, CSC 310
Miami, Florida 33199
Telephone Number (305) 348-2131

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R*=Required O*=Optional