

University of Connecticut Office of the Bursar Cash Operations

Guidelines for Selling Goods & Services

Purpose: To provide general guidelines for University departments selling goods and services

Campus Applicability: Storrs & Regional Campuses, excluding Tier I and Tier II Student Organizations

Effective Date: 08/01/2025

Last Updated: 07/28/2025

Guidelines Owner: Office of the Bursar Cash Operations

Contact Information: cashoperations@uconn.edu

University Mission

Activities of departments must be in line with the University's mission. When deciding to sell a new good or service, the department must ensure and document how it supports the [University's mission](#).

Approvals

Departments seeking to sell a new good or service must submit a [Kuali Build Request form](#). The form must be reviewed and approved by a Department Head or other senior management as well as the Fiscal Officer responsible for the KFS account receiving the revenue. The form will be sent to the Tax & Compliance Office for their review before routing to Cash Operations for final approval. Departments may not begin selling the new good or service until all approvals are completed. A new request form must be submitted for any new good or service being sold.

Accepted Payment Methods

Departments wishing to accept payment by credit card must utilize the University's centralized eCommerce platform, Marketplace, unless they have been previously approved for their own merchant account. Card may be accepted online and/or in-person. Card payment over phone and mail is prohibited, unless approved by the PCI Team as an exception. If using Marketplace, electronic check may also be accepted as a payment method. Departments may also accept paper check. Cash is highly discouraged and requires approval by Cash Operations. Please contact Office of the Bursar Cash Operations for more information on accepting various payment methods.

Collecting & Depositing Payments

All funds received by departments must be collected and deposited per the University's [Cash Collection and Deposit Policy](#). See the [Office of the Bursar Cash Operations website](#) for additional guidelines on collecting and depositing funds.

Training

Anyone involved in the collection, depositing, and/or reconciliation of payments must complete annual Cash Handling Training and/or annual PCI Compliance training. Please see the [Office of the Bursar Cash Operation's website](#) for more information.

Determining Pricing - Goods

University departments that produce or sell goods, such as apparel, merchandise, kits, or printed materials, must establish pricing that ensures responsible cost recovery while remaining fair and appropriate for the intended audience. The price of any good should be based on the full cost of production, which includes direct expenses such as materials, vendor or wholesale purchase costs, printing or customization fees, shipping and handling, and any labor involved in ordering, assembly, or distribution. When University staff or student workers contribute time

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to managing these items, their labor should be factored in at a reasonable internal rate to reflect the full delivery cost.

In addition to cost recovery, departments should apply a modest markup to account for indirect costs, potential unsold inventory, and administrative overhead. Pricing should contribute to financial sustainability of the program and allow for flexibility in supporting programming needs. For commonly sold items such as T-shirts or event merchandise, departments should consult comparable prices charged by peer institutions, campus partners, or similar vendors to ensure pricing is aligned with market expectations and does not discourage participation.

The unit's fiscal officer should review and document all pricing decisions internally within the department. Final pricing should be approved and documented by a supervisor or designated financial authority, particularly when goods are sold to the public, students, or as part of a University event. Prices should be reviewed annually or before each new purchase cycle to ensure they align with actual costs and University financial guidelines.

Determining Pricing – Services and Other Programming (Conferences, Workshops, Seminars, etc.)

To ensure the financial sustainability and competitiveness of services and programming at the University, all pricing decisions must be guided by a comprehensive understanding of internal cost structures and external market conditions. Pricing should be set to fully recover all direct costs. Indirect costs, such as administrative overhead, should also be reasonably allocated or factored into the overall pricing structure to support long-term service and/or program viability.

In addition to covering costs, pricing must reflect the realities of the marketplace. Departments are expected to conduct market research, such as competitor scans, to align rates with what customers are willing to pay and what similar institutions charge for comparable offerings. The perceived value to customers should remain a core consideration, particularly when offering programming that provides credentials, skill development, or career advancement opportunities that contribute to a positive return on investment. Where and when appropriate, tiered pricing models or promotional discounts may be considered.

Departments should conduct a break-even analysis based on projected purchases/enrollment and total costs to determine the minimum viable pricing point. This analysis helps ensure that pricing supports service or program delivery even at modest purchase/enrollment levels. All pricing proposals must be reviewed by the responsible service or program lead and approved and documented by the appropriate academic or administrative unit, such as the Dean's office. Fees should be evaluated annually and adjusted as needed in response to cost changes, purchase/enrollment trends, and shifts in market demand.

Pricing Exceptions

While the university is committed to establishing consistent, cost-recovering, and market-informed pricing, there are circumstances where deviations from standard pricing may be warranted.

All pricing exceptions must be documented by a written rationale explaining the purpose of such exception, the expected benefit to the University or community, and a financial impact assessment, including any anticipated revenue loss. Exceptions should also include an evaluation plan if the reduced rate is part of a pilot program or

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promotional effort. Requests must be reviewed and approved by the appropriate academic or administrative authority, such as the Dean's office, before implementation.

Approved pricing exceptions should be tracked and reported annually to the appropriate academic or administrative authority, such as the Dean's office or the unit's Director, to ensure transparency and to assess their effectiveness in meeting access, engagement, sales targets, or strategic partnership goals. Recurring or large-scale exceptions may prompt a reevaluation of the standard pricing strategy for specific customer bases. All exceptions should support the University's mission, uphold equity principles, and be financially responsible.

Refunds

A clear refund policy should be set for each good or service being sold that outlines any timeframe requirements, any portion that is non-refundable, and/or any other restrictions on receiving a refund. The refund policy should be displayed to customers prior to accepting and processing the payment.

Refunds must be documented and retained for seven years for auditing purposes. If the original payment was made by credit/debit card, the refund must be processed back to the card on file. If a credit/debit card refund is requested after one year, or if the refund back to the card is unsuccessful for any other reason, the refund must be processed via a check through HuskyBuy. Any payments made with cash, check, or electronic check must be refunded through HuskyBuy. Cash refunds are prohibited.

Separation of duties is crucial for ensuring secure and compliant refund processing. Departments who do not have staffing to support proper separation of duties should contact Cash Operations for guidance. The refund process typically involves two key roles:

1. Refund Approver – This individual reviews and approves refund requests per the department's established policy. Approvals can be documented electronically via email, log, etc. or recorded on paper.
2. Refund Processor – This individual is responsible for executing the refund transaction in HuskyBuy, Marketplace, and/or other approved payment system, if applicable.

Tracking & Safeguarding of Inventory

Physical goods held for sale must be tracked and safeguarded to prevent loss. Inventory counts must be performed and documented on a routine basis, at least monthly, and compared against records of total goods purchased less total goods sold. Procedures should be established on how inventory discrepancies will be researched and addressed. To ensure separation of duties, the person conducting the inventory count should not be the same person responsible for tracking the purchasing and selling of the goods. Departments should determine a reasonable process to estimate total quantity of goods required prior to purchasing to reduce overspending and excessive inventory.

UConn Branded Goods

UConn branded items (t-shirts, pens, water bottles, etc.) may not be purchased for resale purposes. Instead, purchases should be made directly from University -approved vendors. For more information, please contact licensing@uconn.edu.

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It is, however, allowable for a department to create and sell a good that has their specific department branding/logo on the item (blankets, gardening books, etc.). This would be considered a standard retail item. All artwork, branding, logos, etc. must be approved by Brand Partnerships & Trademark Management. Please email licensing@uconn.edu and anna.milot@uconn.edu for approval.

Noncredit Courses

Noncredit courses should be managed through the Office of Continuing and Professional Education within Academic Program Development and Support. Please contact ruth.kustoff@uconn.edu or mjones@uconn.edu for more information.

Restrictions on Goods/Services Related to Credit Bearing Courses

All academic materials for credit-bearing courses at the University should be sold exclusively through the University Bookstore. Required academic materials are not permitted to be sold by the department. Departments should contact the University Bookstore to ensure all supplemental course materials (if any) are available.

Restrictions on Generating Funds for Academic Unit/Faculty

Any activities conducted by faculty for which compensation will be earned must be in compliance with the [Policy on Faculty Compensation](#) and its related guidance. Questions regarding the Faculty Compensation Policy can be directed to provost@uconn.edu.

Charitable Contributions/Donations & Fundraisers

Departments should not directly accept charitable contributions/donations. Instead, donors are encouraged to donate through the UConn Foundation.

However, a department may sell a good or service as part of a fundraiser. A fundraising activity is when a department sells a good or service above cost. Fundraising proceeds should be recorded as revenue and NOT as donations in KFS. A fundraising activity is not a charitable contribution because the purchaser is giving money in exchange for something of value. If the item being purchased is of such nominal value compared to the purchase price, then the transaction may no longer constitute a sale but a charitable contribution. Nominal value means less than 2% of the purchase price. If the item is of nominal value, the transaction is a charitable contribution and should be administered by the Foundation.

Example: A department is selling calendars for \$20 as a fundraising activity. The cost to print and bind the calendars was \$8 per calendar. The \$12 remaining on each sale will be retained by the department and used in accordance with UConn's mission. How much of the \$20 is considered a charitable donation?

Answer: None. This transaction is a sale of a tangible item and not a donation. The purchaser is not a donor because they are giving money to UConn in exchange for a calendar (a tangible good). The calendar does not represent an item of nominal value because it is valued more than 2% of the sale price of the calendar. For the item to qualify as nominal, the calendar would have to be valued at no more \$0.40 which is equal to 2% of the \$20 sale price.

For more information about what constitutes a charitable contribution, please visit the [FAQs](#) located on UConn's Tax & Compliance website.

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Tax Considerations

When UConn sells a **taxable** product or service, it must collect and remit sales tax to the CT Department of Revenue Services (“DRS”) on that sale unless the customer provides the appropriate exemption certificate at the time of the purchase. Click [here](#) for more information about sales tax exemption certificates referred to as “certs”. The default sales tax rate in Connecticut is 6.35%.

Applicable CT Sales Tax Rates		
<u>Tax Rate</u>	<u>Applies To</u>	<u>Citation</u>
6.35%	Tangible goods and taxable services	Conn. Gen Statute §12-408(1)(A)
7.35%	Meals, Beverages, Catering	Conn. Gen Statute §12-408(1)(A) and §12-408(1)(I)

- Tangible goods (e.g. UConn merchandise, apparel, memorabilia, etc.) are subject to 6.35% sales tax when shipped to customers within Connecticut.
- Certain taxable services are subject to a 6.35% sales tax when they occur within Connecticut. Please refer to this [chart](#) for the sales tax implications associated with the most common services sold by UConn.
- Prepared or ready-to-eat meals and beverages are subject to a 7.35% sales tax when sold to non-UConn students and employees. The state of CT offers a [special sales tax exemption](#) for food and beverages sold **ON CAMPUS** to UConn students and employees but the individual must show their UConn ID at the time of purchase to receive the sales tax exemption.
- Generally speaking, educational courses, conferences, and seminars provided by UConn are exempt from sales tax. However, if a significant portion (more than 10%) of the sales price (i.e. registration fee) covers the cost of taxable goods and services such as meals and parking, we recommend itemizing the sales price within your uStore to collect sales tax on only the taxable components of the sales price. Otherwise, the total bundled sales price may be subject to CT sales tax.

KFS Account & Object Code Considerations

Departments should select accounts and object codes for selling goods and services based on the specific nature and purpose of the activity. For instance, educational departments selling goods and services typically use 4-ledger operating accounts within the 45xx object code range, while auxiliary departments use 3-ledger operating accounts within the 46xx object code range. Object code selections must adhere to the [Global Object Edit Rules](#), which are based on the subfund attribute assigned to the selected account. Expense object codes should rarely be used for revenue generated by the sale of goods and services. If they are used for reimbursement purposes, they must not exceed the related expense posted in that object code. Object codes 4565 and 4665 are designated exclusively for internal sales and services, such as internal billings or service billings, and should not be used for external sale of goods and services. For a complete listing and descriptions of revenue object codes, please refer to [KFS Revenue Object Code Descriptions](#).