

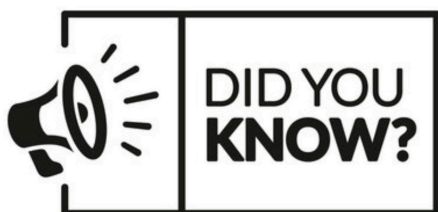


UNIVERSITY OF
South Carolina

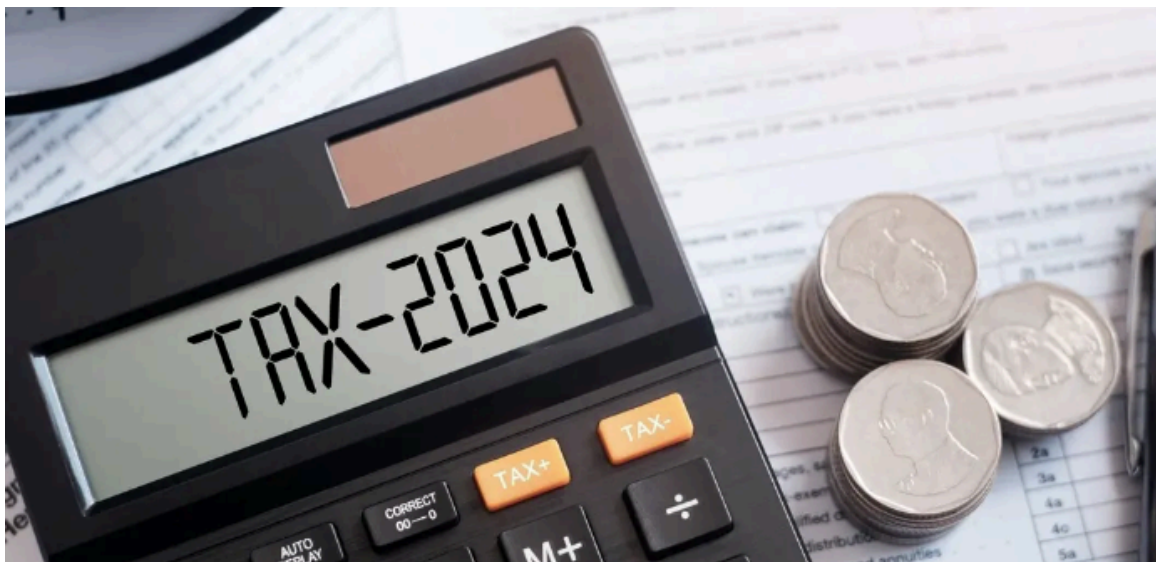
Office of the Controller

October 2024 Newsletter

Committed to ensuring efficient and effective stewardship of the University's financial resources by streamlining processes, providing reporting and analysis tools, and delivering training and excellent customer service to students, faculty and staff.



Each year our Compliance and Tax Management Team prepares and analyzes over **4,000** 1099 tax forms annually and manages **23,000** active suppliers.



Meet the Compliance and Tax Management Team

- Lindsey Cox - Director of Compliance and Tax
- Rachel Goode - Senior Compliance Manager
- Lisa Sipe - Senior Compliance Accountant
- Douglas Bailey - Assistant Director of Tax
- Shannon Nickens - Senior Compliance and Tax Accountant
- Kadejah Bethea - Senior Compliance and Tax Accountant
- Johnna Duncan - Supplier Analyst

- Jaime Snelling - Supplier Analyst

Important Tips and Reminders

1. A common misconception is that the University is exempt from all forms of tax. However, in accordance with [Internal Revenue Code \(IRC\) Section 115](#), the University is exempt from *federal income tax* (see below) but **not state sales tax**. Only a short list of items qualify for a sales tax exemption, including machines used directly and primarily in research and development, books, magazines, periodicals, and access to online information (used in a course of study).
 - a. **Unrelated Business Income Tax (UBIT)** – As a Section 115 organization (per IRS determination), the University is generally exempt from federal income tax on income related to its exempt purpose (e.g., teaching, instruction, research, public service). However, the University may also engage in other activities that do not directly relate to its exempt purpose – these activities may be taxable as unrelated business income. For an activity to be deemed unrelated business income and potentially taxable, it must fulfill all three of the following requirements: it must originate from a [trade or business, regularly carried on](#), and [not substantially related](#) to promoting the exempt purpose of the organization.
 - b. There are many exceptions and special circumstances that may cause a revenue stream to be deemed unrelated business income or exempt from tax. As such, before entering into revenue generating agreements, the Tax Team should be contacted for a review of activity for potential tax implications at tax@mailbox.sc.edu. Refer to the [Income \(UBIT\) Tax Webinar](#) for additional information.
2. In accordance with Internal Revenue Service (IRS) regulations, U.S. source taxable scholarships, fellowships, and grants are subject to tax withholding when paid to nonresident aliens. The standard withholding rate is 30%. However, it may be exempt or reduced to 14% based on applicable tax treaties and visa classifications, among other factors. We strongly recommend these potential tax implications be concurrently communicated to the international student when applicable scholarships, fellowships, or grants are awarded. Nonpayment of existing tax bills could prevent the student from registering for future courses. Refer to the [Tax Implications for International Students Webinar](#) for additional information.

Other things to keep in mind:



Monthly Tax Returns - All sales, admissions, and accommodations tax returns are due to the Controller's Office by the 10th of every month, for the previous month. For example, October tax returns would be due by **November 10th**. With the volume of returns filed by the Controller's Office, this will ensure ample time to process the filing and remittance to the SC Department of Revenue.



Sales & Use Tax - In general, sales of most tangible personal property and certain services are subject to sales tax. Refer to the [Sales and Use Tax Webinar](#) for additional information.



Admissions Tax- An admissions tax of 5% must be collected by all places of amusement when an admission fee has been charged. For a comprehensive reading of admissions tax, please see [Sections 12-21-2410 through 12-21-2575](#) of the SC Code of Laws. Beginning in fiscal year 2023-24, a proviso allowed for refunds on admissions tax on athletic events and this was extended for fiscal year 2024-25. Refer to the [Admissions Tax Webinar](#) for additional information.



Accommodations Tax - A 5% sales tax and 2% accommodations tax, in addition to local county sales taxes, are imposed upon the gross proceeds from the charges for sleeping accommodations furnished at any place in which rooms, lodgings, or sleeping accommodations of any kind furnished for less than 90 days. Refer to the [Accommodations Tax Webinar](#) for additional information.

Please contact the Tax Team to inquire about establishing a retail account to collect and remit accommodations or sales and use taxes to the SC Department of Revenue if you are selling or charging for the items listed above.

When assessing sources of income, tax exemption, and documentation requirements for foreign nationals, reference the [Payments to Foreign Nationals Matrix](#) for assistance.

Supplier Management

Have you ever wondered how Supplier Management fits into our Tax function? Our Supplier team's diligent management of supplier registrations and updates ensures the proper tax withholding selections are made to help produce accurate and timely tax forms for our suppliers each year. If you have a question not addressed on our website, please contact us at apsupplr@mailbox.sc.edu.



Creating an Internal Charge

An Internal Charge is a transaction where one USC department provides a good or service for another USC department. The transactions are processed in PeopleSoft Finance as regular online journal entries (JE) at the following location:

Main Menu > General Ledger > Journals > Journal Entry > Create Update Journal Entries

The use of a JE eliminates the need for a paper check to be issued and a bank deposit to be made.

The JE consists of a 5xxxx expense GL account and a 6xxxx contra expense GL account. The 5xxxx account code is used for the department receiving the goods or service. This will be the debit/positive value on your JE. The offsetting 6xxxx account code is used for the department providing the goods or service. This will be the credit/negative value on your JE and acts as revenue for the department for financial reporting purposes.

The 5xxxx account code that you use will determine the 6xxxx account code that is needed. You can use the chart below to verify the correct 6xxxx account code to use.

Internal Charges - 5xxxx to 6xxxx Comparison		
Expense	Contra Expense	Account Title
52001	62001	INT CHRG ALLOCATED SERVICES
5202%	62020	INT CHRG TRAVEL
52030	62030	INT CHRG TELEPHONE AND NETWORK
52031	62031	INT CHRG TELEPHONE TOLLS
52032	62032	INT CHR TELEPHONE AND NETWORK
52034	62034	INT CHRG NETWORK PARTS
5204%	62040	INT CHRG REPAIRS
5205%	62050	INT CHRG PRINTING ADVERTISING
52060	62060	INT CHRG UTILITIES
52061	62061	INT CHRG UTILITIES POWER
52062	62062	INT CHRG UTILITIES HEAT
52063	62063	INT CHRG UTILITIES WATER
5207%	62070	INT CHRG CONTRACTUAL SERVICE
52075	62075	INT CHRG ANIMAL CARE SERVICES
52078	62078	INT CHRG CONTRACT INSTRUCTION
5208%	62080	INT CHRG SECURITY SERVICES
52083	62083	INT CHG USC WORK CONTRACT SERV
52150	62150	GFM UNREIMBURSED EXPENSES
53%	63000	INT CHRG SUPPLIES
54%	64000	INT CHRG FIXED COSTS
5411%	64110	INT CHRG CONFERENCE REGIST
54520	62000	INT CHRG CONTRACTED SERVICES
56%	66000	INT CHRG EQUIPMENT
57%	67000	INT CHRG CAPITAL PROJECTS
59%	62xxx or 63xxx	VARIOUS

*Note: Account Code 69000 is not to be used unless receiving approval from GFM

Remember an Internal Charge transaction is different from an 86/81 Transfer JE in that an actual good or service was provided. While no actual cash changes hand, an item is moved from one department to another, or a service is provided by one department for another. An 86/81 transfer is just one department assisting another department financially, but no goods or services change hands.

Please always list "Internal Charge" in your JE long description. This will speed up the approval and posting processes for your JE.

The JE attachment could be a detailed invoice to explain the charge in detail. Just be sure to remove or redact all secure information such as social security or bank account numbers before attaching. This is one of the few instances where a JE will not need a copy of the GL/Finance Intranet to be approved.

If you run into any issues while creating an Internal Transfer or have any questions on the process, please reach out to the General Ledger team at genacctg@mailbox.sc.edu.

Important Payroll Reminders



All USC employees are **required** to set up direct deposit for payroll. New hires, including students, are prompted to set up direct deposit as a part of the Onboarding process. They simply complete that step in the activity guide! You have the option to direct deposit your earnings into up to five accounts. To initiate this process, just click on the Payroll tile in Employee Self Service and select the Direct Deposit tile. The **Direct Deposit Quick Reference** guide is available to help new employees input their direct deposit information, and it's also a useful resource for current employees needing to make changes due to bank switches, account number updates, or fraud concerns.

To ensure that all timesheets in a Saved status are properly reviewed, submitted and approved for payment, it is recommended to refer to our **Time and Absence Queries/Reports Quick Resource Guide**. Prior to the timesheet deadline for each payroll cycle, it is important to review the **Saved Not Submitted – Report Time** query and ask your employees to either submit or delete the hours.



If you have direct deposit questions, please reach out to PAYROLL@mailbox.sc.edu. For timesheet questions, please reach out to TLAPPRVR@mailbox.sc.edu.



Training Opportunities

The following training will be offered in the coming months. To register, click a link



October 10 by 5pm: Deadline to submit September Sales/Use/Admissions Tax Returns

below. On the registration page, provide your first, last name and email. Once registration is complete, you will receive a confirmation email and the session will be added to your calendar.

October 9: Student/Non-Employee (TA/TRV) eForm Refresher Travel

October 31: Time and Labor Hot Topics

If you have any questions about the training opportunities listed above, please reach out to pstrain@mailbox.sc.edu.



October 25 by 5pm: Team Card, Travel Card, Program Card, P-Card October billing cycle deadline

October 31 by 12pm: October Expense Module Correction eForms (Apex) completed and approved in PeopleSoft

October 31 by 12pm: October AP JV eForms completed and approved in PeopleSoft

November 1 by 5pm: October Journal Entries completed and approved in PeopleSoft

November 5: Tentative close of GL for October

Please reach out to our General Accounting Team, genacctg@mailbox.sc.edu, if you have any questions.

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Office of the Controller, 1600 Hampton Street Suite 613, Columbia, SC, 29208

 [Unsubscribe](#)

