

ADMINISTRATIVE DIVISION	FINA Administration and Finance
POLICY NUMBER	FINA 1.21
POLICY TITLE	Sales & Services Funds (E Funds)
SCOPE OF POLICY	USC System
DATE OF REVISION	July 21, 2025
RESPONSIBLE OFFICER	Executive Vice President for Administration and Chief Financial Officer
ADMINISTRATIVE OFFICE	University Finance – Controller’s Office

PURPOSE

This policy defines the criteria for establishing an E fund and describing the required administration of these funds.

DEFINITIONS AND ACRONYMS

E Fund: E funds are designated as Unrestricted Sales and Service Funds. They primarily support Research & Public Service programs and other services such as Continuing Education and Computer Support. The primary revenue source for these funds is earned from sales and services. More detailed examples of activities using E fund accounts are included below.

POLICY STATEMENT

Once an E fund is approved and established, the unit is responsible for maintaining the E fund account in a positive cash balance status and in accordance with established policies and procedures of the University. The Controller’s Office will periodically monitor all E funds and seek to resolve identified concerns by contacting the unit.

A. E Fund Criteria:

E fund accounts are typically used to track the unrestricted, self-sustaining, and on-going activities of University units such as a college, department, institute, center, or other organizational element. These units retain the revenues generated through these activities to cover the costs of operations. Balances in these accounts will be carried forward from one year to the next for the purpose of expanding or improving the services provided by the unit.

Centers and Institutes are established according to the procedures delineated in ACAF 2.01. Rates established by units for services are designed to recover actual costs of operations. Units should maintain the financial information necessary for computing rates and documentation must be made available upon request. When the unit charges federal grants, the service rate must comply with 2 CFR, Part 200 standards (commonly referred to as Uniform Guidance). Units should contact Grants and Funds Management for assistance in determining these rates.

If a unit does not comply with charging all direct costs to the E fund account, then the account is subject to closure and will not be reopened.

B. General Administrative Fees:

Some E fund accounts classified as department operating accounts are subject to a general administrative fee. The user fees established by these units should cover, at a minimum, all the direct costs of operations, as well as the general administrative fee charged by the University. Exemptions to the general administrative fee requires special approval from the University Controller.

PROCEDURES

The accompanying procedure provides additional details on the administration and management of this policy. The procedure is located at [Policies and Procedures - Office of the Controller](#)

RELATED UNIVERSITY, STATE, FEDERAL POLICIES

[2 CFR, Part 200 \(Uniform Guidance\)](#)

[ACAF 2.01 Establishment and Modification of Centers and Institutes](#)

[FINA 2.06 Internal Charges](#)

[FINA 3.00 Sponsored Awards](#)

[FINA 3.40 Cost Accounting Standards](#)

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
October 10, 2016	New Policy Approval
June 14, 2017	Policy reviewed and updated
April 14, 2025	Language, content, and formatting updates
July 21, 2025	Updated to clarify that some E fund accounts are subject to a general administrative fee.