



Sales and Use Tax

Policy Statement

The University follows Board of Regents and State of Georgia policy for sales tax collection and reporting. Such policies are outlined in the USG Business Procedures Manual, OCGA Title 48 Chapter 8, and the Georgia Department of Revenue. Links to these policies have been provided under the Related Information section of this policy.

Reason for policy

The Georgia General Assembly possesses the full and complete power to tax the retail purchase, retail sale, rental, storage, use, and consumption of tangible personal property and the services to the extent prohibited by the Constitutions of the United States and of this state and except to the extent of specific exemptions provided in OCGA Title 48 Chapter 8.

Procedures

The Accounting department is responsible for ensuring that University units which sell goods and some services to non-tax exempt individuals or organizations collect sales tax and report the collection of such to the Accounting department.

Generally, sales of goods and some services for ultimate consumption to individuals or entities which do not present a Georgia Sales and Use Tax Certificate of Exemption must carry a charge for Georgia State Sales Tax which will be remitted to the Georgia Department of Revenue Sales Tax Unit. Additional taxes such as local option, special option or Marta tax may need to be added and should be determined by the point of delivery of a taxable sales transaction.

University units engaged in the sale of goods and services which are not currently charging and collecting sales tax should consult the Accounting department for the procedure to be followed.

Forms/Instructions

https://sso.uga.edu/cas/login?service=https://busfin3.busfin.uga.edu/accounting/sales_tax_login.cfm

Policy definitions

OCGA: Official Code of Georgia

Responsibilities

Responsible University Senior Administrator: Vice President for Finance & Administration

Responsible University Administrator: Associate Vice President for University Business and Accounting Services

Policy Owner: Accounting

Policy Contact: Director of Accounting

Policy Contact Phone Number: 706-542-1197

Record Retention

Citation or Reference: Accounting [Records](#)

Number: 0472-03-001

Description: This series includes bank statements, purchase requests, purchase orders, requisitions, financial reports, accounts payable and receivable records, write-off records, discrepancy, payment schedules, operating statements, year-end projections, reconciliation and expenditure reports, cancelled checks, check stubs, moving expenses records, cost accounting reports, refund/disbursement request records, returned checks, deposit slips, travel records, credit voucher requisition records, cash balances and reconciliations, sales and cash reconciliation records, journal entries, outstanding obligations, refund/disbursement requests, receipts, and invoices.

Retention: Monthly and quarterly reports: 1 year; All other records: 5 years.

FAQs

What is the deadline for submitting sales tax reports to Accounting?

Sales tax reports are due in the Accounting department by the 10th of the month. If the 10th falls on a weekend or a Monday, then the report is due the Friday before.

Do I need to submit a tax report if I did not collect any taxes?

Yes, we still need a report with an original signature for filing purposes.

What is vendor's compensation?

Vendor's compensation is a type of rebate for collecting taxes. The Accounting department transfers vendor's compensation back to the revenue accounts.

Why do we have a deadline for sales tax that has to be adhered to so strictly?

There are approximately 80 departments that collect sales tax and remit reports to Accounting. Accounting has to verify, correct, and consolidate all of these individual reports into one UGA sales tax report for the Georgia Department of Revenue. This report includes reporting the amount for each tax type for each Georgia county. It takes the entire time between the Accounting department's deadline of the 10th of the month to the Department of Revenue's deadline of the 18th, 19th, or 20th of the month (various for each month for EFT deadlines) to compile everything. If the state's deadline is missed, the University will be fined and will lose the right to collect vendor's compensation.

Related information

[USG Business Procedures Manual 19.6: Sales Tax Collection and Reporting](#)

[OCGA Title 48 \(Revenue and Taxation\) Chapter 8 \(Sales and Use Taxes\)](#)

[Georgia Department of Revenue - Sales and Use Tax](#)

[Unrelated Business Income Tax \(UGIT\)](#)

Policy Dates

Effective Date: 04/14/2017

Date of Last Review/Update: 02/27/2023

Version of Policy: Please contact policy owner for previous version