

Revenue & Cost Recoveries - Glossary of Terms



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| Accrue | To report a revenue or expense that has occurred, but has not yet been entered in the accounting records as of the end of the accounting period. |
| Ancillary Operations | A revenue producing activity provided supplementary to the primary functions of teaching and research (e.g. food services) |
| Deferral | Refers to the delay in recognition of an accounting transaction (either a revenue or expense transaction). |
| Direct Costs | Direct costs are those which are traceable to the specific activity. For example, with respect to administrative costs, if the amount of administrative time is such that it is reasonably measurable, e.g. hours or percentage of time, then it is a traceable and, therefore, a direct cost. |
| External Cost Recovery | An External Cost Recovery occurs when an initial expense is incurred and either partially or fully recovered from an external party. |
| External Revenue | Income generating activity from sales to external parties/sources. |
| Indirect Costs | A cost or expense that is not directly traceable to a department, product, activity, customer, etc. (such as for advertising, administration, personnel, maintenance, security, supervision). Example: a heating bill is an indirect cost to a department. Generally it will be assigned to all departments based on the number of square feet each department occupies. |
| Internal Cost Recovery (ICR) | Internal Cost Recovery occurs when one Queen's University department or unit recovers expenses from another Queen's University department or unit. |
| Internal Sales | The sale of a good or service between Queen's University departments or units where the price of the good or service includes a "mark-up" which provides for a recovery of other indirect costs included. Only ancillary operations should use Internal Sales. |
| Place of Supply Rules | Taxable supplies that are made in Canada will be subject to HST. The place of supply rules determine whether a supplier has made a supply of goods or services in a participating province, the supplier is required to collect and remit the HST. <i>Example:</i> If Queen's holds courses in British Columbia it must charge the 12% HST which applies to British Columbia. |
| Revenue Transfer | Revenue Transfers are transactions that reallocate funds from one department or unit within Queen's to another department or unit within Queen's (and the source of the funding cannot be tied back to an external source/party). |