



Extramural Fund Management

July 14, 2022

BCT Processing Transition to EFM for C&G Funds

Benefit Cost Transfer Processing Transition


- **Effective July 1, 2022, processing of Benefit Cost Transfer (BCT) journals to remove unallowable benefits or General, Automotive, and Employment Practices Liability (GAEL) impacting Contract and Grant (C&G) funds will transition to Extramural Fund Management from the Central Resource Unit.**
- **Transition communicated to campus:**
 - [ORA News announcement](#) on June 28, 2022
 - Email Subject: Benefit Cost Transfer Processing Transition to EFM for Contract and Grant Funds
 - [Central Resource Unit announcement](#) on July 1, 2022
 - Central Resource Unit Newsletter - Volume 4 Issue 1 on July 5, 2022
- **CRU will continue to process BCT journals impacting non-C&G funds following existing procedure on the [CRU website](#).**

When is a BCT Needed for C&G Funds?

- **A BCT is required to remove unallowable benefits and GAEL from C&G funds to departmental unrestricted funding in cases where the sponsor has deemed the expenses unallowable.**
- **Examples:**
 - Unallowable Composite Benefit Rate (CBR) on NRSA Training Grants
 - Sponsor caps benefits at a rate lower than is assessed in the payroll ledger
 - Unallowable GAEL on non-federal
- **If salary is being transferred, then a Direct Retro in UCPath is required and associated benefits are transferred accordingly in UCPath. A BCT financial journal is not necessary.**

New BCT Financial Journal Template

- EFM created a **new simplified BCT excel journal template** to streamline the review, approval, and posting process.
- **Excel template** is available on the EFM website under **Closeout Resources**.

Benefit Cost Transfer (BCT) Financial Journal	Financial journal template, justification questions, and supporting documentation to be completed by the department and submitted to EFM when transferring unallowable benefit or GAEL expenses off C&G funds.	
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- **Workbook contains instructions on how to fill out the BCT financial journal template, a sample template along with the blank financial journal template, and justification questions.**

BCT Excel Template Changes and Examples

- **Key changes:**
 - Template is similar to Non-Payroll financial journal.
 - Users enter transactions, including only debit and credit expenses.
 - No longer need to download Benefit Cost Transfer Template report in Campus Data Warehouse.
 - Transactions are not required to be broken out by Earn Date or employee, as long as backup provided clearly indicates individual transactions included in the BCT journal.

Journal Description: To remove unallowable benefit expenses from 12345. Confirmed by Josie Bruin.

BCT: F: From FAU T: To FAU

LOC	Account	CC	Fund	Project	Sub	Obj	Source	Description	Reference	Debit	Credit
4	111111	AA	12345		03	3380		BCT: F:12345 T:98765			5.00
4	111111	AA	12345		03	3385		BCT: F:12345 T:98765			5.00
4	111111	AA	12345		03	3390		BCT: F:12345 T:98765			5.00
4	111111	AA	12345		06	8850		BCT: F:12345 T:98765			100.00
4	999999	ZZ	98765		03	3380		BCT: F:12345 T:98765		5.00	
4	999999	ZZ	98765		03	3385		BCT: F:12345 T:98765		5.00	
4	999999	ZZ	98765		03	3390		BCT: F:12345 T:98765		5.00	
4	999999	ZZ	98765		06	8850		BCT: F:12345 T:98765		100.00	

The original expense is recorded to C&G fund 12345. Rows 14-17 will remove these expenses from the C&G FAU and rows 18-21 will transfer the expenses to the departmental unrestricted FAU.

Justification Questions

- Justification questions have been streamlined:

Provide the 3 justifications, as applicable, for EACH Journal Entry request from Journal Tab. Copy & paste additional rows as necessary.

Explanation of Expenditure Adjustment, State:		Department Response:
Why is the transfer is being requested? If partial transfer, explain the basis for proration and/or split.	1)	
Who approved the transfer of funds?	2)	
Explain the untimeliness if the transfer is > 120 days after original transaction date, and/or > 90 days after the fund end date.	3)	

Submission and Approval Process

- **To request a BCT journal, submit the following documents to your [EFM Accountant](#).**
 - BCT financial journal template with complete journal justifications
 - Payroll report clearly identifying transactions to be transferred
 - Detail general ledger *when transferring GAEL expenses*
 - Approval from Graduate Division *when transferring Fee Remissions*
- **EFM will review the template, journal justifications, and backup documentation for accuracy.**
- **When approved, EFM will post financial journal to the UCLA Financial System.**
- **Reach out to your EFM Accountant with any questions.**

Any Questions?

Contact Information

EFM Website

<http://efm.research.ucla.edu>

Katie Cadle

Phone: (310) 794-0223

Email: kcadle@research.ucla.edu

