



Inside this issue:

Single Audit for the University of California	1
Deadlines for Fiscal Year 2018 Closing	1
Fiscal Year Expense Accruals	1
UCPath: Payroll Expense Transfers	2
Effort Report Certification	2
PAMS Corner: New Financial Deliverable Pages	2

Single Audit for the University of California

PricewaterhouseCoopers completed the audits for the University of California for the fiscal year which ended June 30, 2017. The great news is that the University of California complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs for the year which ended June 30, 2017. However, the audit results disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance. Below are the reported findings related to Research & Development and the following non-compliances were not instances at UCLA.

- **Equipment Additions and Inventory:** Testing disclosed an instance where an asset was capitalized at a wrong amount.
- **Cash management timing of reimbursement request:** During the prior year audit, testing disclosed instances where cash was received on the federal letter of credit for reimbursement of expenses that were not paid and it was reported as a design deficiency. Even though corrective actions were implemented, they were not in place for the fiscal year ended June 30, 2017, this finding was repeated.
- **Key Personnel Monitoring:** During the prior year audit, testing disclosed instances where changes in key personnel were not communicated timely. Even though corrective actions were taken, they were not fully implemented for the fiscal year ended June 30, 2017, this finding was repeated.
- **Service Centers Review:** Testing disclosed instances where Service Centers did not have evidence of having performed a rate review and did not adjust their rates biennially as required.

A full and complete copy of the report can be located at: <https://www.ucop.edu/financial-accounting/financial-reports/a-133-audit-reports.html>.

Deadlines for Fiscal Year 2018 Closing

Fiscal year closing is just around the corner! Corporate Financial Services released the “2017-18 Fiscal Closing Letter and Schedule” on April 12th, 2018. Below are key deadlines:

- June 28: Deadline to submit high risk payroll cost transfers via the WebPET system.
- July 09: Deadline to record expenditures to the general ledger that pertain to FY 2017-18.
 - * Communicate with vendors and subcontractors to obtain invoices for FY 2017-18.
 - * Ensure invoices received have been submitted to the Accounts Payable office by their respective deadlines.
- July 10: Deadline to submit accrual and deferral documents to EFM for review.
- July 12: Deadline to submit high risk non-payroll cost transfers via the NPEAR system.
- July 18: Deadline to record all adjustments, if any.

Detailed instructions, including the fiscal year closing schedule is available at:

<https://www.finance.ucla.edu/corporate-accounting/closing-schedule-for-fiscal-year-end>

Fiscal year expense Accruals

Every effort should be taken to meet the deadline in order for Accounts Payable Office to process payments for vendor or subcontract invoices to be included in June preliminary ledger. If unable to meet the deadline due to a delay in obtaining the invoices, the expenses incurred within the fiscal year should be accrued. To accrue an expense, complete Form E on-line by July 10th at 10:00 a.m. The form will be routed automatically to the relevant office managing the fund. For sponsored research funds, the form will be routed to EFM. In addition to completing Form E on-line, journal justifications and supporting documentation should be submitted to ORA EFM Operations at EFMOperations@research.ucla.edu. The link to the form, the template for journal justification, and additional guidance on the accrual of expenses at fiscal year-end is available at <http://ga.accounting.ucla.edu/fcr/>.

UCPath: Payroll Expense Transfers

UCPath will go-live in September 2018. Payroll data in PPS will not be converted to UCPath; therefore, PPS will be maintained to allow transfers of payroll processed in PPS (“Pre-UCPath payroll”) for a limited time.

While PPS is maintained, Pre-UCPath payroll expense transfers will be processed in the same manner as today, via WebPET. Payroll expense transfers will be posted to the payroll sub-ledger and will be reflected in the downstream applications such as Effort Reporting system and financial reports that consume data from payroll sub-ledger.

To adhere to “UC Policy BFB A-47: Direct Costing Procedures” all cost transfers must be recorded in the general ledger within 120 days from the close of the month in which the original charge posts to the ledger. Based on this requirement, transfers of Pre-UCPath payroll expenses must be completed by December 2018.

In an effort to ensure compliance with UC Policy, EFM’s standard procedure will be to not accept Pre-UCPath payroll expense transfers to sponsored project funds after PPS support discontinues. Departments will be responsible for finding unrestricted funding source for these payroll expenses. For more details, refer to EFM’s presentation at the Research Administrator Forum in June 2018.

“UCLA Policy 910: management of Sponsored Projects” require monthly reconciliation and timely cost transfers will ensure full recovery of costs incurred for sponsored projects.

Effort Report Certification

Effort reports for the fall 2017 and winter 2018 quarters are available for certification. The certification deadline is July 31, 2018. For successful on-time certification, here are steps to take.

1. Generate a list of “Open” effort reports.
2. Obtain award budgets, progress reports, payroll ledgers, and the ERS Detail Report (RAPID Closeout Tool located in the ORA Portal).
3. Review all effort reports on the generated list for accuracy by verifying that all salary has been recorded and the effort percentage is correct. If reports are incorrect take the appropriate corrective actions. This may include processing payroll cost transfers and/or add cost sharing. Be sure all salary adjustments post to the payroll ledger.
4. Meet with your PI or employee to review effort reports, then have them certified.

Remember effort reports that do not have a “Certified” or “Not Required” status by the deadline become past due and are out of compliance with federal requirements.

Effort Report Releases and Deadlines

Certification Periods	Releases	Deadlines
Fall & Winter Quarters	End of April	Late July
Spring & Summer Quarters	End of October	Early February

When effort reports are released, the announcement is made to campus including the specific due date.



The screenshot shows the PAMS Deliverables List interface. At the top, there are tabs for "My Funds", "Fund Details", "Deliverables", and "Administration". Below the tabs, there is a "Deliverables List" section. A search bar is visible. The main content area displays a list of deliverables. One deliverable is highlighted with a green circle around its Institution Number (20112877). Below the list, there is a table with columns for Category, Type, Frequency, Due Date, Assigned To, Status, Latest Update, Document, and Comments. The "Document" and "Comments" columns are circled in green. The "Assigned To" column shows "Bruin, Josephine Maria" and the "Status" is "Submitted".

The PAMS team is excited to announce the release of the new Deliverables pages! These user friendly pages offer key enhancements:

- Search for financial deliverables by using the PATS Institution Number or Fund Number
- Convenient access to the Award Snapshot
- Email hyperlinks to award specific department and EFM contacts
- Retrieve copies of submitted deliverables and view associated comments

To learn more about these new features, visit our PAMS Training Materials and Resources page located on the EFM website.

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RAF Presentations can be found at:

<http://www.research.ucla.edu/ora/training/raf.htm>