

Invoicing and Reporting for Awards Received in Foreign Currency

Effective Date of Procedure: 2/01/2021

Last Updated: 2/22/2021

Purpose

To standardize invoicing and financial reporting for awards received in foreign currency.

Process

Before execution of an agreement, OCGA intends to negotiate the award in US dollars. If the sponsor requires foreign currency, then OCGA converts the awarded amount to US Dollars and ORDM appropriates the budget to the general ledger. A note is added in the award snapshot, Section II: Special Attention Needed, that serves as a notification to the administering department that awarded amount is subject to change depending on foreign currency conversion rate. The foreign currency conversion rate information is included in the “Actions” section on the second page of the award snapshot.

1. If the sponsor requires invoicing or reporting in the sponsor’s currency, EFM reports the costs in US dollars and the conversion rate is applied against the total cumulative expenses at the time invoice is prepared.
2. EFM uses foreign currency conversion rates published on the Bank of America, UCLA’s major bank: <https://www.bankofamerica.com/vanity/redirect.go?src=/foreigncurrency/>
3. EFM includes the conversion rate information as supporting documentation to the invoice or financial report.
4. EFM evaluates the award amount every 6 months from the award begin date when the deliverable is due. If a significant change to the exchange rate results in the anticipate total award amount to be greater or lesser than the total awarded amount on the award snapshot by 25%, EFM will adjust the appropriation in the general ledger accordingly. EFM documents the assessment in the comments section of the PAMS deliverable. EFM will email the PI and Department Fund Manager about the appropriation adjustments made in the general ledger. The award amount in the award snapshot will remain same.
5. EFM sets up the accounts receivable (A/R) in US dollars based on the invoice amount issued to sponsor. If the sponsor sends payments based on a schedule and does not require an invoice to be submitted, accounts receivable is set-up based on the payment amount converted to US dollar from the fixed amount indicated in foreign currency. The conversion rate at the time when the scheduled payment is due is used and documented in PAMS.
6. The payment received in US Dollars may be less or more due to the conversion rate. If the payment received is less than the invoiced amount, EFM Cash Management team will inform EFM Fund Management accountant to reverse the original A/R and record a new A/R for the total payment received. A wire fee may be applied against the payment received. The department will receive either the gain or need to cover for the loss of payment as a result of currency conversion and the wire fee.