



# Extramural Fund Management

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September 08, 2022

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# **NRSA Childcare Allowance**

# Agenda

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- **NRSA Childcare Allowance Background**
- **Eligibility & Restrictions**
- **Reimbursement Process**
- **Monthly Reconciliation**
- **Fund Closeout**
- **Federal Financial Report (FFR) and Award Closeout Considerations**

# NRSA Childcare Allowance Background

- The National Institutes of Health (NIH) announced fellows and trainees supported full time by Ruth L. Kirschstein National Research Service Awards (NRSA) Individual Fellowships or Institutional Research Training Grants are eligible to request an allowance of up to \$2,500 per budget year to defray childcare costs.
- **Additional information can be found in the notices below:**
  - [NOT-OD-21-074](#) Announcement of Childcare Costs for Ruth L. Kirschstein National Research Service Award (NRSA) **Individual Fellows**
  - [NOT-OD-21-177](#) Announcement of Childcare Costs for Ruth L. Kirschstein National Research Service Award (NRSA) **Institutional Research Training Awards**
  - [NIH Frequently Asked Questions: Childcare Costs](#)
- **Notice sent via ORA News List Serve on 09/07/22**
- **108 NRSA Awards Fund End Date 09/01/22 onward**
  - 63: Individual Fellowships
  - 45: Institutional Research Training Awards

# Eligibility and Restrictions

- **Eligibility Requirements**

1. Fellows/trainees must be supported full time by one of the NRSA award types listed in the notices.
2. Reimbursement covers dependent children living in the fellow's/trainee's home until the age of 13, or until the age of 18 for disabled children.
  - The reimbursement does not apply to elder or non-dependent care costs.
3. All childcare costs must be provided by a licensed childcare provider.
4. For households where both parents are eligible full-time Predoctoral or Postdoctoral fellows/trainees, each parent is eligible to receive the \$2,500 allowance.

- **Restrictions**

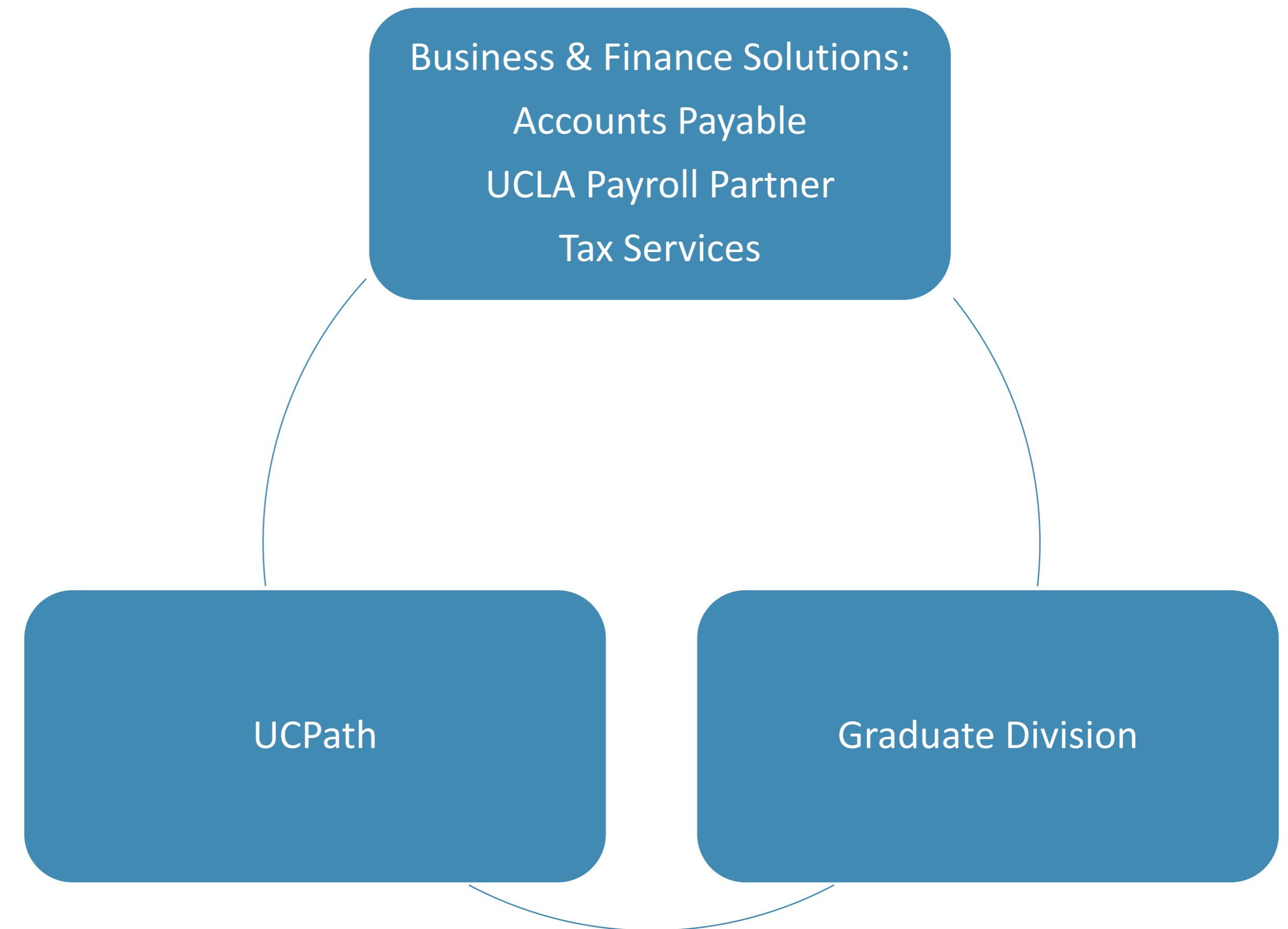
1. Childcare allowance is restricted and may not be re-budgeted without written approval from the awarding NIH Institute/Center.
2. Childcare costs incurred in previous budget periods are not eligible for reimbursement.
3. Childcare allowance is exempt from Composite Benefit Rate (CBR) assessment and Facilities and Administration (F&A) costs.

- **Recipients must maintain all supporting documentation, including that the childcare provider is licensed, and make it available to NIH upon request.**

- **EFM is working on creating a Letter of Attestation to be submitted by the fellow/trainee to the Department. This letter can then be included with the Closeout Packet (COP) to EFM.**

# Reimbursement Process

- **EFM collaborated with other central offices over the last several months to develop procedures on how to process the childcare costs, given the requirements outlined by NIH.**
- **The ideal solution discussed was for childcare costs to be posted to a unique object code, as this would allow for simplified reconciliation.**
- **Due to tax considerations, childcare costs must be recorded in the same manner as stipend payments using the same system (BAR or UCPATH) and the same object code.**



# Reimbursement Process

- **Postdoctoral Fellows and Trainees:**
  - Process the childcare costs through UCPATH using the same Earn and Title Codes as the fellow's/trainee's stipend payment.
  - When the childcare costs posts to the General Ledger (GL), it will post to the same sub code and object code (7770) as the stipend payments.
  - To simplify reconciliation, departments can process the childcare costs separately from the stipend payments.
- **Predoctoral Fellows and Trainees:**
  - Submit a Fellowship Award Transmittal request to process the childcare costs through Go GRAD system <https://go.grad.ucla.edu>, in the same manner stipends are requested.
  - When the childcare costs posts to the General Ledger (GL), it will post to the same sub code and object code (7501) as the stipend payments.
  - Stipend amount entered on the Fellowship Award Transmittal must be the cumulative of the stipend amount the fellow/trainee is to receive plus the childcare costs being requested.
  - If a revised Fellowship Award Transmittal is submitted to include childcare costs, the original stipend payment will be reversed, and a revised stipend payment inclusive of both stipend and childcare costs will post to the GL.
  - Graduate Division recommends departments confirm the fellow/trainee does not have any outstanding charges prior to processing a Fellowship Award Transmittal to prevent the stipend payment from being offset (current practice).

# Monthly Reconciliation

- **F&A will assess on all childcare costs for both Predoctoral and Postdoctoral fellows/trainees.**
- **CBR will assess for Postdoctoral fellows/trainees processed through UCPATH.**
- **Monthly reconciliation is important to calculate total expenses:**
  1. Segregate childcare costs from stipend payments charged to the stipend object codes listed on the previous slide to ensure accuracy of payments.
    - It is possible the childcare costs will post in a single line on the GL combined with the stipend.
  2. Calculate F&A and CBR associated with the childcare costs.
  3. Exclude calculated F&A and CBR from expenses.
  4. Use the adjusted CBR as the base to calculate unallowable benefits.



# Monthly Reconciliation Example: Postdoctoral Fellow/Trainee Processed in UCPath

- F&A is 8% and CBR is 17.20%

Category of Expense	Sub Code	Object Code	Description	Expenditure
Stipend + Childcare costs	05	7770	JUN PAYROLL 220630M0	\$6,500.00
CBR	06	8850	JUN PAYROLL 220630M0	\$1,118.00
F&A	9H	3810	OVERHEAD CHARGES	\$609.44
<b>Total</b>				<b>\$8,227.44</b>

*Expenditure is the sum of stipend + childcare cost*

**1. Segregate childcare costs from stipends**

- $\$4,000$  [Stipends] +  $\$2,500$  [Childcare costs] =  $\$6,500$  [Total expenses]

**2. Calculate F&A and CBR associated with the childcare costs**

- $\$2,500$  [Childcare costs] \* 17.20% [Entire CBR rate] =  $\$430$
- $(\$2,500$  [Childcare costs] +  $\$430$  [Entire CBR rate]) \* 8% [F&A Rate] =  $\$234.40$
- $\$430$  +  $\$234.40$  =  $\$664.40$  [Unallowable CBR & F&A assessed to Childcare costs]

**3. Exclude calculated F&A and CBR from expenses**

- $\$8,227.44$  [Total expenses] -  $\$664.40$  [Unallowable CBR & F&A assessed to Childcare costs] =  $\$7,563.04$  [Adjusted expenses]

**4. Use adjusted CBR as the base to calculate unallowable benefits assessed on stipends**

- $\$1,118$  [Cumulative CBR] -  $\$430$  [CBR assessed on childcare costs] =  $\$688$  [Adjusted CBR]

- ORA News Announcement: Unallowable Benefits FY22-23

# Monthly Reconciliation Example: Predoctoral Fellow/Trainee Processed in BAR

- F&A is 8%

Category of Expense	Sub Code	Object Code	Description	Expenditure
Stipend + Childcare costs	05	7501	SHAKESPEARE,W 22S	\$6,500.00
F&A	9H	3810	OVERHEAD CHARGES	\$520.00
<b>Total</b>				<b>\$7,020.00</b>

Expenditure is the sum of stipend + childcare cost

1. Segregate childcare costs from stipends

- $\$4,000$  [Stipends] +  $\$2,500$  [Childcare costs] =  $\$6,500$  [Total expenses]

2. Calculate F&A associated with the childcare costs

- $\$2,500 * 8\%$  [F&A Rate] =  $\$200$

3. Exclude calculated F&A from expenses

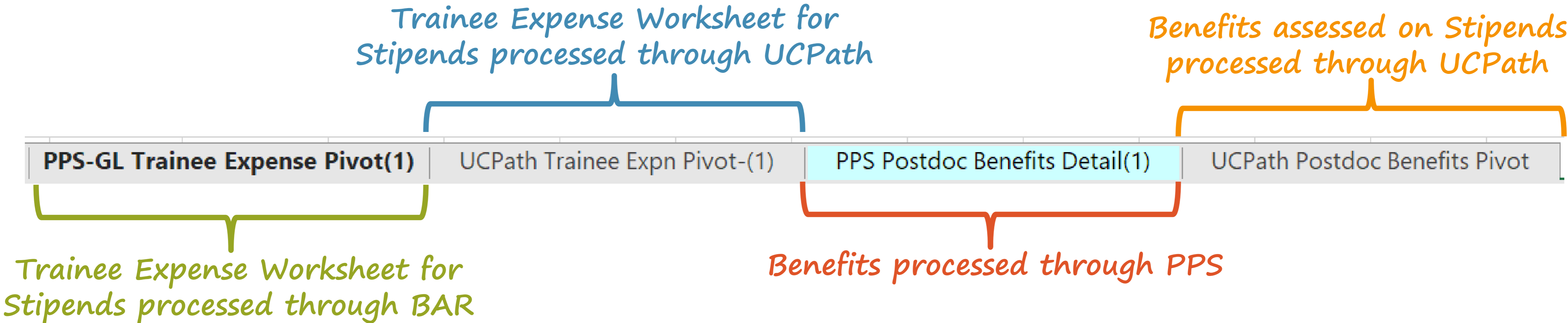
- $\$7,020$  [Total expenses] –  $\$200$  [F&A assessed] =  $\$6,820$  [Adjusted expenses]

# Removing Unallowable F&A and CBR

- **Department should work with EFM Accountant to remove the unallowable F&A and CBR referenced in step 2 on slides 9 & 10.**
  - Request EFM Accountant to process an F&A adjustment to remove all F&A assessed on childcare costs.
  - Request a [Benefit Cost Transfer \(BCT\)](#) to remove all CBR assessed on the childcare costs.
- **Remove these expenses prior to generating the Closeout Packet (COP) to minimize the manual adjustments necessary to the COP.**

# Fund Closeout

- At time of closeout, the Department should manually adjust the Closeout Packet to exclude the childcare costs.



# COP Adjustments: Trainee Expense Worksheets

- Purpose of the worksheets are to segregate stipends between paid and unliquidated obligations for reporting on the Federal Financial Report (FFR).
- The Trainee Expense worksheets will include the childcare costs in the stipend amounts, as these costs are charged with the stipend object code.
- Childcare costs should be manually excluded from the worksheets, adjusting formulas as needed.

*Before adjustment:*

Sub	Paid/ Lien	Sub-Object Title	Grand Total	Bruin, Joe
05-Stipends	Lien	STUDENT AWARD - PAYMENT	0	0
	Paid	STUDENT AWARD - PAYMENT	6500	6500
05-Stipends Total			6500	6500

*Includes both stipend + childcare costs*

*After adjustment:*

Sub	Paid/ Lien	Sub-Object Title	Grand Total	Bruin, Joe
05-Stipends	Lien	STUDENT AWARD - PAYMENT	0	0
	Paid	STUDENT AWARD - PAYMENT	6500	6500
		CHILDCARE COSTS	-2500	-2500
05-Stipends Total			4000	4000

*Exclude childcare costs*

# COP Adjustments: UCPath Postdoc Benefits

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- **Purpose of the worksheet is to calculate the unallowable benefits assessed on stipends processed in UCPath and segregate the allowable benefits between paid and unliquidated obligations for reporting on the Federal Financial Report (FFR).**
- **The UCPath Postdoc Benefits worksheets will include the CBR charged to both childcare costs and stipends.**
- **Childcare costs should be manually excluded from the worksheets, adjusting formulas as needed.**

# COP Adjustments: UCPath Postdoc Benefits Pivot

## Before adjustment:

### Allowable Benefits

Paid/Lien	Total	Bruin, Joe
Lien	0	0
Paid	968.19	968.19
Total Allowables	968.19	968.19

### Unallowable Benefits

Lien	0	0
Paid	149.81	149.81
Total Unallowables	149.81	149.81

Grand Total 1118.00 1118.00

*Includes CBR for both stipends + childcare costs*

## After adjustment:

### Allowable Benefits

Paid/Lien	Total	Bruin, Joe
Lien	0	0
Paid	968.19	968.19
Total Allowables	968.19	968.19

### Unallowable Benefits

Lien	0	0
Paid	149.81	149.81

Childcare costs -430.00 -430.00

Total Unallowables -280.19 -280.19

Grand Total 688.00 688.00

*Exclude childcare costs*

# Federal Financial Report (FFR) and Award Closeout Considerations

- **Childcare costs which cross budget periods will be reported as unliquidated obligations.**
- **At the time of award closeout, any unused funds must be reported as an unobligated balance.**
- **Due to the restriction of the funds, the unspent balance will be disclosed as a comment in the Remarks section (section 12) of the FFR.**
- **The awarding Institute/Center will offset any unused funds in future years.**
- **Even though UCLA processes the childcare costs using the same object code as stipend payments, the stipend amounts listed on the Statement of Appointment forms and Termination Notices should include only stipend amounts.**