POST AWARD ADMINISTRATION
PART I
Class Overview

Part 1
- UCLA sponsored project funds
- Overview of financial deliverables
- Understanding general ledger
- Understanding financial requirements through award snapshot
- Invoicing, financial reporting, and cash collection
- Revenue and accounts receivable
- Multiple Campus Agreements

Part 2
- Policies and guidelines governing sponsored project funds
- Monthly reconciliation and Cost transfers
- Managing awards with complex financial terms and conditions
- Single fund number and Multiple Fund Numbers on One Award
- Award execution and Budget appropriation
- Carry forward and offset
- Financial closeout of sponsored project funds
- Effort reporting, audit and record retention
UCLA Sponsored Project Funds
UCLA Sponsored Funds

Do you know how much UCLA received for sponsored projects during the last fiscal year?

$1,104,185,396.68

<table>
<thead>
<tr>
<th>Sponsored project funds (Extramural)</th>
<th>FY 19-20</th>
<th>FY 18-19</th>
<th>FY 17-18</th>
</tr>
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<tbody>
<tr>
<td>Total awarded</td>
<td>$1,426,986,822</td>
<td>$1,271,780,515</td>
<td>$1,121,751,691</td>
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<tr>
<td>Total expended</td>
<td>$1,104,185,397</td>
<td>$1,038,406,583</td>
<td>$1,003,838,141</td>
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</table>

For more statics, visit ORA portal at http://portal.research.ucla.edu/index.aspx?Section=General
Awards by Sponsor Type

FY 19-20

- Federal Government: $685.1 M (62.1%)
- Charitable & Non-Profit Organization: $126.5 M (11.5%)
- Business & For-Profit: $80.1 M (7.3%)
- State & Other Government: $133.1 M (12.1%)
- Higher Education: $79.5 M (7.2%)
Overview of Financial Deliverables
Award Snapshot in ORA Portal
Award Snapshot Overview

Page 1
Section I: Award Summary
Section II: Special Attention Needed
Section III: Award Demographics
Section IV: Training Grant Approved Slots/Sub awards Approved in the Award
Section V: Program Income, Cost Sharing and Approvals
Section VI: Deliverables
Section VII: Other Investigators
Section VIII: Contacts

Page 2
Alert (s)
Reference Document (s)
Action (s)
Offices Processing Awards

• Office of Contract and Grand Administration in ORA in OVCR:
  ◦ Assists the campus research enterprise in the process of applying for, accepting, and administering contract and
    grant awards sponsored by the Public Sector.
  ◦ Federal, state and local government agencies: NIH, CHHS, CIRM, LAC DMH, etc.
  ◦ Non-profit entities such as CHDI, Inc., Geneva Foundation, IHEs, etc.

• Industry Sponsored Research in Technology Development Group in OVCR:
  ◦ Handles various agreements involving research funded at UCLA by for-profit industry sponsors such as
    Genentech, Inc., Think Now, Inc., Blackthorn therapeutics, etc.

• Clinical Trials Contracts and Strategic Relations in SOM:
  ◦ Has the authority to negotiate and execute agreements that meet the UCLA definition of a clinical trial and when
    it is funded by a pharmaceutical, biotech company, or for-profit Clinical Research Organization (CRO) such as
    Neurosigma Inc., Janssen Research and Development, etc.
Award Snapshot: Contacts

Section VIII: Contacts

Contacts

OCCGA

EFM

ISF

Section VIII: Contacts

Contacts

EFM

OCT
Award Snapshot: Financial Deliverables

- **Section VI: Deliverables** Financial Deliverables are indicated: Category, type, frequency, due date, and status

<table>
<thead>
<tr>
<th>Category</th>
<th>Type</th>
<th>Frequency</th>
<th>Due Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
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<tr>
<td>Deliverable</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Invoice Standard</td>
<td></td>
<td></td>
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</tbody>
</table>

**Note:**
- Frequency: Quarterly, Interim, Once
- Status: Final, Interim, COP Not Started
Award Set-up Process

Note: This is a brief overview of business processes that are directly related to financial deliverables completed by EFM. For a broader scope of responsibilities of each group, refer to UCLA Policy 910.
Financial Deliverables Setup
Office of Contract and Grant Administration

- Review and negotiate terms & conditions of financial deliverables and execute awards on behalf of UCLA
  - Payment basis, frequency and due date of financial report and/or invoice, etc.

- Prepare Award Data Coding Sheet (ADCS) including financial deliverables as described in the agreement.

- Send ADCS to ORDM for set-up
Award Set-up Process

**Department**
- PI identifies funding opportunity and dept administrator works on proposal with OCGA. If awarded, PI receives award notice, performs scope of work and monitors spending.

**OCGA**
- Reviews and submits proposal. If an award results, OCGA negotiates terms & conditions, executes awards, completes Award Data Coding Sheet (ADCS) and sends it to ORDM.

**ORDM**
- Enters key award information in the ADCS into PATS, PAMS, and Financial system. Assigns fund number, link expenses accounts and generate Award Snapshot.

**EFM**
- Prepares invoices and/or financial reports based on deliverable categories & due dates in PAMS; conducts final closing of the fund at the end of the award.

**Note:** This is a brief overview of business processes that are directly related to financial deliverables completed by EFM. For a broader scope of responsibilities of each group, refer to UCLA Policy 910.
Financial Deliverables Setup

Office of Research Data Management

- Enter award information and non-financial deliverables as specified in ADCS into PATS
- Establish fund and link expenses account(s) in the financial system (OASIS)
- Enters financial deliverables as specified in ADCS into PAMS
- Generate the Award Snapshot which can be found in PATS and the ORA Portal
- Maintain data integrity between PATS, PAMS and Financial Systems
Award Set-up Process

**Department**
- PI identifies funding opportunity and dept administrator works on proposal with OCGA. If awarded, PI receives award notice, performs scope of work and monitors spending.

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- Reviews and submits proposal. If an award results, OCGA negotiates terms & conditions, executes awards, completes Award Data Coding Sheet (ADCS) and sends it to ORDM.

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Financial Deliverables Setup

Extramural Fund Management

- Fund management (FM) teams review the general ledger to prepare invoices and/or financial reports based on the Worklist which includes deliverable categories, types and due dates as set up in PAMS.

- Cash management team (CM) draws funds, collects outstanding accounts receivable, and applies payments to appropriate sponsored project funds.

- FM and CM teams close funds after the project period ends in accordance with terms of award and UCLA procedure.

- Close the fund in the financial system (OASIS).
Post Award Financial Management Process Summary

- Award set up in PATS
- Fund assignment in FS
- Financial deliverable set up in PAMS

ORDM

- Invoice and financial reports
- Collect payments
- Close out funds
- Archive records

EFM
Financial Deliverables in PAMS

Post Award Management System (PAMS):

• A central web-based system that provides campus administrators with tools to facilitate effective and efficient financial management of sponsored awards from the start to the closing of funds.

• It provides tailored worklists for fund managers, houses financial deliverables, and serves as the portal to submit closeout packets to EFM.
Financial Deliverables: Category

PAMS | Deliverables Tab:

It displays all of the financial deliverables per fund number, including category, type, due date, and status of the deliverable. A copy of the deliverable submitted to the sponsor can be downloaded.
Financial Deliverables: Category

- Auto payment
- Financial reports
- Invoice
- Invoice milestone
- Internal closing
Financial Deliverables: Category

- **Auto Payment:**
  - Scheduled payments of fixed amounts by Sponsor according to payment schedule specified in the agreement. Submission of invoice or financial report is not required to collect payment.
  - EFM confirms collection of payment as it becomes due.

- **Financial Report:**
  - Reporting actual expenses incurred for a reporting period. Not a payment request.
  - EFM prepares a report as it becomes due. EFM will require the department to submit detailed data as needed for interim and a closeout packet for the final.

- **Invoice:**
  - Request for payment of actual expenses incurred for an invoice period.
  - EFM prepares an invoice as it becomes due. EFM will require the department to submit detailed data as needed for interim and a closeout packet for the final.
Financial Deliverables: Category

- **Invoice Milestone:**
  - **Typical milestone:** Request for payment (invoice) of fixed amounts upon completion of milestone. Progress report is often required along with an invoice. EFM contacts the department to confirm completion of milestone.
  - **Like auto payments but requiring an invoice:** Request for payment (invoice) of fixed amounts according to payment schedule specified in the agreement. Completion of milestone is not required for submission of this type of invoice. EFM prepares an invoice as it becomes due.

- **Internal Closing:**
  - “Internal Closing” is set up to properly close the fund when no final financial deliverable is required by the sponsor.
  - EFM requires the department to submit a closeout packet.
Financial Deliverables: Type

PAMS | Deliverables Tab:

It displays all of the financial deliverables per fund number, including category, type, due date, and status of the deliverable. A copy of the deliverable submitted to the sponsor can be downloaded.
Financial Deliverables: Type

- For interim deliverables using UCLA standard invoice and financial report templates for cost reimbursable awards, EFM can prepare deliverables independently based on the g/l.

- Department’s action and inputs are critical to complete financial deliverables for following cases:
  - **Interim** – when it requires a sponsor specific template, supplementary schedule, or completion of milestone that EFM does not have access to.
  - **Final** – all the time it requires the department’s confirmation to ensure all expenses are allowable and allocable to the project.

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### Interaction with Department

<table>
<thead>
<tr>
<th>Interim</th>
<th>EFM</th>
<th>EFM+Dept</th>
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</thead>
<tbody>
<tr>
<td>Final</td>
<td>EFM+Dept all the time</td>
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</tbody>
</table>
Financial Deliverables: Pending Department Action

- Financial deliverable with “Pending Department Action” will appear in worklist under “Invoices and Reports Due to Sponsor”
Comments indicate documents needed from the department.

Upon EFM’s receipt of complete and accurate documents, financial deliverable status will be updated and will be removed from the department worklist.
Understanding General Ledger
UCLA Financial Statements

UCLA receives two audits every year by independent auditors besides numerous audits by sponsoring agencies.

Financial Statement Audit

• Independent, objective evaluation of financial reports and financial reporting processes to obtain reasonable assurance that financial statements are free from material misstatement

• In accordance with Generally Accepted Accounting Principles (GAAP) and standards established by Governmental Accounting Standards Board (GASB)

Single Audit (A-133 audit)

• Independent examination of an entity that expends $750,000 or more of federal assistance to ensure that appropriate internal controls over compliance are in place and that federal funds are spent in compliance with the federal program's requirements.
GASB standards require UC/UCLA financial statements to be prepared on an “accrual basis” not a “cash basis”.

**Cash Basis**

- Revenue is recognized when cash is received
- Expense is recognized when cash is paid out
- Accounts receivable or accounts payable do not exist under cash basis

**Accrual Basis**

- Revenue is recognized when they are *earned* regardless of whether cash is received or not → Account receivable exist until cash is received
- Expense is recognized when they *occur* regardless of whether cash is paid out or not → Account payable exist until cash is paid

Accordingly, UCLA General Ledger is maintained based on the accrual basis.
Under accrual basis of accounting, when is revenue “earned” and when does expense “occur”?

Revenue (contract and grant) is earned and recorded to the general ledger:

- As UCLA delivers services and/or goods to sponsors as required by sponsor’s agreements; revenue is recorded in the general ledger. Account receivable is also recorded unless payment has been already received in advance (credit revenue & debit account receivable)
- The amount of revenue to recognize will be based on
  - Expenses occurred for cost reimbursable type of awards
  - The number of units and rates for fee for service type of awards

Expense occurs and is recorded to the general ledger:

- When purchased goods are delivered to UCLA
- When service is provided to UCLA
- At UCLA, invoices are considered coming with delivery of goods/services; therefore, expense is recorded in the general ledger when an invoice is processed by AP office (debit expense & credit account payable)
General Ledger (GL)

General Ledger: The Official Financial “Book of Record” for the Campus

- All campus transactions are recorded to the general ledger for a stated accounting period; whether input directly to the General Ledger System or passed from subsidiary ledger systems.
- The record is used by the department, and by other campus departments as well as external agencies to review and audit departmental activities.

https://ofsr.it.ucla.edu/FSReports/selection.asp
General Ledger: Key reports

**Fund Summary Ledger**
- It provides the status of a fund by summarizing expenditure, revenue and fund balance in account-fund number level at a given point of the time
- It is designed to aid campus departments in reviewing and monitoring the overall status of fund

**Expenditure – Sub/Object Summary Ledger**
- It provides financial and budgetary ending balances for each Sub-Object within Location/Account/Cost-Center Fund.

**Detail General ledger:**
- It is the principal part of the official financial “book of record” for the campus.
- It lists all campus transactions for a stated accounting period followed by the summary of each account/cost center-fund combination
### General Ledger: Fund Summary
#### Fund Number and Fund Title

**Fund Number**
- 5 digit number identifying the funding source

**Fund Title**
- Includes the initials of the sponsor name, award number, PI last name, project end date, and F&A rate

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**Fund Summary**
As of August 31, 2016

<table>
<thead>
<tr>
<th>Account/CC</th>
<th>Sub</th>
<th>Curr Month Financial</th>
<th>Fiscal Year</th>
<th>Inception to Date</th>
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<td>441406/WJ</td>
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UCLA Research Administration
Extramural Fund Management
### General Ledger: Fund Summary

#### Fiscal year vs. Inception to Date

**UC Fiscal Year to Date** shows the total transactions from the University fiscal year to date (UC FY: July 1 – June 30)

**Fund Inception to Date** shows the total transactions from the inception of the fund to date → “important to monitor for sponsored project fund as a whole”

**Inception** fund: carried forward over fiscal years → extramurally sponsored project funds

**Fiscal** fund: lapse at the close of the fiscal year. Amounts will appear only in the "Fiscal Year" columns.

#### Fund Summary

As of August 31, 2016

<table>
<thead>
<tr>
<th>Location</th>
<th>Fund</th>
<th>Department</th>
<th>UC Fiscal Year to Date</th>
<th>Fund Inception to Date</th>
<th>Inception Fund: carried forward over fiscal years</th>
<th>Fiscal Fund: lapse at the close of the fiscal year. Amounts will appear only in the &quot;Fiscal Year&quot; columns.</th>
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</table>

#### Fund Type: INCEPTION

- Location: 29752 FDP/NH
- Fund: 05/17 54%
- Department: 05/17 54%
# General Ledger: Fund Summary

## Revenue, Expenses, Cost Center

### Revenue Account (2xxxxx)
- The revenue amount earned:
- Cash could have been collected or not collected yet:
- check account receivable

### Expense Account
- (400000 – 999999)
- All chargeable costs incurred

### Cost Center (CC)
- Lower level of the account number

---

### Fund Summary

*As of August 31, 2016*

<table>
<thead>
<tr>
<th>Account/CC</th>
<th>Sub</th>
<th>Curr Month Financial</th>
<th>Inception to Date</th>
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<td>2,338,300.00</td>
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<tr>
<td>WJ</td>
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<td></td>
<td></td>
<td>179.91</td>
</tr>
</tbody>
</table>

| 443976     |     |                      |                   |                   |
| MP         |     | 330.84               | 3,573.65          | 10,088.24         |
| Fund Balance | 0.00 | 0.00                 | 0.00              | 0.00              |
| Revenue    | 53,953.29 | 693,255.39           | 71,752.20         | 2,338,300.00      |
| Expenditure| 72,658.97  | 693,255.39           | 121,941.10        | 2,338,300.00      |
| TOTAL      | (18,705.68)| 0.00                 | (50,188.80)       | 0.00              |

---

**Fund Type: INCEPTION**
### General Ledger: Fund Summary

#### Appropriation vs. Financial

**Expenditure:** ORDM allocates all DC to sub08 and all IDC to sub09 → important for the department to reallocate budget from sub08 to other subs to reflect line budgets in the award/proposal for proper monitoring.

**Revenue:** Total anticipated income

**Fund balance:** directly related to financial transactions

#### Financial Transactions

**Expenditure:** total of expenses incurred

**Revenue:** total income earned

**Fund balance:** transfers of balances between campuses, STIP income, or other fund adjustments

### Fund Summary

As of August 31, 2016

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<tr>
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<td>2,517.37</td>
<td>2,517.37</td>
<td>2,517.37</td>
<td>2,517.37</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Revenue</td>
<td>53,953.29</td>
<td>693,255.39</td>
<td>71,752.30</td>
<td>2,338,300.00</td>
<td>1,716,796.91</td>
<td>0.00</td>
<td>621,503.09</td>
<td>0.00</td>
<td>621,503.09</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>72,658.97</td>
<td>693,255.39</td>
<td>121,941.10</td>
<td>2,338,300.00</td>
<td>1,766,985.71</td>
<td>23,149.51</td>
<td>548,164.78</td>
<td>219,752.24</td>
<td>328,412.54</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>18,705.68</td>
<td>0.00</td>
<td>50,188.80</td>
<td>0.00</td>
<td>50,188.80</td>
<td>0.00</td>
<td>50,188.80</td>
<td>0.00</td>
<td>50,188.80</td>
<td>0.00</td>
</tr>
</tbody>
</table>
**Encumbrance**

Legal obligation to pay for goods or services ordered through a formal purchase order or various maintenance, consultant, or rental agreement, etc.

**Memo Lien**

Amounts yet to be expended. Not supported by legal obligatory documents. Initiated and controlled by the department.

---

<table>
<thead>
<tr>
<th>Account/CC</th>
<th>Sub</th>
<th>Fiscal Year</th>
<th>Inception to Date</th>
<th>Encumbrance</th>
<th>Ledger Balance</th>
<th>Memo-Lien</th>
<th>Operating Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Appropriation</td>
<td>Financial</td>
<td>Appropriation</td>
<td>Financial</td>
<td>Encumbrance</td>
<td></td>
</tr>
<tr>
<td>229000</td>
<td>20</td>
<td>53,953.29</td>
<td>693,255.39</td>
<td>71,752.30</td>
<td>2,338,300.00</td>
<td>1,716,796.91</td>
<td>621,503.09</td>
</tr>
<tr>
<td>229000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>621,503.09</td>
<td></td>
</tr>
<tr>
<td>441403/WJ</td>
<td>00</td>
<td>(1,079.47)</td>
<td>(0.96)</td>
<td>21,531.00</td>
<td>22,610.47</td>
<td>(1,079.47)</td>
<td></td>
</tr>
<tr>
<td>441403/WJ</td>
<td>03</td>
<td>1,197.60</td>
<td>62.74</td>
<td>6,881.00</td>
<td>5,433.40</td>
<td>(1,197.60)</td>
<td></td>
</tr>
<tr>
<td>441403/WJ</td>
<td>06</td>
<td>1,197.60</td>
<td>62.74</td>
<td>6,881.00</td>
<td>5,433.40</td>
<td>(1,197.60)</td>
<td></td>
</tr>
<tr>
<td>441403/WJ</td>
<td>SH</td>
<td>0.00</td>
<td>179.91</td>
<td>43,641.38</td>
<td>43,641.47</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>443976/MP</td>
<td>116</td>
<td>330.84</td>
<td>3,573.65</td>
<td>665.93</td>
<td>10,088.24</td>
<td>1,139.05</td>
<td>1,768.67</td>
</tr>
<tr>
<td>443976/MP</td>
<td>114</td>
<td>2,917.14</td>
<td>7,180.52</td>
<td>2,517.47</td>
<td>1,139.05</td>
<td>1,768.67</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fund Balance</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Revenue</td>
<td>53,953.29</td>
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<tr>
<td></td>
<td></td>
<td>Expenditure</td>
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<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>(18,705.68)</td>
<td>0.00</td>
<td>(50,188.80)</td>
<td>0.00</td>
<td>(50,188.80)</td>
</tr>
</tbody>
</table>
**General Ledger: Fund Summary**

**Fund Total | Ledger Balance | Operating Balance**

**Fund Total = Revenue less Expenditure**
- If Revenue > Expenditure: the positive balance.
- If Revenue < Expenditure: the total in brackets

**Ledger Balance**
- Appropriation – Financial – outstanding encumbrances

**Operating Balance**
- Ledger balance – Memo Lien

---

### Fund Summary

As of August 31, 2016

<table>
<thead>
<tr>
<th>Account/CC</th>
<th>Sub</th>
<th>Fiscal Year</th>
<th>Inception to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Appropriation</td>
<td>Financial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Appropriation</td>
<td>Financial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Encumbrance</td>
<td>Ledger Balance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>4</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Fund: 29752 FDP/NIH</th>
<th>05/17 54%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department:</td>
<td></td>
</tr>
</tbody>
</table>

---

**Fund Details**

<table>
<thead>
<tr>
<th>Account/CC</th>
<th>Sub</th>
<th>Fiscal Year</th>
<th>Inception to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Appropriation</td>
<td>Financial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Appropriation</td>
<td>Financial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Encumbrance</td>
<td>Ledger Balance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>4</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Fund: 29752 FDP/NIH</th>
<th>05/17 54%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department:</td>
<td></td>
</tr>
</tbody>
</table>

---

**Operating Balance**
- Ledger balance – Memo Lien
Sub-Object (6 digit code)

Identifying a natural classification of expenditures. The sub code (the first 2 digit) identifies a broad category of expenditures. The object code (the last 4 digit) identifies specific types of expenditures within that broad category.

General Ledger: Detail General Ledger

- It displays detailed transactions in each specific sub/object in each expense/cc account
- It lists all campus transactions for a stated accounting period
General Ledger: Accounts Receivable

Accounts Receivable Report

- Monitoring the balance in the account receivable is an essential part of properly managing project sponsored funds.
- Significant amount of account receivable balance outstanding for long time may have direct financial implication to the sponsored project fund.

https://ofsr.it.ucla.edu/FSReports/selection.asp
General Ledger: Accounts Receivable

Search by
- Department code
- Fund range
- PI code
- Sponsor code
- Or using other parameters available
Revenue is recognized in the amount of $205,024.35.

$35,327.48 out of $205,024.35 has **NOT** been collected.
Understanding Financial Requirements through Award Snapshot
## Award Snapshot – Award Type

- **Section III**
- **Award Type**

<table>
<thead>
<tr>
<th>Award Type: Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant</td>
</tr>
<tr>
<td>Cooperative Agreement</td>
</tr>
<tr>
<td>Contract</td>
</tr>
</tbody>
</table>

---

*UCLA University of California, Los Angeles Award Snapshot*

<table>
<thead>
<tr>
<th>Award Summary</th>
<th>Principal Investigator:</th>
<th>Project Title:</th>
<th>Current Action</th>
<th>Continuation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RESEARCH, NALA</td>
<td>Role of Trial Pre-Treatment Antibodies</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Administering Unit:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MEDICINE, IMMUNOLOGY (IMI)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grant Number:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2010/11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Duration:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>08/01/2010 - 07/30/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

*Section III: Award Type*

- Grant
- Cooperative Agreement
- Contract
Award Type

Grant
- A financial assistance awarded to conduct research or other activities, usually for the public benefit, as described in a general scope of work.
- The statement of work allows the PI significant freedom to change the emphasis within the general area of work as the project progresses.

Contract
- Agreement to provide a specific set of deliverables and reports for research or other activities as described in a set statement of work or deliverables.
- Includes legally binding contractual clauses.

Cooperative Agreement
- An award in which the funding agency may actively involved in the programmatic design and may continue to actively participate or have substantial involvement in project activities.
- Similar in nature to a grant.
# Chart of Award Types

<table>
<thead>
<tr>
<th></th>
<th>Grant</th>
<th>Cooperative Agreement</th>
<th>Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic Purpose</strong></td>
<td>Provide assistance with few restrictions</td>
<td>Provide assistance with substantial involvement between parties</td>
<td>Procure tangible goods or services</td>
</tr>
<tr>
<td><strong>Solicitation Method</strong></td>
<td>Application kit or guidelines</td>
<td>Request for application</td>
<td>Request for proposal or quote</td>
</tr>
<tr>
<td><strong>Award Instrument</strong></td>
<td>Short, may refer to general conditions</td>
<td>Describes involvement, party relationships</td>
<td>Long, detailed specs, clauses, regulations, and expected result</td>
</tr>
<tr>
<td><strong>Involvement by Sponsor</strong></td>
<td>Generally none</td>
<td>Substantial involvement</td>
<td>May be extensive</td>
</tr>
<tr>
<td><strong>Rebudgeting</strong></td>
<td>Flexible</td>
<td>Usually flexible</td>
<td>More restrictive</td>
</tr>
<tr>
<td><strong>Equipment Title</strong></td>
<td>Generally Grantee</td>
<td>Varies</td>
<td>Varies</td>
</tr>
<tr>
<td><strong>Performance Period</strong></td>
<td>Specified</td>
<td>Specified</td>
<td>Specified</td>
</tr>
<tr>
<td><strong>Patent Rights</strong></td>
<td>Usually favor recipient</td>
<td>May be involved</td>
<td>Provision in contract</td>
</tr>
<tr>
<td><strong>Publications</strong></td>
<td>May ask to be informed</td>
<td>May ask to be informed</td>
<td>May require prior review and comment of sponsor</td>
</tr>
<tr>
<td><strong>Technical</strong></td>
<td>Annual summary report</td>
<td>Frequent reports</td>
<td>Detailed, maybe monthly</td>
</tr>
</tbody>
</table>

http://www.research.ucla.edu/ora/training/ORAGlossary/glossary-links/award-types/engage.html
A Fund is a discrete monetary source. These funding sources are allocated for the purpose of meeting certain programmatic or contractual objectives and often have associated regulations, restrictions or limitations that require separate budgeting and accounting.

Establishing a new fund number will vary by fund type:
- Sales and Service Funds
- Gift Funds
- Endowment Income
- Agency Funds
- Contract and Grant Funds
Sponsored Project Fund Category

Contract and Grant Funds (EFM) are in the current fund groups

<table>
<thead>
<tr>
<th>Sponsor/award type</th>
<th>Fund Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of California-Agencies</td>
<td>18200-18887</td>
</tr>
<tr>
<td></td>
<td>18889-18889</td>
</tr>
<tr>
<td></td>
<td>20400-20939</td>
</tr>
<tr>
<td>Local Government</td>
<td>20940-20999</td>
</tr>
<tr>
<td></td>
<td>77001-77449</td>
</tr>
<tr>
<td>Federal Government</td>
<td>21000-33999</td>
</tr>
<tr>
<td>Private Grant and Contracts</td>
<td>57000-59999</td>
</tr>
<tr>
<td></td>
<td>77500-84999</td>
</tr>
</tbody>
</table>

- There are other fund categories under Current Fund Groups such as Agency, Endowment, Sales and Services and more.

Award Snapshot – Program Type

Section III

Program Type

- Basic org research
- Applied org research
- Clinical research
- Clinical trials
- Equipment
- Capital program
- Training
- Individual fellowship
- IPA
- Public service
- And more
The Account number is used to group financial transactions of UCLA Departments or major activities within departments. Note, the sequence of numbers are used University wide and not only for Contract & Grants.

The Account number is used to group financial transactions of UCLA Departments or major activities within departments. Note, the sequence of numbers are used University wide and not only for Contract & Grants.

**Function (First 2 Characters of Account Field):**

The first 2 digits of the Account field reflect the basic purpose of the account, which is determined by General Accounting when the account is set up.
Functional Activities in Financial Statements

The following list explains the meaning of each 2 digit functions:

Use of the appropriate function is critical because UCLA is required to report summaries of activities by these categories to the Office of the President.
# Expense Account by Activity Type

## Linking Expense Accounts to Sponsored Award Funds

<table>
<thead>
<tr>
<th>Coeus Award Activity Type</th>
<th>Account Number Beginning With</th>
<th>Link to Account With:</th>
<th>And Account Function* Equal To</th>
</tr>
</thead>
<tbody>
<tr>
<td>App Org Res, Basic Org Res, Dev Org Res, Other Org Res, or CT-PI</td>
<td>44XXXX or 48XXXX</td>
<td>03 or 13–Research (General Campus or Health Sciences, respectively)</td>
<td></td>
</tr>
<tr>
<td>Capital Program</td>
<td>62XXXX--If Academic Unit</td>
<td>62 or 63–Public Service (General Campus or Health Sciences, respectively)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>64XXXX--If Facilities Unit</td>
<td>64–Operations &amp; Maintenance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>66XXXX--If Central Administrative Unit</td>
<td>66–Institutional Support</td>
<td></td>
</tr>
<tr>
<td>CT Device, CT Drug, CT Gene Therapy, CT In Kind, or CT Other</td>
<td>44XXXX or 48XXXX</td>
<td>03 or 13–Research with 408420 UCOP Fund Group Code (General Campus or Health Sciences, respectively)</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>Choose account based on nature of work (typically 44XXXX or 48XXX, Research)</td>
<td>Choose function based on nature of work (typically 03 or 13, Research)</td>
<td></td>
</tr>
<tr>
<td>Indiv Fellow or Grad Div Fellow</td>
<td>77XXXX–79XXXX (for stipend portion) 40XXXX** (for admin. support portion, if any) 43XXXX – Semel Inst. Admin portion Only</td>
<td>77–Financial Aid 01, 11, or 40–Instruction** (General Campus, Health Sciences, Summer Session, respectively)</td>
<td></td>
</tr>
<tr>
<td>Material Tran</td>
<td>N/A–no money involved</td>
<td>N/A–no money involved</td>
<td></td>
</tr>
<tr>
<td>Other Serv (includes interpersonnel agreements) or Public Serv</td>
<td>62XXXX–If Academic Unit 61XXXX–If Unex 60XXXX–If Central Administrative Unit 60XXXX – General Library Only</td>
<td>62 or 63–Public Service (General Campus or Health Sciences, respectively) 61–University Extension 66–Institutional Support</td>
<td></td>
</tr>
<tr>
<td>Res Training or Training (includes NIH K &amp; T awards)</td>
<td>40XXXX** (for salaries and other expenses portion) 43XXXX – Semel Inst. Admin portion Only 77XXXX–79XXXX (for stipend portion) 61XXXX–If Unex</td>
<td>01, 11, or 40–Instruction** (General Campus, Health Sciences, Summer Session, respectively)</td>
<td></td>
</tr>
</tbody>
</table>

**Function refers to the Account Function field in the FS Account (AC) table and is not always the same as the first two digits of the Account field. If a dept. provides an account with a function code different from the one indicated above, you must check with General Accounting prior to linking any accounts.**

**Until further notice, awards administered by ORUs cannot be linked to instruction function accounts as ORUs can only have research, public service, or financial aid function accounts.**

- Department of Dentistry does not use cost centers so they will only provide accounts on their EPASS.

---

*Last revised: 04/04/2018 by Ravinder Rai - ORDM, Linking Expense Accounts to Sponsored Award Funds.doc*

[http://ora.research.ucla.edu/EFM/Documents/Linking%20Expense%20Accounts%20to%20Sponsored%20Award%20Funds.pdf](http://ora.research.ucla.edu/EFM/Documents/Linking%20Expense%20Accounts%20to%20Sponsored%20Award%20Funds.pdf)
Award Snapshot: F&A

- Section III
- F&A Rate & F&A Base
  - S&W (w/o benefits)
  - TDC w/ exceptions
  - TDC w/ more exceptions
  - S&W (w/ benefits)
  - MTDC
Facilities and Administration

2 CFR 200 (Uniform guidance):

§200.413 Direct Costs.

• Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

§200.56 Indirect Costs.

• Indirect (F&A) costs are those that are incurred for common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
Facilities and Administration

Common Direct and Indirect Costs

<table>
<thead>
<tr>
<th>Direct</th>
<th>Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation of employees for performing work under the sponsored agreement;</td>
<td>Depreciation on building and equipment.</td>
</tr>
<tr>
<td>Related fringe benefit costs;</td>
<td>Utility consumption,</td>
</tr>
<tr>
<td>costs of materials consumed or expended while performing the work; and</td>
<td>Operations and maintenance costs,</td>
</tr>
<tr>
<td>other items of expense incurred for the sponsored agreement, including extraordinary utility consumption.</td>
<td>Administrative services provided at the departmental and central level, and</td>
</tr>
<tr>
<td></td>
<td>Library costs</td>
</tr>
</tbody>
</table>

UCLA Research Administration
Extramural Fund Management
Facilities and Administration Base

The base code is used to identify expenditures for which indirect cost recovery is applicable.

- **A - S&W: Salaries & Wages (excluding employee benefits)**
- **B - TDC: Total Direct Costs**
- **C - TDC - Total Direct Costs (with specified exception)**
  - Exempt object codes include tuition, fee remission, etc.
- **D - S&W: Salaries and Wages (including employee benefits)**
- **J - MTDC: Modified Total Direct Costs**
  - Exempt object codes include patient care costs, alterations, equipment, subcontract > $25,000, tuition, fee remission, etc.

For exempt object codes, refer to the CFS website link below

<table>
<thead>
<tr>
<th>Function</th>
<th>FY 16-17</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organized Research</td>
<td>54%</td>
<td>55%</td>
<td>56%</td>
</tr>
<tr>
<td>Other sponsored activities</td>
<td>35%</td>
<td>38%</td>
<td>38%</td>
</tr>
<tr>
<td>Instruction</td>
<td>37%</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Off-campus</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>IPA Agreements</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>

- Provisional rates will be applied from July 1, 2019 until amended: same rates for FY18-19.
Award Snapshot: Payment Basis

- Section VI
- Payment Basis

- Cost reimbursement
- Firm fixed-price
- Firm fixed-rate
Payment Basis

Payment basis determines how UCLA will earn and record revenue.

- **Cost-Reimbursement:**
  - Payment is based on actual costs incurred, most common
  - Revenue is earned when allowable and applicable costs incurred up to the total budget approved
  - Unspent funds in the budget must be returned to the sponsor

- **Firm Fixed-Price:**
  - Payment is based on a fixed specified amount, regardless of costs incurred
  - Unspent funds can be retained by the University in accordance with UCLA policy 913

- **Firm Fixed-Rate:**
  - Payment is based on a fixed rate applied to number of units performed
  - Unspent funds can be retained by the University in accordance with UCLA policy 913
Invoicing, Financial Reporting, and Cash collection
The following describes a general cycle of cost recovery:

- University incurs expenses for sponsored projects
  - Department records expenses to the funds
- University submits an invoice and/or financial report
  - EFM FM submits and records billing request
    - Debit Account Receivable
    - Credit Revenue
- University waits for payment to arrive
- University receives a payment
  - EFM CM team records cash receipts
    - Debit Cash
    - Credit Accounts Receivable
EFM Invoicing, Reporting and Collection

- Fund Management team reviews the general ledger to prepare an invoice or a financial report based on the financial deliverable categories, types and due dates per the award terms and conditions
  - Auto payment
  - Financial reports
  - Invoice
  - Invoice milestone
  - Internal closing

- Cash management team draws funds on the Letter of Credit, collect accounts receivable and applies payments to appropriate sponsor fund
**EFM Invoicing, Reporting and Collection**

- **Invoice/Invoice Milestone**
  - Request for payment
  - Record revenue in the g/l as earned
  - Record Accounts Receivable (A/R) and the award is awaiting “receipt” of payment

- **Auto Payments**
  - Scheduled automatic payments of fixed amounts by Sponsor according to payment schedule specified in the agreement.
  - Submission of invoice or financial report is not required to collect payment.
  - Receipt of Auto Payment goes to the revenue account directly: If payment has not arrived on schedule, record A/R when it’s due and payment gets applied to the A/R account once received.

- **Financial Report**
  - Reporting how you are spending
  - Most federal funds require financial reports (Letter of Credit)
Non-LOC: when an invoice is required

- Invoice
- Invoice Milestone
Non-LOC: when an invoice is NOT required

- Auto Payment
- Financial Report
Letter of Credit (LOC)

- SF425: Expense Report (as required)
- SF425: Cash transaction report (quarterly)

- Draws funds
- Draw funds (weekly)

- Sponsor
- Cash Management
- Fund Management

- Financial Report
Revenue and Account Receivable
Recording Revenue and Account Receivable

- As UCLA delivers services and/or goods to sponsors as required by sponsor’s agreements, revenue will be recognized and account receivable will be recorded to the general ledger unless payment has been already received.
- Sponsored project are segregated into sponsor types, each sponsor type has a established revenue account and account receivable account.
- The amount recorded in the revenue account does not mean that cash is received (accrual basis of accounting).
- It is important to monitor the balance in account receivable account to ensure recovery of full cost.

<table>
<thead>
<tr>
<th>Type</th>
<th>Revenue Account Number</th>
<th>A/R Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Cont. &amp; Grants (C&amp;G)</td>
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<td>111200</td>
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<td>Local Gov't C&amp;G</td>
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<td>Federal Grants</td>
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<td>111505</td>
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<td>111500</td>
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<tr>
<td>Private Contracts</td>
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<td>112679</td>
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<tr>
<td>Private Grants</td>
<td>258000</td>
<td>112678</td>
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<tr>
<td>Letters Of Credit (LOC)</td>
<td>221100 / 229000</td>
<td>111501</td>
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</table>
Recording Revenue and Account Receivable

Fund with payment basis of cost reimbursement

- Expenses in excess of Revenue: Revenue – Expenses: $6,519.13
- Invoice to be created by EFM FM Team for $6,519.13
# Recording Revenue and Account Receivable

- Invoice generated for $6,519.13

<table>
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<tr>
<th>Project Title:</th>
<th>PI Name:</th>
<th>Awarded Amount: $170,000.00</th>
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<td>Supplies and expenses</td>
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<td>Travel</td>
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<tr>
<td>Employee benefits</td>
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<td>Other</td>
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<td>-</td>
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<tr>
<td>4,493.90</td>
<td>998.77</td>
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Indirect costs 54.0% MTDC
TOTAL 31,825.76

Amount of payment requested
With your payment, please indicate UCLA FILE NO. 4-112675-

6,519.13
Recording Revenue and Account Receivable

- EFM records revenue and account receivable for $6,519.13 (Invoice #3)
  - Debit Account Receivable account (112678)
  - Credit Revenue account (258000)
Recording Revenue and Account Receivable

- Recording of A/R can be confirmed in the detail general ledger of A/R account (112678)
  - $25,306.63 represents outstanding A/R from invoices #1 and #2
  - $6,519.13 represents new A/R recorded from invoice #3
  - $31,825.76 represents total outstanding A/R from invoice #1, #2, and #3
Recording of revenue can be confirmed on the fund summary page or in the detail general ledger of revenue account:

- $25,306.63 represents revenue as of 1/31/16
- $31,825.76 represents revenue as of 2/28/15
- Increase of $6,519.13 represents revenue recorded on 2/13/15
Recording Cash Receipt

- When payment is received, EFM records cash receipt of $6,519.13
  - Debit Cash
  - Credit Account receivable

For the period from February 1, 2015 to March 31, 2015
Recording Cash Receipt

- Invoice #3 is paid in full: $6,519.13
- $31,825.74 represents total outstanding A/R from invoice #1, #2 and #4
- Once payments are received for all invoices in full, ending balance will be $0
## Summary

### Invoicing and collection cycle

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<th>Description</th>
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<td>January 2015 Expenses: $6,519.13</td>
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<tr>
<td>Feb 2015:</td>
<td>Invoice created by EFM FM Accountant</td>
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<td>Payment request: $6,519.13</td>
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<tr>
<td>Feb 2015:</td>
<td>Journal Entry posted by EFM FM Accountant to record revenue and A/R</td>
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<td>Debit account receivable: $6,519.13</td>
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<td>Credit revenue: $6,519.13</td>
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<td>Feb – Mar 2015</td>
<td>Waited for payment to arrive</td>
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<td>Mar 2015:</td>
<td>EFM CM recorded cash receipt offsetting A/R</td>
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<td>Debit cash: $6,519.13</td>
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<tr>
<td></td>
<td>Credit account receivable: $6,519.13</td>
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</table>
Accounts Receivable Collection

• Cash management team monitors outstanding A/R by
  ◦ using A/R aging report each month based on the ledger date
  ◦ sending out a standard payment reminder letter at 90 days
  ◦ following up individually when A/R exceeds 120 days past due
  ◦ escalating to an appropriate person(s) depending on reasons for payment delay

• A/R might not be collectible due to
  ◦ Delay in submission of progress report
  ◦ Milestone Completion in dispute
  ◦ Late submission of an invoice
  ◦ Questions on invoices
  ◦ Disallowed expenses
  ◦ Sponsor bankruptcy
Multiple Campus Agreement
Multi-Campus Agreements:

- A sub-award issued between UCLA to another UC campus
  - Outgoing Multiple Campus Award (MCA) requires department to initiate request to OCGA to issue the MCA
    - MCA notice is issued in the format prescribed by UCOP, prepared and submitted to sister campus by OCGA
  - Transactions for MCA are recorded directly to 1198XX account: to eliminate intercampus transactions for a consolidated financial statements → prevents double counting of revenues and expenses at UC Regents level
    - When UCLA receives an IRR from other campus (outgoing MCA): expenses recorded in 1198xx account
    - When UCLA sends an IRR, requesting for a payment from other campus (Incoming MCA): revenue recorded to 1198xx account
  - MCA allow full recovery of appropriate F&A costs
## Multi-Campus Agreements: Outgoing

### Fund Summary

As of January 16, 2017

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<tr>
<th>Account/CC</th>
<th>Sub</th>
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<th>Fiscal Year Financial</th>
<th>Inception to Date Financial</th>
<th>Encumbrance</th>
<th>Ledger Balance</th>
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## Multi-Campus Agreements: Outgoing

**Account/CC:** 119850 FUND BALANCES UNEXPENDED-SPECIFIC FUNDS  
**Fund:** 29857 FDP-DHHS UA3MC110550700 KASARI 08/17 35%  
**Department:** 9930 CONTROL-GENERAL ACCOUNTING

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<th>Project</th>
<th>TE</th>
<th>Effective Date</th>
<th>Trans No</th>
<th>Doc Date</th>
<th>Description</th>
<th>Reference</th>
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<th>Financial ((=)DEBIT)</th>
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*** 4 - 119850 - 29857

Ending Balance

(535,383.57) (109,517.68) (425,865.89)
Multi-Campus Agreements: Outgoing

- **RAPID Closeout Tool → 1198XX (Intercampus/Carryforward/STIP)**

---

### Closeout Reports

- Pre-Closeout Checklist (Recommended 2 months prior to fund end date)
  - Smart Closeout Tool
  - Summary - By Sub
  - Expenses - Unallowable and Warning Object Codes
  - Expenses - After End Date
  - Remaining Encumbrances
  - F&A Reconciliation Link
- Subawards/Subcontracts/Subgrants
  - 1198XX (Intercampus/Carryforward/STIP)

---

### Closeout Inputs

| Sub | Ledger Year | Project | Object | Account | C C | Fund | Trans Ref GL | Sub-Object Title | Source Code | Trans ID GL | Trans Date | Trans Eff Date | Description | Appropriation | Financial |
|-----|-------------|---------|--------|---------|-----|------|--------------|------------------|-------------|-------------|------------|-------------|-------------|-------------|-----------|----------|
| 16  | 2015-09     | UCD 7000 | 119850 | 29857   |     |      |              |                  |             |             |            |             |             | (350,304.00) | (346,453.00) |
| 16  | 2015-12     | UCD 7000 | 119850 | 29857   |     |      |              |                  |             |             |            |             |             | (17,278.19)  | (270,891.11) |
| 16  | 2016-01     | UCD 7000 | 119850 | 29857   |     |      |              |                  |             |             |            |             |             | (21,654.67)  | (270,891.11) |
| 16  | 2016-03     | UCD 7000 | 119850 | 29857   |     |      |              |                  |             |             |            |             |             | (46,605.55)  | (270,891.11) |
| 16  | 2016-06     | UCD 7000 | 119850 | 29857   |     |      |              |                  |             |             |            |             |             | (46,605.55)  | (270,891.11) |
| 16  | 2016-07     | UCD 7000 | 119850 | 29857   |     |      |              |                  |             |             |            |             |             | (24,708.11)  | (270,891.11) |
| 16  | 2016-08     | UCD 7000 | 119850 | 29857   |     |      |              |                  |             |             |            |             |             | (31,823.86)  | (270,891.11) |
| 16  | 2016-10     | UCD 7000 | 119850 | 29857   |     |      |              |                  |             |             |            |             |             | (52,985.71)  | (270,891.11) |
| 16  | 2017-01     | UCD 7000 | 119850 | 29857   |     |      |              |                  |             |             |            |             |             | (696,767.00)  | (696,767.00) |
| 16  |             |         |        |         |     |      |              |                  |             |             |            |             |             |             | (270,891.11) |
| Sub 16 |        |         |        |         |     |      |              |                  |             |             |            |             |             |             |             |
| Sub Grand Total | |         |        |         |     |      |              |                  |             |             |            |             |             |             |             |
Multi-Campus Agreements: Incoming

University of California, San Francisco

- PI: [Name]
- Department: Family and Community Medicine

University of California, Los Angeles (Participating Campus/Division)

- PI: [Name]
- Department: Psychology & Behavioral Sciences

Authorized Official: Heather Winters, Assistant Director

Email Address: awards@research.ucla.edu

Prime Award Information

- Prime Award No:
- FAIN:
- Campus Sponsor Code: 6762
- Funding Source: National Institute on Drug Abuse
- Sponsor Code: 3172
- Prime Fund Number: 4000
- Fund Block: Federal
- ✔ The Fund Source is partially or entirely federal
- CFDA No: 93.279

Project Title: Heroin in Transition

Participating Campus Information

- Amount Awarded this Action: $57,816
- Total Amount Awarded: $57,816
- Budget Period: 2/1/2016 - 1/31/2017
- Performance Period: 2/1/2016 - 1/31/2017

Reporting Requirements

- Quarterly Starting: [ ]
- Semi-annually Starting: [ ]
- Annually Due: 60 Days prior: [ ]
- Final Technical Report Due: within 45 Days: [ ]
- Patent Report Due: 60 Days prior: [ ]
- Equipment Inventory Report Due: within 45 Days: [ ]
- Final Intercampus Request for Reimbursement Due: within 45 Days: [ ]
- Other: [ ]
# Multi-Campus Agreements: Incoming

As of January 17, 2017

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<th>Encumbrance</th>
<th>Ledger Balance</th>
<th>Memo-Lien</th>
<th>Operating Balance</th>
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<tbody>
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NPI-xxxxx

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<th>Inception to Date</th>
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<th>Ledger Balance</th>
<th>Memo-Lien</th>
<th>Operating Balance</th>
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<tbody>
<tr>
<td></td>
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<td>Curr Month</td>
<td>Appropriation</td>
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441587/PO

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<th>Fiscal Year</th>
<th>Inception to Date</th>
<th>Encumbrance</th>
<th>Ledger Balance</th>
<th>Memo-Lien</th>
<th>Operating Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Curr Month</td>
<td>Appropriation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>119850</td>
<td>0.00</td>
<td>40,149.28</td>
<td>33,797.80</td>
<td>57,816.00</td>
<td>51,464.52</td>
<td>0.00</td>
<td>6,351.48</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>0.00</td>
<td>40,149.28</td>
<td>18,016.10</td>
<td>57,816.00</td>
<td>35,682.82</td>
<td>0.00</td>
<td>22,133.18</td>
</tr>
<tr>
<td>Revenue</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Expenditure</td>
<td>0.00</td>
<td>40,149.28</td>
<td>33,797.80</td>
<td>57,816.00</td>
<td>51,464.52</td>
<td>0.00</td>
<td>6,351.48</td>
</tr>
<tr>
<td>TOTAL</td>
<td>0.00</td>
<td>0.00</td>
<td>(15,781.70)</td>
<td>0.00</td>
<td>(15,781.70)</td>
<td>0.00</td>
<td>(19,221.20)</td>
</tr>
</tbody>
</table>
# Multi-Campus Agreements: Incoming

## Detail General Ledger

For the period from January 1, 2016 to January 31, 2017 – Up to Final

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fin-Class</th>
<th>Source</th>
<th>Project</th>
<th>TE</th>
<th>Effective Date</th>
<th>Trans No</th>
<th>Doc Date</th>
<th>Description</th>
<th>Reference</th>
<th>Budgetary ( )=CREDIT</th>
<th>Financial ( )=DEBIT</th>
<th>Balance ( )=CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>29634</td>
<td>UCSF/NIH</td>
<td>9235</td>
<td>SC</td>
<td>Bourgeois</td>
<td>1/17</td>
<td>54%</td>
<td></td>
<td></td>
<td>Beginning Balance</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>167000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14</td>
<td>3/24/2016</td>
<td>092255</td>
<td>032416</td>
<td>APPROPRIATE FUNDS</td>
<td></td>
<td>57,816.00</td>
<td>0.00</td>
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<tr>
<td>167010</td>
<td></td>
<td></td>
<td></td>
<td>BF</td>
<td>12</td>
<td>7/1/2016</td>
<td>FS0815</td>
<td>070116</td>
<td>Ending Balance</td>
<td></td>
<td>57,816.00</td>
<td>0.00</td>
</tr>
<tr>
<td>167000</td>
<td>0802</td>
<td>UCSF</td>
<td>53</td>
<td></td>
<td>9/30/2016</td>
<td>032499</td>
<td>100616</td>
<td>Beginning Balance</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>167000</td>
<td>0802</td>
<td>UCSF</td>
<td>53</td>
<td></td>
<td>11/22/2016</td>
<td>051508</td>
<td>112216</td>
<td>REAPPORATION **</td>
<td></td>
<td>40,149.28</td>
<td>0.00</td>
<td>(17,666.72)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>** BALANCE FORWARD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F: UCSF-9235SC IRR1</td>
<td>02AEL2820</td>
<td>17,666.72</td>
<td>0.00</td>
<td>17,666.72</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F: UCSF-9235SC IRR-2</td>
<td>04AEL2975</td>
<td>18,016.10</td>
<td>0.00</td>
<td>18,016.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ending Balance</td>
<td></td>
<td>40,149.28</td>
<td>18,016.10</td>
<td>22,133.18</td>
</tr>
</tbody>
</table>
Multi-Campus Agreements: Incoming

UNIVERSITY OF CALIFORNIA, LOS ANGELES
EXTRAMURAL FUND MANAGEMENT

Intercampus Request for Reimbursement No. 3

Date: 1/12/2017
To: University Of California, San Francisco

Subject: Awarding Agency:
Award/Agreement: 
Project period: 2/1/2016-1/31/2017
Appropriation: $57,816.00 Award Balance: $6,351.48

Our Campus
Fund Number: 
Prin. Invest. 
Department: SEMEL INSTITUTE

Your Campus
9235SC

Below is the summary of expenditures and payments as of 12/31/2016

a. Total expenditures 51,464.52
b. Previous billing expenditures 35,682.82
c. Current billing expenditure (a-b) 15,781.70
d. Payments Received

35,682.82
e. Reimbursement Requested (current & outstanding billing a-d) 15,781.70

UCLA Research Administration
Extramural Fund Management
Any questions?
Thank you for joining the Post Award Class!

If you have any questions, we are here to answer

Duy Dang  
X6-3006  
duy.dang@research.ucla.edu

Christian Diaz  
X4-6135  
cdiaz@research.ucla.edu

EFM Website  
http://ora.research.ucla.edu/efm
POST AWARD ADMINISTRATION
PART II
Class Overview

Part 1: June 18, 2020
- UCLA sponsored project funds
- Overview of financial deliverables
- Understanding general ledger
- Understanding financial requirements through award snapshot
- Invoicing, financial reporting, and cash collection
- Revenue and accounts receivable
- Multiple Campus Agreements

Part 2: June 19, 2020
- Policies and guidelines governing sponsored project funds
- Monthly reconciliation and Cost transfers
- Managing awards with complex financial terms and conditions
- Single fund number and Multiple Fund Numbers on One Award
- Award execution and Budget appropriation
- Carry forward and offset
- Financial closeout of sponsored project funds
- Effort reporting, audit and record retention
Polices and Guidelines
Policies and Guidelines

Allowable per cost principles per UG?

- The more strict or restrictive rule of all the layers apply.
- UCOP and UCLA policies and procedures are designed to comply with the strictest Federal Standards.

Foreign travel? equipment?

Federal Policy and Governmental Law
- e.g. Uniform Guidance, DATA act, GONE Act

Sponsor Policies
- e.g. NIH grant policy statement, CIRM grant administration policy

University Policies
- e.g. UCOP C&G manual, UCLA Policy 910 & 913, Financial Policies

Departmental Policies
Specific Award Terms
Policies and Guidelines

- Even though there are certain terms and conditions that are common and generally accepted in the industry, each sponsor has its own policy and each contract or grant has its own set of terms of condition.

- Each grant and contract should be treated individually when determining if a specific transaction is appropriate.

- The more stringent or restrictive rule of all the layers apply.

- Understanding governing rules and regulations as well as terms and conditions of the individual agreement is critical to properly manage sponsored project funds.
Policies and Guidelines: UG

**Uniform Guidance (UG)**
- The Office of Management and Budget's (OMB) implemented “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)” in December 2014
- Government-wide framework for grants management consolidating and superseding guidance from earlier OMB circulars (A–21, A–87, A–110, A–122, etc.)
- To reduce the administrative burden on award recipients and to guard against the risk of waste and misuse of Federal funds.

**Contents**
- Subpart A: Acronyms and definitions
- Subpart B: General provisions
- Subpart C: Pre-federal award requirements and contents of federal awards
- Subpart D: Post-federal award requirements
- Subpart E: Cost principles
Uniform Guidance Subpart E: Cost Principle

Costs must be allowable, allocable, reasonable, consistently applied and adequately documented.

- §200.403 Factors affecting allowability of costs:
  - Be necessary and reasonable for the performance of the Federal award
  - Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity

- §200.404 Reasonable costs:
  - In its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
  - It is generally recognized as ordinary and necessary for the proper and efficient performance of the Federal award

- §200.405 Allocable costs:
  - It is incurred solely to benefit the work under the sponsored agreement
  - It benefits both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods
General Provisions for selected items of Cost (§200.420 – §200.475)

Costs allowed when certain conditions are met:

<table>
<thead>
<tr>
<th>Reference #</th>
<th>Cost items</th>
<th>Allowable</th>
<th>Unallowable</th>
</tr>
</thead>
<tbody>
<tr>
<td>§200.421</td>
<td>Advertising and public relations</td>
<td>When it’s solely for 1) recruitment of personnel required for the project, 2) the procurement of goods and services for the project....</td>
<td>All advertising and public relations costs other than as specified as allowable. Costs of promotion items, costs of advertising University.....</td>
</tr>
<tr>
<td>§200.454</td>
<td>Memberships, subscription, and professional activity</td>
<td>University’s membership in business, technical, and professional organization, subscription to technical periodicals ....</td>
<td>Membership in country club or social or dining club, members in organizations whose primary purpose is lobbying</td>
</tr>
<tr>
<td>§200.463</td>
<td>Recruiting costs</td>
<td>“help wanted” advertising, aptitude testing, travel costs of applicants for interviews, short-term working or travel visa necessary for the conduct of the project....</td>
<td>Longer term, immigration visa, costs of employment agencies in excess of standard commercial rates for such service....</td>
</tr>
</tbody>
</table>

This is not a comprehensive list but guidelines for references.
Policies and Guidelines: University

**UCOP Contract and Grant Manual**
- The manual provides guidance on policies for the solicitation, acceptance or execution, and administration of awards from extramural sponsors.
- It covers financials in general, budget and expenditures, purchasing, indirect costs, audit, cost sharing, intellectual property and related matters, protection of research subjects and other key guidelines pertinent to research administration.

**UCLA policy 910: Management of Sponsored Projects**
- This policy describes the shared responsibility for the administration of Awards accepted as Contracts, Grants, Cooperative Agreements or Subawards at UCLA.
- Responsible parties include the Principal Investigator, Department Administrators, Office of Research Administration, and a number of other units including Audit and Advisory services, Corporate Financial Services, General Accounting, and OIP as appropriate.
Policies and Guidelines: Resources

- UCLA Policies and Procedures
  - http://www.policies.ucla.edu/

- UCLA Financial Policy

- UCOP Contract and Grant manual

- Agency-specific policies

- White House OMB - 2 CFR 200 Uniform Guidance
  - https://www.whitehouse.gov/omb/grants_docs
Quiz Time

It is time for a refresher break. Per the UG...

Allowable or unallowable?

- **Administrative Salary**
  - It depends
  - §200.405 Allocable costs: It is incurred solely to benefit the work under the sponsored agreement

- **Equipment purchased within 90 days of project end**
  - Unallowable
  - §200.403 Factors affecting allowability of costs: Be necessary and reasonable for the performance of the Federal award

- **$1,000 Travel Expense for a 3-day conference in the East Coast**
  - Allowable
  - §200.404 Reasonable costs: In its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
Monthly Reconciliation
UCLA Policy 910

This policy describes the shared responsibility for the administration of Awards accepted as Contracts, Grants, Cooperative Agreements or Subawards at UCLA.

From UCLA policy 910 IV. Statement:

- **Principal Investigators** are responsible for the proposal preparation, acquisition of appropriate approvals (i.e., human subject, animal subject, use of biohazardous materials, etc.) and licenses, scientific and technical conduct and reporting, fiscal and programmatic management of the project, which includes responsibility for any applicable Subawards.

- **Deans, department chairs and Organized Research Unit (ORU) directors** share primary responsibility for the management of Sponsored Projects in their respective units, along with various components of the Office of Research Administration (ORA).

- **The Vice Chancellor - Research** has general oversight responsibility for policy related matters associated with Sponsored Projects. He or she is also responsible for coordinating compliance with federal and other research regulations in areas such as the protection of human and animal research subjects, scientific integrity, conflict of interest, and environment, health and safety.

- A number of other units, including Audit & Advisory Services, the Controller's Office, and other departments within Corporate Financial Services, the Office of Insurance and Risk Management, Purchasing, Equipment Management, and the Office for the Protection of Research Subjects, have expertise in varied subject areas and provide a wide spectrum of support services related to the administration of Sponsored Projects.
UCLA Policy 910

PIs and department research administrators are required to

- Be knowledgeable about sponsor and university guidelines and restrictions
- Comply with terms and conditions of each award and with administrative requirements
- Reallocate appropriated funds into the appropriate budget categories
- Review and approve financial transactions related to personnel, the purchase of goods or services, rebudgeting of funds, for consistency with project purposes and the terms and conditions of the award
- Conduct monthly reconciliation of all transactions in the general ledger and make adjustments as necessary to ensure that the general ledger is cleared of any expenses not applicable to the Sponsored Project
- Identify appropriate unrestricted fund sources at the departmental level to cover cost-sharing commitments, overdrafts and/or disallowances
UCLA Policy 910

Monthly reconciliation includes but is not limited to

- Review all expenses recorded in the general ledger and reconcile them with source documents to validate they are allowable, allocable, reasonable, and complete.
  - Direct charges or payments of the original transactions (e.g., payrolls, vendor invoices, and sub-recipient invoices).
  - Recharges for services or goods received from other units.
  - Overhead expenses.

- Make necessary adjustments timely as errors and irregularities are noted.

- Review if expenses are properly tracked and recorded in accordance with other fiscal compliance requirements as applicable.

- Monitor project spending rate.

- Inform the PI of financial status of the project fund.
Appropriate use of object codes

• When recording and reviewing expense transactions, ensure appropriate object code is used.

• Object code indicates natural classification of expenses:

<table>
<thead>
<tr>
<th>List of Sub Codes</th>
<th>List of Object Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>00 – Salaries – Academic</td>
<td>1xxx – Salaries and Wages</td>
</tr>
<tr>
<td>01 – Salaries – Staff</td>
<td>2xxx – Travel</td>
</tr>
<tr>
<td>02 – General Assistance</td>
<td>3xxx – Transportation of Things</td>
</tr>
<tr>
<td>03 – Supplies and Expense</td>
<td>31xx – Maintenance agreements, repairs</td>
</tr>
<tr>
<td>04 – Equipment and Facilities</td>
<td>3200-3599 – Various Services and Charges</td>
</tr>
<tr>
<td>05 – Special items</td>
<td>36xx – Loan Payments and Taxes</td>
</tr>
<tr>
<td>06 – Benefits</td>
<td>39xx – Recharges</td>
</tr>
<tr>
<td>07 – Special Items</td>
<td>40xx – Communication, Mail, Messenger</td>
</tr>
<tr>
<td>08 – Special Items</td>
<td>4300 – 4999 – Various Supplies</td>
</tr>
<tr>
<td>09 – Recharges to Other Departments</td>
<td>52xx – Utilities</td>
</tr>
<tr>
<td>9H - Overhead</td>
<td>58xx – Rental/Lease of Space</td>
</tr>
</tbody>
</table>

https://www.finance.ucla.edu/corporate-accounting/object-codes-for-expenditures
Appropriate use of object codes

- Object code affect calculation of F&A
- For example, F&A base is Modified Total Direct Cost (MTDC), recording transaction with incorrect object will result in F&A adjustment → object code included in or excluded from F&A base
- Untimely F&A adjustments may result in cost overrun or loss of unused budget (unobligated balance to be lost)
- Object codes commonly misused:

<table>
<thead>
<tr>
<th>Nature of Expenses</th>
<th>Included in F&amp;A base</th>
<th>Excluded from F&amp;A base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subcontract</td>
<td>[7310] up to $25,000 per each subcontract</td>
<td>[7300] over $25,000 per each subcontract</td>
</tr>
<tr>
<td>Genomic array supplies</td>
<td>[4550] Costs up to $75,000 in a given year</td>
<td>[4551] Over $75,000 in a given year</td>
</tr>
</tbody>
</table>
Appropriate use of object codes

- Each object code has designated restriction
  - Allowable: generally considered allowable to be charged as direct costs
  - Unallowable: generally considered unallowable to be charged as direct costs. If it is indeed allowable and applicable to the sponsored project, contact EFM to record transactions (extremely rare cases).
  - Warning: general considered questionable to be charged as direct costs and appropriate supporting documentation is required
    - Costs that are considered not directly traceable to specific projects and recovered through F&A (e.g. maintenance and repairs, utilities, visa costs, etc.)

- Object codes commonly misused:

<table>
<thead>
<tr>
<th>Nature of Expenses</th>
<th>Allowable</th>
<th>Unallowable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office supplies</td>
<td>[4771] Project Specific office Type supplies</td>
<td>[4700] Office supplies</td>
</tr>
</tbody>
</table>
Monthly Review and Reconciliation

Review if expenses are properly tracked and recorded in accordance with financial compliance requirements as applicable. Examples include:

- Multiple payment basis: Are expenses tracked in separate accounts for cost reimbursable vs. firm fixed price vs. firm fixed rate?
- Multiple F&A rate: Are separate expense accounts established to assess different F&A rates?
- Restricted funding: Are expenses for the restricted funding tracked in separate accounts?
- E-Verify: Are employees working on the project E-verified when required?
- Salary cap: Are salaries charged on the fund within the salary cap when applicable?
Monthly Review and Reconciliation

Monitor spending rate in conjunction with the budget and project progress:

*NIH Grant Policy Statement 7.5 Cost Transfers, Overruns, and Accelerated and Delayed Expenditures*

- The GMO monitors grantee expenditure rates under individual grants within each budget period and within the overall project period.
- NIH expects the rate and types of expenditures to be consistent with the approved project and budget.
- Expenditure patterns are of particular concern because they may indicate a deficiency in the grantee’s financial management system or internal controls.
- Accelerated or delayed expenditures may result in a grantee's inability to complete the approved project within the approved budget and period of performance.
Monthly Review and Reconciliation

Keep the sponsor informed of the background of spending pattern when deviated from expectation built based on the budget and project progress.

*Accelerated expenditures*
- Is there sufficient budget to complete the project?
- If not, should additional funding be requested?
- If yes, can additional funding request be reasonably explained?
- If additional funding is not approved, it may result in the cost overrun.

*Delayed expenditures*
- Is project making progress as expected?
- If yes, will this result in not utilizing the approved budget in full? Is carry forward allowed? Can carry forward request be justified?
- If no, is no cost time extension needed to complete the project?
- If carry forward is not allowed or not approved, the funding originally approved will be no longer be available for the project.

*Excessive spending near the end of a project is a “red flag” for auditors*
- Raises questions about purchases in terms of project benefit and whether necessary to complete project goals
Quiz Time

It is time for a refresher break...

Monthly reconciliation may include the following:

A) Review all expenses recorded in the general ledger and reconcile them with source documents to validate they are allowable, allocable, reasonable, and complete.

B) Upon close-out, make necessary adjustments as errors and irregularities are noted.

C) Review if expenses are properly tracked and recorded in accordance with other fiscal compliance requirements as applicable.

D) All the above

E) A & C only
Cost Transfers
Cost Transfers: Definition

- As conducting monthly reconciliation, unallowable expenses recorded to the sponsor project fund by an error must be identified and transferred off from the sponsored project fund in a timely manner → **Cost Transfers**

- A **cost transfer** is an after-the-fact reallocation of costs from one fund to another fund.
  - From a non-sponsored fund to a sponsored fund
  - From a sponsored fund to a sponsored fund
  - From a sponsored fund to a non-sponsored fund

- Cost transfers are referred as “**Expenditure Adjustments**,” in “**UC Business and finance bulletin, A-47, Direct Costing Procedures**”. Once an expense entry has been recorded in an account in the general ledger, expenditure adjustments need to be made
  - To correct an erroneous recording
  - To record a change in the decision made originally as to the use of goods or services
  - To redistribute certain high numerical but small individual and/or minor charges
Cost Transfers: Internal Controls

NIH Grant Policy Statement

7.5 Cost Transfers, Overruns, and Accelerated and Delayed Expenditures

- The grantee should have systems in place to detect errors within a reasonable time frame; untimely discovery of errors could be an indication of poor internal controls.
- Frequent errors in recording costs may indicate the need for accounting system improvements, enhanced internal controls, or both.
- The transfers must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge.
- Grantees must maintain documentation of cost transfers, pursuant to 45 CFR part 74.53 or 92.42 and must make it available for audit or other review.
- NIH also may require a grantee to take corrective action by imposing additional terms and conditions on an award(s).
Cost Transfers: Internal Controls

The University is committed to the accurate and timely maintenance of its financial records. Situations requiring cost transfers must be limited. When identified, they must be processed expeditiously. (from “UC Business and Finance Bulletin, A-47, Direct Costing Procedures”)

Department is required to have following internal controls in place:

- Preventive:
  - Proper authorization of transactions: all charges are reviewed and approved by the PI
  - Separation of duties: approved transactions are processed by appropriate staff

- Detective:
  - Department must review and reconcile transactions in the general ledger with source documents to verify the accuracy and validity of all expenditures
  - Identify errors and irregularities timely

- Corrective:
  - Department must have controls to prevent errors and irregularities from reoccurring once they are discovered.
  - Implementation of new policies and procedures, training of the staff, etc.
Cost Transfers: Internal Controls

- With adequate preventive controls in place, frequency of cost transfers must be limited.
- With adequate detection controls in place, cost transfers must be identified and processed timely.
- Situations indicating lack of internal controls and calling for auditor’s attention
  - High frequency and/or high volume of cost transfers
  - Untimely cost transfers
  - Cost transfers without appropriate documentation
  - Cost transfers toward the end of or right after the performance period
  - Cost transfers from the fund in cost overrun to the fund with a high available balance
- Potential consequence of frequent and/or high volume of cost transfer ("NIH Grant Policy Statement 7.5 Cost Transfers,...")
  - Frequent errors in recording costs may indicate the need for accounting system improvements, enhanced internal controls, or both.
  - NIH also may require a grantee to take corrective action by imposing additional terms and conditions on an award(s).
Cost Transfers: Timeliness

- NIH requires cost transfers to be accomplished within **90 days** of when the error was discovered. ("NIH Grant Policy Statement 7.5 Cost Transfers, Overruns, and Accelerated and Delayed Expenditures")

- UC requires cost transfers to be recorded in the general ledger within **120 days** from the close of the month the original charge posts to the ledger ("UC Business and Finance Bulletin, A-47, Direct Costing Procedures" & "UC Contract and Grant Manual, Chapter 7-430 Timeliness of Cost Transfers")
  - UC requires the department review the monthly reports within 30 days from the ledger close.
  - Errors will be discovered within 30 days and must be corrected within 90 day from discovery of the error. (applying NIH 90 day rule)

- UCLA considers cost transfers high risk when they meet any of the following criteria and require additional review and approval by EFM before getting posted to the g/l:
  - Debited to the sponsor fund after 120 days from the original transaction date
  - Debited to the sponsor fund after 90 days from the fund expiration date
  - Previously transferred to a sponsored project fund and being re-transferred to another sponsored project fund (regardless of the timing)
Cost Transfers: Documentation

- NIH Grant Policy Statement 7.5 Cost Transfers
  - The transfers must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge
  - An explanation merely stating that the transfer was made "to correct error" or "to transfer to correct project" is not sufficient.
  - Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overruns are not allowable.

- UC Contract and Grant Manual Chapter 7 and UC Business Finance Bulletin A-47 state same requirement as described in NIH Grant Policy

- To comply with sponsor and University policies, UCLA requires the department to answer following six questions for high risk cost transfers;
  - Why is the transfer being made?
  - Why was the original in error?
  - How does the cost transfer benefit the new fund charged?
  - Who approved the transfer?
  - What steps are being taken to prevent reoccurrence?
  - Explain a delay in transfer (for cost transfers violating 120/90 guidelines)
Cost Transfers: Documentation

Answers commonly received but cannot appropriately support cost transfers

- Why is the transfer being made?
  - Cost is transferred to a project fund to use up the remaining balance for a fund that is ending as a cost management strategy
  - Cost is transferred to a project fund to avoid or eliminate cost overrun on another sponsored project fund
  - Cost of other PI’s project is transferred to my project fund to financially support important research of my colleague

- Who approved the transfer?
  - Fund manager

- Explain a delay in transfer
  - Shortage of staff → this indicates lack of internal controls overall: who was managing a sponsored fund during this period?
Cost Transfers: Documentation

**Answers considered reasonable to appropriately support cost transfers**

- **Why is the transfer being made?**
  - PI determines that fund charged was not the fund that benefited from cost; a change in the decision as to the use of goods or services
  - Reallocate a portion of cost to other appropriate fund sources
  - To redistribute payroll costs based on the after the fact verification of effort reported through the effort reporting system
  - Correct bookkeeping or clerical errors (transposition of numbers)
  - Expenses approved through a revised budget or sponsor approved

- **Who approved the transfer?**
  - Principal investigator

- **Explain a delay in transfer**
  - Fund was set up late due to a delay in executing the award
  - No Cost time extension approval delay by sponsor
Quiz Time

It is time for a refresher break...

Determine if the cost transfer justification is reasonable or if it needs additional support

◦ Why is the transfer being made? A recharge expense was erroneously directed to fund ######. This is to transfer the recharge expense from fund ###### to this fund for the cost benefits this project. The FAU for the recharge has since been corrected.

Justification is acceptable – To correct an error for the activity associated to incurred expense that is necessary to complete the project

◦ Who approved the transfer? The Chair approved the transfer

Justification is insufficient: the PI is required to approve the transfer since PI oversees the project and has first-hand knowledge

◦ Explain the delay in transfer? Due to staff turnover, there was a lapse in monitoring expenses on the fund.

Justification is not acceptable – lack of internal controls
Managing awards with complex financial terms and conditions
Multiple F&A

- Section III
  - F&A Rate
  - F&A Base

- S&W (w/o benefits)
- TDC w/ exceptions
- TDC w/ more exceptions
- S&W (w/ benefits)
- MTDC
Multiple F&A

Award may have more than one F&A base and rate

- All applicable F&A bases and rates will be listed in the award snapshot
- F&A base/rate is established at an account/cc level
- To ensure accurate F&A assessment, separate expense acct/cc must be established for each F&A base/rate

ORA Procedures to manage awards with multiple F&A:

- OCGA indicates multiple F&A base/rate in ADCS
- ORDM obtains any additional expenses account/cc from the department and link them to the fund
- ORDM processes appropriation to accounts/cc for each F&A base/rate combination
- F&A will be assessed to each account/cc as direct expenses incur based on F&A base/rate set up for each account/cc
- EFM reports to the sponsor accordingly
Multiple Payment Basis

- Section VI
- Payment Basis

- Cost reimbursement
- Firm fixed-price
- Firm fixed-rate
Multiple Payment Basis

Award may have more than one payment basis

- Most commonly, cost reimbursement + firm fixed-rate
- Both payment basis will be listed in the award snapshot
- Based on sponsors requirement, two expense accounts must be linked to the fund in order to track expenses separately for proper invoicing
- Track expenses accordingly

ORA Procedures to manage awards with multiple payment basis:

- OCGA indicates multiple payment bases in ADCS
- ORDM obtains any additional expenses account/cc from the department and link them to the fund
- ORDM processes appropriation to accounts/ccs for each payment basis
- Department records expenses to appropriate account/cc based on the budget
- EFM reports to the sponsor accordingly
Award Snapshot - Firm fixed-rate

- Section VI
- Payment Basis

Firm fixed-rate

---

<table>
<thead>
<tr>
<th>Section VI: Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Basis: Firm Fixed Rate</td>
</tr>
</tbody>
</table>

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Section IV: Subawards

Section V: Cost Sharing and Approvals

Section VI: Deliverables

---

University of California, Los Angeles
Award Snapshot

Section I: Award Summary

Principal Investigator: JONES, J

Sponsor: VAELE UNIVERSITY [002]

Firm fixed-rate

Section VI: Immediate Action Needed

1. Review the Award Snapshot Attachment and the Award document for additional terms and conditions.

---

UCLA Research Administration
Extramural Fund Management
Award subject to UCLA Policy 913

UCLA Policy 913: Disposition of Unexpended Balances in Fixed Rate and Fixed Price Contracts and Nonrefundable Grants

- Applies to fixed price and fixed rate contract or nonrefundable grant where no designation was made by the sponsor as to the use of any unexpended balance.

- If there’s an unexpended balance remaining after close-out of the award, upon the PI’s request with appropriate assurances and approvals, applicable indirect costs will be applied to the unexpended balance and the remaining balance may be converted to unrestricted funds to be made available to the PI.
Award subject to UCLA Policy 913

Per UCLA Policy 913, III. Statement D. & E.:

- PI’s request to transfer the balance must include written assurance that:
  - All work under the award has been completed
  - All reports submitted to the sponsor
  - All costs of conducting the work appropriately charged to the fund
  - All invoices submitted and all anticipated payments received, AND
  - Written endorsement of the Department Chair or ORU Director
  - When unexpended balance is greater than 25% of total amount received,
    - The PI must also provide a written explanation of the variance in addition to the documentation required above
Salary Cap Administration

A Salary Cap is defined as a maximum annual rate of salary for full-time effort that can be charged to a sponsor's award.

- UCLA complies with sponsor-imposed limitation of salaries charged to sponsored programs. When there is a salary cap for a sponsored project, it is necessary to monitor that any salary paid above the cap will not be charged to the sponsor.
- OCGA indicates sponsor salary cap limitations and provides notice on Section II of the Award Snapshot.
Salary Cap Administration

Examples of Salary Cap limitations by Federal and State sponsor include the following:

Federal - NIH Grants Policy Statement

4.2.10 Salary Cap/Salary Limitation

None of the funds provided in the appropriations act for the NIH (the Act) shall be used to pay the salary of individuals at rates in excess of the levels prescribed in the Federal Register. The salary of an individual shall be limited to the rate prescribed in the Federal Register for the fiscal year in which the salary is paid.

FY 2018 Awards Issued

October 1, 2017 through January 6, 2018 (Executive Level II) $187,000
January 7, 2018 through September 30, 2018 (Executive Level II) $189,600

State – CIRM: Non-Profit and Academic Institution Grants Administration Policy

Salaries for all personnel shall not exceed an annual rate of $213,000. CIRM will adjust this limitation based on the base dollar amount of $213,000, cumulative percentage change in the Price Index for All Urban Consumers (CPI-U) for the year immediately preceding the current year and (b) the dollar amount obtained in subdivision (a) shall be rounded to the nearest even-numbered year. Biennially, CIRM will adjust the salary cap.

<table>
<thead>
<tr>
<th>Effective From:</th>
<th>7/1/2016</th>
<th>7/1/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective To:</td>
<td>6/30/2018</td>
<td>6/30/2020</td>
</tr>
<tr>
<td>Salary Cap (100%)</td>
<td>$246,000</td>
<td>$266,000</td>
</tr>
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</table>

www.cirm.ca.gov
Example of Salary Cap policy limitations by **Private** sponsor include the following:

**Private – National Multiple Sclerosis Society: Policies and Procedures**

1) **Professional Support**

- **Tenured Faculty:** The Society will not pay salaries of tenured faculty unless the applicant provides written documentation of an institutional requirement that all faculty -- tenured and non-tenured -- must provide their own salary from grant funds.

- **Professional Salaries:** The principal investigator must spend at least 15% of his or her time working on the grant in order to request salary support. However, the salary support may not exceed 75% of the PI’s salary. Regardless of salary support, the percent effort of the PI may not be less than 5% on any research grant supported by the National MS Society. The PI must maintain at least a 5% level of commitment to the project. Salary for other investigators associated with a grant may be requested in proportion to the time they spend directly on research supported by the grant.

- **Salary Cap:** The Society will not pay pro-rated salaries that exceed **$199,700**.
Salary Cap Administration

When the award with salary cap restriction is executed,

- OCGA indicates sponsor salary cap restriction and provides notice on Section II of the Award Snapshot.
- ORDM flags the fund subject to salary cap in PATS.
- Salary cap flag in PATS feeds to the fund table in the financial system (FS) and PPS.
- Salary cap flag in the FS does not allow the users to distribute salaries in excess of the cap rate on the fund subject to the salary cap.
- PPS can hold only one salary cap rate in the system and currently NIH cap rate is in the system.
- NIH salary cap is controlled by the system.

Salary cap restriction of the award from the sponsor other than NIH

- Salary cap flag in the FS is used to generate a monthly exception report capturing salaries charged in excess of the corresponding cap rate of the award.
- EFM reviews it and alert it to the department to move salaries in excess of the cap rate.
Cost Sharing

- Section V
- Cost Sharing Type
  - Mandatory
  - Voluntary committed
  - Voluntary uncommitted
What is Cost Sharing

2 CFR 200 (Uniform Guidance): § 200.306
- Under Federal research proposals, voluntary committed cost sharing is not expected
- It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity
- Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity

UCOP Contract and Grant Manual – Chapter 5: Cost Sharing
- The resources contributed or allocated by the University to a sponsored project over and above the support provided by the extramural sponsor of that project
Cost Sharing: Allowability

- Expenses must meet the same standards that apply to costs that are directly charged to a project.

- In accordance with 2 CFR 200 (Uniform Guidance), costs are allowable as a cost sharing contribution provided they:
  1. Are verifiable from the recipient’s record
  2. Are not included as contributions for any other federal award.
  3. Are necessary and reasonable for the project
  4. Are allowable under UG Subpart E - cost principles
  5. Are not paid by the Federal Government under another award, unless specifically stated
  6. Are provided for in the approved budget when required by the Federal awarding agency
  7. Conform to other provisions of UG Subpart D (post-federal award requirements), as applicable

- Determined by the sponsor's specific award terms and conditions.
Cost Share Reporting

- Cost sharing report and supporting documents are required to be submitted to EFM.

- Cost sharing contribution report must:
  - Be certified by PI
  - Include FAUs where cost shared expenses are recorded

- Supporting documents:
  - Payroll subsidiary ledger details
  - Detail general ledger details
  - Sub-awards: A signed document from the sub-award institution stating the amount of the cost sharing
Contributed Report

- Instructions on how to complete the Cost Sharing Contribution Report can be downloaded from the EFM website under Cost Sharing.

[COST SHARING Tab image]

Single Fund Number vs. Multiple Fund Number on One Award
Multiple Fund Number One Award (MFNOA)

- Effective February 1, 2012 all awards transitioned into a single fund number for the life of the award.

- NIH T32 without a request for an exception to SFN
- When an exception to SFN is granted.

Benefits to SFN include:
- Less cost transfers
- Less required pre-award spending accounts
- Less recycled fund numbers
- Less number of closeouts and revised reports
- Less changes to recharge IDs

SFN Exceptions may be granted on a limited basis
SFN Exception Process

- To request multiple fund numbers on one award (MFNOA), a completed SFN Exception Request form needs to be submitted to EFM at EFMOperations@research.ucla.edu.

- Request is reviewed by EFM Accountant and Manager. Approval is made by EFM Director.

- SFN exceptions are granted on a limited bases where it is deemed that appropriate financial management of the award cannot be achieved under SFN.

- Once granted, an exception to SFN is valid for the project period of the award. A new fund number will be assigned to each year for the project period without additional requests.
SFN Exception Cases

Cases where SFN Exceptions are approved

- When award requires a large number of accounts/cost centers linked to the fund due to one or more of following reasons:
  - Collaboration with researches in many different departments
  - Carry forward is restricted
  - Expense needs to be tracked by budget year
  - Multiple payment basis
  - Multiple F&A base and rate
  - Restricted component of funding

- Even if one or a few requirements exist, when it deemed reasonable to manage the fund under SFN by setting up separate expenses/cost centers, SFN exception will not be granted.
Quiz Time

• Which of the following is NOT a benefit of SFN?

A) Less closeouts
B) Less cost transfers
C) Less recycled fund numbers
D) Less monthly reconciliations
E) Less pre-award spending costs
Award Execution and Budget Appropriation
Award Execution & Budget Appropriation

- Period of Performance: 07/01/2015 – 06/30/2020
- 5 Year Project Period = $500K
- In this scenario, the award is fully executed for the entire 5 year period, and there’s no budget breakdowns by year.

Total budget for the project period will be appropriated in the G/L at fund set up
This scenario will always be SFN
Award Execution & Budget Appropriation

- Period of Performance: 07/01/2015 – 06/30/2020
- 5 Year Project Period = $500K
- Each Budget Period = $100K
- In this scenario, the award is fully executed for the entire 5 year period, however, each year has a separate budget.

- The budget for each year is appropriated in the G/L as a continuing year begins.
Award Execution & Budget Appropriation

- Period of Performance: 07/01/2015 – 06/30/2020
- 5 Year Project Period = $500K
- Year 1 Budget Period = $100K
- In this scenario, each year is executed annually.
- Only year 1 budget will be appropriated in the g/l at the fund set up. Budget for the following years will be appropriated as a continuing year is executed.

Start date
7/1/15

Year 1
$100K

Year 2
$100K

Year 3
$100K

Year 4
$100K

Year 5
$100K

End date
6/30/20

Year 2 – 5: Anticipated/Committed funding

Only year 1 fully executed

6/30/16

6/30/17

6/30/18

6/30/19
Quiz Time

- Period of Performance: 07/01/2018 – 06/30/2023
- SFN: 5 Year Project Period = $375,000
  - Year 1 Budget: $75,000
  - Year 2 Budget: $50,000
  - Year 3 Budget: $95,000
  - Year 4 Budget: $105,000
  - Year 5 Budget: $50,000

- How much would you expect to see appropriated on the GL at the beginning of Year 3?
  
  $220,000
  
  = $75,000 (Year 1) + $50,000 (Year 2) + $95,000 (Year 3)
Quiz Time

- Period of Performance: 07/01/2018 – 06/30/2023
- T32 (Training Grant): 5 Year Project Period = $500,000
  - Year 1 Budget: $50,000
  - Year 2 Budget: $75,000
  - Year 3 Budget: $100,000
  - Year 4 Budget: $125,000
  - Year 5 Budget: $150,000

- How much would you expect to see appropriated on the GL at the beginning of Year 4?
  - $125,000
  - Every T32 award is SFN – every year has a new fund number
Carry Forward vs. Offset
NIH Carryforward vs. Offset

**Carryforward (AKA Carryover)**
- Unobligated Federal funds remaining at the end of any budget period that, with the approval of the GMO or under automatic authority, may be carried forward to another budget period to cover allowable costs of that budget period.

**Offset**
- If the GMO determines that some or all of the unobligated funds are not necessary to complete the project, the GMO may restrict the grantee's authority to automatically carry over unobligated balances in the future, use the balance to reduce NIH funding for a subsequent budget period.

**Notes for Carryforward and Offset**
- The GMO also may indicate whether the balance may be carried forward to a budget period other than the succeeding one.
- The GMO's decision about the reported unobligated balance will be reflected in the terms and conditions of the NoA.
NIH Carryforward

Year 1
- Authorized amount = $100K
- Expenses for Year 1 = $70K
- Balance at the end of Year 1 = $30K

Year 2
- Authorized amount = $100K
- Plus $30K Carryforward
- Total authorized = $130K

Total budget authorized for 2 years = $200K

Carryforward from Year 1 to Year 2 = $30K
NIH Offset

**Year 1**
- Authorized amount = $100K
- Expenses for Year 1 = $70K
- Balance at the end of Year 1 = $30K

**Year 2**
- Authorized amount = $100K
- $70K ($100k-$30k) + $30K Approved as Offset
- Total authorized = $100K

**Total budget authorized for 2 years = $170K**

Offset from Year 1 to Year 2 = $30K
NIH Carryforward: Award Snapshot

- **Section V**
- **Special Review Type**

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<tr>
<td>Carry Forward</td>
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<td>Carryforward YR2 to YR4 $499,988</td>
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</table>

- Approved
- Pending
NIH Carryforward: Notice of Award

Period Of Performance:
Budget Period: 06/01/2015 – 05/31/2016
Project Period: 09/04/2012 – 05/31/2017

SECTION I – AWARD DATA – 5R01HD073975-04 REVISED
Federal Direct Costs
Federal F&A Costs
Approved Budget
Total Amount of Federal Funds Obligated (Federal Share)
Less Unobligated Balance
TOTAL FEDERAL AWARD AMOUNT

<table>
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<tr>
<td>$2,553,854</td>
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<tr>
<td>$499,607</td>
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<td>$3,053,461</td>
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<td>$899,988</td>
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<td>$2,553,473</td>
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SECTION IV – HD Special Terms and Conditions – 5R01HD073975-04 REVISED
REVISION: This revised award **authorizes a carryover of funds in the amount of $499,988 total costs ($339,105 direct costs + $160,883 facilities and administrative costs) as requested in the correspondence dated 12/16/2015. The carryover is approved based on the unobligated balance as shown on the year 02 Federal Financial Report. These funds are restricted and may not be used for any other purpose without the written prior approval of NICHD.**

The previous terms and conditions of award remain in effect as stated below.
NIH Offset: Award Snapshot

- Section V
- Special Review Type
NIH Offset: Notice of Award

Period Of Performance:
Budget Period: 07/01/2015 – 06/30/2016
Project Period: 04/01/1991 – 06/30/2017

SECTION I – AWARD DATA – 5T32MH019535-24

Federal Direct Costs  $172,602
Federal F&A Costs  $12,728
Approved Budget  $185,330
Total Amount of Federal Funds Obligated (Federal Share)  $185,330
Less Unobligated Balance  $15,975
TOTAL FEDERAL AWARD AMOUNT  $169,355

SECTION IV – MH Special Terms and Conditions – 5T32MH019535-24

UNOBLIGATED BALANCE:
Funds in the amount of $15,975 have been used as an offset on this award in accordance with the unobligated balance reported on the 22 year Federal Financial Report (FFR).
NIH Carryforward vs. Offset

**Carryforward (c/f)**

When c/f is requested:
- EFM moves the balance to a holding account 400005

When c/f is approved:
- EFM moves the balance into the main expense account for spending

When c/f is rejected:
- EFM deobligates the balance

**Offset**

When offset is confirmed in NOA:
- EFM deobligates the balance to reduce total appropriation
Quiz Time: Carryforward or Offset?

Period Of Performance:
- Budget Period: 08/01/2017 – 07/31/2018
- Project Period: 08/18/2015 – 07/31/2020

Originally anticipated/committed funding amount: $470,021

<table>
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<td>Federal Direct Costs</td>
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<td>Federal F&amp;A Costs</td>
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<td>Approved Budget</td>
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<td>Total Amount of Federal Funds Obligated (Federal Share)</td>
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<tr>
<td>Less Unobligated Balance</td>
<td>$291,939</td>
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<tr>
<td>TOTAL FEDERAL AWARD AMOUNT</td>
<td>$178,082</td>
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</table>

**AMOUNT OF THIS ACTION (FEDERAL SHARE)**

$178,082

**INFORMATION:** This award utilizes the unobligated balance from the 01 year Federal Financial Report as an offset in the amount of $291,939.
Financial Closeout of Sponsored Project Funds
Uniform Guidance: Closeout

2 CFR 200 (Uniform Guidance)

§200.16 Closeout (Subpart A-Definitions):

- The process by which the federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the federal award have been completed and tasks actions as described in §200. 343.

§200.343 Closeout (Subpart D-Post Federal Award Requirements):

- (a) The non-Federal entity must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by or the terms and conditions of the Federal award.

- (b) Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award no later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.
Policy 910: Shared Responsibility

Closeout of fund is collaborative effort of following parties:

(In accordance with UCLA Policy 910: Management of Sponsored Projects)

- The Principal Investigator (PI) is responsible for complying with award specific terms and conditions, including the submission of programmatic, financial, invention, inventory and equipment reports.

- The Department Chair or ORU Director is responsible for ensuring that all financial transactions are properly recorded in a timely manner to be in compliance with Sponsor’s and University’s policies and guidelines.

- The department research administrator plays essential roles in supporting the PI and the Department Chair or ORU Director to fulfill requirements described above.

- Extramural Fund Management (EFM) is responsible for ensuring timely and accurate financial reporting to the sponsor.
Closeout Packet (COP)

The closeout packet is a product of fund closeout. EFM requires the department to submit a COP to EFM to facilitate fund closeout process.

- Upon expiration of the fund, the department is required to prepare and submit a COP to EFM by the deadlines.
- The COP confirms the final budget and final expenditures and that expenses included in the COP are allowable, allocable, reasonable and complete.
- The COP consists of reports used to highlight expenses that require additional review and explanation. Additional supplementary schedules or supporting documents are required to be submitted along with the COP when required by the sponsor.
- The COP must include assurance and explanation required by policy 913 when applicable
- The COP must include an unrestricted FAU when the fund has cost overrun.
- The COP must include certification by the PI and the department fund administrator.
- When a closeout packet is not submitted to EFM on time, EFM will proceed to prepare the final financial deliverable to ensure compliance and recovery of costs.
Closeout Packet (COP)

COP Submission Process

- The home department is the administering unit of the award ultimately responsible for managing the sponsored project as a whole including activities in the linked department(s).
- The home department is responsible for obtaining a close packet from the linked department timely to submit a consolidated COP to EFM by the deadline.
- EFM is committed to submit final financial deliverables timely for all awards.

**Linked Department**
Fund managers at the linked department prepares a COP for specific accounts/cost-centers designated for their department and submits it to the home department.

**Home Department**
Fund managers at the home department prepares a COP including ALL accounts and cost-centers for the entire project and submits it to EFM.

**EFM**
EFM reviews the COP to prepare the final financial deliverable and close the fund. If any additional information is needed, EFM communicates with home department fund managers.
Procedure Overview

Two primary goals: to be in compliance with sponsors’ and University’s policies and guidelines and to ensure full and timely recover of all allowable and applicable costs incurred for sponsored projects.

- COP reminder is sent to the department in addition to fund expiration notifications.
- When a COP is submitted to EFM on time, EFM reviews it, inquires more information as needed, and prepares the final financial deliverable(s).
- When a COP is not submitted to EFM on time, EFM proceeds to prepare the final financial deliverable(s).
  - EFM will start from expenses per the general ledger and exclude transactions that are considered questionable based on sponsor’s and university’s policies and guidelines in absence of proper documentation that could have been provided in the COP.
  - EFM will inform the department of the final expenditure per EFM’s review and ask for department’s confirmation.
  - When a response from the department is not timely or incomplete, EFM will proceed to submit the final financial deliverable(s) based on EFM’s review.
  - The department will be financially responsible for expenses not included in the final due to absence of a COP and/or lack of supporting documentation.
## Important Deadlines

<table>
<thead>
<tr>
<th>Final due date to the sponsor</th>
<th>Closeout packet due date to EFM</th>
<th>EFM analysis due date to the department (Note 1)</th>
<th>Department confirmation due date to EFM (Note 1)</th>
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</thead>
<tbody>
<tr>
<td>60 days or more after fund end date</td>
<td>30 days prior to sponsor deadline</td>
<td>within 15 days after COP due date</td>
<td>within 7 days after receipt of EFM's analysis</td>
</tr>
<tr>
<td>45-59 days after fund end date</td>
<td>1/2 of time between fund end date and sponsor due date</td>
<td>within 10 days after COP due date</td>
<td>within 7 days after receipt of EFM's analysis</td>
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<tr>
<td>30-44 days after fund end date</td>
<td>1/2 of time between fund end date and sponsor due date</td>
<td>within 1/3 of the time between COP due date and sponsor due date</td>
<td>within 1/3 of the time between COP due date and sponsor due date after receipt of EFM's analysis</td>
</tr>
</tbody>
</table>
| Fewer than 30 days after fund end date | - Contact EFM accountant upon receipt of the first fund expiration notice (sent 90 days prior to the fund expiration) and coordinate with EFM to plan financial closeout of the fund.  
- In cases where EFM is not contacted 90 days prior to the fund expiration, EFM will contact the department to establish the due date for the closeout packet 30 days prior to the sponsor due date. | | |

(Note 1): These due dates are applicable only when the requested information is not provided to EFM timely, or when the COP is not submitted by the deadline.
Resources

Visit EFM website for more resources

http://ora.research.ucla.edu/EFM/Pages/Closeout/CloseoutOverview.aspx

Fund Closeout section includes following subsections:

• Overview
• Procedures: Procedure flow chart as well as summary of the procedure
• Closeout packets
• Closeout deadlines: Multiple examples are provided to understand key deadlines. A diagram is also provided for each example.
• Resources: various policies, procedures, checklists, forms relevant to fund closeout.
Quiz Time

• A fund ends 3/31/2020 and the final financial deliverable is due to the sponsor 6/14/2020. When is the COP due to EFM?

  ◦ 5/15/2020
  ◦ The fund has a 75 day closeout so the COP is due to EFM 30 days prior to the sponsor deadline.
Effort Reporting
Effort Reporting

§200.430 Compensation.

(a) Compensation for personal services includes all remuneration, paid currently or accrued for services of employees rendered during the period of performance under the federal award, including but not limited to wages and salaries.

(i) Standards for documentation of personnel expenses: Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of “internal controls” which provide reasonable assurance that amounts charged are accurate, allowable and properly allocated
- Be incorporated into the official records of the non-federal entity
- Reasonably reflect the total activity for which the employee is compensated by the non-federal entity, not exceeding 100% of compensated activities
Effort Reporting

- UCLA uses effort reports for documentation of personnel expenses
- Effort reporting is a method of certifying to the federal granting agencies that the effort required as a condition of the award has actually been completed
- Effort Reporting certification must include all personnel costs and cost sharing (if applicable)
- Certification will include all employee activities on an integrated basis (i.e., 100% effort)
- Compensation must conform to institution/federal policies and be consistently applied: Payroll data feed from payroll subsidiary ledger (Payroll distribution report) to Effort Reporting system
Audit and Record Retention
“Audit” is defined in the dictionary as “a methodical examination or review.” In general, audits of sponsored projects at the University are reviews for compliance with applicable agency and award specific requirements or restrictions.

UC’s systems have been designed to promote compliance with the majority of prevailing regulatory requirements. If UC policies and procedures are followed, there should not be a reason to fear an audit.

What to do if you are notified of an audit by an external agency?
- Contact EFM or UCLA Audit & Advisory Services
Audit: Common Findings

- Inadequate Segregation of Duties
  - Separation in authorization, custody, and record keeping

- Inadequate authorization of expenditures
  - PI’s approval (someone designated in writing by the PI) required

- Inadequate, or untimely, review of monthly ledger reports
  - Unallowable charges
  - Late cost transfers
  - Late certification of effort reports
  - Direct charges for costs in the F&A pool

- Lack of appropriate supporting documentation
  - Administrative salaries and wages
  - Equipment purchased late
  - Cost share
  - Sub recipient monitoring
Audit: Potential Consequences

When audit findings are noted, the auditee is responsible for follow-up and corrective action on all audit findings. Audit findings may result in

- Disallowances (non-payment of expenditures)
- Withholding of invoice payments
- Reduction or cancellation of future funding commitments
- Loss of Letter of Credit privilege
- Loss of expanded authority
- Suspension and debarment
- Prosecution under the False Claims Act
Audit: Cases

University of San Diego, Issue Date 04/30/2015

- Administrative or Clerical Payroll and Nonpayroll Administrative Costs—Findings noted clerical payroll costs and office supplies that were improperly charged as direct costs. The award was not a major project and the budgets did not include administrative or clerical services. Copy paper, toner and printer cartridges were improperly charged as direct costs.

University of Illinois Champaign, Issue Date 09/25/2014

- Late cost transfers—Findings were noted to cost transfers which included transfers on a 6 year grant that were made 21 days after the award ended. The transfer of expenses incurred for a rack system that was allocated to unrestricted sources and then transferred onto a Federal Award.
Record Retention

2 CFR 200 (UG) Subpart D: Post Federal Award Requirements

§200.333 Retention requirements for Records:

- Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or,

- For Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a sub recipient.

- For exceptions, refer to 2CFR 200.333 (a) through (f)
  - Litigation cases
  - As advised by an awarding Federal agency
  - Records for real property and equipment (3 years after final disposition)
  - Program Income
The University Records Management Committee (RMC) is charged with developing and maintaining the university wide records retention schedule.

A records retention schedule defines the period of time that records should be retained and when they should be destroyed.

UCLA adheres to UC retention schedule.

Required retention period varies depending on types of records. Below are examples of the records pertinent to the sponsored project fund.

- Timekeeping and leave records: for 3 years after the end of the fiscal year of the specifically recorded time or leave
- Records used as supporting documentation for sponsored activities: for 6 years after the expiration/termination of the sponsored activities
- Audit Records 7 years after the end of the fiscal year in which the specific final audit report has been concluded.
- If pending, foreseeable, or ongoing litigation; an investigation; or an ongoing audit pertaining to the records is taking place, the records cannot be destroyed until these actions have been completed or resolved.
Record Retention

University Resources

- UC Contract and Grant Manual Chapter 17: Records/Paperwork Access and Management
- UC Business and Finance Bulletin RMP-1: University Records Management Program
- UC Retention Schedule: searchable by category https://recordsretention.ucop.edu/
- UCLA Record management https://www.finance.ucla.edu/tax-records/records-management
Quiz Time

• What should you do if you are contacted by an external agency regarding an audit?

A) Panic
B) Talk directly to the auditor yourself
C) Contact EFM/UCLA Audit & Advisory Services
D) Both A & B
Thank you for joining the Post Award Class!

If you have any questions, we are here to answer

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