Submission of the Overdraft Report

The Overdraft Report is due on the last working day of the month for the prior month’s ledger. Example: August 2017 Overdraft Report is due on September 19th 2017 (Friday).

You DO NOT need to submit a hard copy of the Overdraft Report. An electronic copy, with only the necessary backup attached, emailed to Giti Zarenia (gzarenia@mednet.ucla.edu) from the Division MSO is sufficient.

Why Do We Need to Report on Overdrafts?

The state of a division’s overdrafts can provide an indication of the overall financial health of the division and/or an individual PI. The Overdraft Report can provide administration with the opportunity to identify an issue at an early stage so that corrective measures can be implemented before the issue is exacerbated.

Gift/Endowment funds that are in overdraft earn negative STIP:

**Short Term Investment Pool (STIP):** The Treasurer of The Regents maintains a central bank account for all monies received by the University. Any cash balances remaining in the central bank account not needed to cover daily disbursements is invested in short-term securities. These short-term securities plus any remaining uninvested balance in the central bank account constitutes the assets of the Short-Term Investment Pool.

STIP income is disbursed quarterly to funds designated as STIP basis funds within the Financial System fund table. Positive or negative interest allotments to those funds are based on month-end ledger balances within the three-month period.

How to Determine Which Funds are in Overdraft?

Use the **Financial Reporting Application (FRA)** found in QDB/GLPPP FPM Adhoc Reporting in Excel.

Run the **Summary of Account/Fund Balances:**

- **Report as of:** Appropriate month/year, using the drop down box
- **Report By:** Dept
- **Leave default:** ITD (Initiation to Date)
- **Historical/Current Data:** Current Data
- **9H:** Exclude 9H
- **Overdraft:** Enter “1” in the box
- **CSER:** Exclude CSER (payroll projections)
- **Detail Level:** By CC
- **Fund Groups:** All Categories

* These are the only 3 fields that you need to make a change to defaulted data.
Click “Finish” to send the report to Excel.

Once the data is in Excel
1. Delete all rows of Comp Plan Fund Group, as you are not required to report on those types of funds.
2. Delete Columns G, H and I – highlighted in gray below
3. Delete Subtotals of Fund Groupings – highlighted in gray below

Once you have the list of all the FAUs in overdraft for your division, you need to complete the Overdraft Report (see example on the following page).

### BEFORE

<table>
<thead>
<tr>
<th>Fund Group</th>
<th>Managing PI</th>
<th>Account</th>
<th>CC</th>
<th>Fund</th>
<th>Fund Description</th>
<th>Budgetary</th>
<th>Financial</th>
<th>Encumbrance &amp; Memo Lion</th>
<th>Operating Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts and Grants (Local)</td>
<td>[Redacted]</td>
<td>441357</td>
<td>TB</td>
<td>X0000</td>
<td>CT-AGA M ED AGA-006 SAT</td>
<td>46,631.23</td>
<td>58,692.24</td>
<td>0.00</td>
<td>(10,061.01)</td>
</tr>
<tr>
<td>Contracts and Grants (Local)</td>
<td>[Redacted]</td>
<td>441357</td>
<td>JC</td>
<td>X0000</td>
<td>CT-MEDTRONIC PB1016 LE</td>
<td>14,003.19</td>
<td>16,473.18</td>
<td>0.00</td>
<td>(1,470.19)</td>
</tr>
<tr>
<td>Contracts and Grants - Clinical Trials Total</td>
<td>[Redacted]</td>
<td>441357</td>
<td>AD</td>
<td>X0000</td>
<td>ARMY 1:049 I ARJUN 02/19</td>
<td>66,000.00</td>
<td>65,470.52</td>
<td>0.00</td>
<td>(529.48)</td>
</tr>
<tr>
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Transferring Data to Overdraft Report

1. Copy & paste columns B-G from the FRA report into OD template columns B-G. Then “Click Here to Sort Report”.

2. Manually enter
   - Months in OD – if this is 1st months this FAU shows up on report, month = 1. Add 1 month to this number every consecutive month thereafter.
   - Date FM Notified PI & Method Used
   - Reasons for OD; PI’s response to OD; Steps taken to clear OD
   - Date OD Will Clear
   - Fund Manager/MSO – assigned to particular FAU

Comments Section

Acceptable justifications

An acceptable justification will include:
1) Reason for the overdraft
2) Detailed account of what steps have been taken to clear the overdraft
3) Amounts and dates of actions taken

Examples include, but are not limited to:
- Clinical Trials – the income has been earned, and the money is owed from the sponsor. Include how much money is owed and date the sponsor was invoiced.
- UPAYs/NPEARs have already been processed to cover the overdraft. Include the total amount of the expense transfers and the date processed.
- An additional gift check has been received from a donor, and the gift transmittal has been processed. Include the amount of the gift check and the date processed.
- Award has been received from the sponsor, and is being processed by OCGA/EFM. Include the amount of the award, and any information regarding possible delay (e.g. waiting for ARC/HSPC approval), and approximate date award will be appropriated into FAU.

Note: If you state that the overdraft is going to be covered by an unrestricted fund, please **include the unrestricted FAU number**, and make sure the unrestricted fund has enough of a balance to cover the overdraft.

Unacceptable justifications
• Any comment that states you are going to do something in the future that is in your control to do now. Examples of unacceptable justifications include, but are not limited to:
  o UPAYs/NPEARS WILL BE processed.
    • Note: Pending UPAYs are only acceptable if you are waiting for a SPAR/EDB to be updated prior to processing UPAYs.
  o TOF is PENDING.
  o WAITING to discuss with PI.
• Dollar amounts listed in the Comments Section as pending appropriations or expense transfer credits that do not cover the current overdraft with no further explanation as to how the balance will be covered.
• Do not include the same justification every month. Give an update as to what has been done since the previous month.
• Gift check is pending (i.e. has not actually been received yet), but is scheduled to be received by xx date. There should be no pre-spending on gift funds.

Look Out For: FAU is in overdraft, but is not included in the Overdraft Report. This usually occurs when there is more than one fund manager in the division, and the FAU in overdraft has not been assigned to a fund manager. Be sure to include all FAUs that are in overdraft!

Note: For funds where you are not expecting any additional appropriations, be sure to take the necessary steps to assure no further expenses hit the FAU, e.g. contact Michael Weinberg to cancel recharge ID, contact the purchasing assistant to stop further ordering on the FAU, change EDB distributions, etc.

If necessary, Giti may request additional justification from you after she has received and reviewed your Overdraft Report.

Date OD Will Clear

Enter the REALISTIC date the overdraft will clear. Do not just put the following month’s ledger date in the report if the overdraft will not clear for 3 months.

Backup Documentation Required

Minimal backup documentation is required. Only include documentation when the justification is complicated, such as a long email string between the FM and EFM which would help explain the situation.

You DO NOT need to include copies of NPEARs, UPAYs, or TOFs. Just include the total amount of the expense transfers and the date processed.

You DO NOT need to include a copy of the QDB Summary by Sub report. Giti re-runs this report for each FAU on the overdraft list (from FRA, not the Overdraft Report) in order to get the most current fund balance.

Warning

Please keep in mind that this overdraft process only considers overdrafts in direct cost subs, not indirect cost subs or total cost. Please make sure to review and reconcile the balances in the indirect cost sub, 9H, on a regular basis. The indirect cost and total cost balances are also the responsibility of a fund manager. Please refer to the DOM Fund Manager Manual chapter on Indirect Cost Reconciliation.