HOW TO PREPARE A DOM OVERDRAFT REPORT

Updated October 23, 2014

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 2014 Overdraft Report is due on September 30th 2014.

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) in the Dean’s Office Program on your computer desktop or 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
- **Make sure to choose ITD (Initiation to Date). Default is YTD (Year 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

Example: First set of screen shots will be taken from QDB/FPM version of FRA.
## General Ledger Custom Reports
- **Summary of Funds**
- **Summary - By Sub**
- **Non-Salary Expense Projection by Month (all fund types)**
- **Expense by Month**
- **Summary - By Sub Object**
- **Sales & Service Summary**
- **Detail - Closed**
- **Detail - Open**
- **Detail - All**
- **Salary Cap Flag**

## Payroll Expense Distribution
- **Salary by Month**
- **Salary & Percentage by Month**
- **Reconciliation**
- **FAU Sum**
- **Employee Sum**
- **Ledger Yr/Mo**
- **Earned Yr/Mo**
- **Brown UPAY**
- **Other UPAYs**
- **PAR**
- **Admin Salary**

### Financial Reporting Application
- **For: Zero-out Accounts/Cards**
- **Link to Financial View Report (OFSR)**

#### CLOSING REPORTS
- **Pre-Closeout Checklist (Recommended 2 months prior to fund end date)**

- **Expenses - After End Date**
- **Expenses - Unallowable and Warning Object Codes**
- **Summary - By Sub**
- **Detail to Appear Remaining Encumbrances**
- **F&A Reconciliation Link**
- **Training Grant - Trainee Expense Worksheet**
- **Subawards/Subcontracts/Subgrants**
- **1198XX (Intercampus/Carryforward/STIP)**
- **Detail - After Closeout**
Send the report to Excel.

Once the data is in Excel, you may delete the Comp Plan funds, as you are not required to report on those types of funds.

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).
Overdraft on Ledger Column
From the FRA report, enter the amount from the Operating Balance column.

Current Overdraft Column
This amount should come from Project Balance/Total Direct field from the QDB Summary by Sub report. If the FAU currently has a positive balance, please just enter “0” in this field to indicate that the overdraft has been cleared.

This information should be added right before submission of the Overdraft Report, and after any adjustments have been processed, so that the numbers are up to date.

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:
  - 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.
  - TOF is **PENDING**.
  - 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.