DOM Research Administrator's Meeting

OCTOBER 20, 2022

Special Training for Best Practices

Topics Covered

- Outside Professional Activities Reporting – Arlene Bieschke
- Payment Handling – Albert Haro
- Equipment Inventory – Cathy Ryu
- Procurement Card – Cathy Ryu
- Hold & Incomplete Reports – Cathy Ryu
- PAN Reviews – Cathy Ryu
- University Mandatory Training – Cathy Ryu
- Research Administration Specific Topics – DOM ORA

Topics Covered (continued)

- Research Administration Specific Topics
  - Closeout Reports – Kayla Brown
  - Deficit Balances on C&G – Kayla Brown
  - Accounts Receivable – Raellen Man / Leslie Cortez (CT A/R)
  - Gift Funds – Raellen Man
  - Unallocated Appropriations – Cathy Rujanuruks
  - Cost Transfers – payroll & non payroll – Cathy Rujanuruks
  - Effort Reports – Tsegaye Teshome

Background & Significance

- Provide a little background about the audit
  - Who performed audit (Campus Internal Audit)
  - When was this audit started (Jan 2022)
  - Which Divisions were included in scope (All!)
  - How data was gathered
    - General questions were sent to Directors
    - Auditors ran their own set of randomized, sample reports
    - Directors reached out to individual MSOs/FMs for specifics
  - Overall findings
  - Results – reeducation on best practices!

Outside Professional Activities Reporting

- Management should:
  - Consider additional efforts to raise awareness of faculty members to report their outside professional activities by the September 30th deadline.
  - Remind Divisions to collect the forms from outgoing faculty members.
  - Create a process to use the CMS Open Payments to complement the review of outside income reported by faculty members.

Payment Handling

- Continue to work with customers to direct comp plan and S&S checks to the appropriate Mail Stop Code.
- For checks received at the division level, use a mail log to track. Do not hold on to checks.
- BUS-49, Policy IX.5: Each campus shall use lockable receptacles or burglarproof/fire resistant safes to store cash based on the following cash limits:

  1. Up to $1,000 in a lockable receptacle
  2. From $1,001 to $2,500 in a safe
  3. From $2,501 to $25,000 in a steel-door safe, with a door thickness of not less than 1 inch and wall thickness of not less than ½ inch.
  4. From $25,001 to $250,000 in a class TL-15 composite safe or better.

Equipment Inventory

- To ensure the accuracy and avoid misrepresentation of the certification form, management should ensure that:
  - Submit one certification form for each custody code
  - Only authorized custodians/approvers are allowed to certify equipment inventories. Please check with DOM_DSA if you are unsure.
  - Use DocuSign (not PowerForm) when certified via electronic signature.
  - Custodians and approvers sign and date the certification form to document the date of certification.
  - Please copy **Bryan Alvarenga** and **Cathy Ryu** when submitting annual inventory certifications.

Procurement Card

- P-Card Holder Reminders (Decentralized for larger Divisions):
  - Be on the lookout for email reminders from **PAC REPORT** (PACRPT@IT.UCLA.EDU) to create a PO before the invoice due date.

From: PAC REPORT <PACRPT@IT.UCLA.EDU>
Cc: PCARD ADMIN <PCARDAIS@FINANCE.UCLA.EDU>; AP ADMIN <AP@FINANCE.UCLA.EDU>
Subject: PCARD DEBIT TRANSACTION RECEIVED - INVOICE DUE DATE :10/25/2022

U.S. Bank has transmitted a credit card transaction to UCLA for payment.
PCardholders and/or preparers are required to submit a PCard order within the Bruinbuy/CatBuy system at least two days before the Invoice Due Date
- Go to PCard Transaction Queue,
- Select the Pcard Debit Transaction as specified below,
- Create and Submit the PCard Q-Class order.

  - Enter amounts in the correct field (taxable vs. non-taxable)to ensure transactions are appropriately coded.
    - See PCard Sales/Use Tax Guide for additional information
    - Any transactions that default (no PO created) will be automatically taxed even if the original invoice already included tax (double taxing funds).
  - Consistently upload monthly statement/invoices in a timely manner

Hold & Incomplete (H&I) Report

- Management should ensure that all orders and invoices with a hold or with an incomplete status are addressed and resolved in a timely manner. Below are some resources:
    - AP Invoice Resolution website
    - AP Policies & Procedures
    - Utilize the AP Payment (PO) Rush Request Form
- DoM staff responsible for monitoring the H&I reports may benefit from attending drop-in meetings hosted by UCLA Accounts Payable. These meetings discuss various topics, including H&I Invoice Resolution/Past Due Items.
- Staff can schedule appointments with accounts payable to discuss specific situations, if needed.

PAN Reviews

- Mandatory reviewers must review PANs within 2 business days
- Remember to contact DOM_DSA@mednet.ucla.edu to suspend mandatory PANs while on vacation/leave for > 2 business days

University Mandatory Training

- Management should ensure that the applicable mandatory trainings are completed by the employees identified in the audit.

- The completion of University mandatory trainings should be monitored regularly. Managers can be set up to view training completion for their direct reports in the UC Learning Management System (LMS). The department can also request reports showing completion data for the entire department

- Trainings hosted in two separate systems:
  - UC Learning - https://uc.sumtotal.host/
  - Cornerstone - https://uclahealth.csod.com/samldefault.aspx

Research Administration Specific Topics

Closeout Reports

- **Red flags:**
  - DOM Currently has 402 Closeout Packet Deliverables **Overdue** in PAMS
    - 121 are due to Home Department/PI, and preventing finalization of the fund COP by those administrators
    - 170 are due to EFM and severely overdue - these also appear on the Delinquent Expired Funds report
    - Remaining 111 will appear on the Expired Funds report if not addressed immediately

Closeout Reports

- **Actions to Mitigate Incidents:**
  - Monthly reconciliation of funds so financials require minimal action upon close out
    - DOM is reinstating the audit of monthly financial statements to ensure reports are run and reviewed every month for accuracy
    - This is in addition to DOM's policy to save monthly statement files in the shared O-Data network drive
  - DOM will proceed with the streamline close initiative to help fund managers alleviate old closures from their worklist
    - A new report has been added to the Expired Funds Response page in SharePoint. Funds with expiration dates and scheduled Y/N are:
      - **October Y/N: End dates through 12/31/2014 *(already submitted)***
      - **November Y/N: End dates through 12/31/2017 *(responses due in SP by FMs)***
      - **January Y/N: End dates through 12/31/2018**
      - **February Y/N: End dates through 12/31/2019**
      - **March Y/N: End Dates through 12/31/2020**

Closeout Reports

- **On Streamline Closeout:**
  - Q Does Streamline Closeout mean I no longer need to process NPEARs or Direct Retros for these funds?
    - A No. Fund Managers are expected to have all NPEARs and Direct Retros posted to their GL prior to submitting their fund for streamline close. Streamline closeout does not waive the monthly + final reconciliation requirement.
  - Q My fund has been pending approval for Policy 913 >25% justification. Do I need to revise this justification further?
    - A No. You will be provided a statement for your PI to sign that will serve in place of the fund-specific justification.
  - Q What if I can't process the Direct Retro because of a UC Path Defect?
    - A Discuss your defect with Kayla Brown in advance of submitting your fund for streamline close and plan to provide backup documentation, including CRU case details (if available) so EFM may process a ***journal*** to correct the issue.

Closeout Reports

On Streamline Closeout:

- Q What if my issue has to do with incorrect benefit rates being applied?
  - A Discuss your defect with Kayla Brown in advance of submitting your fund for streamline close and plan to provide backup documentation, including CRU case details (if available) so EFM may process a ***journal*** to correct the issue.
- Q What if I don't have time to process my Direct Retros/NPEARs before my fund comes up for streamline close?
  - A Expired Funds is a priority #1 initiative. Please consult with your MSO and DOM ORA 30+ days prior to your deadline(s) to request a redirect of non-closeout related workload so you may address your closures.
- Q Am I required to use the streamline closeout procedure? What if my PI wants to move forward with the standard closeout procedure?
  - A Indicate "No" for the request for streamline close in SharePoint when your fund is scheduled, and provide your justification in the "Additional Comments" field on the response form. These will be approved on a case-by-case basis.

Closeout Reports

- **On Streamline Closeout:**
  - What is appropriate to request financial journal for from EFM during streamline close?
    - Non-payroll expenditure adjustments >3 Fiscal Years old
    - Payroll Expense Transfers (PET/UPAY) **pre-UC Path** adjusting payroll off of C&G fund and onto Unrestricted fund
      - MUST use the EFM template for these adjustments, contact Kayla to complete this if you are unfamiliar
    - Payroll Expense Transfers **UC Path** where a Direct Retro Module defect has prevented DR process
      - Recommend to use the EFM payroll expense transfer template for these as well
    - Other UC Path defective transactions
      - MUST provide QDB Employee Sum report and General Ledger Detail report detailing the discrepancies
    - Any other adjustments will be considered on a case-by-case basis

Closeout Reports

- **H&T:**
  - Take advantage of the RAPID Closeout Tool Pre-Closeout checklist
    - Review this checklist 30-60 days prior to your performance period end date to address preventative actions that can be taken to ensure timely close
      - Funding Entry Updates, notifying Recharge Units/Cores (DLAM, TPCL, etc.) to update recharge IDs used, coordinate with purchasers to resource invoices and close all encumbrances
  - Run a first draft of your COP as soon as the monthly ledger closes after your performance period end date so you can address any “surprises” that appear:
    - Warnings, Unallowables, Expense after End, Remaining Encumbrances
  - Add project period end dates to Outlook calendar to remind you to work on closing in a timely manner

Deficit Balances on C&G

- **Red flags:** Overdrafts on funds could be a result of poor financial management. Department may assume financial liability of deficit balances at the close of the project.
  - UCOP Contract & Grant Manual: 6-400
    - 6-430 g: Recording of expenditures in the appropriate account ***in the month the expenditure occurs*** to enable accurate, current, and complete disclosure of financial results;
    - 6-430 j: Avoidance of cost over-runs and unallowable cost-transfers;
    - 6-430 l: Negotiation of revised and/or increased budget in order to secure full cost recovery;
    - 6-430 m: Negotiation of advance payments provisions, including the establishment of letters of credit;

Deficit Balances on C&G

- **Actions to Mitigate Incidents:**
  - DOM will continue to monitor monthly Overdraft Reports and address C&G-related deficits on a case-by-case basis
  - DOM Fund Managers are expected to attempt negotiation for additional funds with sponsors when deficits are incurred

    (Best Practice: prior to deficit being incurred)
    - For contracts, these will typically be in the form of amendment to increase the authorized award amount
    - For grants, these will typically be in the form of a supplement or award revision request
  - DOM Fund Managers are required to continue monthly reconciliation of funds and process adjustments in a timely manner

Deficit Balances on C&G

- **H&T:**
  - Create and maintain accurate monthly projections
    - Funds that may typically operate in a deficit (fixed price/fixed rate agreements) should have pending A/R projected on monthly statements
    - Utilize FPM to manage projections and automate inclusion in monthly batch reports
  - Review PI's "burn rate" on a monthly basis
  - Meet with PI on a regular basis to ensure they are aware of spending trends
  - Follow up on continuation funding in a timely manner
  - Documentation of proposals for amendments/supplements to off-set deficit spending should be maintained in the award file
    - Should your PI elect to ***not*** propose additional cost-recovery from Sponsors, documentation of correspondence with those justifications noted should be retained

Accounts Receivable

- Fund Managers should monitor outstanding Accounts Receivable (A/R) on a monthly basis, to review all delinquent receivables and follow-up as necessary. To ensure proper escalation is performed in a timely manner, FMs should routinely follow up with EFM for funds with A/R balances that have been outstanding for more than 90 days.

- Three A/R Reports Available (Live Demo):
  - PAMS Aging Summary
  - Web Reports: FS Summary/Accounts Receivable Report
  - FPM/QDB Billing & Accounts Receivable Report

- What happens when a sponsor doesn't pay? Who is liable?
- Prioritizing A/R by sponsor type
  - Generally don't have to worry about federal A/R
  - Prioritize: Subawards, For-Profit Contracts, Small Sponsors or Sponsors you have never heard of or worked with before

Accounts Receivable (A/R)

- **Red flags:**
  - Outstanding A/R balances > 90 days pose a financial liability for the Department due to potential Sponsor non-payment
  - Clinical trial (CT) A/R, which are typically sent/tracked by Depts, are an especially high risk population because the onus falls on the Dept to record and collect payment.
- **Action:**
  - Run the Accounts Receivable report, in both the Web Reports and the QDB Excel Add-in, on a monthly basis to ensure there are no delinquent Sponsor payments
  - If you notice an aging A/R, work with EFM. Follow up with either your contact at the sponsoring agency and/or the PI to try to escalate the matter.
  - CT A/R: create & maintain the Calc sheet. Review A/R monthly.

Accounts Receivable (CT A/R)

- **H&T:** Clinical Trials
  - Clinical research site payment issues often occur so it is very important to maintain account receivables and follow up regularly with sponsor. The study team may even decide to stop working with sponsors if payment issues persist.
  - Sponsors, CROs and UCLA, all must join hands to collaborate and find a practical, transparent and all-inclusive solution that streamlines payment processes for sites in order to:
    - Speed invoicing time, prevent missed items, reduce payment delays for work completed, ensure you're receiving what you're owed.
    - Follow-up is key when receiving timely payments whether performed with sponsor or internal follow-up to study team.
  - Escalate payment delays/issues or unresponsiveness
    - 1st attempt- contact Study Team to confirm data. 2nd attempt - inform PI and request PI's primary sponsor contact, 3rd attempt - involve all sponsor contacts and include previous email correspondences with trailing dates. 4th attempt - escalate to the appropriate Contract Office, Consult with your contract officer prior to getting them involved in writing.

Gift Funds

- Unused Gift Funds
  - **Red flags:** Funds that have not been touched > 5 years
  - **Action:** Review all gift funds w/PI on monthly basis to ensure they are aware of available funds, and spend as appropriate based on Donors' wishes/stated purpose.
  - **H&T:** If a PI has multiple gift funds, charge at least a small amount to each of their gift funds each year so that the gift fund does not fall into the untouched category.

Gift Funds

- Deficit Balances on Gift Funds
  - **Red flags:** Gift funds in overdraft (OD). This may cause negative short term investment pool (STIP).
  - **Action:** Remove OD immediately. Gift funds should never be in OD. Do not spend gift funds prior to receiving funding.
  - **H&T:** If gift deposit pending, charge expense to Division unrestricted fund & project code to easily differentiate for cost transfer after gift is fully executed.
    - Request MSO approval first prior to using a divisional unrestricted fund.
    - Be cautious of Fiscal Year End close, as NPEARs to unrestricted funds cannot cross fiscal years.

Gift Funds

- Gift Funds with Low or Zero Balance
  - **Red flags:** PIs having multiple different gift funds with small balances or gift funds that remain open with $0 balances.
  - **Action:**
    - Seek opportunities to consolidate similar purposed gift funds unless there is a specific reason to keep them distinct. If you are unsure if gift funds can be combined, a) consult with your PI and b) review gift documentation.
    - For small balances, NPEAR an expense for the exact balance in order to zero out fund.
    - Ensure all subs are $0 on $0 balance gift funds. If your PI is the fund owner, once all subs are $0, contact the appropriate person in General Accounting to Y/N the fund.

Unallocated Appropriations

- **Red flags:**
  - Direct cost expenses remain appropriated in sub 08. Without fund reallocation into the various sub/ budget categories it is difficult to ensure awarded grant monies are being spent in accordance with the award budget.
  - Lack of fund reallocation can be viewed by federal and other agency auditors as an indicator of weak internal controls.
- **Action:**
  - Allocate funds into the various budget categories at the **BEGINNING** of each budget period.
  - Review the Sponsor notice of award and working budget with PI & obtain PI approval prior to processing the transfer of funds (TOF).

Unallocated Appropriations

- **H&T:**
  - Draft out TOF by sub prior to processing in online system.
  - Create template TOF within online system.
  - Include OS information in TOF explanation to help linked Co-Is differentiate projects & to include
  - Non-C&G funds, i.e. gift funds, process TOFs minimally quarterly to mirror spending and leave residual in most used subs, i.e. sub 03

Expense Cost Transfers (ECT)

- **Red flags:** Large #, late or repeated ECT is a potential sign of poor financial oversight. Risk of disallowance of transfers due to the timeliness, duplication or sheer # of ECT transactions.
- **Action:**
  - Reconciliation monthly and meet regularly PIs to ensure expense are charged appropriately real time
  - Follow up with new fund set ups and/or submit a request for authorization to spend (RAS) to ensure expenses are charged directly on the appropriate project
  - If the above is not possible, charge expenses to ***unrestricted fund with project code*** (do NOT charge expenses for 1 C&G on another C&G) so they can be transferred when the fund is set up
- **H&T:** Ensure all 4 or 6 questions are thoroughly but succinctly addressed.

Effort Reports – to be continued…

- **Red flags:**
  - Report certified after the deadline
    - Internal ERS deadlines are in essence the Federal deadline. Any certification completed after the deadline is considered non-compliant and at risk for disallowance and/or financial liabilities.
  - Multiple certifications of the same effort report (effort reports with a version number higher than 2.0).
- **Action:**
  - Start working on ERS as soon as they are released to allow for sufficient time for a) any necessary payroll adjustments and b) PI review/certification.
  - Reach out to DOM ORA for assistance with problem ERS or additional training.
- **H&T:**
  - ERS will be down October 20 (8 am) – October 24 (9 am)

Effort Reports

- **Spring 2022 and Summer 2022 Effort Reports to be released in late October 2022.**
  - Spring 2022: April – June 2022
  - Summer 2022: July 2022 – September 2022
- Spring and Summer 2022 due date will be in February 2023.
- All payroll (direct retros included) through September 2022 will be loaded into the ERS.

Effort Reports – Flagged Reports

- Missing Payroll Records

	Description in Comments	Status/Action
Current	Missing payroll record(s) in effort report–do not certify until further instruction is provided by EFM	• UCPC fixed the defect causing missing lines in March 2022, therefore there will be no effort reports flagged for this defect in the future. • For previous released effort reports, UCPath Center has provided missing lines which will be loaded during this release.
Future	Missing payroll record(s) have been loaded to ERS - Reconcile ERS to Labor Ledger and proceed with certification	• Department to reconcile effort reports against labor ledger o If all lines are accounted for, unflag effort report and proceed with certification o If labor ledger does not reconcile with ERS, please contact ERS Helpdesk.

- EFM to add a new comment confirming that the missing payroll records have been loaded.
  - EFM may or may not also unflag these reports
  - Review ERS vs the various payroll reports you use to confirm that all of the previously missing payroll records are now in ERS
    - If the data in ERS is correct, proceed to conduct your full review and get the report certified

Effort Reports – Flagged Reports

- Mass Leave Correction (MLC)

	Description in Comments	Status/Action
Current	Pending Mass Leave Correction (MLC) entry–do not certify until further instruction is provided by EFM	• In March 2022, Business and Finance Solutions corrected errors related to exception taken (e.g. VAC, SKL) for July 2021- October 2021 via MLC. • EFM has load MLC corrections to ERS, and effort reports flagged for this defect are now ready for certification. • No additional effort reports are being flagged for this defect as part of the upcoming effort report release
Future	Mass Leave Corrections (MLC) have been recorded to ERS- Review payroll details in ERS and proceed with certification	• Review payroll details in ERS o If distribution reflected in ERS is correct, unflag effort report and proceed with certification. o If distribution includes error, please contact ERS Help.

- EFM to add a new comment confirming that the missing MLC data has been loaded.
  - EFM may or may not also unflag these reports
  - Review ERS vs the various payroll reports you use to confirm that all of the previously missing MLC data has been loaded into ERS
    - If the data in ERS is correct, proceed to conduct your full review and get the report certified

Effort Reports – Flagged Reports

- Incorrect Percent of Effort

	Description in Comments	Status/Action
Current	Incorrect percent of effort for effort bearing payroll line–review supplemental Excel file and job aid provided by EFM before certification	• Zero effort percent due to missing hours is still an open defect UCLA continues to work with UCPath Center to address. • Last supplement Excel files provided to campus were through the Winter 2019 effort reporting period. Distribution of additional supplement Excel files were pending corrections for missing lines and MLC.
Future	Comment to remain the same	• As part of the upcoming release, EFM will resume the distribution of supplement Excel files as missing lines and MLC corrections are loaded to ERS • Department to follow instructions provided in job aid to be provided with supplement Excel file and move forward with certification.

- EFM to send a supplemental excel file detailing how to fix the report

Effort Reports – Flagged Reports

- Y-OTC or N-OTC Indicator Missing

	Description in Comments	Status/Action
Current	Y-OTC or N-OTC indicator is missing–do not certify until further instruction is provided by EFM	• UCLA continues to work with UCPath Center to find a solution
Future	Review effort report to ensure correct effort distribution and calculations	• For hourly employees ○ EFM will unflag effort reports during the upcoming release because this issue does not impact the effort percentage of hourly employees • For monthly employees ○ If distribution is reflected in ERS as expected, unflag effort report and proceed with certification. ○ If distribution includes error, please contact ERS Help.

- EFM will unflag reports for hourly employees
- It's unclear if EFM unflag the reports for monthly employees. So if you have monthly employees flagged with this comment, please review the effort report vs your other payroll reports, and If correct, unflag the report (if necessary), conduct your full review and have the report certified.