

This session will *not* be recorded, but this PowerPoint can found

<https://medschool.ucla.edu/research/research-infrastructure/administrative-support/department-of-medicine-office-of-research-3>

# Gifts and Endowments

UCLA DEPARTMENT OF MEDICINE  
OFFICE OF RESEARCH ADMINISTRATION  
ZOOM TRAINING

# Differentiating Grants, Contracts, & Gifts

# Grants

- A grant is a type of financial assistance awarded to an organization for the conduct of research or other program **as specified in an approved proposal**. For an award to be considered a grant, it will contain the following elements:
  - Statement of work **allows the PI significant freedom** to change the emphasis within the **general area of work** as the project progresses
  - **Deliverables are minimal**, consisting typically of reports
  - Separate accounting procedures are required
  - Grants most often use the **cost-reimbursement** method of payment

# Contracts

- A contract is an agreement to acquire **services that primarily benefit the sponsor**. For an award to be considered a contract, it normally must contain all of the following elements:
  - **Detailed financial and legal requirements** included with a specific statement of work
  - A **specific set of deliverables** and/or reports to the sponsor
  - Separate accounting procedures
  - **Legally binding contract clauses**
- Contracts, by their nature, are **restrictive**, meaning there is **little flexibility** on the part of the academic department to rebudget funds without prior sponsor approval. **Invoicing** on contracts can be **more complex**, especially if tied in with milestones or tasks that must be completed by the PI before an invoice can be submitted and/or paid.

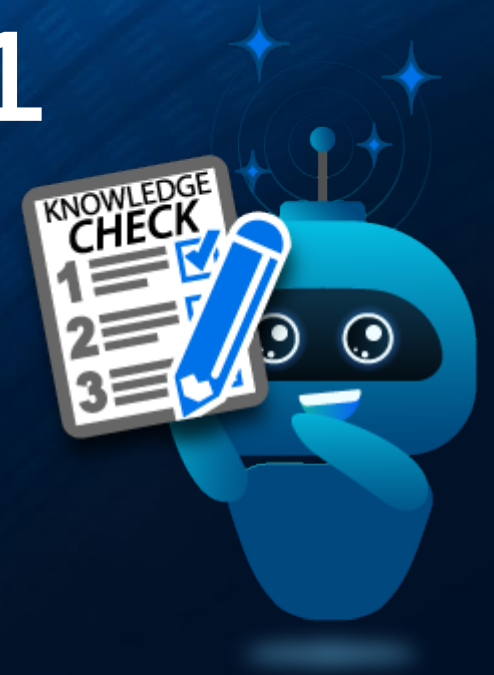
# Gifts

- Gifts, bequests, and donations are awards given with few or **no conditions specified**. Gifts may be provided to establish an endowment or to provide direct support for an existing program. Frequently, gifts are used to support developing programs for which other funding is not available. The unique **flexibility**, or **lack of restrictions**, makes gifts attractive sources of support.

# General Characteristics of Gifts

- Donor receives nothing in return (i.e. services, goods, etc.)
- No contractual obligations (i.e. no proposals, progress/financial reports)
- Awarded irrevocably (i.e. balance is never returned to donor)
- Voluntary transfer
- No specified performance period
- **It is very important to appropriately characterize funding as grant, contract or gift prior to set up/expense!**

# Knowledge Check #1



# Gift Policy

- UCLA External Affairs: [Gift Training Manual](#) – Fundamentals of Gifts at UCLA
- [UCLA Contract & Grant Manual](#): Chapter 9, Gifts and Endowments
- [UCLA Policy 921](#): Accepting Support for Research from Non-Governmental Organizations
- [UCLA Gift Services Resource Website](#)

# Gift Management & Types

- Gift Accounting is handled by UCLA External Affairs (EA)
- Gifts to UCLA are received through:
  - UC Regents (aka Regental)
    - UCOP
    - UCLA
  - UCLA Foundation (aka Foundation)

# UC Regents

- The Regents of the University of California is the name of a corporation established under the laws of the State of California and charged under the Constitution of the State with administering the University as a public trust. As such, the Regents are empowered : “To take and hold, either by purchase or by donation or gift, testamentary or otherwise, or in any manner, without restriction, all real and personal property for the benefit of the University or incidentally to its conduct.” Although the University welcomes and appreciates all gifts, there are instances where acceptances of gifts may not be beneficial to the University.

# UCLA Foundation

- The UCLA Foundation is a nonprofit public-benefit corporation for the purpose of accepting and administering the full range of private contributions for UCLA. From its inception, the aim of the Foundation has been to link the professional and business worlds with the academic needs that cannot be met through the state and other resources. The Foundation is empowered by its charter to receive gifts of all kinds as a fully qualified charitable trust. One of the fundamental goals of the Foundation is to identify sources of unrestricted funds that can be applied according to the special needs of the campus.

## REGENTAL GIFTS

- Fee = 6.5%
  - New fund set up = [online form](#)
  - Forms: [Online Gift Transmittal Form](#) | [700U Economic Interest](#)
- 
- Tax ID #: 95-6006143
  - Checks to: UC Regents
  - Deposit into: GRU - 4-116030-54805
  - Steps: 3 steps: 1) deposit check, 2) gift transmittal paperwork, 3) TOF processed by G/A for use
  - Reporting: Campus ledgers

## FOUNDATION GIFTS

- Fee = 6.5%
  - New fund set up = [online form](#)
  - Forms: [Online Gift Transmittal Form](#) | [700U Economic Interest](#)
- 
- Tax ID #: 95-2250801
  - Checks to: UCLA Foundation
  - Deposit into: Do NOT deposit; forward to UCLA Foundation
  - Steps: 3 steps: 1) forward check to UCLA Foundation, 2) gift transmittal paperwork, 3) MTF requested by FM for use
  - Reporting: MTF or request detailed reports f/Development

# Fees

# Fees

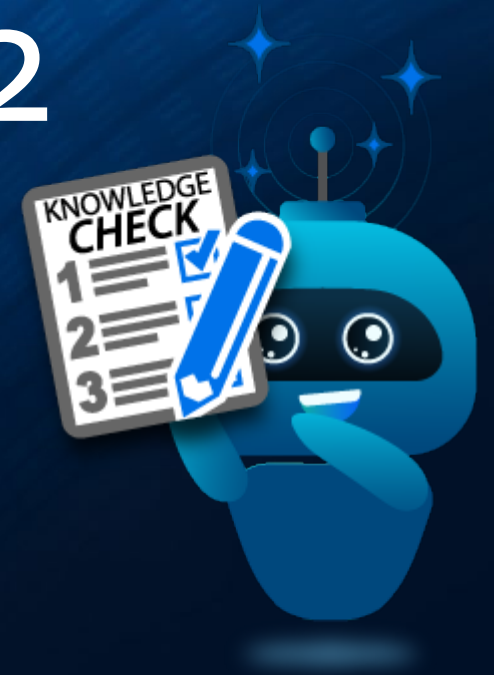
- Gift Processing Fee = 6.5%
- To avoid Brinks Fees, utilize EA Messengers during their regular hours to pick up gifts and deliver to Wilshire Glendon:  
[eamessengers@support.ucla.edu](mailto:eamessengers@support.ucla.edu)

Attn: Treasury Management  
10889 Wilshire Blvd, 10th Floor  
Los Angeles, CA 90024

*Gift cash/checks should be delivered/deposited within 2 business days of receipt. Do not hold on to cash/checks!*

- [Brinks Pickup Fees](#) = \$20.22 both on & off-campus on-call pick-ups; weekly scheduled service, based on established # of pick-ups/week, are discounted
  - [Brinks FAQs](#)
  - [Bank of America Deposit Preparation Procedures and Supplies](#)
- Credit Card Fee: ~2.75% depending on the credit card company (i.e. Visa, Mastercard, Discover, American Express)

# Knowledge Check #2



# How to Set Up a New Gift Fund

# Setting Up New Regental or Foundation Funds

- Confirm with PI which type of gift fund s/he would like to set up
- Complete [online form](#)
- Follow instruction at the top of the form
- Keep copy of Fund Fact Sheet (FFS) in shared drive (see next slide)
- Contacts:
  - Access issues: [EAAppsServiceDesk@support.ucla.edu](mailto:EAAppsServiceDesk@support.ucla.edu)
  - General questions: [askfundmanagement@support.ucla.edu](mailto:askfundmanagement@support.ucla.edu)

# Fund Fact Sheet

- Created in the CRM Database at the time Fund Management establishes a new gift fund.
- Summarizes the details of a gift fund to assist in management of the fund.
- Contact Fund Management ([AskFundManagement@support.ucla.edu](mailto:AskFundManagement@support.ucla.edu)) to request the report & save in shared drive.
- It should not be distributed outside of UCLA

UCLA Foundation FUND FACT SHEET

Fund Name :		Establish date:	
Fund#:		Last update:	
Campus fund#:		Closed date:	
Agency:		Status :	
Purpose :			
Active fund type(s):			

**Organizational Hierarchy:**

<u>Development</u>	<u>Campus</u>
Department:	Department:
Division:	Division:
School:	School:

Purpose Details

Spending Restrictions

Fund Administration

Administrative clause

Alternative Use

Alternative use clause

Approval for alternative use:

Accounting Restrictions & Contingencies

Accumulating clause

Do not withdraw

STIP Exception

Time restriction

Underwater clause

Other contingency

ECR Fee Exempt

Payout Options

Payout reinvest eligible

Payout reinvest enrolled

Payout reinvest rate: 0.00%

Approval to reinvest:

Designation(s)

Designation -

Lookup ID:	<input checked="" type="checkbox"/>	Establish date:	Deposit date:
Fund type:		Subtype:	Gift type:
Restriction type:		Source:	
Gift fee:		Status:	

Report Run Date: Run from: UCLA CRM Report #825

# Regental Gifts

# Current Expenditure Gift Funds: Regental (Tax ID # 95-6006143)

- Gift checks are made out to: **UC Regents**.
- Regental gifts are deposited to the **Gifts Received Undistributed (GRU) Account/Fund 4-116030-54805**.
- ALL gifts are subject to a 6.5% administrative fee, which is deducted off the top.
- Gifts released from the **Gift Received Undistributed (GRU)** account are recorded as revenue to Regental funds.
  - **Review GRU** for old gifts that have not been transferred to PI's expense FAU monthly, or quarterly (at minimum)

# How to Process Regental Gift Checks

- Make a copy of the check! [Instructions for deposit preparation.](#)
- Deposit check into GRU (Gift Received Undistributed) via [Transact](#) (formerly “CashNet”) or hard copy deposit slip to Main Cashier’s Office\*
  - [4-116030- -54805](#) (see sample on slide 22) \*SOM specific instructions, next slide
  - Do **NOT** deposit directly into PI’s gift fund
- Complete [Online Gift Transmittal Form](#)
  - DOM – Submit all requested internal documents to [DOM Executive Admin Office](#) for Yanina’s signature. Do NOT submit directly to Treasury Management.
    - DOM Additional [Gift Certification Form](#) for gifts > \$10,000 not from an individual
  - Print/save copies of all forms for your files!!
- File Gift Transmittal in pending folder until you see TOF into your gift fund #. Print TOF & attached to front of packet & file.

# SOM Specific: Depositing Donor Gift Checks

- Moving away from FM/PI receiving gift checks directly
- Ask Donor to send checks directly to:

## Regental Checks

Payment Solutions and Compliance  
Box 957089, 1125 Murphy Hall  
405 Hilgard Avenue  
Los Angeles, CA 90095-7089

## Foundation Checks

The UCLA Foundation  
ATTN: Patrick Bruno  
Lockbox 7145, 14005 Live Oak Avenue  
Pasadena, CA 91109-7145

- Reference: Q8 under [Cashiering & Accounts Receivable FAQs](#)
- Things to consider: Donor letter

# Deposit Samples



## Depositing Donations for Current Expenditures

Donor's Name and check no.

Loc	Account	CC	Fund	Project	Fin Class	Source	Description	Reference	Amount
4	116030		54805				Donor's name- Check No.	AXXXXX	1,000.00

Reference No.: Letter corresponding month of gift deposit followed by the fund number

- A = July
- B = August
- C = September
- D = October
- E = November
- F = December
- G = January
- H = February
- I = March
- J = April
- K = May
- L = June

# Gift Fund Management Tool: Financial Web Report – Gifts Recv'd Undistributed

- Live demo

MENU	HELP	QUESTIONS	SUGGESTIONS
<b>UCLA</b>	FINANCIAL SYSTEMS NEWS AND INFORMATION	<ul style="list-style-type: none"><li>• <a href="#">Financial Systems Report Descriptions</a></li><li>• <a href="#">A new feature - follow our changes to the system</a></li><li>• <a href="#">New Excel Download Instructions</a></li></ul>	
<b>Financial Systems</b>			
Summary			
<b>Detail</b>			
Tables			
<b>Payroll</b>			
<b>CG Reports</b>			
<b>PAC / BruinBuy</b>			
<b>DACSS</b>			
	<ul style="list-style-type: none"><li>▶ <a href="#">Detail General Ledger</a> By Account/CC/Fund, <a href="#">Custom</a></li><li>▶ <a href="#">Recharge Activity Report</a> By Account/CC/Fund, <a href="#">Dept</a> <b>NEW</b></li><li>▶ <a href="#">Reference Control Subsidiary Ledger</a> By Account/CC/Fund, <a href="#">Debit Balance</a></li><li>▶ <a href="#">Source Control Subsidiary Ledger</a> By Account/CC/Fund</li><li>▶ <a href="#">Open Commitment Subsidiary Ledger</a> By Account/CC/Fund, <a href="#">Dept</a> <b>NEW</b></li></ul>	<ul style="list-style-type: none"><li>▶ <a href="#">Transaction Listing</a> By <a href="#">TE/Transid</a>, <a href="#">SSID</a>, <a href="#">Account/CC</a></li><li>▶ <a href="#">Gifts Recv'd Undistributed</a> - <a href="#">Acct 116030</a> <b>NEW</b> By Fund Department</li></ul>	

# Foundation Gifts

# Current Expenditure Gift Funds: UCLA Foundation (Tax ID # 95-2250801)

- Gift checks are made out to: **UCLA Foundation**.
- Gifts are originally **deposited by UCLA Foundation into a Foundation fund** for investment then transferred to campus when requested.
- ALL gifts are subject to a 6.5% administrative fee, which is deducted off the top.
- Gifts are transferred to the University FAU via the processing of a **Monetary Transfer Form (MTF)**.
- The transferred Foundation monies are recorded as revenue to the linked Campus fund.
  - Foundation fund # = 5 digits + either letter "E" = endowment or "O" = current expenditure at the end
  - There is a 1:1 relationship between Foundation fund # & Campus fund #

# How to Process Foundation Gifts

- Do NOT deposit check (but make a copy of the check!).
- Complete Online Gift Transmittal Form
  - DOM – Submit all requested internal documents to DOM Executive Admin Office for Yanina's signature. Do NOT submit directly to Treasury Management.
    - DOM Additional Gift Certification Form for gifts > \$10,000 not from an individual
  - Print/save copies of all forms for your files!!
- Have check delivered to Gift Services (1088g Wilshire Blvd, 10<sup>th</sup> Fl, Campus 160348).
- Check the MTF "View Fund Balances" screen in a week or so or contact Foundation Office for report to ensure check has been processed.
- Draw down funds as needed from Foundation account via MTF

# Gift Fund Management Tool: Financial Web Report – Consolidated Gift Fund Management

- Live demo

The screenshot displays two side-by-side menu panels. The left panel is titled 'FINANCIAL SYSTEM REPORTS' and contains a list of report categories: UCLA Financial Web Reports (CDW) with a 'Feedback' link, UCLA Financial Web Reports, Payroll Reports, CG Reports, PAC/BruinBuy Reports, BAR Reports, and CASHNET Reports. Below this is a section titled 'APPLICATIONS' which includes 'Consolidated Gift Fund Management' (highlighted with a red box), Web DocumentDirect, PAN - Post Authorization Notification, CASHNET - Processing Cash Receipts, and CASHNET - Services Application. The right panel is titled 'FINANCIAL SYSTEM KEY ENTRY' and contains a list of transaction types: Non-Payroll Expenditure Adjustment, Transfer of Funds, Interdepartmental Recharge, and Recharge Order Request.

# Monetary Transfer Form (MTF) System: *for Foundation Gifts*

- Live demo

### Monetary Transfer Form (MTF) System

**Main Menu**

View Fund Balances

Prepare MTF Request

Advanced MTF Query

Audit Trail

MTF Reports

Log out

Logged In: CATHERINE RUJANURUKS (BICYR)

The MTF (Monetary Transfer Form) System enables the transfer of money from Funds in The UCLA Foundation, where gifts are made, to Funds at UCLA, where the money is spent at the appropriate unit level of the University.

In the MTF system, personnel in the University prepare an MTF Request electronically, which must be approved at the Org/Division/Sub-Division/Department level, at which point it goes to The UCLA Foundation for final verification and processing of the transfer.

This system should not be confused with the Transfer of Funds System, which is the University's budgetary transfer system.

### Choose Foundation Fund

Organization: --Choose--

Division: --Choose--

Sub-Division: --Choose--

Department: --Choose--

Fdn or Univ Number:   (e.g. '301170' or '56061')

Foundation Fund Number	Foundation Fund Name	University Fund Number	Fdn Amount Available	Fdn Amount Unavailable	Pending MTFs	Max Transfer
6270	Kidney Disease Research Fund	560	\$68,609.95	\$0.00	\$0.00	\$68,609.95
Grand Total:			\$68,609.95	\$0.00	\$0.00	\$68,609.95

# Life of a Foundation Gift: Who Handles What in the Central Offices...

- **Treasury** – deposit the gift
- **Gift Services** – record the gift in CRM (customer relationship management software)
- **Fund Management** – create a new fund or modify an existing fund (purpose, etc.)
- **Foundation Accounting** – reconcile & reporting
- **Treasury** – transfer funds to campus via MTF for spending
- **Finance and Business Services** – assist campus units with spending funds

# Miscellaneous Topics

# Don't Forget the 700-U!

- For both Regental & Foundation gifts
- Statement of Economic Interests for Principal Investigators
- Required only if
  - Donor is a company or foundation, i.e. *not* an individual, *and*
  - Gift is earmarked specifically for research for a specific PI
- Disclosure requirements

# Gift Fund Consolidation

- Purpose: To consolidate multiple **same type** (Regental/Foundation) of gift funds with **similar purposes** with **small balances** into one various donors fund to alleviate administrative burden of gift fund management.
- Ensure you check with PI prior to consolidation!
- Scenarios:
  - PI has left UCLA. Funds typically get reassigned to Division Chief or another faculty member performing similar research.
  - Gift funds have small balances, FAUs have minimal spending and no additional donations are expected.
- Other [gift fund maintenance guidelines](#)

# Endowments

# Types of Endowments

- A collection of assets invested to produce income; under the law, **no part of the corpus endowment (i.e. principal) fund may be expended, but must remain inviolate**
- **True Endowment** – Funds existing in perpetuity. Principal cannot be invaded; only income is available for expenditure purposes.
- **Quasi Endowment** – Funds Functioning as an Endowment. Gift or bequest where a donor does not explicitly instruct that it be used as either a current gift or an endowment. At its own discretion, the University has created a fund functioning as an endowment. Principal may be invaded with appropriate approvals.
- There are both Regental & Foundation endowments.

## UCLA Endowment Minimums

- Dean's Chair - \$5 million
- Endowed Chair w/ salary support - \$5 million
- Executive Chair in Medicine - \$3 million
- Endowed Chair w/o salary support - \$2 million
- Professional Development Term Chair - \$1 million
- Postdoctoral Fellowships - \$1 million
- Recruitment/Distinguished Service/Teaching Term Chair - \$500,000
- Teaching Awards - \$250,000

# Regental Endowment Fund Management

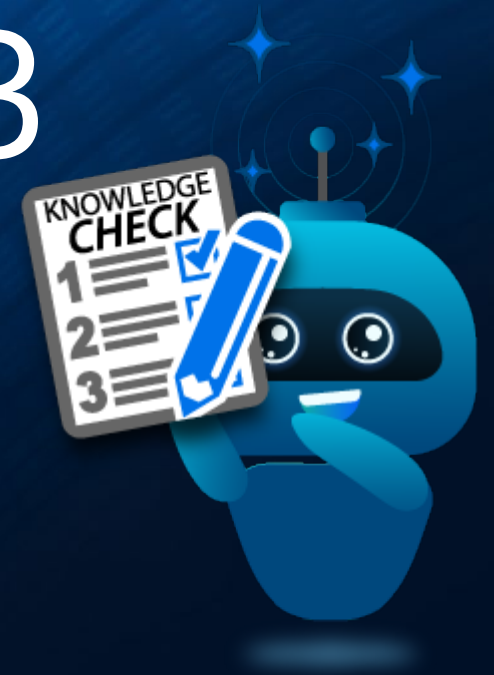
- Gift Services formally accepts using gift transmittal forms and forwards to General Accounting
- Gifts are transferred (journalized) to UCOP for investment in General Endowment Pool, or other investment vehicle (STIP, etc.)
- Account 119820 Detail Provides:
  - The Current Year Income
  - The Permanent Budget
  - Budget adjustments to match actual income received
  - Interest on Interest deductions

# Short Term Investment Pool (STIP)

# What is STIP?

- Definition: Income earned on campus balances from private gifts, private grants and endowment income, a.k.a. interest
- STIP on Gifts
  - Only Regental or Foundation gifts accepted prior to September 1, 1989 where the donor specified PI will keep STIP will the PI receive the STIP
  - Otherwise, STIP credits default to the Chancellor's account
- STIP on Endowments (*income only on principal*)
  - Regental Endowments
    - Income from investment is distributed to campus **annually in July**
    - Income is adjusted for actual & for Interest on Interest in ~August
  - Foundation Endowments
    - Income from investment is credited on a **quarterly basis** and available for distribution
    - This can be looked up in the MTF system in "View Fund Balance"
- **Negative STIP occurs when an account that normally accrues STIP is in overdraft (OD)! Keep these accounts out of OD!**

# Knowledge Check #3



# Links from Today's Class

- Gift Services Home Page
  - Gift Fund Management: <https://fundmanagement.support2.ucla.edu/>
  - Gift & Data Services: <https://giftservices.support2.ucla.edu/>
  - Depositing a Gift Check <https://www.finance.ucla.edu/corporate-accounting/depositing-a-gift-check>
  - Foundation Special DOM Training <https://uclahs.box.com/s/l2opp2y9eoig55j3egvbqial9ziws22z>
- UCOP C&G Manual – Gift & Endowment Chapter
  - <http://www.ucop.edu/research-policy-analysis-coordination/resources-tools/contract-and-grant-manual/chapter9/index.html>
- DOM Fund Manager Manual Chapters
  - Gift Received Undistributed [https://medschool.ucla.edu/sites/g/files/oketem456/files/media/documents/DOMORA\\_Manual\\_Post-Award\\_Gifts-Received-Undistributed.pdf](https://medschool.ucla.edu/sites/g/files/oketem456/files/media/documents/DOMORA_Manual_Post-Award_Gifts-Received-Undistributed.pdf)
  - Monetary Transfer of Funds (MTF) [https://medschool.ucla.edu/sites/g/files/oketem456/files/media/documents/MTF\\_o.pdf](https://medschool.ucla.edu/sites/g/files/oketem456/files/media/documents/MTF_o.pdf)
  - Gift Fund Consolidation [https://medschool.ucla.edu/sites/g/files/oketem456/files/media/documents/Gift-Consolidation\\_o.pdf](https://medschool.ucla.edu/sites/g/files/oketem456/files/media/documents/Gift-Consolidation_o.pdf)

# Survey Link

<http://goo.gl/forms/C3gdjsL5y1>

We appreciate if you would take a few moments to complete a short 7 question anonymous survey to help us improve your training experience. Thank you!