

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

<https://medschool.ucla.edu/research/researcher-resources/administrative-support/department-medicine-office-research-administration/fund-management-training>

# Monthly Reconciliation Non-Payroll

UCLA DEPARTMENT OF MEDICINE  
OFFICE OF RESEARCH ADMINISTRATION  
ZOOM TRAINING

# Agenda

- Required Resources
- Fund Groupings
- [UC Policy 910](#)
- Available Reporting Tools
- How to make the FAU work for you
- Minimum Review Requirements
  - Items Requiring PI Review vs.
  - Fund Manager Independent Actions
- Live Demo

# Required Resources

- To perform monthly financial reconciliation, Fund Managers need access to the following resources (*non-exhaustive list*):
  - [OASIS](#) Fund and Acct/CC-Fund tables
  - [Award Snapshot](#) via ORA Portal
  - Sponsor C&G Manual and/or Award Terms and Conditions
  - For Grants: Notice of Funding Opportunity & Original Full Proposal
  - Business & Finance Solutions Online Financial Systems and Reports ([OFSR](#))
    - Web Reports
    - PAN Inbox
    - Consolidated Gift Fund Management Application
  - Department of Medicine Fund Managers:
    - DGSOM Jump Server
    - DGSOM Financial Projection Module (FPM)
    - QDB/FPM Ad-Hoc Reporting Excel Add-In
  - For Animal Studies: DLAM [eSirius3G](#) Portal
  - [IT WebCenter](#)
  - Mail, Document & Distribution Services Billing Activity Website ([MDDS](#))

# Restricted

- C&G - Clinical Trials
- C&G - Federal
- C&G - Local
- C&G - NIH
- C&G - Private
- C&G – State
- Endowments
- Gifts
- State Appropriations

# “Unrestricted”

- Compensation Plan
- Indirect Cost Recovery
- Other
- Sales and Service
- Supplemental Tuition (PDST)
- x-Undefined Range -x

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UCLA-AIS                               *** FUND TABLE ***                               FSM0678A
14:12:47                                PAGE 1                                03/12/2024
Action: B  Table: FN  +                  Last Update: 05/19/2023
Loc: 4      Fund: 30 +  UCLA Fund Group: 47501 +  Last Upd Logon: CGBDM
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Fund Title: NIH-NHLBI P01HL 04/24 56%  Res/UnRes: R (R/U)
Fund Begin/End Dates: 05 01 2019 / 04 30 2024 Fund Dept: 1553 + CARDIOLOGY
```

# C&G Restricted Funds

- Funds are available for a fixed period of time (*performance period, typically >1 year*) , and may only support the work outlined in the associated Contract or Grant agreement
- Financial Reporting and Controls are managed through UCLA Extramural Fund Management Office (EFM)
- Expenditures are limited to Sub-Obj codes designated “Allowable” or “Warning” on the [Non-Payroll Object Code](#) table
- Typically are restricted according to pre-approved budget, and Contract or Grant terms of agreement (*sometimes these budgetary restrictions are only noted on the Funding Opportunity Announcement*)
- Typically are required to recover full Facilities and Administrative (overhead) costs according to UCLA’s [federally negotiated rate agreement](#)
- Extramural Sponsors may request detailed accounting of expenditures and balances at-will (*Audit*), and may revoke funding (in part or in full) when utilization of funds has violated contracted terms
- Upon termination, unobligated balances may either be retained at UCLA or returned to Sponsor, dependent on contracted terms

# C&G Budgetary Restrictions – Where to locate?

- Notice of Funding Opportunity
  - *Example: AHA Postdoctoral Fellowship only includes this budget restriction in the NOFO*

## Project Support

\$3,000 per year, in addition to the stipend. No limit on any line item (travel, computer, equipment, etc.). **A minimum of \$1,500 per year must be spent on travel** to a national conference (attendance at AHA Scientific Sessions is strongly encouraged). International travel is permitted and does not require prior AHA approval.

- Notice of Award
  - *Example: Boston Scientific only included this language in the Notice of Award*

**Purpose:** Funds provided by Boston Scientific to institution are restricted, and only may be used to support only the salary and the portion of employee benefits (e.g., health, dental, vision coverage) typically supported by Institution for its employees generally of 1 *bona fide* electrophysiology fellow at Institution for the 2012-2013 academic year. Funds may not be used for any other purpose (e.g., overhead, indirect expenses). Institution shall promptly notify Boston Scientific in writing of any

- Published Contract/Grants Policy Statement
  - *Example: [NIH Grants Policy Statement](#)*

## 7.9.1 Selected Items of Cost

### Exhibit 5: Selected Items of Cost

The table presents specific items that may or may not be included in the cost portion of grants

# “Unrestricted” Funds & Non-C&G Restricted Funds

- Typically will not be associated with a formal Contract or Grant agreement
- Gifts/Endowments: Funds are restricted according to the Donor’s wishes
  - Funds donated in support of Cardiology Fellow’s Program should not be used to purchase research supplies for a research project unrelated to that fellow’s program
- Fund closes each Fiscal Year (July 1 – June 30)
- Financial Reporting and Controls are managed through UCLA General Accounting Office
- Expenditures are not limited by Sub-Obj code, but fund may still carry budgetary restrictions that must be manually tracked
- If funds were provided via an Intramural Granting Agency (*ex. Dean’s Office award*) , expenditures may still be restricted according to pre-approved budget, and award terms of agreement
- Typically do **not** recover Facilities and Administrative (overhead) costs
- Funds are typically non-revocable (i.e. unobligated balances are carried from one fiscal year to the next, indefinitely, until the fund is exhausted)

# Common “Unrestricted” fund restrictions

- Sales and Service: Expenses incurred on these funds must represent operational costs necessary to provide the service/good to the customer
- Commitment Funding: May be provided on any “unrestricted” fund type, such as Compensation Plan or Indirect Cost Recovery
  - Typically is only available for a fixed period of time (1-5 years)
  - May limit expenditures according to expense type
    - Salary commitments may only support salary and related (TIF/GAEL) costs
    - Equipment commitments may only support the approved equipment item

*These kinds of restrictions are manually tracked by the Fund Manager*

# How Fund Groupings Affect Reconciliation

- C&G Reconciliation is more robust as it requires detailed documentation ensuring contacted restrictions are being honored. UCLA Financial Systems and Reporting are better equipped to automatically detect violations requiring Fund Manager attention.
- Non-C&G funds, regardless of Restricted/Unrestricted flag still require reconciliation. Fund Managers must manually account for any restrictions applicable to the distinct fund. Occasionally, restrictions are similar to C&G funds. When this is true, C&G practices or reports can be applied.

# C&G Responsibilities as outlined in UC-Policy 910

<http://www.adminpolicies.ucla.edu/APP/Number/910>

## Department Chair or Organized Research Unit (ORU) Director

Department chairs and ORU directors are responsible for reviewing proposals developed by faculty, in particular to:

1. Ensure the proposed project is consistent with the educational and professional objectives of the school or college;
2. Determine the eligibility of the individual designated as Principal Investigator (PI) or Co-Principal Investigator in accordance with UCLA Policy 900, Principal Investigator Eligibility;
3. Ensure the appropriateness of the effort committed to the project made by UCLA faculty, staff and students;
4. Ensure that appropriate on-campus or off-campus space has been identified and is available for the project;
5. Confirm that support will be provided for the administration of the project;
6. Determine that cost sharing and/or matching fund commitments set forth in the proposal can be met; and
7. Ensure that where appropriate, equipment-screening procedures have been followed.

## Once an Award has been made, the department chair or ORU director has continuing responsibility to ensure that **ADMINISTRATIVE STAFF:**

1. **Reallocate appropriated funds** into the appropriate budget categories;
2. **Review and approve financial transactions** related to personnel, the purchase of equipment, rebudgeting of funds, or the retention of consultants for consistency with project purposes and the terms and conditions of the Award;
3. Maintain budgetary control through the use of **departmental bookkeeping** and cost control systems and **monthly reconciliation with the General Ledger**;
4. **Provide the PI with accurate and timely information** about expenditures; confer with the PI in order to **make adjustments as may be necessary** to ensure that the general ledger is cleared of any expenses not applicable to the Sponsored Project. Such adjustments may include transferring outstanding liens, transferring items of expense not allowable under that particular Award, and transferring overdrafts to other permissible fund sources;
5. Identify appropriate unrestricted fund sources at the departmental level to **cover cost-sharing commitments, overdrafts and/or disallowances** that PIs are not able to cover with funds under their jurisdiction; ensure that equipment purchased or acquired under Contracts, Grants, Cooperative Agreements or Subawards are accounted for and/or disposed of in accordance with sponsor and University requirements.

The Office of Extramural Fund Management (EFM) is responsible for the preparation and submission of reports of expenditures. However, the department chair or ORU director is responsible for ensuring that all financial transactions are properly recorded in a timely manner so that the reports of expenditures can be submitted promptly to sponsors.

# Reallocate appropriated funds...

- New awarded funds:
  - Transfers of Funds:
    - Appropriate according to budget: Sub o8 → Various Subs
    - Appropriate funds to UCLA Co-Is/MPIs
  - Execute Subawards, Multi-Campus Agreements (MCA)
- Pre-existing funds:
  - Rebudget of funds:
    - Unilateral: Contracted terms allow UCLA to rebudget without prior approval
    - Sponsor-approved: Formal request must be submitted to sponsor *prior to* budget deviation
- Closeout preparation: “Zero subs”
- Funds with no pre-approved budget:
  - Appropriate Sub o8 → Various Subs according to *projected costs*, or
  - Zero subs periodically (monthly, quarterly, annually) ← At minimum, for “Unrestricted” Funds, best practice is to zero subs at fiscal close.

# Review and Approve Financial Transactions

- Post Authorization Notifications (PAN)s
  - *Minimum review requirement is every 3 business days for PAN Inbox*
  - Not to be confused with PAN notices reviewed in Outlook
- Travel Reimbursements
- Software Purchases through UCLA
- Recharges:
  - Do **not** require pre-approval (will receive a PAN) **but** Fund Manager is expected to obtain itemized invoices
- Email approvals
  - Retention period for *correspondence* related to fund reconciliation is **7 years** after the performance period end date

# Departmental Bookkeeping & Monthly Reconciliation with the General Ledger

- **This Class:** Non-Payroll Reconciliation
  - Review of General Ledger and Cataloguing of Expenditure Documentation
  - Non-Payroll Expenditure Adjustment Requests (NPEAR)s
    - Processed whenever there is an error/omission in any field of the Full Accounting Unit

<b>Acct -</b>	<b>CC -</b>	<b>Fund -</b>	<b>Project -</b>	<b>Sub -</b>	<b>Obj -</b>	<b>Source</b>
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- Recharge Reversals
  - *Or if you are the vendor, process monthly Recharges to recover revenue*
- Underwriting of *significant* overhead adjustments
  
- *Upcoming Class:* Payroll Reconciliation
  - Direct Retros
  - Benefit Cost Transfers

# Provide the PI with Accurate and Timely Information

- Monthly Statements **must** be delivered to all PIs every month
  - *Discussing balances via phone, but not providing statement copies, does not fulfill this requirement*
- Backup files **must** be saved in the Department Drive fund folder
  - Collect documentation for any “Warning” expenses as they occur, do not wait until the fund is scheduled to close
    - *Recommend:* If you have “Warning” flags on Restricted funds, create the “Closeout” folder in advance so those backup files are already in the appropriate folder location, and can be included with your closeout deliverable files in PAMS when the time comes
- Address **unallowable** expenses immediately
  - Both “unallowable” Object code Flags, and
  - Otherwise unallowable restrictions manually tracked (*AHA does not allow TIFs, for instance*)
  - Obtain PI approval for necessary NPEARs, DRs, BCTs, etc.
- Warn PIs of **projected** deficits, and form a resolution plan
  - UC does **not** cost-share for Industry Contracts (we do not NPEAR Industry costs to unrestricted simply to avoid a deficit)
    - May recommend a contract amendment to recover additional funds from the Sponsor
    - If Sponsor refuses, does the PI have sufficient funds to cover ***overdrafts*** at fund closeout through EFM?
  - UCLA may *volunteer* cost sharing on non-Industry C&G
    - *Recommended:* If you will NPEAR non-federal costs to an unrestricted fund, use Project/Source coding to report to your PI how much has been cost-shared for each award. This can be helpful in future proposal submissions

# Unrestricted Funds Use

- Mandatory Cost-sharing commitments:
  - EFM is required to collect Cost-Sharing Form and ledger backup to report back to Sponsor if/when UCLA has met the Cost-Share requirement outlined in the C&G agreement
  - Once reported these expenses cannot be adjusted from the reported FAU to other funds
    - (exceptions can be made for unrestricted → unrestricted if documentation is also updated with EFM)*
- Overdrafts
  - Facilitate cross-balance transfers or journals via General Accounting or EFM to cover deficits at fund closure
- Unallowable/Warning charges
  - Research-related expenses that are unallowable per sponsor on the extramural fund must be charged to unrestricted

# BREAK!

# DEMO!

- What To Review By Report
  - Summary Reports: Balances and Budget Reconciliation (rebudget)
  - Expense by Month: Burn Rate
  - Detail Ledgers
    - Allowable/Unallowable/Warning Flags *\*\*\*Save Backup Documentation As-Needed*
    - Subaward/MCA Balances
    - Lingering Encumbrances
    - Planned Adjustments
- What to Project
  - Consistently Recurring Expenditures
  - PI Notified, Planned Expenditures

# 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!