Monthly Reconciliation
Non-Payroll

UCLA DEPARTMENT OF MEDICINE
OFFICE OF RESEARCH ADMINISTRATION
ZOOM TRAINING

This session will *not* be recorded, but this PowerPoint can be found
[https://medschool.ucla.edu/ora/fund-management-training](https://medschool.ucla.edu/ora/fund-management-training)
Agenda

• 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
Restricted
• C&G - Clinical Trials
• C&G - Federal
• C&G - Local
• C&G - NIH
• C&G - Private
• C&G - State

“Unrestricted”
• Compensation Plan
• Endowments
• Gifts
• Indirect Cost Recovery
• Other
• Sales and Service
• State Appropriations
• Supplemental Tuition (PDST)
Restricted Funds

• Funds are available for a fixed period of time \( (\text{performance period, typically } \geq 1 \text{ year}) \), 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 \( (\text{sometimes these budgetary restrictions are only noted on the FOA}) \).

• 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, 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.
“Unrestricted” Funds

• Typically will not be associated with a formal Contract or Grant agreement
• 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

• Gifts: 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

• 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
Responsibilities as outlined in UC-Policy 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.

UCLA Department of Medicine - Office of Research Administration
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 10 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
- Non-Payroll Expenditure Adjustment Requests (NPEAR)s
  - Processed whenever there is an error/omission in any field of the Full Accounting Unit

- Recharge Reversals
  - *Or* if you are the vendor, process monthly Recharges to recover revenue
- *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 \(\rightarrow\) 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!
Web Reports – *Generic for Campus*

- Better for Day-to-Day at-a-glance reviews

- Some *but not all* Useful/Common Functions for DOM Fund Managers:
  - Reviewing Multiple Transaction Details (*Alternate to PAN Notices*)
    - Who Processed
    - What Explanation Included
  - Fund/FAU(s) Current Balance(s)
    - Compare with Summary By Sub QDB Report
  - Open Commitment Subsidiary Ledger
    - *If you need to ask AP to clear a faulty encumbrance*
  - Reviewing Gift Deposits Pending Distribution
    - *Gifts Recvd Undistributed (Detail) Report*
  - Sales and Service Reporting
    - *Recommend reviewing in conjunction with QDB S&S Report*
DG Inform – Will Replace QDB, ASCEND Go-Live
QDB Reports – Customized for Medicine
QDB Reports – Customized for Medicine

- **Run In Jump Server If FPM Data Is Needed**
  - Projections from FPM
  - FAU Department Demographics
    - Fund Manager Assigned
    - Fund Title (Nickname) as assigned in FPM
    - FAU Comments

- **Reports That DO NOT use FPM Data**
  - Detail (Closed, All, Open)
  - Billing & Accounts Receivable
  - Financial Reporting Application
  - UCPath and PPP (EDB) Reports
Batch Reporting: Only Available in QDB

• Batch Types, and when you need them:

1. Run Single Report for Many FAU combinations
   ▪ Summary of Funds Report (Balance Sheet) for whole portfolio
   ▪ Review cost liability for specific cost type (PI asks “How much did I spend on DLAM in the past 12 months from all my funds?”)

2. Run Multiple Reports for Single FAU combinations
   ▪ Monthly Statement for individual FAUs
   ▪ Need to look at information for the same FAU combination in different formats (I need to run both Detail-Closed and Employee Sum (Paid) for the same FAU)
Batch Type 1: Single Report for multiple FAUs

Two Ways to Run

- **Template**
  - Use FPM To Create Template For You (**FAU Core Fields Only**)
  - **Edit FPM Batch Template** to add FAU Reporting Fields (as needed)

- **Manual Entry** in QDB
Batch Type 2: Multiple FAUs for (typically) a single FAU Template Only

1. Blank Template
2. General Ledger Reports
3. Payroll Expense Distribution Reports
DEMO!

• **What To Review By Report**
  • Summary Reports: Balances and Budget Reconciliation (rebudget)
  • Expense by Month: Burn Rate
  • Detail Ledgers
    • Allowable/Unallowable/Warning Flags
    • Subaward/MCA Balances
    • Lingering Encumbrances
    • Planned Adjustments

• **What to Project**
  • Consistently Recurring Expenditures
  • PI Notified, Planned Expenditures

***Save Backup Documentation As-Needed***
Survey Link
http://goo.gl/forms/C3gdjsL5y1

We appreciate if you would take a few moments to complete a short 5 question anonymous survey to help us improve your training experience. Thank you!