HOW TO PREPARE A DOM OVERDRAFT REPORT
Updated April 9, 2019

Deadline: **The last working day of the month for the prior month's ledger**.
Example: August 2017 Overdraft Report is due on September 29, 2017 (Friday).

Submission: Division MSO should email Gabriel Rivera (gmrivera@mednet.ucla.edu) the Excel file with any necessary backup attached (provide only *one summary worksheet* with ALL division OD FAUs). A hard copy of the report is NOT needed.

Why Do We Need to Report on Overdrafts (OD)?
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 OD Report can provide administration with the opportunity to identify any potential issues at an early stage so that corrective measures can be implemented before the issue is exacerbated.

Gift/Endowment funds that are in overdraft are assessed 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?
**Source:**   Excel Add-ins Dean's Office Programs 'QDB/GLPPP FPM Adhoc Reporting'

Run '**Financial Reporting Application' (FRA)**
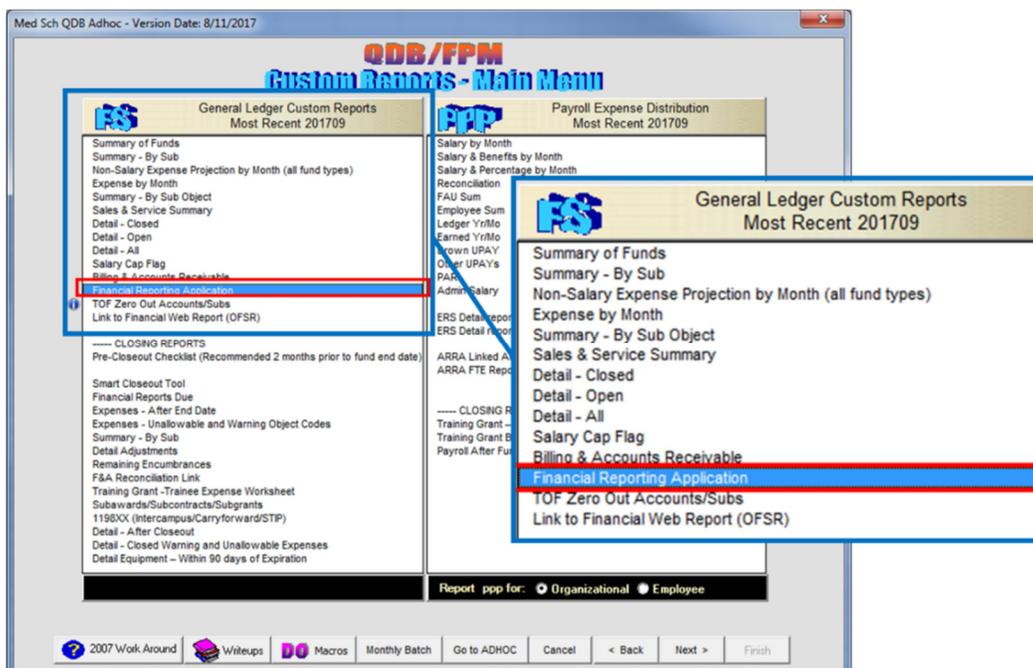
Run '**Summary of Account/Fund Balances**' with the criteria below:
   (* only 3 fields need to be changed from default selection)
   - Report as of: Appropriate month/year, using the drop down box
   - **Report By:***   Dept (*Enter your division FS Code in the box*)
   - Leave default: ITD (Inception 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
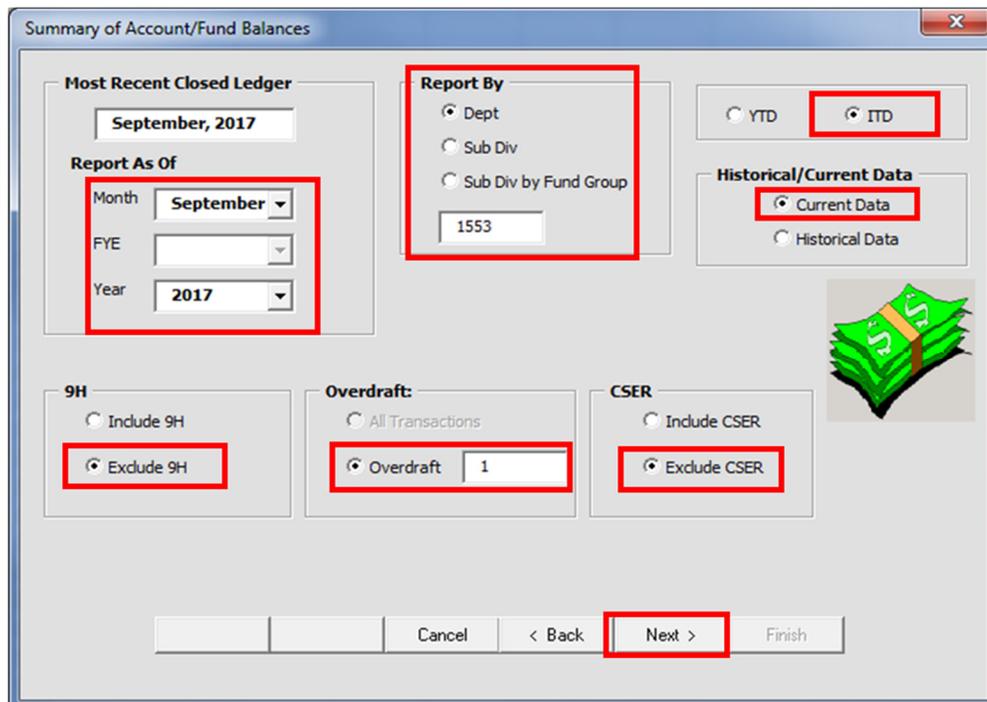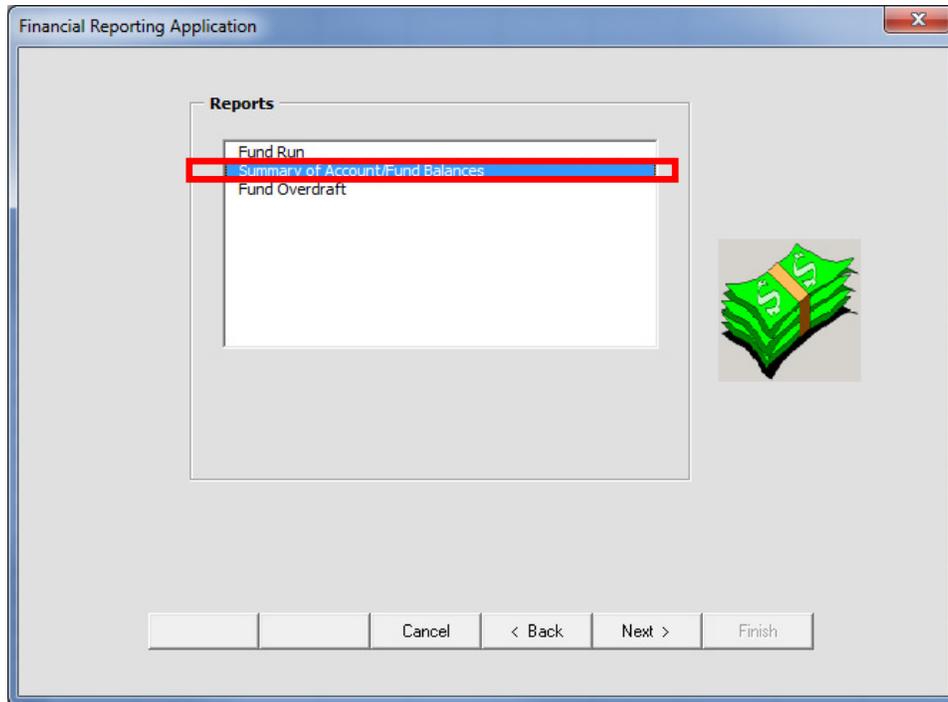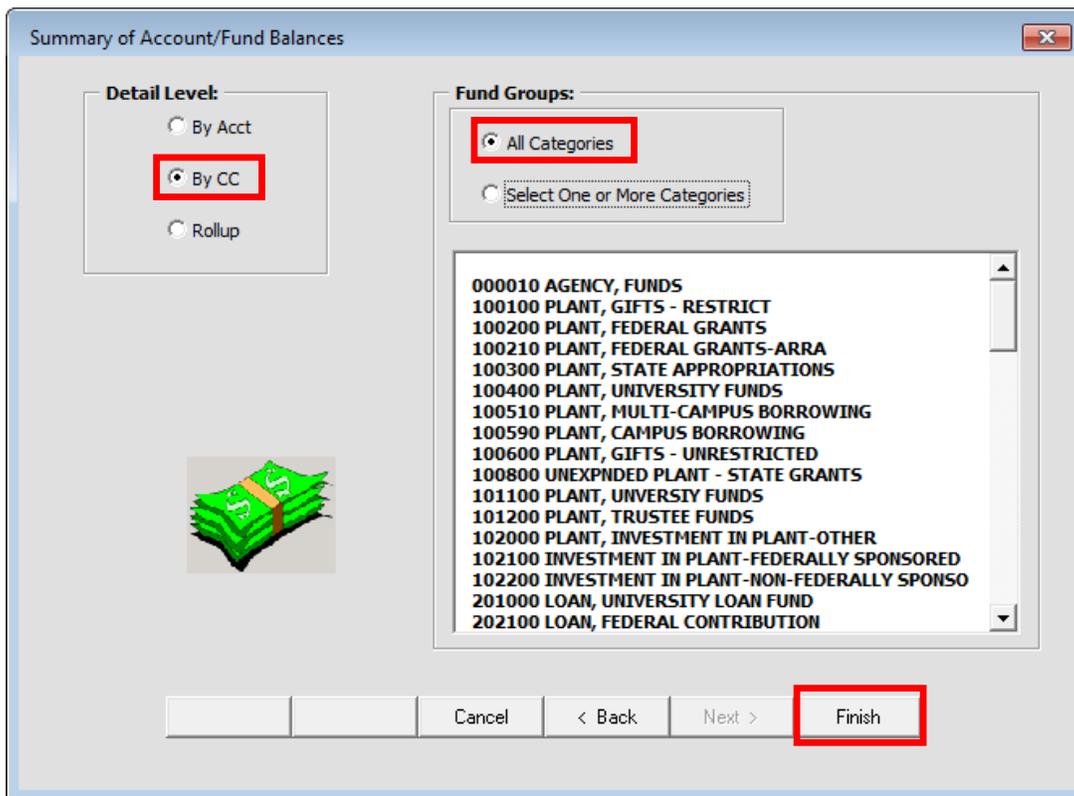
Click "Finish" to send the report to Excel.

Once the data is in Excel, perform the steps below:
1. **Delete** all rows of **Comp Plan Fund Group** which are handled in a separate report by the MSO and are not required on the OD report.
2. Create **additional field headers** in Cells **K5** through **O5** as listed and provide the data/explanation:

K. **OD Begin LYM*** – Enter the ledger year month (LYM) the overdraft first began.

L. **# Months in OD** - If the current month is the 1st month the FAU shows up on the report, # month = 1. Add 1 month to this number every consecutive month thereafter or calculate from '*OD Begin LYM*' field.

M. **LYM OD Will Clear*** - Enter the *REALISTIC* date the overdraft will clear. Do not just put the following month's ledger date if the overdraft will not clear for 3 months. If the action requires another department's input, inquire when the action can be made.

N. **Explanation for OD** – Include why the OD occurred, PI's response to OD, steps taken to clear OD. 'Not true OD' is not a suitable explanation. Be sure to quantify the amounts in the explanation, i.e. amounts and dates action was taken.

O. **Fund Manager** (FM) – Do not leave blank. If FM is MSO for operational funds, enter as such.

* Date Format: 1st 3 letters of Month-Last 2 digits of Year. Ex. Dec-17, May-18, etc.

Acceptable Justifications (not limited to examples below):

- **Delayed Revenue**
  - ➢ **Clinical Trials** – the income has been earned, and the money is owed from the sponsor. Include the magnitude of dollars owed, the period covered for the delayed revenue, the date the sponsor was invoiced, and anticipated receipt date.
  - ➢ **Gift Funds** - An additional gift check was received from a donor and the gift transmittal processed (include the amount of the check and the date processed). Pledges where a check has not been received are not acceptable justifications.
  - ➢ **C&G** - Award has been received from the sponsor and is being processed by OCGA/EFM. Include the **direct costs amount** of the award, any information regarding possible delay (e.g. awaiting ARC/HSPC approval), and approximate date award will be appropriated into FAU.
- **Expense Transfers** (UPAYs/NPEARs) have already been processed to cover the overdraft. Include the total amount of the expense transfers and the date processed.
- **Sales & Service (S&S) Funds** – If the overall S&S fund is in surplus, provide a copy of the Campus Online Financial System Report (OFSR - https://ofsr.it.ucla.edu/) S&S Statement as backup
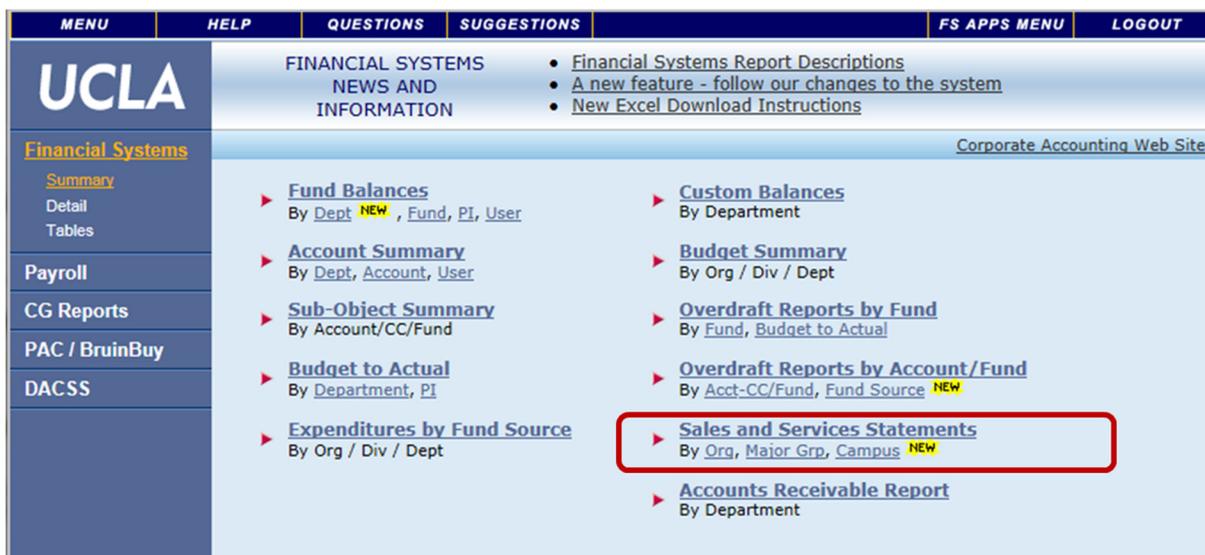
Note: If the overdraft is going to be covered by an unrestricted fund, please **include the unrestricted FAU number**, and list the unrestricted FAU balance to make sure the unrestricted fund has enough of a balance to cover the overdraft.

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 explanation 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 as negative STIP may be assessed**.

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 **in one worksheet**!

Note: For funds where you are not expecting any additional appropriations, be sure to take the necessary steps to assure no further expense hit the FAU, e.g. contact the purchasing assistant to stop further ordering on the FAU, change UCPath distributions, etc.

If necessary, Gabby may request additional justification from you after she has received and reviewed your Overdraft Report.

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**.