

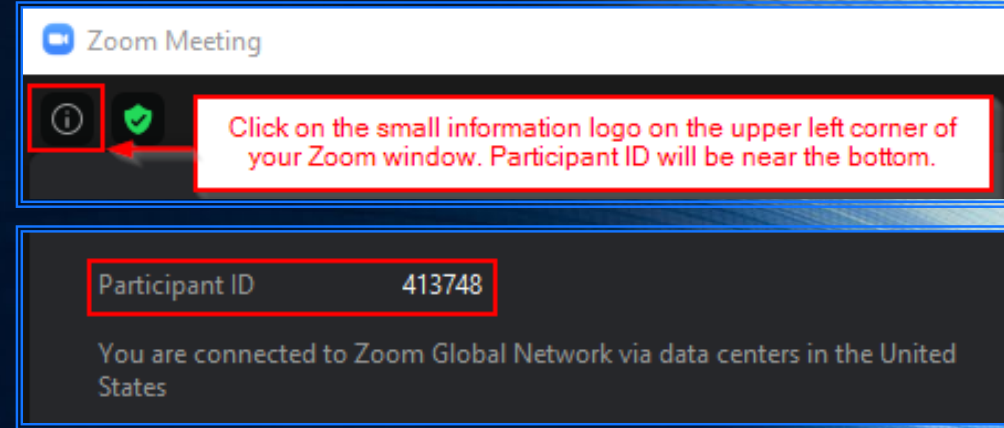
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# UCPath MCOP Worksheet

UCLA DEPARTMENT OF MEDICINE  
OFFICE OF RESEARCH ADMINISTRATION  
ZOOM TRAINING

# Agenda

- What is the MCOP Worksheet and why do we need it?
- Sample Calculations
- Preparation Considerations

*Disclaimer: Many of the concepts discussed in these slides will require visual demonstration within the UC Path system and/or via available Excel Templates. For best training outcomes, ensure you attend the Lab that accompanies this class!*

# Recap Faculty Funding Components

- $X$  = Base = HSR
- $X'$  =  $X$  Prime = HSP = "*Retirement Factor*"
- $Y$  = Delta = HSN = "*Negotiated*" (may be zero)
- $Z$  = Bonus = HZC or HZA (may be zero)

$X + X' = \text{Covered Comp} + Y = \underline{\text{Total Negotiated Salary (TNS)}} + Z = \text{Total Compensation}$

# MCOP Worksheet Purpose

- Tool to establish the funding distribution of the Total Negotiated Salary for personnel with *Multiple Components of Pay* ( $X + X' + Y$ )
- Designed to assist in the calculation of Cap Gap funding requirements (*as-needed*)
  - CAP Gap (otherwise referred to as Over the Cap, or OTC) is the difference between capped salary rates and the total negotiated salary rate that an employee receives.
  - OTC is relevant when extramural funding terms dictate a maximum base salary for project personnel
    - *Examples:*
      - NIH Executive Level II: \$212,100 effective January 1, 2023 (typically updates each January)
      - CIRM: \$301,000 effective July 1, 2022-June 20, 2024

# MCOP Manual Distribution (*simple*)

- Jane Bruin has a TNS of \$300,000 and a 1.0 FTE appointment. She has 30% effort on an NIH Grant (31145). Her components of pay are:
  - HSR = \$129,400 annual // 43.133333% Effort
  - HSP = \$103,600 annual // 34.533333% Effort
  - HSN = \$67,000 annual // 22.333334% Effort
- **How could we apply the C&G Effort to the multiple components?**

Salary Cap/MCOP Funding Worksheet

Empl ID: 10012345      Empl Rcd: 0      Bruin, Jane  
Position Number: 40012345      PROF-HCOMP  
Fiscal Year: 2023      Budget Begin Date: 07/01/2022      Budget End Date: 06/30/2023

**Compensation Data Snapshot**      Find | View All      First

As of Date: 10/01/2022      Eff Seq: 0  
Salary Plan: APU7      Comp Freq: UC 12/12 - FY  
Salary Grade: 1      FTE: 1.000000  
Step: 2

Pay Component	Ern Cd	Monthly	Annual	Percentage
X	HSR	\$10,783.33	\$129,400.00	43.133333
X'	HSP	\$8,633.33	\$103,600.00	34.533333
Y	HSN	\$5,583.33	\$67,000.00	22.333334
Total UC Salary		\$25,000.00	\$300,000.00	100.000000

## Options

- Completely to HSR or HSP, because both of those components allow >30% Effort
- Partial on HSN (up to 22.333334%) and the remainder on either other component
- Split by any proportion to any combination of components!

# MCOP Manual Distribution (*with restriction*)

- Jane Bruin has a TNS of \$300,000 and a 1.0 FTE appointment. She has 30% effort on an NIH Grant (31145). Her components of pay are:
  - HSR = \$129,400 annual // 43.133333% Effort
  - HSP = \$103,600 annual // 34.533333% Effort
  - HSN = \$67,000 annual // 22.333334% Effort
- Jane also has State FTE (19900 funds)
  - Covers 34.875120% Effort
  - 19900 is restricted for HSR use only
- **How does this change (limit) how we can apply the C&G funds?**

Salary Cap/MCOP Funding Worksheet

Empl ID: 10012345      Empl Rcd: 0      Bruin, Jane  
Position Number: 40012345      PROF-HCOMP  
Fiscal Year: 2023      Budget Begin Date: 07/01/2022      Budget End Date: 06/30/2023

Compensation Data Snapshot [Find](#) | [View All](#) | [First](#)

As of Date: 10/01/2022      Eff Seq: 0  
Salary Plan: APU7      Comp Freq: UC 12/12 - FY  
Salary Grade: 1      FTE: 1.000000  
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Pay Component	Ern Cd	Monthly	Annual	Percentage
X	HSR	\$10,783.33	\$129,400.00	43.133333
X'	HSP	\$8,633.33	\$103,600.00	34.533333
Y	HSN	\$5,583.33	\$67,000.00	22.333334
Total UC Salary		\$25,000.00	\$300,000.00	100.000000

## Options

- Now the only component that can fully cover the C&G effort is HSP
- HSR now only has 8.258213% left over after 19900 is applied
- As we add more fund sources to the funding model, splitting funding across multiple components will be required. The MCOP Worksheet will handle all of these splits on the Fund Manager's behalf!

# OTC *Manual* Calculations

Jane Bruin has a TNS of \$300,000 and a 1.0 FTE appointment. She has 30% effort on an NIH Grant (Fund 31145), 34% 19900 funds, and her remaining effort is committed to an uncapped grant (Fund 58223).

- **FIRST**: Calculate Jane's uncapped vs capped Effort%
  - Capped Effort = 30% (Using the NIH Cap)
    - A common pitfall is assuming that all funds with a salary cap will use the NIH cap, or assuming that all C&G funds impose a salary cap
    - For extramural funds, always check your award terms for mention of a salary cap; and, always use that sponsor's specific cap rate!
  - Uncapped Effort therefore is the remaining 70% effort.
    - 19900, although restricted for us on HSR only, does not impose a salary cap!
    - Other funds that do not impose salary caps are: Gifts, Comp Plan funds, Indirect Cost Recovery funds, S&S, and many more!

# OTC *Manual* Calculations

Jane Bruin has a TNS of \$300,000 and a 1.0 FTE appointment. She has 30% effort on an NIH Grant (Fund 31145), 34% 19900 funds, and her remaining effort is committed to an uncapped grant (Fund 58223).

- **SECOND**: Calculate the amounts that can be charged to each fund

$$\text{Base Rate} \times \text{Effort \%} = \text{Applicable Salary}$$

- NIH 31145: (Base Rate: \$212,100)  $\times$  (Effort: 30%) = \$63,630
- 19900: (Base Rate: \$300,000)  $\times$  (Effort: 34%) = \$102,000
- Uncapped 58223: (Base Rate: \$300,000)  $\times$  (Effort: 36%) = \$108,000

$$\text{Total: } \$63,630 + \$102,000 + \$108,000 = \underline{\$273,630 \text{ Funded with Effort}}$$

- Even though Jane's *Effort* is fully committed, due to the NIH salary cap, her TNS is **not**! The difference must be charged as Over-The-Cap  $\$300,000 - \$273,630 = \$26,370$



# OTC *Manual* Calculations

Jane Bruin has a TNS of \$300,000 and a 1.0 FTE appointment. She has 30% effort on an NIH Grant (Fund 31145), 34% 19900 funds, and her remaining effort is committed to an uncapped grant (Fund 58223).

- **THIRD**: Calculate your OTC

- Full Calculation:  $(TNS - Cap\ Rate) \times Capped\ Effort\ \% = OTC\ Needed$

$$(\$300,000 - \$212,100) \times 30\% = \mathbf{\$26,370\ OTC\ Needed}$$

- Lazy Way:  $(TNS - C\&G\ Funding) = OTC\ Needed$   
 $\$300,000 - \$273,630 = \$26,370\ OTC\ Needed$

- *NOTE: This "lazy way" assumes you have **no errors** in Step 2. If you are not confident with your C&G calculations, use the full calculation to check your work instead.*

# OTC *Manual* Calculations

Jane Bruin has a TNS of \$300,000 and a 1.0 FTE appointment. She has 30% effort on an NIH Grant (Fund 31145), 34% 19900 funds, and her remaining effort is committed to an uncapped grant (Fund 58223).

- **FOURTH**: Combine!

$$C\&G\ Funding + 19900 + OTC\ Needed = TNS$$

$$(NIH\ 31145:\ \$63,630) + (19900:\ \$102,000) + (Uncap\ 58223:\ \$108,000) + (OTC\ tbd:\ \$26,370)$$

$$= \$300,000\ TNS$$

# OTC Manual Calculations

Jane Bruin has a TNS of \$300,000 and a 1.0 FTE appointment. She has 30% effort on an NIH Grant (Fund 31145), 34% 19900 funds, and her remaining effort is committed to an uncapped grant (Fund 58223).

- FIRST:** Calculate Jane's uncapped vs capped Effort%

  - Capped Effort = 30% (Using the NIH Cap)
  - Uncapped Effort therefore is the remaining 70% effort.
- SECOND:** Calculate the amounts that can be charged to each grant fund

$$\text{Base Rate} \times \text{Effort \%} = \text{Applicable Salary}$$
  - NIH 31145: (Base Rate: \$212,100)  $\times$  (Effort: 20%) = \$63,630
  - 19900: (Base Rate: \$300,000)  $\times$  (Effort: 34%) = \$102,000
  - Uncapped 58223: (Base Rate: \$300,000)  $\times$  (Effort: 36%) = \$108,000

Total: \$63,630 + \$102,000 + \$108,000 = **\$273,630 Funded with Effort**
- THIRD:** Calculate your OTC

  - Full Calculation:  $(\text{TNS} - \text{Cap Rate}) \times \text{Capped Effort \%} = \text{OTC Needed}$
$$(\$300,000 - \$212,100) \times 30\% = \mathbf{\$26,370 \text{ OTC Needed}}$$
  - Lazy Way:  $(\text{TNS} - \text{C\&G Funding}) = \text{OTC Needed}$
$$\$300,000 - \$282,420 = \$17,580 \text{ OTC Needed}$$
  - NOTE: This "lazy way" assumes you have **no errors** in Step 2. If you are not confident with your C&G calculations, use the full calculation to check your work instead.
- FOURTH:** Combine!  $\text{C\&G Funding} + \text{OTC Needed} = \text{TNS}$

$$(\text{NIH 31145: } \$63,630) + (\text{19900: } \$102,000) + (\text{Uncap 58223: } \$108,000) + (\text{OTC tbd: } \$26,370)$$

$$= \$300,000 \text{ TNS}$$

Joe Bruin has a TNS of \$280,000 and a 1.0 FTE appointment. He has 15% effort on an NIH Grant (Fund 31145). His remaining effort is committed to an uncapped grant (Fund 58223).

- FIRST:** Calculate Joe's uncapped vs capped Effort%

  - Capped Effort = (Using the NIH Cap)
  - Uncapped Effort therefore is the remaining effort.
- SECOND:** Calculate the amounts that can be charged to each grant fund

$$\text{Base Rate} \times \text{Effort \%} = \text{Applicable Salary}$$
  - NIH 31145: (Base Rate: )  $\times$  (Effort: ) =
  - Uncapped 58223: (Base Rate: )  $\times$  (Effort: ) =

Total: + = **\$ C&G Funding**
- THIRD:** Calculate your OTC

  - Full Calculation:  $(\text{TNS} - \text{Cap Rate}) \times \text{Capped Effort \%} = \text{OTC Needed}$
$$(\$ - \$ ) \times = \text{OTC Needed}$$
  - Lazy Way:  $(\text{TNS} - \text{C\&G Funding}) = \text{OTC Needed}$
$$\text{\$} - \text{\$} = \text{OTC Needed}$$
  - NOTE: This "lazy way" assumes you have **no errors** in Step 2. If you are not confident with your C&G calculations, use the full calculation to check your work instead.
- FOURTH:** Combine!  $\text{C\&G Funding} + \text{OTC Needed} = \text{TNS}$

$$(\text{NIH 31145: } ) + (\text{Uncap 58223: } ) + (\text{OTC tbd: } )$$

$$= \$280,000 \text{ TNS}$$

# OTC *Manual* Calculations

- It is important for Fund Managers to understand these calculations, as this understanding is essential to:
  - Prepare backup files to accompany UC Path transactions (**required**)
  - Perform **payroll reconciliation** responsibilities as part of monthly close procedures.
- When working within UC Path, the MCOP/Salary Cap Worksheet will automate the calculation of OTC, minimizing the administrative burden (*time consumption*) by the fund manager if this had to be done manually!

# MCOP Worksheet

vs

# Funding Entry or Direct Retro

- The Worksheet itself **DOES NOT** drive payroll expense posting; rather, it is a **tool** designed to automate **Over The Cap** cost calculations, and complete transaction distribution pages within UC Path for personnel with *Multiple Components of Pay*
- Worksheet calculations are **% Effort** driven, and treat OTC costs as *unfunded effort*
- Every DOM Faculty, regardless of OTC status, must use the MCOP Worksheet to update Funding Entry in UC Path
- Only Faculty that exceed salary caps on C&G Funds will need the MCOP Worksheet for Direct Retros
- Should **NEVER** see the Default FAU (UC Cost Centers) outside of the "Default Funding Profile" box
- Completed **and approved** distribution updates provide UC Path with instructions on how to appropriately post payroll transactions to the Payroll Ledger and General Ledger
- Distributions represent **% Pay...**
  - Funding Entry: ... per each component of pay (*exceeds 100% for MCOP Faculty*)
  - Direct Retro: ... of the overall paycheck value of the payroll period being adjusted
- **When completed using the MCOP Worksheet tool, UC Path automatically translates the MCOP Worksheet to Funding Entry or Direct Retro New Data on behalf of the GL Initiator**
- Faculty must *always* have a 100% Default FAU distribution row with **no Earn Code** in their Funding Entry Distributions
  - Default FAU (UC Cost Centers) should still never be listed in Direct Retros
  - Staff do not list the Default FAU (UC Cost Centers)

# Preparation

- Use the [DOM Faculty Funding Update Template](#) (*manual OTC calculations required*) and/or the [MCOP Funding Update Wizard Worksheet](#) (*auto OTC calculations*) as the backup attachment for all UC Path Transactions
- Know your limits
  - Each component (HSR, HSP, HSN) has a distinct **maximum % effort** (fixed) that it funds
  - If your Faculty uses 19900 funds (can only be used toward HSR (X) payroll) you may be required to cost share C&G effort to 19900 to ensure these funds are utilized (*example next slide*)
- Know Your OTC liability *in advance*
  - OTC costs should be charged to Unrestricted Funds. **DO NOT USE** other C&G funds (yes, even Industry funds) to cover OTC costs without explicit sponsor permission to do so (*rare*)
    - Formula to calculate the amount of OTC unrestricted funding needed:
      - **% Effort distributed to the capped FAU(s) x (Actual Rate - Capped Rate) = \$ OTC Liability**
  - If your PI needs to use multiple FAUs to cover OTC, especially if 1 or more of these FAUs has limited funds available to cover the OTC, you may need to split C&G effort across multiple distribution rows to ensure OTC also posts as desired (*example next slide*)
    - To calculate, flip the above formula as such:
      - **\$ OTC funding available ÷ (Actual Rate – Capped Rate) = % Effort to list separately on worksheet**

# Sample Preparation

- Dr. Bruin's TNS is \$300,000
  - 37% HSR, 29% HSP and 34% HSN
  - 70% of her effort is funded via NIH Grants (Cap rate \$212,100)
  - 25% of her effort is funded via uncapped C&G funds

- How much effort will be charged to C&G funds?

- $70\% + 25\% =$

- How much of Dr. Bruin's TNS is funded via C&G Funds?

**% Effort distributed to the capped FAU(s) x Capped Rate**

**+ % Effort distributed to the uncapped FAU(s) x Actual Rate**

- 

- How much of her remaining TNS will be flagged as OTC Funding?

**% Effort distributed to the capped FAU(s) x (Actual Rate - Capped Rate) = \$ OTC Liability**

-

# Advanced Calculations

- When a faculty member is over-funded, fund managers are expected to present Faculty with all potential funding models available to them. Knowing how to recommend which funds can be cost-shared, vs. which funds should be prioritized is a valuable skill!
- Common scenarios:
  - “19900 Faculty” have a majority of their HSR component covered, but are permitted to “max out” their research effort (85% Effort can be applied to research activities, 90% with Dean’s Office approval).
    - Prioritizing 19900 funds vs. C&G funds is dependent on multiple factors, including timing and overall program needs
  - Salary Commitments may on occasion cover a large proportion of (or in some cases the entire) TNS, but in the Department of Medicine should be used only when there is not sufficient C&G or other research funding.



# Sample Preparation

- Dr. Bruin's TNS is \$300,000
  - 37% HSR, 29% HSP and 34% HSN
  - 70% of her effort is funded via NIH Grants (Cap rate \$212,100)
  - 20% of her effort is funded via uncapped C&G funds
  - **5% can be charged to the Comp Plan as-needed**
  - **\$93,190 is available on 19900**
- What is the maximum amount of 19900 that can be used *without cost-sharing any C&G Effort*?
  
- Are there any problem that should be addressed?

# Maximizing 19900 (*bonus calcs*)

- Scenario: Your faculty would like to prioritize 19900 over C&G funds, and would like to know how to maximize 19900 and C&G funds together to return the least amount of C&G funding possible.

Formula to identify minimum amount to charge to 19900 as effort:

$$\frac{(\text{19900 \$ Funds Available} - (\text{HSR \% Effort} * (\text{Actual Rate} - \text{Capped Rate})))}{\div \text{Cap Rate}} = \% \text{ to charge to 19900 as effort}$$

- For example:
  - $(\$93,190 - (37\% * (\$300,000 - \$212,100))) \div \$212,100 = 28.603\%$ 
    - 19900:  $\$300,000 \times 28.603\% \text{ Effort} = \$85,809$
    - NIH:  $\$212,100 \times 8.397\% \text{ Effort} = \$17,810$  charged to NIH as effort
    - OTC on 19900:  $(\$300,000 - \$212,100) * 8.397\% \text{ Effort} = \$7,381$

Vs.

- If 19900 is not used for OTC and only used for effort
  - 19900:  $\$93,190 \div \$300,000 = 31.0633\% \text{ Effort on HSR consumed}$
  - NIH:  $\$212,100 \times 5.9367\% \text{ Effort} = \$12,592$  charged to NIH as effort
  - No OTC! We used all 19900 on Effort already

## Links from Today's Class

- DOM ORA UC Path Training materials and Templates
  - <https://medschool.ucla.edu/ora/ucpath>
- UC Path Training Series
  - <https://www.centralresourceunit.ucla.edu/s/courses-lms>
- UC Path Website
  - <https://ucpath.universityofcalifornia.edu>

# 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!