

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!**

Gift Management & Types

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

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 Development Training Website](#)

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](#)
- Tax ID #: 95-6006143
- Checks to: UC Regents
- Deposit into: GRU - 4-116030-54805
- Form: [Regental Gift Transmittal Form](#)
- 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](#)
- Tax ID #: 95-2250801
- Checks to: UCLA Foundation
- Deposit into: Do NOT deposit; forward to UCLA Foundation
- Form: [Foundation Transmittal Form](#)
- Steps: 2 steps: 1) forward all documentation to UCLA Fdn, 2) MTF requested by FM for use
- Reporting: MTF or request detailed reports f/Development

Fees

Fees

- Gift Processing Fee = 6.5%
- Brinks Pickup Fees = \$19.50 both on & off-campus on-call pick-ups
- Credit Card Fee
 - E-Commerce – gifts processed via various giving websites
 - Visa/Master Card = 2.65%
 - American Express = 2.28%
 - Discover = 3.30%
 - Lockbox – gifts received on paper donation forms
 - Visa/Master Card = 2.65%
 - American Express = 2.28%
 - Discover = 3.00%

How to Set Up a New Gift Fund

Setting Up New Regental or Foundation Funds

- Confirm with PI which s/he would like to set up
- Complete [online form](#)
- Follow instruction at the top of the form
- Contacts:
 - Access issues: EAAppsServiceDesk@support.ucla.edu
 - General questions: askfundmanagement@support.ucla.edu

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.

How to Process Regental Gift Checks

- Make a copy of the check!
- Deposit check into GRU (Gift Received Undistributed) via [CASHNet](#) or hard copy deposit slip to Main Cashier's Office *SOM specific instructions, next slide
 - [4-116030- -54805](#) (see sample on next slide)
 - Do **NOT** deposit directly into PI's gift fund
- Complete [Regental Gift Transmittal Form](#)
 - Full instructions are located on page 2 of the form
 - DOM – Submit all requested internal documents to [DOM Executive Admin Office](#) for Yanina's signature. Do NOT submit directly to Data Services.
 - DOM Additional [Gift Certification Form](#) for gifts > \$10,000 not from an individual
 - Make a copy 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 91109-9903

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

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" or "C" = 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 [Foundation Transmittal Form](#)
- Full instructions located on page 2 of the form
 - Make sure to make a copy the check, transmittal form and all documentation attached to the transmittal form for your files.
- Have both check and [Foundation Transmittal Form](#) delivered to Gift Services (10889 Wilshire Blvd, 10th 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 a web interface with two main columns. The left column is titled 'FINANCIAL SYSTEM REPORTS' and contains a list of report types: UCLA Financial Web Reports (CDW) Feedback, UCLA Financial Web Reports, Payroll Reports, CG Reports, PAC/BruinBuy Reports, BAR Reports, and CASHNET Reports. Below this is a section titled 'APPLICATIONS' with a red box highlighting 'Consolidated Gift Fund Management', along with other options like Web DocumentDirect, PAN - Post Authorization Notification, and CASHNET - Processing Cash Receipts and Services Application. The right column is titled 'FINANCIAL SYSTEM KEY ENTRY' and lists: Non-Payroll Expenditure Adjustment, Transfer of Funds, Interdepartmental Recharge, and Recharge Order Request.

| FINANCIAL SYSTEM REPORTS | FINANCIAL SYSTEM KEY ENTRY |
|---|--|
| <ul style="list-style-type: none">▶ UCLA Financial Web Reports (CDW) <i>Feedback</i>▶ UCLA Financial Web Reports▶ Payroll Reports▶ CG Reports▶ PAC/BruinBuy Reports▶ BAR Reports▶ CASHNET Reports | <ul style="list-style-type: none">▶ Non-Payroll Expenditure Adjustment▶ Transfer of Funds▶ Interdepartmental Recharge▶ Recharge Order Request |
| APPLICATIONS | |
| <ul style="list-style-type: none">▶ Consolidated Gift Fund Management▶ Web DocumentDirect▶ PAN - Post Authorization Notification▶ CASHNET - Processing Cash Receipts▶ CASHNET - Services Application | |

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 |

Miscellaneous Topics

Don't Forget the 700-U!

- For both Regental & Foundation gifts
- Statement of Economic Interests for Principal Investigators
- Required if
 - Donor is a company or foundation, i.e. *not* an individual
 - 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.

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

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!

Links from Today's Class

- Gift Services Home Page
 - Regental & Foundation Gift Transmittal Forms
<https://giftservices.support2.ucla.edu/> - request access via email to EAAppsServiceDesk@support.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/l2opp2y9e0ig55j3egvbqial9ziws22z>
- UCOP C&G Manual – Gift & Endowment Chapter
 - <http://www.ucop.edu/research-policy-analysis-coordination/resources-tools/contract-and-grant-manual/chapterg/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
 - Monetary Transfer of Funds (MTF)
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

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!