

# 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 ([gmriviera@mednet.ucla.edu](mailto:gmriviera@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:

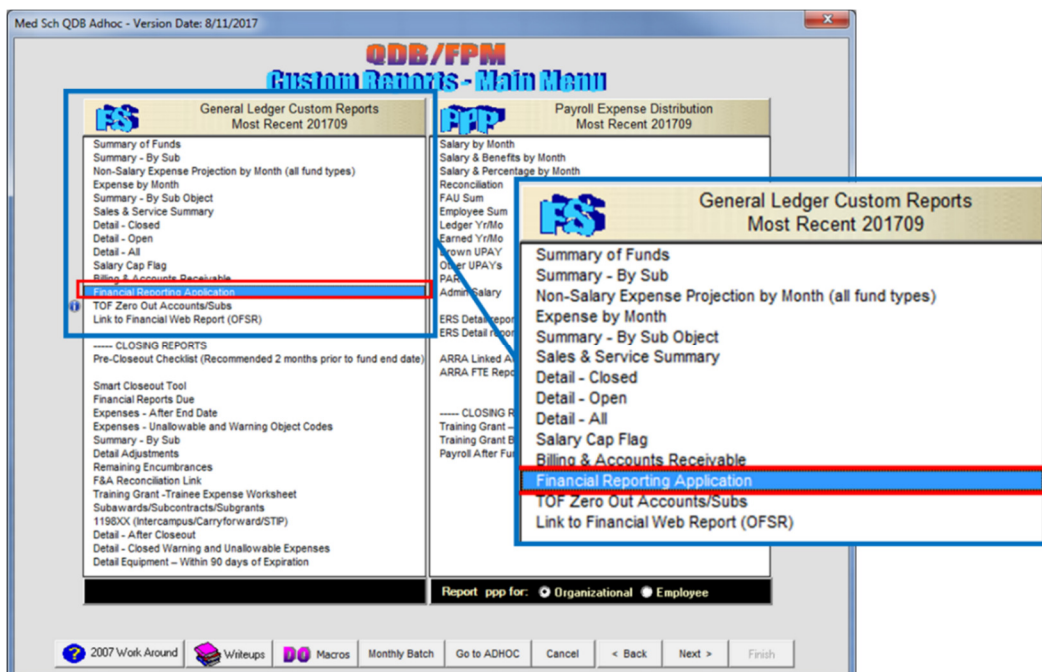
**Short Term Investment Pool (STIP):** The Treasurer of The Regents maintains a central bank account for all monies received by the University. Any cash balances remaining in the central bank account not needed to cover daily disbursements is invested in short-term securities. These short-term securities 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'

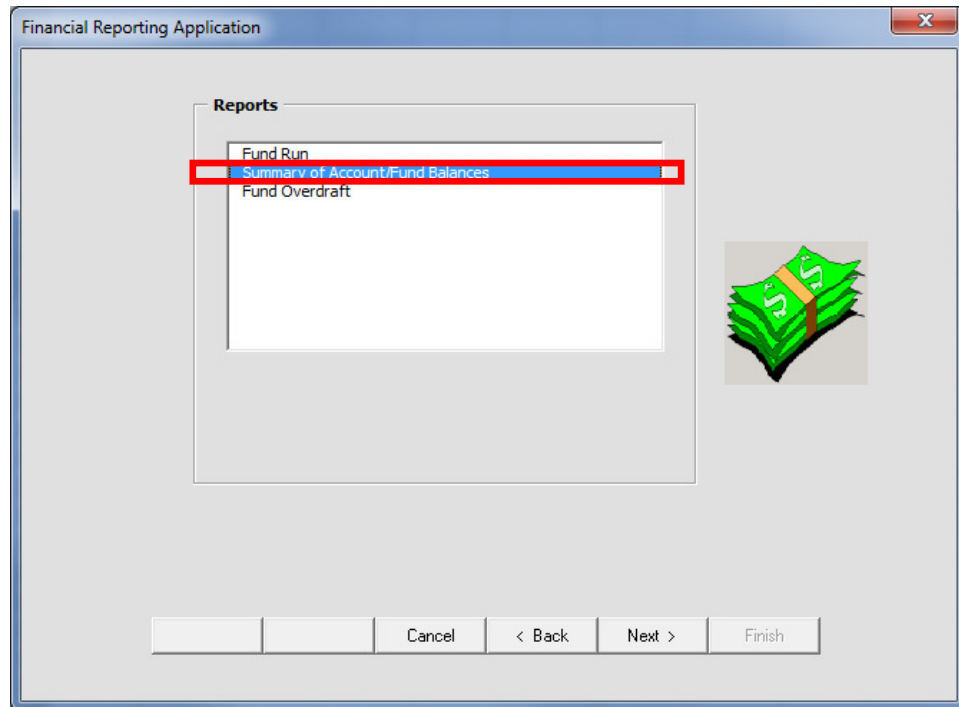
Run 'Financial Reporting Application' (FRA)



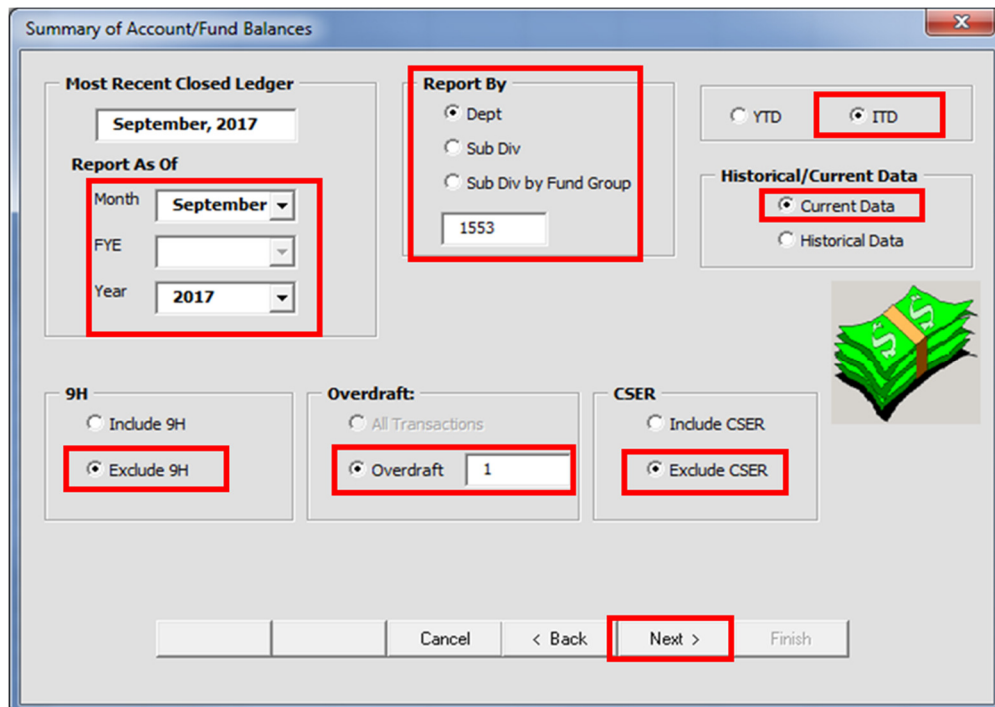
Run 'Summary of Account/Fund Balances' with the criteria below:

(\* 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



The screenshot shows the 'Financial Reporting Application' window. Inside, there is a 'Reports' list box containing three items: 'Fund Run', 'Summary of Account/Fund Balances' (which is highlighted with a red border), and 'Fund Overdraft'. To the right of the list is a graphic of a stack of green money. At the bottom of the window are buttons for 'Cancel', '< Back', 'Next >', and 'Finish'.



The screenshot shows the 'Summary of Account/Fund Balances' window. It contains several sections with fields and radio buttons. Red boxes highlight the following elements:
 

- Most Recent Closed Ledger:** 'September, 2017'.
- Report As Of:** 'Month' dropdown set to 'September', 'FYE' dropdown, and 'Year' dropdown set to '2017'.
- Report By:** 'Dept' radio button selected, 'Sub Div' radio button, and a text box containing '1553'.
- Historical/Current Data:** 'ITD' radio button selected (next to 'YTD'), and 'Current Data' radio button selected (next to 'Historical Data').
- 9H:** 'Exclude 9H' radio button selected (next to 'Include 9H').
- Overdraft:** 'Overdraft' radio button selected, and a text box containing '1'.
- CSER:** 'Exclude CSER' radio button selected (next to 'Include CSER').

 At the bottom are buttons for 'Cancel', '< Back', 'Next >' (highlighted with a red box), and 'Finish'. A graphic of a stack of green money is on the right side.

Summary of Account/Fund Balances

**Detail Level:**

☐ By Acct

☒ By CC

☐ Rollup

**Fund Groups:**

☒ All Categories

☐ Select One or More Categories

000010 AGENCY, FUNDS  
 100100 PLANT, GIFTS - RESTRICT  
 100200 PLANT, FEDERAL GRANTS  
 100210 PLANT, FEDERAL GRANTS-ARRA  
 100300 PLANT, STATE APPROPRIATIONS  
 100400 PLANT, UNIVERSITY FUNDS  
 100510 PLANT, MULTI-CAMPUS BORROWING  
 100590 PLANT, CAMPUS BORROWING  
 100600 PLANT, GIFTS - UNRESTRICTED  
 100800 UNEXPND PLANT - STATE GRANTS  
 101100 PLANT, UNIVERSITY FUNDS  
 101200 PLANT, TRUSTEE FUNDS  
 102000 PLANT, INVESTMENT IN PLANT-OTHER  
 102100 INVESTMENT IN PLANT-FEDERALLY SPONSORED  
 102200 INVESTMENT IN PLANT-NON-FEDERALLY SPONSO  
 201000 LOAN, UNIVERSITY LOAN FUND  
 202100 LOAN, FEDERAL CONTRIBUTION

Cancel < Back Next > **Finish**

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:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	XXXX MEDICINE-DIVISION - Summary of Account/Fund Balances As Of: November 2017 ITD (Excluding CSER) (Excluding 9H) (Overdraft Exceeding 1)														
2															
3	Run Date: 12/12/2017														
4															
5	Fund Group	Managing PI	Account	CC	Fund	Fund Description	Budgetary	Financial	Encumbrance & Memo Lien	Operating Balance	Add column headers K-O				
6	Contracts and Grants - Clinical Trials	BRUIN, JOE	44XXXX	XX	XXXXX		17,102.12	17,104.12	0.00	(2.00)	OD Begin LYM	# Months in OD	LYM OD Will Clear	Explanation for OD	Fund Manager
7	Contracts and Grants - Clinical Trials	DOE, JOHN	44XXXX	XX	XXXXX		27,461.24	27,753.52	0.00	(292.28)					
8	Contracts and Grants - Clinical Trials		44XXXX	XX	XXXXX		0.00	2,500.00	0.00	(2,500.00)					
9	Contracts and Grants - Clinical Trials		44XXXX	XX	XXXXX		0.00	2,500.00	0.00	(2,500.00)					
10	Contracts and Grants - Clinical Trials Total						44,563.36	49,857.64	0.00	(5,294.28)					

- K. OD Begin LYM\*** – Enter the ledger year month (LYM) the overdraft first began.
- L. # Months in OD** – If the current month is the 1<sup>st</sup> 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:** 1<sup>st</sup> 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**.