

# UCR

## Contract & Users Group

September 12, 2016

10:00 a.m.- 11:30 a.m.

CHASS INT North 1020.

**BFS – Business & Financial Services**

*A Division of Business & Administration Services (BAS)*



UNIVERSITY OF CALIFORNIA, RIVERSIDE

# Agenda

- Payroll Certification Audit Update (Bobbi McCracken)
- Tools to Monitor C&G Balances (Bobbi McCracken)
- C&G Related Cost Transfers (Pauline Librenjak)
- Student Payments (Pauline Librenjak)
- New C&G Training-Preaward Administration (Charles Greer)
- BFS-EMF Service Level Agreement FY2017 (Bobbi McCracken)
- PIWRS Enhancement Update (Bobbi McCracken)
- C&G Lean Book Club Interest (Bobbi McCracken)



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# Payroll Certification Audit Update

# Payroll Certification Audit Update

## Background

- In 2011, UCR became one of four universities in the nation approved to participate in a Federal Demonstration Partnership pilot to demonstrate an alternative method of certifying salaries charged to federal funding.
- The goals of the pilot were to provide greater accountability, accuracy, efficiency and transparency.
- UC's original proposal involved an 18-month demonstration with two internal audits.
- In 2013, UC was informed Health and Human Services Office of the Inspector General would be performing a joint audit of each institutions payroll distribution systems and processes with the National Science Foundation Office of the Inspector General at all four pilot locations. UCR audit proceeded throughout 2013.
- UCR received a draft audit report in April 2016. Response provided in June 2016. No timeline for final report.
- Between April 2011 and June 2016, UCR issued approximately 4,000 payroll certification; for the same time period, approximately 24,000 effort reports (aka PARs) would have been issued.

# Payroll Certification Audit Update

Although the draft report contained many inaccuracies and HHS-OIG is not seeking reimbursement, there is room for improvement in a few areas. The documentation provided by departments to support salary charges and cost transfers was inconsistent. Your cooperation and assistance requested in the following areas:

## **Cost Transfers:**

- Ensure PI approval is obtained. Simply noting on PPS entry “per PI” is not sufficient. Approval be accomplished a number of ways; e.g. e-mail, signature on request form, signature on PPS screen print, etc.
- Ensure the reason for the cost transfer is necessary and must contain a complete explanation
- The payroll reason code alone is not sufficient. “To correct an error” is not sufficient.
- Transactions over 120 days old should not be moved to another contract and grant fund. Note: PPS should be enforcing, but if transfers are processed EMF will be asking for additional documentation and may be asked for cost to be moved to unrestricted funding source. Note: In UCPATH, UCR business rules will prevent cost transfers over 120 days to a contract and grant fund.

# Payroll Certification Audit Update

## **Late Pay (LX/RX):**

- Even if the system does not restrict, department are responsible to ensure inappropriate transactions are not processed. Requires awareness of expiration dates and other reporting impacts.

## **Student Employees:**

- Student appointments (and all other positions) should have documentation to show how directly benefiting project; e.g. position/job description.

## **Distribution Changes:**

- PI Must approve distribution changes; position on budget not sufficient to document approval.



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# Tools to Monitor C&G Balances

# Tools to Monitor C&G Balances

## R'Space Tools Portal-UCRFS On-line Reports Page

- Financial Transaction Detail Reports
  - Generated and posted after each period close
  - Every department should be reconciling their ledgers on a monthly basis, identifying overdrafts, and developing plans to resolve
- PI Inception to Date Report
  - Generated and posted after each period close by Prime PI
  - Also available via PAMIS PIWRS and eAward page



# Tools to Monitor C&G Balances

## UCRFS-Financial Reports-Deficit Analysis Report

- Ad hoc report available across all funding sources
- Identification of potential issues; further research may be required

The screenshot displays the UCRFS Financial System interface. The browser address bar shows the URL: [https://fsportalservers.ucr.edu/psp/UCRFSLB/EMPLOYEE/ERP/c/UCR\\_SQ](https://fsportalservers.ucr.edu/psp/UCRFSLB/EMPLOYEE/ERP/c/UCR_SQ). The page title is "UCRFS UCR FINANCIAL SYSTEM". The navigation menu includes "Home", "Worklist", "MultiChannel Console", "Add to Favorites", and "Sign out of UCRFS".

The main content area is titled "UCR Deficit Spending". It shows the "Run Control ID: Deficit BOBBIB" and a "Run" button. The "Process Instance: 1966375" is also displayed.

The configuration section includes the following fields and options:

- \*Fiscal Year: 2017
- Business Unit: UCR
- \*Accounting Period: YTD (Year to Date)
- \*Activity: D01047

There are two sections for selection:

- FAU Combination:**
  - Only FAU combinations with negative carry forward.
  - All FAU combinations in deficit.
- Budget Category Details:**
  - Do not include Budget Category details
  - Include Budget Category details

At the bottom, there are buttons for "Save", "Return to Search", "Next in List", "Previous in List", "Add", and "Update/Display".

# Tools to Monitor C&G Balances

## UCRFS Totals

- Settings below; after running, sort balance column

Query Criteria

**Query ID:** 56905

**Name:** DEPT C&G BALANCES/DEFICITS

**Query Description:** DEPARTMENT C&G BALANCES/DEFICITS BY FUND

**Query Type:** SUMMARY

**Fiscal Year:** 2017

**Organization:** ORG14

**Department:** D01047

**Ledger:** ACTUALS, TEMP

**Fund Report Type:** ALL

**Fund Group:** 3060, 3101, 3120, 3130, 3140, 3160, 3170

**Account Type:** 120

**Saved Date:** 07/27/2016

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Selected Fields

**Query Tab Fields:** ,,,,

**Standard Tab Fields:** Fiscal Year / Activity / Fund / Monetary Amount / Separate / Balance /

**Fund/Award Tab Fields:** /

**Drilldown Fields:** Fiscal Year / Accounting Period / Ledger / Journal ID / Journal Date / Source / Activity / Fund / Function / Cost Center / Project / Line Descr / Line Reference / BEA Trans Class / BEA Trans Type / Monetary Amount / FTE / Transactor /

# Tools to Monitor C&G Balances

## RSpace Authorized Applications-PAMIS

- PIWRS
  - Generated after each period close
  - Fund specific

Department generated reports (e.g. ERS)

For a complete list of UCR reports, descriptions, and instructions, please visit: <http://cnc.ucr.edu/reports/>  
(also available via Rspace-Tools portal Reporting Systems @ UCR)



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# C&G Related Cost Transfers

# UC Policy on Cost Transfers

- Business & Finance Bulletin A-47: Direct Costing Procedures state it is appropriate to make expenditure adjustments only in the following situations (applies to all funding sources):
  1. To correct an erroneous recording
  2. To record a change in the decisions made originally as to the use of goods or services
  3. To redistribute certain high numerical but small individual and/or minor charges (e.g., copy machine rental and paper costs, telephone charges, mailing charges, or charges for office supplies) which are billed to departmental accounts(s)/fund(s), but a portion of which may apply to other accounts under the jurisdiction of the department. Departments must maintain internal records/logs of such usage to support the adjustment.
  4. To redistribute payroll costs based on the after-the-fact verification of effort reported through the campus effort reporting system used to certify individual effort on federal contracts and grants. (Note: UCR uses the payroll certification process).

# UC Policy on Cost Transfers (cont.)

A request for adjustment of expenditures shall meet the following tests when the adjustment is to transfer a cost to a restricted fund provided by an external agency for a specific purpose:

- It must relate to individual items of expenditures (e.g., a cylinder of oxygen or fraction thereof, two hours of technical staff when identifiable to a specific cost objective) incurred by the unit requesting the adjustment.
- It must contain a reference to the invoice, payroll, or other disbursement document(s) which initiated the original direct charge.
- It should be in the same amount originally recorded in the University general ledger (i.e., the whole amount or the appropriate fraction charged to and/or paid by the unit requesting the adjustment). If transferring a fractional amount the transfer request must contain an explanation supporting a reasonable and equitable method of allocation.
- It must be fully explained, justified, and approved by the unit administrator(s) involved in the transaction. (an explanation which merely states that the adjustment being made is "to correct an error," "to transfer to correct project," or "expenditure inadvertently charged to incorrect account/fund" is not sufficient). In the case of adjustments which involve Federal grants and contracts, the certification and approval signatures must include that of the principal investigator, department head, or other academic official. For transfers processed electronically or using on-line systems, the certification and approval of the department head, principal investigator or other academic official must be maintained by the department in accordance with local campus requirements.

# UC Policy on Cost Transfers (cont.)

The University is committed to the accurate and timely maintenance of its financial records. Situations requiring the transfer of recorded costs must be identified and processed expeditiously. Additionally, special considerations must be given to transfers of cost to federal funds to ensure that the University action meets the administrative standards established by the federal government.

- If the expense is being transferred to a federal or federal flow-through account, it must be recorded in the general ledger within 120 days from the close of the month in which the original charge posts to the ledger (for example, the deadline for adjusting a charge which appears in the January ledger will be the May ledger).

At UCR, exceptions to the 120 day limit should be rare.

# Actions to Limit Cost Transfers and Ensure Prompt Cost Transfers

- Solid departmental procedures when transactions are initiated regarding approvals and FAU selection
- Prompt PAN reviews
- Timely monthly ledger reconciliations
- Principal Investigator (PI) monthly review of financial reports (e.g. PIWRS or other department generated reporting, such as ERS)
- If a transfer (payroll and non-payroll) is necessary, departments are responsible for complying with requirements on BFB A-47 and maintaining supporting documentation for audit purposes.

# Federal Cost Transfers

- Ensure transfer is allowable, allocable, reasonable, consistent and adheres to agency Terms & Conditions.
- Transfer **TO** a Direct Federal or Federal flow thru (FFT) award must be completed within 120 days
  - If over 120 days, cost should be moved to an unrestricted funding source.
    - FCT business rules prevent
    - PPS business rules impaired, reports are generated, manual controls
    - UCPath business rules will prevent
  - Again, exceptions should be rare and require close coordination with Extramural Funds

# Accounting Review

- Report of Payroll transactions over 120 days and to Federal reviewed by Accounting
- Is the PR cost transfer **TO** a Direct Federal or FFT award over 120 days old?
  - Accounting will request supporting documentation for review
  - If documentation and/or justification insufficient, cost will need to be transferred to an unrestricted funding source

# References

- Business & Finance Bulletin (BFB) – A47
  - <http://policy.ucop.edu/doc/3420326/BFB-A-47>
- Uniform Guidance 2 CFR, Part 200
  - <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards#sec-200>
- UCOP Contract and Grant Manual – Cost Transfers (7-400)
  - <http://www.ucop.edu/research-policy-analysis-coordination/resources-tools/contract-and-grant-manual/chapter7/chapter-7-400.html>
- UC Learning Management System (LMS)
  - Review Cost Transfer On-line Training module



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# Student Payments

# Types of Student Payments

- Compensation—personal services (UG §200.430)
  - Work must directly benefit the project
  - Includes tuition remission ((UG§200.466) provided that:
    - (1) The individual is conducting activities necessary to the Federal award;
    - (2) Tuition remission and other support are provided in accordance with established policy of the IHE and consistently provided in a like manner to students in return for similar activities conducted under Federal awards as well as other activities; and
    - (3) During the academic period, the student is enrolled in an advanced degree program at a non-Federal entity or affiliated institution and the activities of the student in relation to the Federal award are related to the degree program;
    - (4) The tuition or other payments are reasonable compensation for the work performed and are conditioned explicitly upon the performance of necessary work; and
    - (5) It is the IHE's practice to similarly compensate students under Federal awards as well as other activities.
- Scholarships and student aid costs (UG§200.466)
  - Costs of scholarships, fellowships, and other programs of student aid at IHEs are allowable only when the purpose of the Federal award is to provide training to selected participants and the charge is approved by the Federal awarding agency.
- Participant Support (UG §200-75 and §200-456)
  - Direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects. Requires prior approval of the Federal awarding agency.

# Distinguishing between Stipends and Salaries/Wages

<http://research.ucr.edu/spa/lifecycle/proposal-preparation-submission/preparing-proposal-budgets-budget-justifications/distinguishing-between-stipends-and-salaries.aspx>

## Comparison

Stipend	Salaries & Wages
Financial assistance or support paid to university students; no work assigned.	Compensation for performance of assigned work.
No scope of work.	Scope of work assigned.
No UC Patent Agreement.	UC Patent Agreement signed.
No Workers' Compensation coverage.	Workers' Compensation coverage.
No required fringe benefits or remissions.	Applicable UC employee fringe benefits and Tuition and Fee Remission as appropriate based on eligibility.
Student-mentor relationship; no employer-employee relationship.	Employer-employee relationship.
No grant and contract support unless the purpose of the award is to provide fellowship or scholarship.	Can be paid from grant and contract funds, and other internal funding sources.
Pay at the beginning of the quarter. No obligation to perform any assigned tasks or specific projects.	Pay based upon hours or percentage of time worked performing assigned job specific duties.
Selection based upon University policies that determine student's financial need or merit through competition.	Selection by the individual Principal Investigator or Lead Researcher based on competency, skills, knowledge, and ability and coordinated with Human Resources.
Disbursed by Graduate Division or Financial Aid Office. When supported by extramural awards made to UCR, administered jointly by Sponsored Programs Administration, Contract and Grant Accounting and the responsible school or department.	Salary/wages disbursed by Payroll. When supported by extramural awards made to UCR, requires additional coordination with Sponsored Programs Administration and Contract and Grant Accounting.
Amounts based upon reasonable need or stipend limits set by the sponsor of the training or fellowship grant.	Amounts restricted by University salary scales.

# Student Payments on Contract or Grant

## If payroll:

- Ensure position budgeted (or re-budgeting allowed)
- Ensure position description exists and directly benefits award
- Approvals by PI on file

## If stipend or other financial aid:

- Ensure payment explicitly outlined in proposal budget and approved by the agency;
- Prior to advertisement of program, criteria for program participation and payment clearly outlined.
- Items approved by agency, should be budgeted to BC35 under either Financial Aid for undergraduates or Graduate Division for graduates

# Student Disbursement Methods

- Salaries/Wages and standard benefits
  - Processed through payroll
- Financial Aid/Stipends
  - For UC students, processed through Student Information System and required coordination through Financial Aid or Grad Division
- Participant Support
  - Normally subject to a reduced indirect cost rate, so unique fund assigned
  - Travel costs via iTravel; airfare should be procured via Connexus/eBuy when possible to minimize participants' out of pocket expense
  - Stipends
    - For UC students, see above
    - For non-UC student, payment issued through ePay; recommend disbursing to the student's home institution for redistribution to the student.



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# New C&G Training: Pre-Award Administration



## Promoting a Learning Community for Research Administrators

### Upcoming Events & Initiatives

- ❑ RED Training Listening Tour
- ❑ Research Administrators Informative Noontime Collaboration (RA INC)
- ❑ Fundamentals of Pre-Award Research Administration Workshop
- ❑ Cayuse 424 User Group Meeting
- ❑ New Faculty Seminars

cayuse 424



Research Administrators  
Informative Noontime Collaboration



Collaborate ~ Communicate ~ Connect





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# New Budget Model: BFS Service Level Agreement 2017

# EMF SLA

- Assignment of contract and grant fund numbers within two business days of issuance of Notice of Award
- Generate invoices/drawdowns per the terms and conditions of the awards and follow up on outstanding receivables to minimize delinquent payments and write-offs
- Generate standard financial reporting per the terms and conditions of the awards
- Coordinate payroll certifications and cost sharing reporting to ensure 100% completion within 45 days of issuance
- Process gifts no less frequently than monthly
- Process endowment income annually by September ledgers
- Goal for FY2017 to re-implement training in conjunction with Research & Economic Development and Leaders of Excellence And Distinction (LEAD) group



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# PIWRS Enhancements

# PIWRS Enhancements

- Goal: Enhance PIWRS to eliminate need for ERS or other manual reporting
- Workgroup: CFAOs, FAOs, C&C, and BFS
- Initial review of mock-ups by various PIs and C&G analyst; feedback provided
- Specifications close to completion, pending review of revised mock-ups by other stakeholders
- Additional updates and timeline to be discussed at next C&G Users Group meeting



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# C&G Lean Book Club

## Sign Up Sheet



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# Questions