



Advanced OLFS WebLinks for Sponsored Projects

Post Award Management of
Extramural Funds – Module 5

Instructors: Michael Grafton and Florence Lu



Course Objectives

- Understand how to use WebLinks inquiries and reports in the post-award management process to:
 - Validate fund setup
 - Verify appropriations
 - Manage fund, review fund activity and identify problems
 - Research and analyze problems



Course Agenda

- Review terminology
- Case Study 1: Validate new grant award setup and appropriation.
- Case Study 2: Review clinical trial payments and appropriations.
- Case Study 3: Examine inter-campus subcontract accounting entries where UCSF is prime and UCSF is sub.
- Case Study 4: Analyze cost transfers and discuss cause and prevention.



Course Agenda

- WebLinks Reports for Sponsored Projects
 - DPA Summary
 - Expenditure Summary by NCA Group
 - Research Financial Summary by Fund/FY
 - Status and Overdraft
 - Budget Status Report
 - BSR Payroll Report



Terminology Review

- **Revenue**

Recognition of income when an expense is incurred

- **Accounts Receivable (AR)**

Billing that has not been paid

- **Billing**

Tracking of:

- (1) invoices for expenses incurred,
- (2) installment or scheduled payments due, or
- (3) milestone payments (e.g., clinical trials)

- **Unbilled Accounts Receivable (UAR)**

Recognized revenue that has not been billed to the sponsor

- **Deferred Revenue**

Prepayment amount that is “utilized” as expenses are incurred



Terminology Review

■ **Cost Reimbursable (CRB)**

- Awards that are billed based on actual expenses incurred and posted to the General Ledger
- Includes Federal awards where request for reimbursement is by Letter of Credit (LOC) drawdown, a direct request for funds based upon actual expenses paid, and UCSF is the primary holder of the award

Examples: Federal LOC grants, cost reimbursable contracts

■ **Prepaid (PPD)**

- Awards that are NOT billed on actual expenses (payment may come early or in specified amounts)

Examples: Clinical Trials, Installment Pay, Fixed Price Contracts, Units of Service, Milestones, Prepayment, Combinations



WebLinks Overview

■ **Inquiries**

- DPA, Fund, DPA-Fund, DPA-Fund-FY, NCA Group, NCA, Program Code, SpeedCharts, Source Code

■ **Summary Reports**

- Fund Summary, DPA Summary, Revenue Summary, Expenditure Summary by NCA Group, 12-Month Financial Summary by NCA Group, Research Financial Summary by Fund/FY, Status and Overdraft Reports,

■ **Detail Reports**

- GL Transaction Detail, Budget Status Report, Distribution of Payroll Expense, BSR Payroll Detail

■ **Tools**

- List Maintenance

■ **Cost Sharing Reports**



Case Study 1: Validate Setup and Appropriation

■ Scenario

- Department 598268 recently received an NIH award with the National Institute of Allergy and Infectious Diseases to research the biology of HIV transmission.
 - Previously, Department submitted a Fund Advance Request.
 - EMF set up the Fund as a PTA and coupled it with DPA 444915.



Case Study 1: Validate Setup and Appropriation

■ Award Setup

- Information from OSR Approval Form proposal and project pages are used to generate award.
- Department sends EMF an email with DPAs to be coupled with the new Fund, additional project information, PI confirmation or changes for each project.
- EMF uses Department email to complete award setup:
 - Project, billing, and contract information
 - Fund, Fund Years, DPAs, and Fund-FY-DPA couplings
 - Budget appropriation (This is done at award setup except for clinical trials.)



Case Study 1: Validate Setup and Appropriation

- Refer to OSR Approval Form, Department Email to EMF, and Notice of Award on pp. 1-3.
 - How many projects were budgeted in the proposal?
Six
 - How many DPA-Fund couplings are there in the Email?
Seven
 - What determines the PI on the DPA-Fund-FY?
PI from Proposal Express Projects page
 - Is there cost sharing? What is submitted to EMF when the award includes cost sharing? What chartfield is used to track cost sharing? Yes; Cost Sharing Template; Program Code
 - What is the F&A percent?
54%; Note F&A should have been 54.5% starting Year 2



Case Study 1: Validate Setup and Appropriation

- Refer to the Award Profile, Award Modifications, and Project pages in Oracle on pp. 4-5.
 - How many projects are shown on the Award Profile page?
Seven
 - Are there any discrepancies between the Notice of Award spreadsheet summary and the Award Modifications page?
No
 - Look at the Project Search List on p. 5. How come the RSA can only view 6 projects?
One project has a DepCode that this RSA cannot view



Case Study 1: Validate Setup and Appropriation

■ Fund Year Setup

UCOP funds, e.g. UARP, BCRP, TRDRP	No fund years are assigned.
Multi-year awards that require an annual FSR	Assign new fund year for each year.
Multi-year awards that require an FSR at end of competitive segment only	Assign new fund year for each competitive segment. e.g. FY01 = 5 yrs
Single period awards (one year or longer) E.g. city contracts, clinical trials, some subcontracts	Use FY-01 only. e.g. FY-01 = 14 months



Case Study 1: Validate Setup and Appropriation

- Refer to the WebLinks Fund, DPA-Fund, and DPA-Fund-FY inquiries on p. 6.
 - What is the primary Project ID for this Fund?
107339A
 - How many Fund Years have been set up?
One
 - According to the Fund Year Setup Guidelines, how many would you have expected?
Five
 - How many DPA-Fund combinations were set up? Is this correct?
Seven; Yes
 - What steps should you take if a PI changes for FY-02?
Notify EMF of the change



Case Study 1: Validate Setup and Appropriation

■ Appropriation Policy

<p>All Sponsored Funds, except clinical trial funds</p>	<p>If a sponsored project award is made for multiple fund years, then the appropriation (Source Code 135) is made at the award setup stage to:</p> <ul style="list-style-type: none"><input type="checkbox"/> Debit (+) Revenue NCA<input type="checkbox"/> Credit (-) NCA 438888 for direct costs<input type="checkbox"/> Credit (-) NCA 490000 for F&A <p>Note: Departments may reallocate between DPAs and budget NCA groups using a Source Code 135.</p>
<p>Clinical Trial Funds</p>	<p>Clinical trial fund appropriations are made only when a sponsor payment is made. Budget entries are the same as above.</p> <p>Note: Clinical trial appropriations are made at the end of the month before month-end close.</p>



Case Study 1: Validate Setup and Appropriation

- Refer to the Award Notice on p. 3 and WebLinks Inquiries on p. 6. (Confirm with the GL Transaction Detail report on p. 7.)
 - Which NCA will EMF use to appropriate revenue?
331021 (for Federal Grants)
 - Which DPA?
None, revenue is appropriated to the Fund only
 - How much revenue will EMF appropriate?
\$2,579,793
 - Which DPA will EMF use to appropriate the expense?
444915, which is the primary DPA
 - How much will be appropriated to NCA 438888? To NCA 490000? \$1,786,699- to 438888 and \$793,094- to 490000
 - For re-budgeting, which DPA and NCAs should the department debit? DPA 444915 and NCAs 438888 and 490000



Case Study 1: Validate Setup and Appropriation

- Refer to the DPA Summary Report on p. 8.
 - Notice the budgeted amounts for subawards. For DPA, 557288, what are the possible reasons the budget amount is \$50,000 (instead of \$25,000)?

There could be two subawards, or it could be an error and the budget should be \$25,000.

 - What would the correction be?

If it is an error, the budget for NCA 437510 should be reduced \$25,000, and the budget for NCA 437520 should be increased by \$25,000.



Case Study 2: Clinical Trial Appropriation/Payments

■ Scenario

- Department 276908 recently received a clinical trial award with Novartis Pharmaceuticals to study the effects of a monoclonal antibody.

Case Study 2: Clinical Trial Appropriation/Payments

- Calculation of F&A Expense – Base M

F&A Manual	
External Recharge Revenue	\$ 100.00
F&A Rate	30.0%
Direct Cost Equation	$\$ 100.00 / 1.30 = \$ 76.92$
F&A Calculation @ 30.0%	$\$ 76.92 \times 0.30 = \$ 23.08$
F&A RAS	
External Recharge Revenue	\$ 100.00
F&A Rate	30.0%
	In this example, the 30% rate is “translated” into a 23.0% substituted rate for purposes of F&A calculation: $1 / 1.30 \times 0.30 = 0.230769$
Substituted F&A Calculation	$\$ 100.00 \times 0.23 = \$ 23.00$
Note: Neither RAS nor AFP can accommodate two-step calculations, therefore each system uses this substitution as the rate.	Variance between manual and substituted F&A calculation: \$0.08 undercharge



Case Study 2:

Clinical Trial Appropriation/Payments

- Refer to the OSR Award Set-Up Checklist, Fund, DPA-Fund and DPA-Fund-FY inquiries on pp.1-2.
 - What is the percent in the system used to calculate F&A?
What is the *contract* F&A percent?
18%; 22%
 - When does the clinical trial end?
02/19/2009
 - How many DPA-Fund couplings are there?
One
 - Are clinical trials considered cost reimbursable awards or prepaid awards in RAS?
Prepaid



Case Study 2: Clinical Trial Appropriation/Payments


- Refer to the GL Transaction Detail for 03/2007 to 09/2007 on p. 3.
 - How many payments have been received and what was the amount?
One payment for \$5000
 - What is the direct cost appropriation? the F&A appropriation?
\$4100 for Direct Costs; \$900 for F&A
 - When is the budget appropriated for clinical trials?
At time of payment
 - Who bills the sponsor for clinical trials?
Departments; this is the only billing done by departments. All other billing is done by EMF.



Case Study 2:

Clinical Trial Appropriation/Payments

- Refer to the Clinical Trial Payments reports on p. 4 and the Research Financial Summary on pp. 5-6.
 - For new awards Post RAS Go-Live, what two WebLinks criteria can you use to restrict the report to payments (p.4)?
NCA = 112625 (AR) and Journal ID = A30*
 - For converted awards, how could you determine what the payments are for clinical trials (p. 4)?
Limit the GL Transaction Detail to Source Code 135
 - On the Research Financial Summary by Fund/FY for 09/2007, have all payments been appropriated (p. 5)? How can you tell?
Yes; Total Budget = Applied Payments
 - On the 2nd Research Financial Summary (p. 6), why is Applied Payments column greater than the Total Budget column?
Report was run before month-end close; budget not yet appropriated.



Case Study 3: Intercampus Subcontracts

■ Scenario 3-A

- UCSF is a subcontractor on an award where UC Berkeley is the Prime.

■ Scenario 3-B

- UCSF has a contract with NIH for AIDS Research that includes subcontracts with UC Davis, UC Irvine, UCLA, as well as several external agencies.

Case Study 3-A: Intercampus Subcontracts: UCSF Sub

Transaction Flow

Account Type	Source	NCA	Budget	Financial	Balance
Financial Control <i>No DPA-Fund-FY-Program</i>	573	1195xx		\$10,000 ³	\$10,000
AP or Payroll Liability	426, 536	11xxxx		(\$10,000) ²	(\$10,000)
Unexpended Balance <i>(Program Code X08xx)</i>	135 573	119800 Private 119850 Gov't	\$10,000 ⁴	(\$10,000) ³	\$0
Revenue	135 135	3xxxxx	\$100,000 ¹ (\$10,000) ⁴ <u>\$90,000</u>		\$100,000 <u>(\$10,000)</u> \$90,000
Expenditure	135 426, 536	Various NCA Groups	(\$100,000) ¹	\$10,000 ²	(\$90,000)
All Account Types			\$0	\$0	\$0

Departments do not see transaction



Case Study 3-A: Intercampus Subcontracts: UCSF Sub

- Refer to the Matrix of Subcontract Activity, the Fund Inquiry, and the GL Transaction Detail on pp. 1-4.
 - What is the reason for using a Transaction Code for the financial intercampus transfers to unexpended balance (p. 1)?
They identify the UC sister campus to request reimbursement.
 - Why can't departments see the transactions posted to the 1195xx financial control NCA (p. 1)?
They are posted to the NCA only (no DPA-Fund-FY-Program Code).
 - What is the Pay Method for the subcontract (p. 2)?
Pay Method 95 is used when UCSF is the sub.
 - What is the amount of the budget debit to Unexpended Balance and credit to Revenue for the cash transfer (p. 3)?
DR 119800 \$12,314.48 and CR 332040 (12,314.48).
 - What is the remaining budget (p. 4)? \$332.52

Case Study 3-B: Intercampus Subcontracts: UCSF Prime

Transaction Flow

Account Type	Source	NCA	Budget	Financial	Balance
Financial Control <i>No DPA-Fund-FY-Program</i>	570	1195xx		(\$10,000) ²	(\$10,000)
Accounts Receivable	516	11xxxx		\$10,000 ⁴	\$10,000
Unexpended Balance <i>(Program Code X08xx)</i>	570 135	119800 Private 119850 Gov't	(\$10,000) ³	\$10,000 ²	\$0
Revenue	135 533	3xxxxx	\$100,000 ¹	(\$10,000) ⁴	\$90,000
Expenditure	135 135	437520	(\$100,000) ¹ \$10,000 ³ <u>(\$90,000)</u>		(\$100,000) \$10,000 <u>(\$90,000)</u>
All Account Types			\$0	\$0	\$0

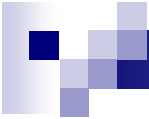
Departments do not see transaction



Case Study 3-B:

Intercampus Subcontracts: UCSF Prime

- Refer to the Fund, Fund-DPA, and Fund-DPA-FY Inquiries on pp. 5 and 6.
 - What is the Pay Method on Fund 24879 and how is UCSF reimbursed by the sponsor?
Pay Method 90 is for letter-of-credit awards.
 - Which Fund Year ended 6/30/07?
Fund Year 05
 - How many DPAs are coupled with Fund 24879? How many are subcontracts with sister campuses?
22 DPAs, 4 with sister campuses (Davis, Irvine, UCLA, UCSD)
 - What is the Project ID for DPA 623508?
100381M



Case Study 3-B: Intercampus Subcontracts: UCSF Prime

- Refer to the GL Transaction Detail report on p. 7.
 - Why is there a budget column that offsets the financial column for the 1198xx Unexpended Balance NCA (p. 7)?
Intercampus transfers must be reflected in the expenditure summary. This is done by crediting 1198xx and debiting expenditure NCA 437520.
 - Why is the budget column different than the Financial column on Expenditure NCA 437520 (p. 7)?
There is still \$485.82 remaining budget (available to spend).




Case Study 3-B:

Intercampus Subcontracts: UCSF Prime

- Refer to the **GL Transaction Detail report on p. 8.**
 - What are possible reasons Transaction Code X0901 is used instead of X0804 on several of the UCLA transactions?
Program Code X0901 are used for unexpended balance transfers; Cost Transfer transaction 535 was used to transfer to/from another DPA or FY


- Refer to the **Matrix of Subcontract Activity on p. 1 and the GL Transaction Detail report on p. 9.**
 - Why are there no 1198xx Unexpended Balance transactions on DPA 623508?
This subaward is to an external agency, and therefore does not flow through the unexpended balance NCA.



Case Study 4: Cost Transfer Research

- Scenario

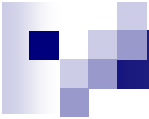
- AP expenses were charged to the incorrect Fund Year.
 - Fund is NIH letter-of-credit grant.



Case Study 4: Cost Transfer Research

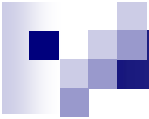
■ Compliance Risks

- Transfers made near or after the end of a project
- Sole purpose of transfer is to move a deficit from one sponsored project to another
- Transfers that give the appearance of utilizing unspent project funds
- Salary transfers where effort has already been certified for a past period
- Late cost transfers



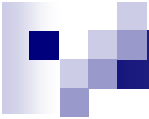
Case Study 4: Cost Transfer Research

- Refer to the Fund, Fund-DPA, and Fund-DPA-FY Inquiries on pp. 2 and 3.
 - When does FY 01 end? When does FY 02 end?
FY 01 ends 06/30/2006. FY 02 ends 06/30/2007
 - How many DPAs are coupled with the Fund?
Three
 - What is the Project ID for DPA 431901?
101048A



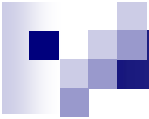
Case Study 4: Cost Transfer Research

- Refer to the GL Transaction Detail on p. 4.
 - Although FY 01 has ended, several AP transactions were posted to FY 01 during 06/2007. What are possible reasons?
Incorrect FY on the SpeedChart; Incorrect FY a P.O. or recharge
 - When would be the best time to post the cost transfer?
During the Interim Close
 - What is the most likely explanation for why the F&A total cost is not 8% of the total direct costs?
For letter-of-credit, F&A is only calculated on direct costs that have been paid. So some of the AP vouchers have probably not been paid.



Case Study 4: Cost Transfer Research

- Refer to the GL Transaction Detail on p. 5.
 - What would be a good explanation of why the correct funding source was not charged originally?
Due to an accounting error, the charges were posted to the incorrect fund year.
 - How could you explain in what way the fund now being charged is the correct fund and how the expense benefits the project?
The charges were incurred during fund year 2 of the grant. The supplies expenses are in support of a student's research project.
 - Notice that the total F&A expense for the cost transfers is more than the F&A on the original AP transactions. Why?
Some of the AP vouchers were paid since the original AP transactions.



Case Study 4: Cost Transfer Research

- Refer to the Budget Status Report for FY 02 on p. 6 and the Expenditure Summary by DPA, Fund, and NCA Group on p. 7.
 - How much was billed in 06/2007?
\$46,069.09

 - How much did the sponsor pay?
\$46,069.09

 - What is the total Ledger Budget for FY 02?
(\$533,398.76)

 - What are the Ledger Total Expenses for FY 02?
\$334,724.33

 - What is the Ledger Balance? Is there budget left to spend?
(\$198,774.43); yes

WebLinks Reports

WebLinks Report	Sponsored Contracts and Grants	All Other Funds
Fund Summary	Contains prior fiscal year carry forward balances plus current year activity for all unexpended balance, revenue, and expense NCAs. Note: <u>does not include</u> AR or Deferred Revenue NCAs.	Contains prior fiscal year carry forward balances plus current year activity for all unexpended balance, revenue, and expense NCAs.
DPA Summary	Provides a <u>cumulative history</u> of expenditures only. Unexpended balance and revenue NCAs are not included. Note: When prior fund years are “closed-out” and the balances at the DPA-Fund level are 0.00, then those DPA-Fund-FY combinations are “dropped” from reporting when the dates are after that fiscal close. This was implemented to prevent a report from showing a complete history of closed awards with zero balances.	Provides <u>current year activity</u> for expenditures only.

WebLinks Reports

WebLinks Report	Sponsored Contracts and Grants	All Other Funds
Research Financial Summary by Fund/BY	Answers key questions for Fund/FY as well as each DPA (Project) associated with the Fund: <ul style="list-style-type: none"> ■ How much have we spent? ■ What is remaining budget? ■ How much Revenue have we earned? ■ How much have we billed the sponsor? ■ How much as the sponsor paid? 	RAS Funds only
Revenue Summary	Provides current year balances for revenue NCAs (3xxxxx series).	Provides current year balances for revenue NCAs (3xxxxx series).
Expenditure Summary by NCA Group	Provides a <u>cumulative history</u> of expenditures only. Unexpended balance and revenue NCAs are not included. Matches the totals on the DPA Summary and BSR Report.	Provides <u>current year activity</u> for expenditures only.

WebLinks Reports

WebLinks Report	Sponsored Contracts and Grants	All Other Funds
Status and Overdraft Reports	Provides information on fund balances according to UCOP Group Codes. Indicates which funds or fund years are expiring, and shows the Department Code that owns the DPA and Fund.	Provides reports for private and opportunity funds, General and Specific State Funds, and all other funds including sales and service, education fees, and reserve funds.
Budget Status Report	Provides a tool to manage budgets and expenditures by DPA within the current FY (or a recently ended FY). Matches the totals on the DPA Summary and the Expenditure Summary. <ul style="list-style-type: none"> ■ Offers drill-down features to view GL Transaction Detail. 	Specifically designed for funds in RAS. The reports may be useful for other funds, but the results may not be accurate due to differing calculations for budget appropriations, etc.
BSR Payroll Detail	Provides a month-by-month report of payroll activity for a specific DPA-Fund-FY combination. <ul style="list-style-type: none"> ■ Offers drill-down features to view detailed DPE. 	