

UCSF
STIP Overview

Controller's Office
May 28, 2008

Agenda

- What is **STIP**?
- **STIP** Distribution Process Overview
- **STIP** for Gift and Endowments
- **STIP** for Fund Balance
- **STIP** Distribution Exceptions
- **STIP** AFP Attributes
- **STIP** Weblinks example

Introduction

The Short Term Investment Pool (STIP) is an investment pool consisting of assets remaining in the Regents' central bank accounts after disbursements, which are invested by the Treasurer of The Regents in short-term investments.

Funds available for current expenditures residing in campus funds maintained by The Regents are part of STIP and all campuses participate in the distribution of STIP income. STIP income earned is distributed at the end of each quarter to each of the campuses.

STIP Categories

Group I: University-wide basis funds

State Appropriations, State Agencies, and Educational Fee funds.

Group II: Private gift, grant and endowment funds

Plant Gift, Restricted and Unrestricted Gifts, Grants, and Contracts, Clinical Trials, and Endowment Income funds

Group III: Medical compensation plans and hospital funds

Medical compensation plan, Plant Hospital and School of Medicine, Professional Fees, and Hospital funds.

Group IV: Federal funds

Federal Plant and Federal Grants and Contract funds.

Group V: Campus unrestricted funds

Agency, Student Fees, Local Government Grants and Contracts, Sales & Services, Other Sources, Auxiliary Enterprise, and Reserves Funds.

Distribution Process

Once the Final Quarterly STIP Earnings for the Campus are determined they must be appropriately distributed. STIP is ultimately posted to various general ledger accounts via the following processes:

- UCOP distribution (file received directly from UCOP)
- UCSF distribution (UCSF STIP Program)
- Foundation distribution (manual entries done by Foundation)
- Special Medical Center distribution (done by Med Center)

UCOP Distribution

About two months after the end of each quarter a file is received from UCOP containing the STIP distribution for that quarter. The file is converted into a format readable by the Campus PeopleSoft system and loaded into the General Ledger. Once the UCOP file has been posted in PeopleSoft the Campus distribution takes place.



Campus Distribution

The Campus distribution process is done on a quarterly basis. The quarterly periods are three months with the exception of the 4th quarter.

The 4th quarter uses only April and May balances (Period 10 and Period 11) for calculating STIP. This is because June balances are not final until the end of July, so the Office of the President and the campus do not use the June financial fund balance for calculating STIP at the fund level.

The interest generated by the June financial fund balance is used by the Office of the President in calculating the campus total earnings and STIP rate, so nothing is lost to the campus or departments in this process.

Journal Identification

Three journals are generated as part of the STIP process:

xxD97 Financial STIP distribution generated by Office of the President. Journal line entries will be in the form “STIP Income Q#”. The # signifies the period.

xxD97A Financial STIP distribution generated by the campus STIP program for all “Other” interest earning funds. This journal also includes the Gift and Endowment assessment made from those funds. Journal line entries will be in the form STIP PERIODS x TO y: zzzzz where x and y are the periods and zzzzz is the originating fund number.

NOTE: The offset entries generated during the Financial STIP distribution do not have individual entries. Instead they are grouped together by Program Code and NCA in either fund 69943 or fund 69997.

xxD97B Budget STIP distribution generated by the campus STIP program for all funds that earn STIP. Journal line entries will be in the form STIP PERIODS x TO y: zzzzz where x and y are the periods and zzzzz is the originating fund number.

STIP Assessments

There are two types of Campus level STIP distribution:

- STIP assessment on Gifts and Endowments per UCSF Administrative Policy 250-10, Section III.B
- STIP assessment based on financial fund balances as calculated by the UCSF STIP program per UCSF Administrative Policy 300-35 Short Term Investment Pool (STIP)

Gift & Endowments Assessment

It is University policy that Gift and Endowment current funds held by either The Regents or the UCSF Foundation will be assessed a percentage of STIP income that is then credited to the Chancellor on a quarterly basis.

Most of the Gift and Endowment STIP is calculated by UCOP and is included in the STIP journal file received and posted from UCOP. When the UCSF STIP program is run it looks at these journal entries and takes a percentage of the amount to generate the ACTUALS and BUDGETS journal entries.

Gift and Endowment Example Fund 40214

Amount from UCOP: (672.32)

STIP Assessment: 75%

Actuals:

Cr. Fund Balance - Fund 40214	NCA 119800	Pgm Cd X0810	672.32
Dr. Fund Balance - Fund 40214	NCA 119800	Pgm Cd X0799	504.24
Cr. Fund Balance - Fund 69943	NCA 119850	Pgm Cd X0799	504.24

Budgets:

Dr. Fund Balance - Fund 40214	NCA 119800		168.08
Cr. Fund Balance - Fund 40214	NCA 433040	DPA 444984	168.08

Fund Balance Assessment

For the remaining funds eligible for STIP, the average financial fund balance is used to determine distribution as based on the schools requirements.

For the first three quarters of the fiscal year, the ending financial fund balance for each month of the quarter is summed together and divided by three. For the fourth quarter of the fiscal year the ending financial fund balance for April and May are summed together and divided by two. The result is the average quarterly financial fund balance used to calculate STIP.

- Funds with a surplus average quarterly financial fund balance of \$1,000 or more receive STIP Income.
- Funds with a deficit average quarterly financial fund balance of (\$1,000) or more receive STIP Expense.

Fund Balance Assessment

- Calculate the average fund balance for the fund:

$$\left[\frac{((\text{Period 1 Total}) + (\text{Period 2 Total}) + (\text{Period 3 Total}))}{(\text{Number of Periods})} \right]$$

- Calculate the STIP amount using the following formula:

$$\frac{(\textit{average fund balance}) \times (\text{Stip rate})}{4}$$

Fund Balance Assessment Example Fund 66329

STIP rate received from OP = 4.2808%

Period 1 = -173,083.19

Period 2 = -205,799.33

Period 3 = -227,461.27

Sum of Periods 1, 2, 3 = -610,343.79

$$\text{Average Fund Balance} = \left[\frac{-610,343.79}{3} \right] = -203,447.93$$

$$\text{STIP Amount} = \frac{-203,447.93 \times .042808}{4} = -2,177.30$$

Fund Balance Assessment with Deferred Revenue

- Calculate the average fund balance for the fund:

$$\left[\frac{((\text{Period 1 Total}) + (\text{Period 2 Total}) + (\text{Period 3 Total})) + ((\text{Period 1 Deferred}) + (\text{Period 2 Deferred}) + (\text{Period 3 Deferred}))}{(\text{Number of Periods})} \right]$$

- Calculate the STIP amount using the following formula:

$$\frac{(\text{average fund balance}) \times (\text{Stip rate})}{4}$$

Fund Balance Assessment Example Fund 83298

STIP rate received from OP = 4.2808%

$$\text{Period 1} = 24,392.43 + -336,006.64$$

$$\text{Period 2} = 23,128.50 + -392,629.44$$

$$\text{Period 3} = 23,128.50 + -372,475.47$$

$$\text{Sum of Periods 1, 2, 3} = -1,030,462.12$$

$$\text{Average Fund Balance} = \left[\frac{-1,030,462.12}{3} \right] = -343,487.37$$

$$\text{STIP Amount} = \frac{-343,487.37 \times .042808}{4} = -3,676.00$$

Two NCA Rule Example Fund 59408

STIP rate received from OP = 4.2808%

IC_Rate for fund = .0475

Period 1 = -165,331.53

Period 2 = -166,900.42

Period 3 = -166,723.30

Sum of Periods 1, 2, 3 = -498,955.25

$$\text{Average Fund Balance} = \left[\frac{-498,955.25}{3} \right] = -166,318.42$$

$$\text{STIP amount} = \frac{-166,318.42 \times .042808}{4} = -1,779.94$$

$$\text{STIP Amount for NCA 433040} = \frac{-1,779.94}{1 + .475} = -1,206.74$$

$$\text{STIP Amount for NCA 490000} = -1,779.94 - \left(\frac{-1,779.94}{1 + .475} \right) = -573.20$$

Distribution Exceptions

Federal Flow-Throughs

- Although subject to federal rules and regulations, federal flow-throughs are categorized as private contracts. Expenses must post to the general ledger before the Controller's Office can bill, so the funds are usually in deficit and incur negative STIP. Negative STIP cannot be charged to the fund because Federal rules apply.
- Federal flow-through funds are identified by a value of 3 in the Fed Flow Thru field of the Account Fund Profile (AFP). A Federal Flow Thru-STIP Clearing Fund (84000) has been designated as the fund where all Federal Flow Through STIP will go. After STIP is posted each quarter, a manual adjustment is made to move the Federal Flow Through funds to the Chancellor's STIP Clearing account (69997). The STIP ID for all Federal Flow Through funds should be 84000F

Distribution Exceptions

Special Handling

- There were several manual journals entries entered by the Controller's Office each quarter to handle special cases. These journal entries were for Pro Fee funds with receivables associated with them, self-supporting operations assessed an inventory STIP, Valencia PEDS, and STIP Dialysis. The journal entries are now automated as part of the UCSF STIP program.
- These funds have STIP calculated and distributed as described in Campus Distribution. The difference between these funds and other funds is the average fund balance is derived solely from particular balance sheet NCAs rather than fund numbers, and the STIP is distributed to specific funds.

Distribution Exceptions

Foundation STIP

- Foundation STIP is calculated in the same way as it is for the Regents. However, all Foundation STIP entries are done as manual entries by Foundation Accounting.

Medical Center STIP

- On a quarterly basis UCOP sends a report to the Medical Center detailing the STIP income each campus has earned. The calculation of the Medical Center STIP is independent of the STIP process the Campus undergoes.

STIP AFP Attributes

Stip Id

The Stip Id is a fund number with an “Alpha” character as the last digit. This is a parameter used by the STIP program to help determine where a fund’s STIP should be placed. Every fund should have a Stip Id defined for it in the AFP. The alpha characters are defined as follows:

- W (Group I – University-Wide)
- G (Group II – Gifts, Private Grants, & Endowments)
- M (Group III – Medical Center Comp Plans)
- H (Group III – Hospital Funds)
- F (Group IV – Federal Funds)
- C (Group V – Campus Unrestricted Funds)
- P (Plant Funds)
- L (Loan Funds)
- X (Do not process)

STIP AFP Attributes

Stip ACCT

This refers to the DPA to be used when creating journal entries for each fund. The DPA **MUST** be coupled to the fund. It is also important to note when the STIP is going to the fund designated in the Stip ID, the Stip Acct of the **Stip Id** fund will be used.

Fed Flow Thru

As mentioned previously in Federal Flow-Through Funds, those funds with a Fed Flow Thru value of 3 are handled differently than other funds.

STIP Program Driving Tables

As the STIP program is running, it uses driving tables to determine how each applicable fund is to be processed. The three driving tables are for:

- Actuals journal entries
- Budgets journal entries
- Journal entries for special cases using NCAs rather than funds.

The Actuals and Budgets driving tables use the **Fund UCOP Group Code** of the fund to determine distribution, while the NCA driving table uses specific **NCAs** rather than Fund UCOP Group codes.

STIP Program Driving Tables

Two important columns to note in the driving tables are **TARGET FUND** and **TARGET DPA**.

- TARGET FUND contains the fund number to which STIP will be applied for each Fund UCOP Group Code. If the value in this column is STIPID then the STIP will be directed to the fund identified in the AFP parameter STIP ID for the fund. The alternate fund's "target" and "source" parameters will then be used in the creation of the STIP journals.
- TARGET DPA works the same way. This column contains the DPA to which the STIP will be applied for each Fund UCOP Group Code. Used predominately for the BUDGETS journal, the value associated with this field is generally "STIPACCT". If this value is present then the STIP Account associated with the TARGET FUND is used.

Driving Tables Example

To illustrate this, fund 45304 will be used as an example. This fund has the AFP attributes of STIPID 60518G, STIPACCT 444918, and Fund UCOP Group Code 408200. The entries in the Actuals and Budgets driving tables for Fund UCOP Group Code is (not all fields are shown):

Actuals:

Group Code	Bal	STIP Rule	Target NCA	Target Fund	Target PgmCd	Target DPA	Offset NCA	Offset Fund	Offset PgmCd
408200	CR	75	119800	SOURCE	X0799		119850	69943	X0799
408200	DR	CAMPUS	119850	STIPID	X0901		119850	69997	X0901

Budgets:

Group Code	Bal	STIP Rule	Target NCA	Target Fund	Target PgmCd	Target DPA	Offset NCA	Offset Fund	Offset PgmCd
408200	CR	75	433040	SOURCE		STIPACCT	119800	SOURCE	
408200	DR	CAMPUS	433040	STIPID		STIPACCT	119850	STIPID	

Driving Tables Example

The STIP amount computed for Q3-07 on fund 45304 is a 608.73 debit. Using the driving table entries above, the STIP will be distributed as follows:

Actuals:					
Dr. Fund Balance -	Fund 60518	NCA 119850	Pgm Cd X0901		608.73
Cr. Fund Balance -	Fund 69997	NCA 119850	Pgm Cd X0901		608.73
Budgets:					
Dr. Fund Balance -	Fund 60518	NCA 433040	DPA 404918		608.73
Cr. Fund Balance -	Fund 60518	NCA 119850			608.73

In the above example the STIPIID fund, 60518 and its' AFP attributes for Unexpended Balance and DPA were used.


Using Weblinks

Weblinks can be used to reconcile the STIP distribution for a particular fund by running a Fund Summary by Fund (and Balance Sheet Summary by NCA for RAS Funds) for each month per period. However, there are a few things to keep in mind when using Weblinks to determine average quarterly fund balance:

- ✓ Always use the **Financial** fund balance in the reconciliation. The Budget and the Balance columns are never used for STIP.
- ✓ Departmental access restrictions may affect the financial fund balance displayed by Weblinks. If this is the case, you will not be able to correctly reconcile the STIP distribution.
- ✓ Remember to use the correct months for the financial fund balances. For example, for the 1st quarter you must use the financial fund balances from July, August and September to get the Average Fund Balance.
- ✓ Remember to use only April and May for to get the financial fund balances for the 4th quarter and to divide by 2 rather than 3 to get the average fund balance.
- ✓ You must get the financial fund balance for each month separately.
- ✓ Use the correct STIP rate provided by UCOP. STIP rates are located on the Controller's Office website (<http://www.acctg.ucsf.edu/>).

Weblinks – AFP Attributes

Fund Inquiry

Fund No:	82667	Fund Title:	CELERA/BIOSTAR UC COOP RES FP 7/07
Department Cd:	452619	Dept Name:	CARDIOVASCULAR RESEARCH INST
Prin Invest:	KANE,JOHN P	Bud NonBud:	N
UCOP Group:	408410	Fund Id:	628000
Begin Date:	01/28/2003	End Date:	07/27/2011
Sales Use Tax:	Y	Stip Id:	60267G
Stip Acct:	565826	 Restrict Cd:	R
Reapprop Cd:	2	Stop Cd:	Inactive
Stop Date:		Award Type:	2
Fed Flow Thru:	1	Report Freq:	
IC BASE:	A	IC Rate Cd:	
IC Rate:	0.515	Pay Method:	60
OnOff Campus:	1	Endow Rest:	
Sponsor Cat:	04	Sponsor Cd:	3772
Recharge Cd:	N	CFDA:	
UBIT:	N	Agency Cd:	
NIH Cap Fund:	N	Last Action Date:	09/12/2007
Award Id:	A104209	Last Action User:	SFCSSPS
Project Id:	104209A		

Fund Balance

[Pdf](#) [Excel](#)

Fund Summary by Fund/FY for 03/2007 (CLOSED)

Remember to use the
Financial fund balance

Row(s) 1 - 1 of 1

Fund/FY	Budget	Financial	Lien	Balance	Pct	Fund Title
82667-	0.00	96,811.57-	0.00	96,811.57-	N/A	CELERA/BIOSTAR UC COOP RES FP 7/07
Totals:	0.00	96,811.57-	0.00	96,811.57-	N/A	

Row(s) 1 - 1 of 1

Selected Report Criteria

Business Unit: UCSF

Fund Type: Current

Fund: 82667*

Date: 03/2007

Deferred Revenue Balance

Pdf Excel

Balance Sheet Summary by NCA for 03/2007 (CLOSED)

For this fund group, include deferred revenue in STIP calculation.

Row(s) 1 - 5 of 5

Nca	Budget	Financial	Balance	Pct	NCA Title
112643	0.00	135,287.50	135,287.50	-0.00%	AR-PRIVATE CONTRACTS RESTRICT
115518	0.00	4.03	4.03	-0.00%	SAN FRANCISCO COUNTY SALES/USE
115540	0.00	0.00	0.00	N/A	UNCLAIMED CHECKS-VENDOR
118475	0.00	44,038.37-	44,038.37-	0.00%	DEF REV-PRIVATE CONTRACTS REST
119800	131,090.34-	131,090.34	0.00	100.00%	GIFTS PRIV CONTR & PRIV GRANTS
Totals:	131,090.34-	222,343.50	91,253.16	58.96%	

Row(s) 1 - 5 of 5

Selected Report Criteria

Business Unit: UCSF

Fund Type: Current

Account Type: All

Fund: 82667*

Date: 03/2007

STIP Calculation & Distribution Example

The following example reflects the process used to determine the STIP assessment for fund 60153 for the 3rd quarter of FY 2007:

STIP rate received from OP = 4.2808%

Financial fund balance in January = (505,361.00)

Financial fund balance in February = (510,676.48)

Financial fund balance in March = (510,676.48)

Sum of three periods = (1,526,713.96)

Average fund balance = $(1,526,713.96) / 3 = (508,904.65)$ ((neg) = credit or surplus balance)

Average fund balance $\leq (1,000)$ (Process only for funds in surplus larger than or equal to \$1,000)

STIP amount = $[(508,904.65) * .042808] / 4 = (5,446.30)$

STIP Calculation & Distribution Example

In Weblinks the postings would look like this: (The Financial offset entry is not shown since it is not an individual entry.)

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GL Transaction Detail for 05/2007 To 05/2007 (CLOSED)

Row(s) 1 - 3 of 3

Src	NCA	Prog	Line Description 1	Budget	Financial	Lien PO ID	Invoice ID	Invoice Dt	Jrnl ID	Jrnl Dt
DPA - DPA NOT USED										
FundFY - 60153- NURSING-COMM & ADMIN NURSING										
NCA Group - 100000 BALANCE SHEET NCA BUDGET GROUP										
538	119850	X0901	STIP PERIODS 7 TO 9: 60153	0.00	5,446.30-	0.00			11D97A	05/31/2007
137	119850		STIP PERIODS 7 TO 9: 60153	5,446.30	0.00	0.00			11D97B	05/31/2007
Total:				5,446.30	5,446.30-	0.00				
Total:				5,446.30	5,446.30-	0.00				
Total:				5,446.30	5,446.30-	0.00				
DPA - 405201 NURSING-DEANS OFFICE										
FundFY - 60153- NURSING-COMM & ADMIN NURSING										
NCA Group - 432900 INTEREST AND DEPRECIATION										
137	433040		STIP PERIODS 7 TO 9: 60153	5,446.30-	0.00	0.00			11D97B	05/31/2007
Total:				5,446.30-	0.00	0.00				
Total:				5,446.30-	0.00	0.00				
Total:				5,446.30-	0.00	0.00				
Totals:				0.00	5,446.30-	0.00				

Two NCA Example

The following example reflects the process used to determine the STIP assessment for fund 82667 for the 3rd quarter of FY 2007. This is a Private Contract fund, has a non-zero IC Rate, and has a credit average fund balance making it eligible for the Two NCA distribution:

STIP rate received from OP = 4.2808%

Fin fund bal and Defr'd Revenue in January = (95,690.72) + (44,038.37)

Fin fund bal and Defr'd Revenue in February = (96,822.93) + (44,038.37)

Fin fund bal and Defr'd Revenue in March = (96,811.57) + (44,038.37)

Sum of three periods = (421,440.33)

Average fund balance = (421,440.33)/3 = (140,480.11)

Average fund balance <= (1,000)

STIP amount = [(140,480.11) * .042808] / 4 = (1,503.42)

According to [STIP DISTRIBUTION RULES](#) for Group II funds, if STIP is a credit the fund will receive the STIP, otherwise the STIP goes to the fund identified in the STIP Id. In the case of fund 82667 the STIP is a credit so the fund receives the STIP.

Two NCA Example

[Pdf](#) [Excel](#)

GL Transaction Detail for 05/2007 To 05/2007 (CLOSED)

Row(s) 1 - 4 of 4

Src	NCA	Prog	Line	Description 1	Budget	Financial	Lien PO ID	Invoice ID	Invoice Dt	Jrnl ID	Jrnl Dt
DPA - DPA NOT USED											
FundFY - 82667- CELERA/BIOSTAR UC COOP RES FP 7/07											
NCA Group - 100000 BALANCE SHEET NCA BUDGET GROUP											
	538	119800	X0799	STIP PERIODS 7 TO 9: 82667	0.00	1,503.42-	0.00			11D97A	05/31/2007
	137	119800		STIP PERIODS 7 TO 9: 82667	1,503.42	0.00	0.00			11D97B	05/31/2007
Total:					1,503.42	1,503.42-	0.00				
Total:					1,503.42	1,503.42-	0.00				
Total:					1,503.42	1,503.42-	0.00				
DPA - 565826 BIOSTAR KANE 02-10251 01/03-01/05											
FundFY - 82667- CELERA/BIOSTAR UC COOP RES FP 7/07											
NCA Group - 432900 INTEREST AND DEPRECIATION											
	137	433040		STIP PERIODS 7 TO 9: 82667	992.36-	0.00	0.00			11D97B	05/31/2007
Total:					992.36-	0.00	0.00				
NCA Group - 490000 EXPENSE RECOVERY											
	137	490000		STIP PERIODS 7 TO 9: 82667	511.06-	0.00	0.00			11D97B	05/31/2007
Total:					511.06-	0.00	0.00				
Total:					1,503.42-	0.00	0.00				
Total:					1,503.42-	0.00	0.00				
Totals:					0.00	1,503.42-	0.00				

Gift and Endowment Example

Pdf Excel

GL Transaction Detail for 05/2007 To 05/2007 (CLOSED)

Row(s) 1 - 4 of 4

Budget Offset STIP distribution less 75%

STIP distribution directly from UCOP

75% assessment

Budget expense STIP distribution less 75%

Src	NCA	Prog	Line	Description 1	Budget	Financial	Lien PO ID	Invoice ID	Invoice Dt	Jrnl ID	Jrnl Dt
DPA - DPA NOT USED											
FundFY - 42371- MZ HOSP ADMIN VARIOUS DONORS FUND											
NCA Group - 100000 BALANCE SHEET NCA BUDGET GROUP											
538	119800	X0810		STIP INCOME QTR 3	0.00	216.72-	0.00			11D97	05/31/2007
137	119800			STIP ADJ PER 7 TO 9: 42371	54.18	0.00	0.00			11D97B	05/31/2007
538	119800	X0799		STIP ADJ PER 7 TO 9: 42371	0.00	162.54	0.00			11D97A	05/31/2007
Total:					54.18	54.18-	0.00				
Total:					54.18	54.18-	0.00				
Total:					54.18	54.18-	0.00				
DPA - 424387 MZ2-HOSPITAL ADMINISTRATION											
FundFY - 42371- MZ HOSP ADMIN VARIOUS DONORS FUND											
NCA Group - 432900 INTEREST AND DEPRECIATION											
137	433040			STIP ADJ PER 7 TO 9: 42371	54.18-	0.00	0.00			11D97B	05/31/2007
Total:					54.18-	0.00	0.00				
Total:					54.18-	0.00	0.00				
Total:					54.18-	0.00	0.00				
Totals:					0.00	54.18-	0.00				

References

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Contacts | Financial Statements | Forms | Policies & Procedures | Service Standards | Tax Services | Training

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STIP

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Communications

- [STIP changes 12/2005](#)

Presentations

- [STIP Overview Presentation \(pdf\)](#)
- [STIP EMF Presentation 09/2007\(pdf\)](#)

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