

# RESEARCH ADMINISTRATION

**Extramural Fund Management**

**November 9, 2016**

# Today's Topics

- General, Automobile, and Employment Practices Liability (GAEL)
- New Fund Closeout Procedure
- Visa Cost

# **General Automobile Employment Practices Liability Insurance (GAEL)**

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# GAEL: Practice Change

- Old Practice prior to July 1, 2016
  - GAEL expenses were not allowed to federal, federal pass through, state/local sponsored funds
  - GAEL expenses for these funds were set in FS to be redirected to a department unrestricted funding source
  
- Current Practice effective July 1, 2016
  - GAEL expenses are not allowed to be charged as direct cost for federal and federal pass through funds
    - GAEL are redirected to a department unrestricted funding source
  - GAEL expenses are allowed as direct cost to State/Local funds
    - GAEL-redirect discontinued effective July 1, 2016

# GAEL: Implementation of Change

- No impact to federal and federal pass through funds
- State and local funds: Existing awards
  - GAEL was not included as a direct cost in the budget.
  - If rebudgeting is allowed by the sponsor and funds are available for GAEL, GAEL expenses may remain on the sponsored funds.
  - If rebudgeting is not allowed by the sponsor and/or project budget are not available for GAEL charges, department needs to move GAEL to a department unrestricted funding source.
    - Under the old practice, GAEL would have been redirected to a department unrestricted funding source. The same funding source can be used.
    - EFM is consulting with GA if redirecting GAEL can be arranged for this scenario to prevent on-going cost transfers.

# GAEL: Implementation of Change

- New proposals for state and local awards
  - Factor GAEL in as a direct cost budget line item.
  - In accordance with UCOP Contract and Grant Manual Chapter 7-200: Types of Allowable Costs / 7-207 Insurance:
    - In developing any non-federal proposal budget, the General Automobile and Employment Practices Liability (GAEL) insurance assessment must be factored in as a budget line-item.

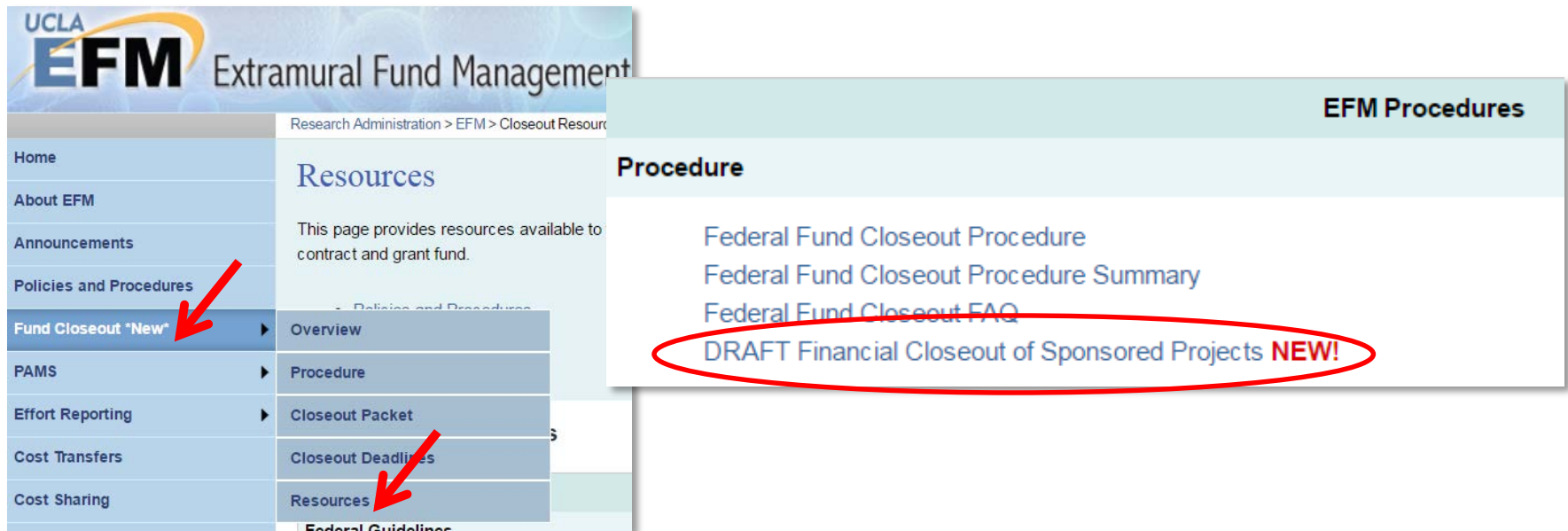
# **New Fund Closeout Procedure**

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# New fund Closeout Procedure

- October 31, 2016, EFM announced that comment period is open to campus on a draft of the new fund closeout procedure until November 30, 2016.
- To view the document, visit the EFM website under “fund closeout / Resources / EFM procedures”.



The screenshot shows the UCLA EFM website interface. The main header includes the UCLA EFM logo and the text 'Extramural Fund Management'. Below the header is a navigation menu with the following items: Home, About EFM, Announcements, Policies and Procedures, Fund Closeout \*New\*, PAMS, Effort Reporting, Cost Transfers, and Cost Sharing. The 'Fund Closeout \*New\*' item is highlighted with a red arrow. A sub-menu is open for 'Fund Closeout \*New\*', showing the following items: Overview, Procedure, Closeout Packet, Closeout Deadlines, and Resources. The 'Resources' item is also highlighted with a red arrow. To the right of the navigation menu is a section titled 'EFM Procedures' which contains a list of links: Federal Fund Closeout Procedure, Federal Fund Closeout Procedure Summary, Federal Fund Closeout FAQ, and DRAFT Financial Closeout of Sponsored Projects NEW!. The 'DRAFT Financial Closeout of Sponsored Projects NEW!' link is circled in red.

- Your comments are welcome and appreciated: [EFMOperations@research.ucla.edu](mailto:EFMOperations@research.ucla.edu)
- EFM will refine the procedure and prepare FAQ based on comments received.



# Visa Costs

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# Visa Costs

- Uniform Guidance (UG) includes revised cost principles for federal awards made on or after December 26, 2014.
- UCLA's implementation of UG was presented at RAF in December 2014, including visa costs.
- Section 42. Recruiting costs under J. General provisions for selected items of cost in OMB circular A-21 was silent about visa costs.
- Allowability and applicability of visa costs were specified in the Uniform Guidance under §200.463 Recruiting costs.

# Visa Costs

## **In accordance with §200.463 Recruiting costs in the UG,**

(d) Short-term, travel visa costs (as opposed to longer-term, immigration visas) are generally allowable expenses that may be proposed as a direct cost. Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award.

For these costs to be directly charged to a Federal award, they must:

- 1) Be critical and necessary for the conduct of the project;
- 2) Be allowable under the applicable cost principles;
- 3) Be consistent with the non-Federal entity's cost accounting practices and non-Federal entity policy; and
- 4) Meet the definition of “direct cost” as described in the applicable cost principles.

# Visa Costs

## Other considerations:

- General cost principles are applicable to visa costs as all other allowable costs.
  - Visa costs must be reasonable, allowable under the applicable cost principles, and treated in a consistent manner regardless of funding sources.
  - If an employee's effort is allocated to multiple projects, visa costs for the employee must be distributed to those projects in proportion to the effort.
- Premium processing fees, renewal application fees, or application fees for changes in visa types are not allowed.
- If the employee resigns for reasons within the employee's control within 12 months after hire, visa costs for the employee are no longer allowable and must be immediately removed from the federal sponsored project fund.

# Visa Costs

## Change to Restriction on the Object Code

- As a part of the assessment conducted by both EFM and CFS to evaluate restrictions on object codes are aligned with current rules, regulations, and industry standard, restriction on the object code for visa costs (**3545**) is determined to be changed from “allowable” to “warning.”

Object code	Current Restriction	New Restriction	Object Code Title	Description
3545	Allowable	Warning	Visa Application- Outside legal service fee	Outside counsel to be hired only by OGC
3399	Unallowable	Unallowable	Costs of legal proceedings	Requires approval of campus counsel

- General Accounting Office is aiming to complete changes in the financial system and update object code website in November 2016.
- All visa costs will require appropriate supporting documentation to be remained on the sponsored project funds.

# Visa Costs

## To recapture:

- Before charging visa costs to federal sponsored projects, ensure allowability of visa costs by asking questions such as
  - Is this visa issued for a person who is critical and necessary for the conduct of the project?
  - Is this visa issued for a specific purpose and short-term period?
  - Can visa costs be clearly identified as directly connected to work performed on one specific project or multiple projects?
  - If visa costs are connected to multiple projects, are they being distributed to them in proportion to effort allocated to each project?
- As you conduct monthly reconciliation, if you discover visa costs charged on the federal sponsored project fund that do not meet the criteria to be allowable or do not have appropriate documentation in place to support, remove them from the fund timely upon discovery.

## Contact information

EFM Website

<http://ora.research.ucla.edu/EFM/>

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