Extramural Fund Management

July 14, 2022
BCT Processing Transition to EFM for C&G Funds
Benefit Cost Transfer Processing Transition

• Effective July 1, 2022, processing of Benefit Cost Transfer (BCT) journals to remove unallowable benefits or General, Automotive, and Employment Practices Liability (GAEL) impacting Contract and Grant (C&G) funds will transition to Extramural Fund Management from the Central Resource Unit.

• Transition communicated to campus:
  ◦ ORA News announcement on June 28, 2022
  ◦ Email Subject: Benefit Cost Transfer Processing Transition to EFM for Contract and Grant Funds
  ◦ Central Resource Unit announcement on July 1, 2022
  ◦ Central Resource Unit Newsletter - Volume 4 Issue 1 on July 5, 2022

• CRU will continue to process BCT journals impacting non-C&G funds following existing procedure on the CRU website.
When is a BCT Needed for C&G Funds?

• A BCT is required to remove unallowable benefits and GAEL from C&G funds to departmental unrestricted funding in cases where the sponsor has deemed the expenses unallowable.

• Examples:
  ◦ Unallowable Composite Benefit Rate (CBR) on NRSA Training Grants
  ◦ Sponsor caps benefits at a rate lower than is assessed in the payroll ledger
  ◦ Unallowable GAEL on non-federal

• If salary is being transferred, then a Direct Retro in UCPath is required and associated benefits are transferred accordingly in UCPath. A BCT financial journal is not necessary.
EFM created a new simplified BCT excel journal template to streamline the review, approval, and posting process.

- **Excel template** is available on the EFM website under Closeout Resources.

| Benefit Cost Transfer (BCT) Financial Journal | Financial journal template, justification questions, and supporting documentation to be completed by the department and submitted to EFM when transferring unallowable benefit or GAEL expenses off C&G funds. |

- Workbook contains instructions on how to fill out the BCT financial journal template, a sample template along with the blank financial journal template, and justification questions.
Key changes:
- Template is similar to Non-Payroll financial journal.
- Users enter transactions, including only debit and credit expenses.
- No longer need to download Benefit Cost Transfer Template report in Campus Data Warehouse.
- Transactions are not required to be broken out by Earn Date or employee, as long as backup provided clearly indicates individual transactions included in the BCT journal.

<table>
<thead>
<tr>
<th>LOC</th>
<th>Account</th>
<th>CC</th>
<th>Fund</th>
<th>Project</th>
<th>Sub</th>
<th>Obj</th>
<th>Source</th>
<th>Description</th>
<th>Reference</th>
<th>Debit</th>
<th>Credit</th>
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<tbody>
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Justification Questions

- Justification questions have been streamlined:

<table>
<thead>
<tr>
<th>Explanation of Expenditure Adjustment, State:</th>
<th>Department Response:</th>
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<tbody>
<tr>
<td>Why is the transfer being requested? If partial transfer, explain the basis for proration and/or split.</td>
<td>1)</td>
</tr>
<tr>
<td>Who approved the transfer of funds?</td>
<td>2)</td>
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<td>Explain the untimeliness if the transfer is &gt; 120 days after original transaction date, and/or &gt; 90 days after the fund end date.</td>
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Provide the 3 justifications, as applicable, for EACH Journal Entry request from Journal Tab. Copy & paste additional rows as necessary.
Submission and Approval Process

• To request a BCT journal, submit the following documents to your EFM Accountant:
  ◦ BCT financial journal template with complete journal justifications
  ◦ Payroll report clearly identifying transactions to be transferred
  ◦ Detail general ledger when transferring GAEL expenses
  ◦ Approval from Graduate Division when transferring Fee Remissions

• EFM will review the template, journal justifications, and backup documentation for accuracy.

• When approved, EFM will post financial journal to the UCLA Financial System.

• Reach out to your EFM Accountant with any questions.
Any Questions?

Contact Information

EFM Website
http://efm.research.ucla.edu

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