



EXTRAMURAL FUND MANAGEMENT

AUGUST 8, 2024

AGENDA

EFM Looking back FY24 and Looking forward FY25

ERS certification status and due date

ECC Implementation Project

UCPath Direct Retro Sunset Schedule

Updated RAPID tool

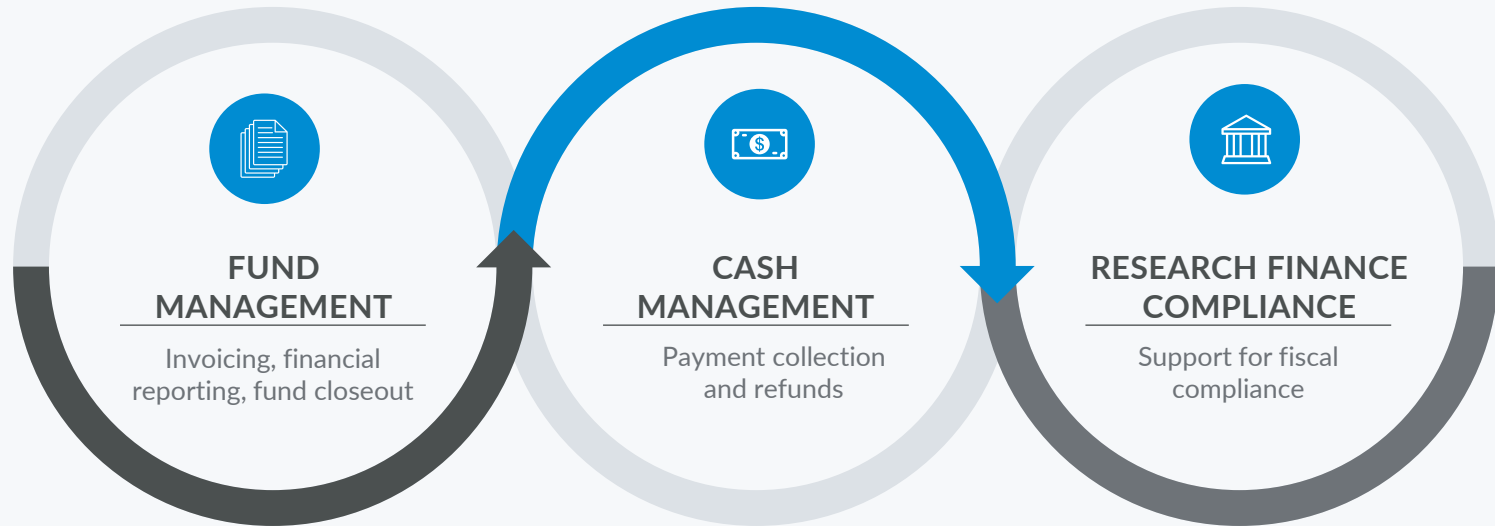


LOOKING BACK FY24 AND LOOKING FORWARD FY25

Yoon Lee

EFM SERVICES

Extramural Fund Management (EFM) provides **financial management support of sponsored projects** for the UCLA research community. EFM is composed of three following service areas.



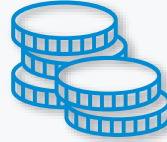
EFM BY NUMBERS FOR FY24



+ 2,500
expired
funds

5,500+

Active sponsored
funds on average



\$1,526,573,772

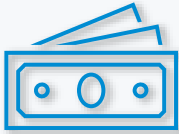
Expenses Incurred
(per June preliminary ledger)



92% on time
submission

16,423

Invoices and
Financial reports



\$1,530,774,986

Cash collected



+ 558
cash draws
on LOC

12,728

Checks processed

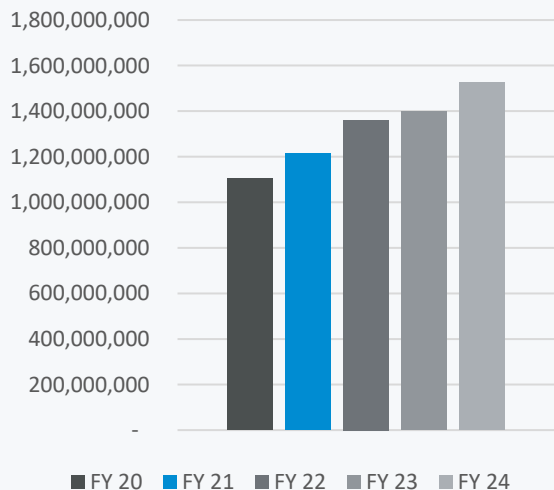


2,084

Expired funds closed

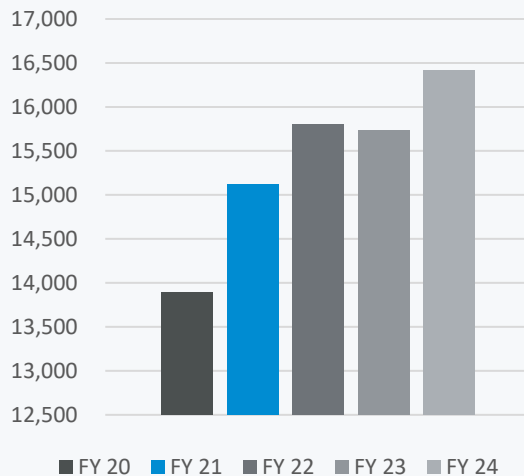
LAST 5-FISCAL YEAR TREND

Expense incurred (\$)



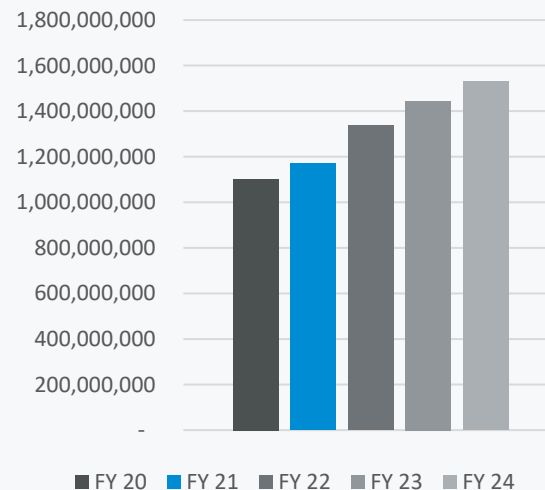
**38% INCREASE
(\$422 MILLION)**

Invoices and Financial Reports (count)



**18% INCREASE
(2,528)**

Cash Collected (\$)

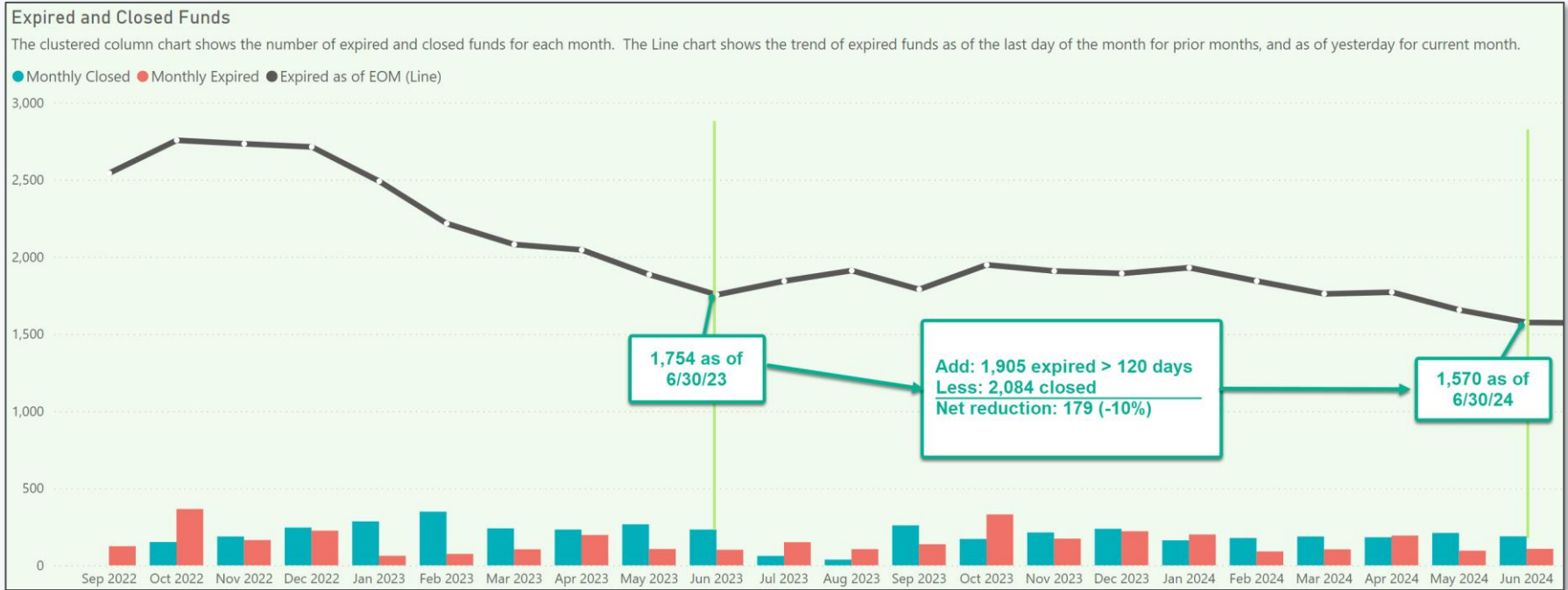


**39% INCREASE
(\$428 MILLION)**

MAJOR EVENTS IN FY24

- **Ascend 2.0 continued and paused**
 - BruinBuy plus (BB+) launch in January 2024: BB+ changed the subaward/subcontract invoice approval process and affected timely posting of expenses to C&G funds and refund checks.
 - Ascend 2.0 paused in June 2024: The design and building phase was completed and testing was in process. The program executive sponsors announced the pause to stabilize BB+ and to assess the current financial operating model at UCLA and Ascend 2.0 path forward.
- **Single Audit for FY23: UCLA R&D selected for testing**
 - UC received an unmodified opinion and was qualified as a low-risk auditee.
- **Employee Compensation Compliance (ECC) implementation**
 - EFM-ORIS started the project to replace the Effort Reporting System (ERS) in October 2023 with ORA sponsorship. ECC is a Huron product and Huron is the implementation partner.
- **UCPath Salary Cost Transfer (SCT) tool**
 - UCPath released the new SCT tool in November 2023 to replace the Direct Retro (DR) tool.
 - EFM reviewed the design and participated in testing collaborating with Business and Finance Solutions (BFS).

FY24: EFM'S FOCUS WAS TO CLOSE EXPIRED FUNDS



THANK YOU FOR

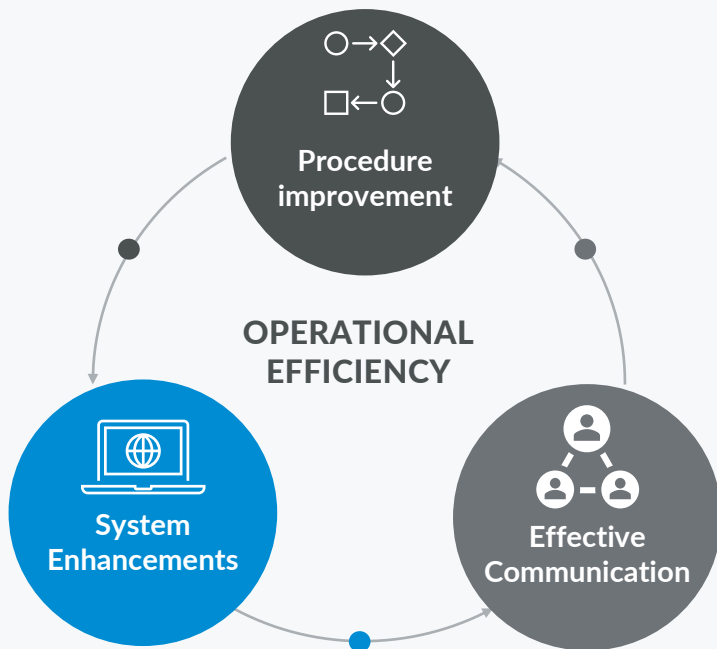
- Preparing a detailed breakdown of expenses not available in Financial system
- Supporting payment collection process
- Submitting closeout packets on time
- Processing cost transfers and releasing encumbrance to close the fund
- Assisting the PIs to certify effort reports
- Providing supporting documents for audits
- Communicating department business scenarios and feedback to the design of future business processes throughout Ascend

“Without your support, EFM could have not achieved these.”

**THANK YOU FOR
YOUR
PARTNERSHIP!”**

LOOKING FORWARD FY25

With the Ascend 2.0 pause, EFM will refocus our effort on gaining **operational efficiency** to maximize the output while improving the quality of work.



01

PROCEDURE IMPROVEMENT

Evaluate value of business processes that are costly to maintain in relation to financial and compliance risk.

02

SYSTEM ENHANCEMENT

Automate labor intensive processes to minimize manual work to save time and reduce errors.

03

EFFECTIVE COMMUNICATION

Keep interested parties informed of the project financial status and escalate the issue to the responsible individual timely.

PROCEDURE IMPROVEMENT

- Planning to adapt to the **UG 2024 Revisions**
 - EFM will collaborate with BFS to develop a plan to adapt to the Uniform Guidance (UG) 2024 revisions.
- Preparing the **Final Financial Deliverables**
 - EFM will develop a more efficient procedure to prepare the final financial deliverables engaging campus department research administrators, balancing and managing financial and compliance risks.
- Updating the **UCLA Policy 913**
 - EFM will work with ORA leadership to update policy 913 to support a timely closeout of funds subject to UCLA policy 913.

SYSTEM ENHANCEMENT: ECC AND PAMS

- EFM is implementing the Huron ECC system **to reduce administrative burden** of documenting payroll while meeting the federal requirements and certain non-federal sponsor's payroll documentation requirements.
- EFM is switching from the maintenance mode to active development for PAMS to add enhanced features **to support operational efficiency** and **to increase transparency** of the status for effective communication between EFM and the campus partners.
- EFM identified key PAMS enhancements that will **automate labor intensive procedures**, support a more effective compliance monitoring, and/or provide additional features based on the campus feedback.
 - A feature allowing an individual closeout packet or a financial deliverable to be reassigned.
 - A feature allowing the user to look up a fund manager for other departments/PIs to facilitate communication between home and linked departments.

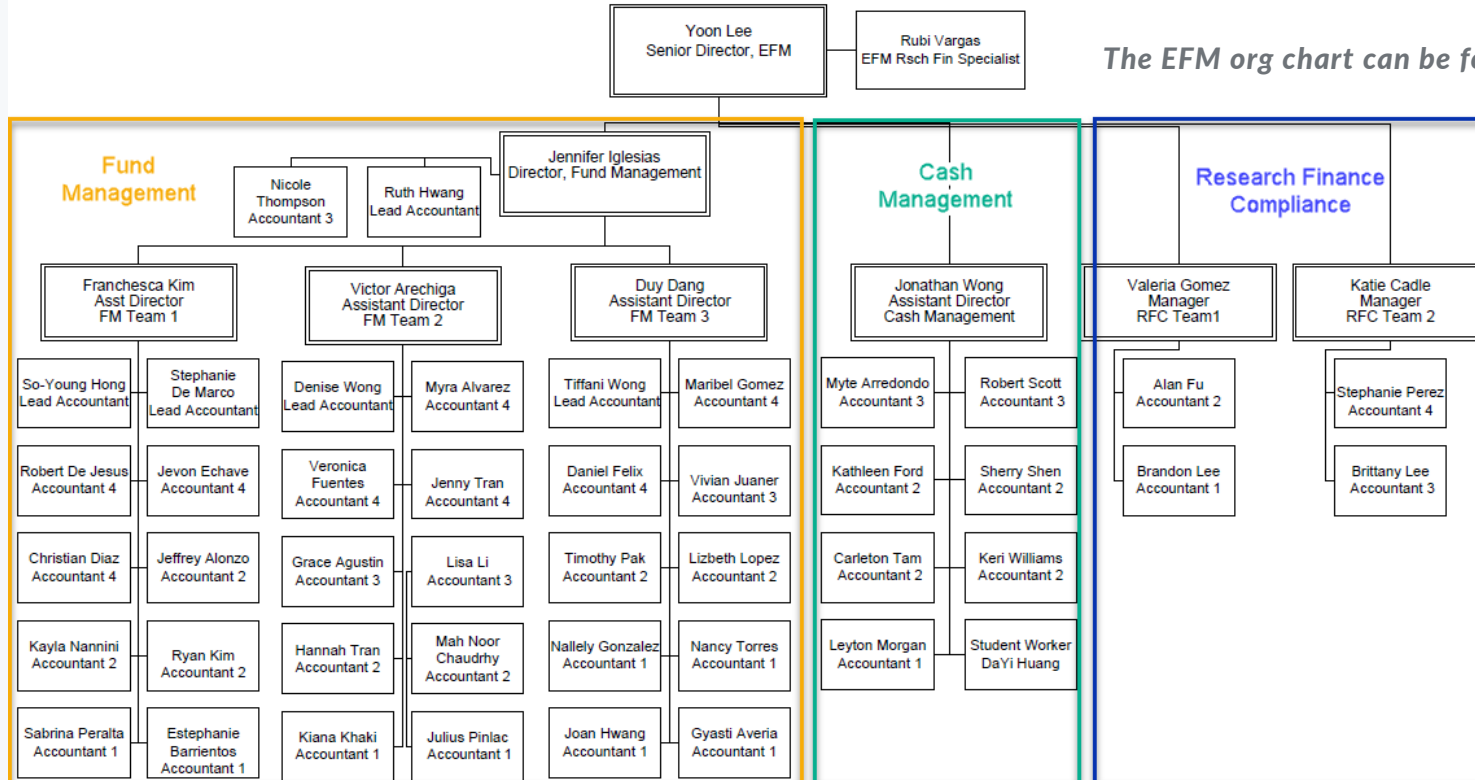
EFFECTIVE COMMUNICATION

EFM will continue

- To focus on **effectively communicating** the issue and next steps to solve the problem **until it is completely resolved**.
- To **actively listen** to the customers to obtain **an accurate understanding of the problem** to solve.
- To arrange recurring or ad-hoc **meetings** instead of just relying on emails when meetings will lead us to address the matters more quickly.
- To make **the purpose and desired outcome** of each email or the meeting clear.
- To **keep the PI informed** of financial and compliance risk.
- To **timely escalate** the matter to the right individual.

EFM will appreciate **your active and timely engagement** in managing sponsored project funds.

EFM ORGANIZATION CHART EFFECTIVE 8/1/24



The EFM org chart can be found on EFM website [here](#).

No change to your contact in EFM

- Find your EFM accountant by department [here](#)
- For PAMS, Help PAMS pamshelp@research.ucla.edu
- For ERS, ORA ERS Support ershelp@research.ucla.edu
- For Audit, EFM RFC Help RFCHelp@research.ucla.edu



EFFORT REPORTING

Val Gomez

CERTIFICATION METRICS

Effort Report Certification Rates can be found in the [ORA Online Resource Center](#)

- As of August 8th, there are **21,005 open effort reports that are out of compliance**
- ERS Helpdesk will continue to actively engage with ERS Coordinators to address growing population of open effort reports

Goal to increase on-time certification rates

Academic Year	Fall			Winter			Spring			Summer		
	Cert. %	Certified	Open	Cert. %	Certified	Open	Cert. %	Certified	Open	Cert. %	Certified	Open
2023-2024	45%	2,546	3,060	44%	2,550	3,162						
2022-2023	79%	4,374	1,139	79%	4,503	1,187	64%	3,782	2,097	64%	3,966	2,160
2021-2022	87%	4,858	691	87%	4,783	688	83%	4,730	915	82%	4,831	1,002
2020-2021	92%	4,770	387	92%	4,819	397	88%	4,933	610	88%	5,339	724
2019-2020	93%	4,874	352	93%	4,965	342	93%	4,818	350	92%	5,260	406
2018-2019	95%	5,803	274	95%	4,905	242	92%	5,045	386	93%	5,388	384
2017-2018	99%	5,187	3	99%	5,124	2	99%	6,319	15	98%	427	7
2016-2017	100%	5,127	0	99%	5,182	1	99%	5,268	3	99%	5,796	4
2015-2016	99%	5,224	3	99%	5,266	1	99%	5,390	2	99%	5,703	1
2014-2015	100%	5,268	0	99%	5,343	1	99%	5,346	2	99%	5,862	2
2013-2014	99%	5,372	1	100%	5,337	0	100%	5,502	0	100%	5,898	0
2012-2013	100%	5,777	0	100%	5,845	0	100%	5,814	0	99%	6,119	1
2011-2012	100%	6,212	0	99%	6,286	1	100%	6,279	0	100%	6,609	0
Total Open			5,910			6,024			4,380			4,691

Due
7/29/24

ERS COMPLIANCE REQUIREMENTS

- Federal regulation, Uniform Guidance requires that an entity receiving federal funding to have **adequate documentation to support that compensation** charged to federal grants is reasonable for the work performed (2 CFR. §200.430 Compensation - personal services).
- **Effort reporting** is UCLA's current method of complying with the requirement and certifying to granting agencies that the effort required as a condition of the award has been met.
- In order to be compliant with federal regulation and university effort reporting certification requirements, please review and work with the Principal Investigators (PIs) to certify open effort reports by the due date.

ERS BEST PRACTICES

Certifying effort reports accurately is crucial for compliance and financial management. Incomplete or improper reporting of effort is a compliance violation that could result in audit findings, disallowances and/or withholding of federal research funding.

- **Certify on time**
 - At release, EFM announces certification due dates and sends reminders leading up to the due
 - On the 15th of every month, EFM sends ERS Coordinators a list of open effort reports listing the days left till certification or the number of days a report has been outstanding.
- **Have the report certified by the correct individual**
 - The Certifier must have first-hand knowledge of the work performed.
 - A **PI must certify their own effort** and should also certify for employees they have primary oversight over, as they possess first-hand knowledge of the work performed.
 - A **fund managers should not certify effort reports**, as they may not have the first-hand scientific knowledge that the compensation charged to an award is reasonable for the work performed.
- **Ensure effort commitments are met**
 - Review effort and ensure effort commitments are met as listed in proposal
 - For key personnel, prior approval is required for any reduction of effort of 25% or more
 - Cost share is to be reported as applicable
- **Avoid certifying the same report multiple time**
 - Certifying the same report multiple times and processing late adjustments can raise questions and indicate a weakness in internal controls and oversight.

If you need any assistance or have any follow-up questions, please contact [ERS Support](#) or visit [ERS Frequently Asked Questions](#)



ERS REPLACEMENT PROJECT

Val Gomez

ERS REPLACEMENT PROJECT

- As announced at the [February 2024 RAF](#), a project to replace ERS is underway.
 - The goal is to reduce the administrative burden for both the faculty and the institution while remaining in compliance with UG. Aiming to design a new system that works for campus users.
- ORA will invite PIs and Department Administrators with a high volume of effort reports today to the new system demo sessions to get their feedback on certification methods.
 - If interested in participating in this workgroup, please send an email to [ORA ERS Support](#)
 - EFM will review all submissions carefully to ensure a well-balanced and effective team integrating volunteers into the project.
- EFM will share the project implementation timeline with more detailed information in the future.

UCPATH PLANS TO RETIRE DIRECT RETRO (DR) TOOL

Val Gomez

RETIRING DIRECT RETRO (DR) TOOL

- The Direct Retro functionality is being phased out by UCPATH in order to be fully replaced by the [Salary Cost Transfer \(SCT\) tool](#).

Link to training video

→ When to use the direct retro tool vs. the salary cost transfer tool

Tool	Use Direct Retro (DR)	Use Salary Cost Transfer (SCT)
UCPATH earnings paid on or before 10/3/21	x	
UCPATH earnings paid on or after 10/4/21 and did not previously have a DR processed		x
Has had a DR performed in the past	x	

- Sunset of direct retro is tentatively being set for June 2025**
 - Starting January 2025, direct retro processing will be done every two months instead of once a month
 - Reduced processing frequency will reduce the frequency of ledger postings for additional reconciliation.
- Campus Action – Please don’t wait and act now!**
 - Review payroll expenses on projects through October 2021 now
 - Process payroll expense transfers as soon as error is discovered

RETIRING DIRECT RETRO (DR) TOOL

- **Once the DR tool is retired**, users will no longer be able to process payroll adjustments in UCPath for earnings older than October 3, 2021, or for earnings that have had a direct retro completed in the past.
- **If payroll expense transfer is needed, it needs to be processed through a financial journal bypassing payroll sub-ledger**
- **Downstream impact of moving payroll via financial journal**
 - Discrepancies between payroll subledger and general ledger
 - Inaccurate information will be reflected in applications consuming payroll sub-ledger data (e.g. Effort Reporting System).
 - Related benefits, GAEL, TIF, etc. needs to be manually calculated to be included in a financial journal.
 - No clear audit trails for payroll expense transfers.
 - Manual reconciliation and off-system documentation will be required.

EFM PROCEDURE – AFTER DR TOOL HAS RETIRED

- If a payroll adjustment is needed to **debit a sponsored** project once the DR tool has retired, the **department will be responsible for finding an unrestricted funding source for these payroll expenses.**
 - EFM standard procedure will be to not accept payroll expense transfers debiting sponsored project funds after DR support discontinues as 2 years would have passed since the SCT tool went live.
- If a payroll adjustment is needed to **credit a sponsored** project once the DR tool has retired, EFM will accept these request as we are unable to overcharge our sponsor or allow unallowable expenses to remain on the fund.
- **EFM will require the department to follow the same process for moving PPS Payroll:**
 1. Fill out a separate journal request for each individual needing an adjustment, manually calculating for any benefits, GAEL, or TIF
 2. If an effort report is impacted, department is to update ERS to account for the manual adjustments and submit certified effort report with journal to EFM
 3. Due to the lateness of the request, the department's CFO, CAO, director, or someone in an equivalent position must endorse the certification statement for the financial journal request.



UPDATED RAPID TOOL

Val Gomez

UPDATED RAPID TOOL: FY24-25 CBR RATES

- Per the [NIH Grant Policy Statement](#) Section 11 Ruth L. Kirschstein National Research Service Awards, costs normally associated with employee benefits (such as FICA, workman’s compensation, life insurance, union dues, and unemployment insurance) are unallowable.
- On August 9th, 2024, ORA will release a new version of the RAPID Tool that incorporates the FY24-25 CBR rates.
 - These updated unallowable benefit rates will be included in the UCPATH Training Grant Post Doc Allowable/Unallowable Benefit worksheet in the RAPID Tool along with prior year rates.

Group #	Employee Group	Approved FY24-25 CBR	Unallowable Benefit Costs
4	Other Academics	45.6%	21.20%
5	Post Docs	22.3%	11.50%
8	Employees & Students with Limited Benefits	3.8%	65.20%

- **Resources:**
 - Please download the latest version of the tool, available in the [ORA Online Resource Center](#).
 - [FAQ 2.31](#) on the EFM website lists historical unallowable CBR rates and
 - The process for transferring off the unallowable benefits from grants following the Benefit Cost Transfer process as presented during the [July 2022 RAF](#).

QUESTIONS?

Contact Information

EFM Website

<https://efm.research.ucla.edu/>

Yoon Lee

Phone: (310) 794-0375

Email: yoan.lee@research.ucla.edu

ERS Helpdesk

Email: ershelf@research.ucla.edu

Val Gomez

Phone: (310)794-0103

Email: valeria.gomez@research.ucla.edu