



EXTRAMURAL FUND MANAGEMENT

DECEMBER 12, 2024

AGENDA

- New Procedure for Financial Closeout of Sponsored Projects
- Impact of Effort Report Certification

NEW PROCEDURE FOR FINANCIAL CLOSEOUT OF
SPONSORED PROJECTS

Yoon Lee

OVERVIEW

- **Kickoff meeting with the campus workgroup was held on November 21st.**
 - A great turnout: 18 participants from the departments (out of 20) and 5 EFM staff.
 - Introduced the team, the background and goals of the initiative.
 - Presented key areas for improvement in the current procedures and future objectives in these areas.
- **The 2nd meeting with the campus workgroup was held on December 9th.**
 - Gathered department feedback on the current challenges and brainstormed how to achieve future objectives EFM presented at the kickoff meeting.
 - This will help planning future discussions for January through March next year.
- **Bi-weekly meetings in January through March 2025**
 - The workgroup will continue to work on developing the new fund closeout procedure.
- **Campus feedback is welcome and appreciated.**
 - Even if you are not in the workgroup, email your ideas to Yoon Lee, yoony.lee@research.ucla.edu

GOALS FOR DEVELOPING THE NEW PROCEDURE

COMPLIANCE

To improve compliance with federal requirements, other sponsor's policies and UCLA policies.



Compliance



Efficiency

EFFICIENCY

To gain efficiency and reduce error rates by minimizing manual expense adjustments outside Financial System in finalizing expenses and closing the fund.

COST RECOVERY

To ensure a full recovery of costs incurred for the project by posting expenses timely to the general ledger.



Cost Recovery



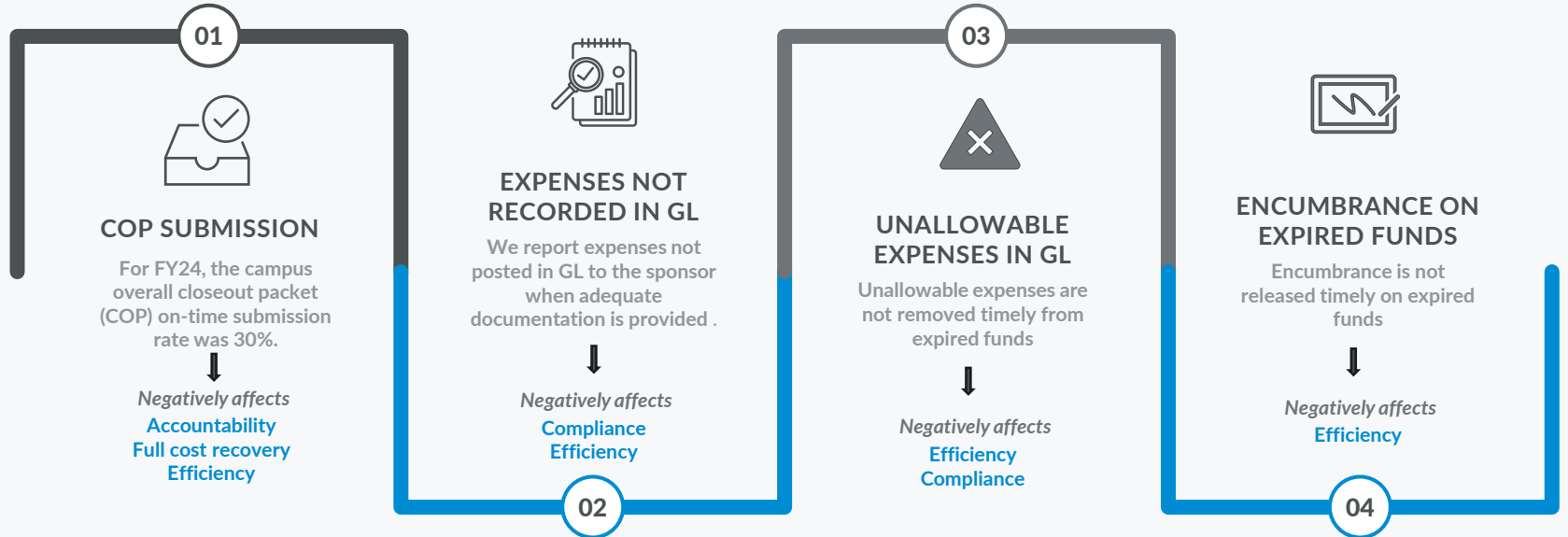
Accountability

ACCOUNTABILITY

To clearly define responsibility of each role that takes part in closing the project fund to promote collaboration and keep all parties accountable.

CURRENT PROCESS: AREAS FOR IMPROVEMENT

4 key areas for improvement identified: Efficiency must be improved to support University's compliance with on-time submission of all financial deliverables.



01

02

Affects the steps to **finalize the total expenses**

UCLA submitted 16,423 financial deliverables during FY24. Our on-time submission rate to the sponsor for interim and **final** are 94% and **79%** respectively for FY24

03

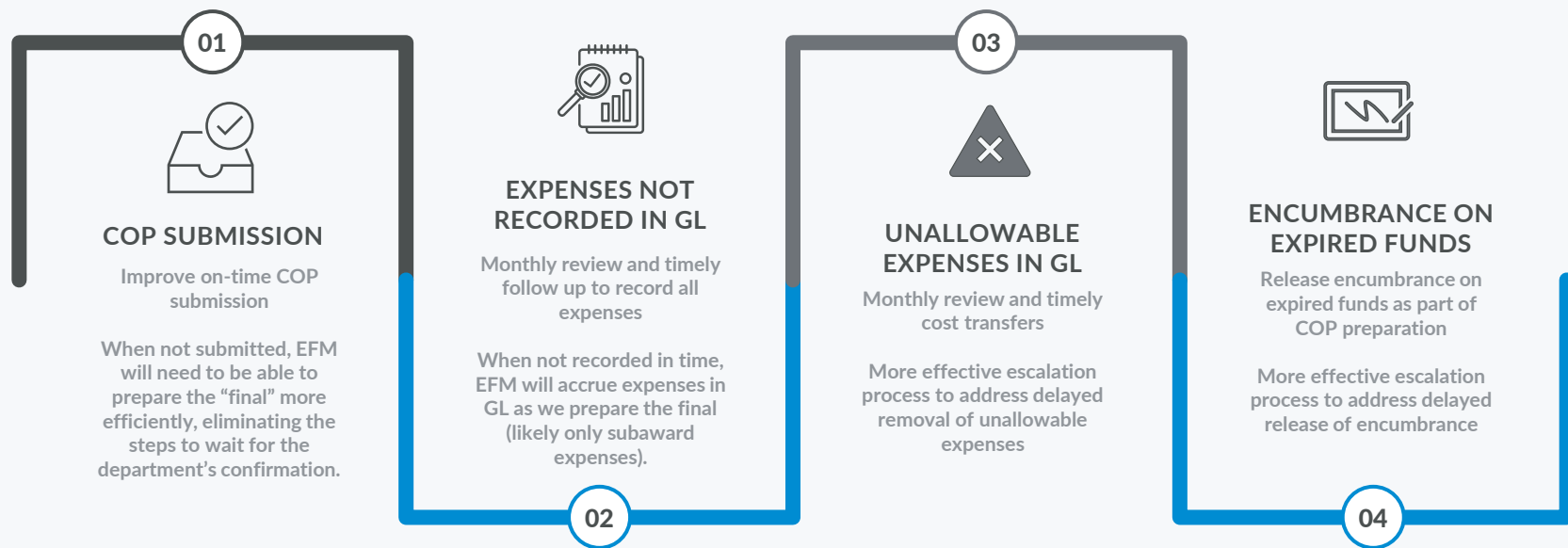
04

Affects the steps to **close the expired fund**

As of 12/11/24, we have 8,102 open funds. 5,644 are active, 764 have expired within the last 120 days, and **1,694** funds expired more than 120 days ago

FUTURE PROCESS OBJECTIVES

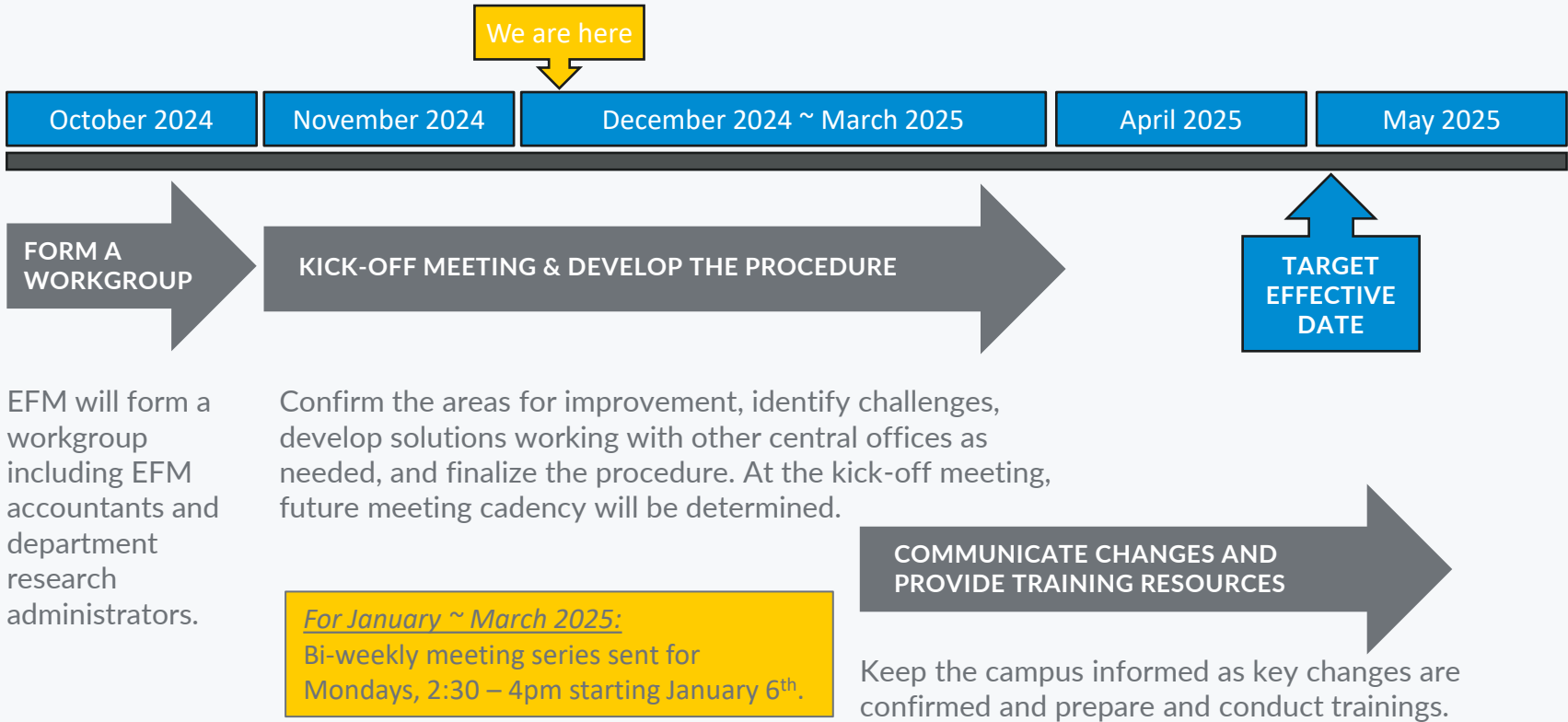
- Objectives for each of the 4 key areas identified for improvement
- Discussion starting with **federal awards** (a closeout packet and the final financial deliverable (“Final”) due 90 days and 120 days respectively after the fund end date).



REMINDERS

- **Monthly reconciliation throughout the award project period**
 - [“UCLA Policy 910: Management of Sponsored Projects”](#) requires monthly reconciliation of the sponsor project funds.
 - Confirm all last month expenses on the project funds are allowable to the project and remove expenses not applicable to the project if any.
- **Act upon receipt of fund expiration notifications**
 - EFM sends fund expiration notifications 90 days, 30 days prior to the fund end date and on the day of expiration.
 - Review expenses more closely to determine allowability and completeness of project expenses and complete necessary cost transfers.
 - Start preparing a closeout packet.
- **Submit a closeout packet on time**
 - EFM sends a closeout packet reminder 15 days prior to the closeout packet due date.
 - Finalize the closeout packet, obtain the PI’s certification and submit it to EFM.

TIMELINE





IMPACT OF EFFORT REPORT CERTIFICATION

Katie Cadle

IMPACT OF EFFORT REPORTING CERTIFICATION

The following areas impact Effort Report certification and highlight the importance of outstanding Effort Reports



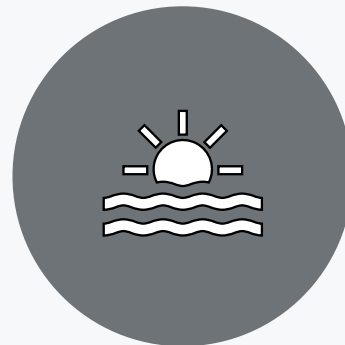
INDIRECT COST RATE PROPOSAL

UCLA proposal to Cognizant Agency in **Summer 2025** includes mandatory and voluntary committed cost share.



DIRECT RETRO TOOL DISCONTINUATION

Tool will discontinue in **July 2025** impacting ability to transfer impacted payroll through UCPath.



ERS SUNSET

ERS will sunset after implementation of Huron ECC. ECC certification go live in **October 2025**.

COST SHARE IN INDIRECT COST RATE **PROPOSAL**

UCLA is in the process of preparing the next Indirect Cost Rate (IDC) proposal to be submitted to our Cognizant Agency (DHHS) in Summer 2025



UNIFORM GUIDANCE [CFR 200: APPENDIX III](#)

Establishes guidance for identifying and calculating Indirect Costs (IDC) for Higher Education Institutions including [negotiation](#) with our Cognizant Agency (DHHS).



COST SHARING IN IDC PROPOSAL

UCLA must incorporate [mandatory and voluntary committed cost sharing](#) into research base when calculating Indirect Cost (IDC) rate for proposals.



COST SHARE IN ERS

As UCLA does not track cost share associated with C&G awards on the ledger, best alternative is incorporating [Cost Share Percentage in ERS](#) into this calculation.



IMPORTANCE OF ACCURATE COST SHARE IN EFFORT REPORTS

Capturing all cost share in Effort Reports will support accurate calculation of IDC rate, which will be used for the next 5 years.

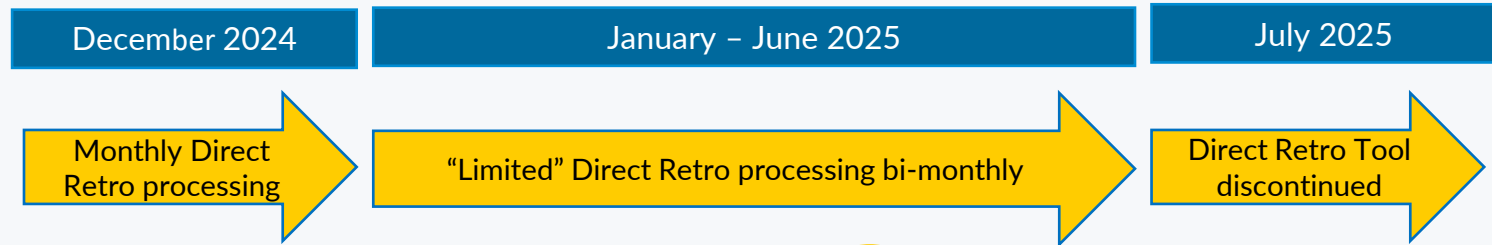


NEXT STEPS FOR DEPARTMENT

[Review](#) and [add mandatory and voluntary committed cost share](#) in effort reports and work with PI's to [certify](#) these reports. Focus on reports impacting FY23-24 first.

DIRECT RETRO TOOL DISCONTINUATION

The Direct Retro Tool in UCPATH will be **discontinued in July 2025**. After this date, if a payroll transfer is needed it must be processed through a financial journal. See [August](#) and [November](#) 2024 RAF for more details on process and types of transactions allowed.



IMPACT

- Financial journals, **bypassing the payroll sub-ledger** will need to be processed to move expenses off C&G funds.
- **Inaccurate information** will be reported in Effort Reporting System (ERS).
- **Manual reconciliation** of payroll required.
- Departments will need to **update effort reports manually** in ERS to account for manual adjustments and **submit certified report to EFM**.



NEXT STEPS FOR DEPARTMENT

- **Review earnings** older than October 3, 2021, and earnings previously transferred by direct retro now.
- **Process all direct retros** as soon as possible.
- **Review effort reports** in ERS and work with PI to **certify** reports.
- UCPATH will publish direct retro processing schedule soon.

ERS SUNSET

As shared in [February](#) and [August](#) 2024 RAFs, a project is underway to replace ERS with the Employee Compensation Compliance (ECC). Certification go live in ECC will occur in October 2025. As part of the implementation project, ERS will sunset.

CONVERSION APPROACH

- At go live, data will be loaded to ECC on a **going forward basis**.
- All effort reports generated in ERS **will not convert** to ECC.
- Effort reports in ERS **should be certified** prior to ERS sunset.
- More details will be shared on timeline as they become available.



NEXT STEPS FOR DEPARTMENT

- **Review effort reports** in ERS and work with PI to **certify** reports.
- Focus on **recent reports** first working backwards.
- Address **open effort reports now**.

KEY TAKEAWAYS



EFFORT REPORTING IS A FEDERAL REQUIREMENT



ENSURE MANDATORY AND VOLUNTARY COMMITTED **COST SHARE IS RECORDED IN EFFORT REPORTS**



ADDRESS OPEN REPORTS NOW TO REDUCE IMPACTS OF DIRECT RETRO TOOL DISCONTINUATION AND ERS SUNSET

CERTIFICATION METRICS

As of December 12th, there are **24,022** open effort reports
Data available on [ORA Online Resource Center](#)

Academic Year	Fall		Winter		Spring		Summer	
	Cert. %	Open Reports	Cert. %	Open Reports	Cert. %	Open Reports	Cert. %	Open Reports
2023-2024	65%	1,982	65%	2,046	17%	4,832	17%	4,711
2022-2023	86%	762	85%	811	74%	1,523	74%	1,555
2021-2022	91%	478	91%	456	89%	596	89%	633
2020-2021	94%	294	94%	263	92%	412	91%	499
2019-2020	94%	269	94%	270	94%	266	94%	299
2018-2019	96%	221	96%	198	94%	307	94%	296
2017-2018	99%	3	99%	2	99%	15	98%	6
2016-2017	100%	0	100%	0	99%	3	99%	4
2015-2016	99%	2	100%	0	99%	1	99%	1
2014-2015	100%	0	100%	0	99%	2	99%	2
2013-2014	99%	1	100%	0	100%	0	100%	0
2012-2013	100%	0	100%	0	100%	0	99%	1
Total		4,012		4,046		7,957		8,007

SPRING AND SUMMER 2024 EFFORT REPORTING
DEADLINE

Katie Cadle

SPRING AND SUMMER 2024 EFFORT REPORTING DEADLINE

Effort Reports for Spring and Summer 2024 were released in October 2024

Certify effort reports by deadline of 01/28/25

Reporting Period	Non-Academic & 11/12 Academics	9/12 Academics	Certification Due Date
Spring 2024	April 2024 – June 2024	March 2024 – June 2024	January 28, 2025
Summer 2024	July 2024 – September 2024	June 2024 – September 2024	January 28, 2025

As of 12/12/24:

Reporting Period	Certification Percentage	Open	Certified
Spring 2024	17%	4,832	1,035
Summer 2024	17%	4,711	1,002

Address open effort reports now, your future self will thank you!

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

Katie Cadle

Phone: (310)794-0223

Email: kcadle@research.ucla.edu