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# Research Administration Forum

August 9th, 2018

**Yoon Lee**

**Director, Extramural Fund Management**

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## Meeting Agenda

Welcome and Announcements – Yoon Lee

CFS – David Beckstrom

- UCPATH Composite Benefit Rates and Vacation Leave Assessment
  - Overview
  - Difference in calculation between today's fringe benefits and CBR
  - Difference between PPS payroll distribution report and UCPATH payroll report

OCGA – Kathy Kawamura

- UCPATH Composite Benefit Rates and Vacation Leave Assessment
  - Proposal Budgeting

EFM – Yoon Lee

- UCPATH Composite Benefit Rates and Vacation Leave Assessment
  - Unallowable Benefit Expense in NRSA grants
  - UCPATH payroll reports as supporting documentation
  - Payroll view details in the Effort Reporting System

- UCPATH and payroll related reports in the RAPID Tool

# Welcome!

Research Administration Forum

August 9th, 2018 - 10:00 am to 11:30 am

Louis Jolyon West Auditorium, Room C8-183

of the Semel Institute

# UCPath at UCLA

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## Composite Benefit Rates (CBR) & Vacation Leave Accrual (VLA) Implementation

# UCPath Effective Dates

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- **Monthly Paychecks:**
  - Pay Period 9/1 - 9/30
  - First Monthly Paycheck – 10/01/2018
  
- **Bi-Weekly Paychecks:**
  - Pay Period 9/9 - 9/22
  - First Bi-Weekly Paycheck – 10/03/2018

# CBR Background

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- UC's Current Payroll System:
  - Employee salaries charged to fund(s) on % of effort
  - Employee benefits charged to same fund(s) based on detailed rates (results in hundreds of rates)
  - Vacation accruals charged to same fund(s) utilizing complex formula until maximum accrual reached
- UCPath:
  - Employee salaries - No change
  - Employee benefits charged based on a CBR determined by a limited number of employee groups (Salary x Rate)
  - Vacation accruals charged based on simplified formula with no maximum

# Background (cont.)

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- May 2014 – Chancellors approved system-wide CBR model
  - Equity between campuses
  - 10 Employee Groups w/ option to create 4 campus specific groups or combine Employee Groups
- October 2015 – NIH Appeals Board Ruling upheld Cost Allocation Services decision not to allow salary cap for CBRs at UC

# What is CBR?

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- Pool employer-paid benefits instead of having many charges for individual benefits (taxes, retirement & health)
- Consistent method of charging benefit costs to all activities
- Rates based on Employee Groups
- Charged as a % to all components of pay except for vacation, certain bonuses, incentives & Z payments
- Overall cost of benefits won't change for UCLA – continue to pay actual costs
- No change to employee-paid portion of benefits

# What's included in CBR?

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- Medical & Dental Insurance
  - Medicare & SDI taxes
  - Post-Employment Health Benefits
  - Pension & Other Retirement Contributions
  - Worker's Compensation Insurance
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- *What's not* – Accrued vacation leave, Tuition remission, Grad Student Health, Sabbatical costs, GAEL

# Other Research Universities

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- Most large research universities utilize CBR for charging benefits to funds
- Harvard – 10 rates
- Caltech – 1 rate
- USC – 4 rates
- University of Wisconsin – 8 rates
- University of Illinois – 6 rates
- The Ohio State University – 7 rates

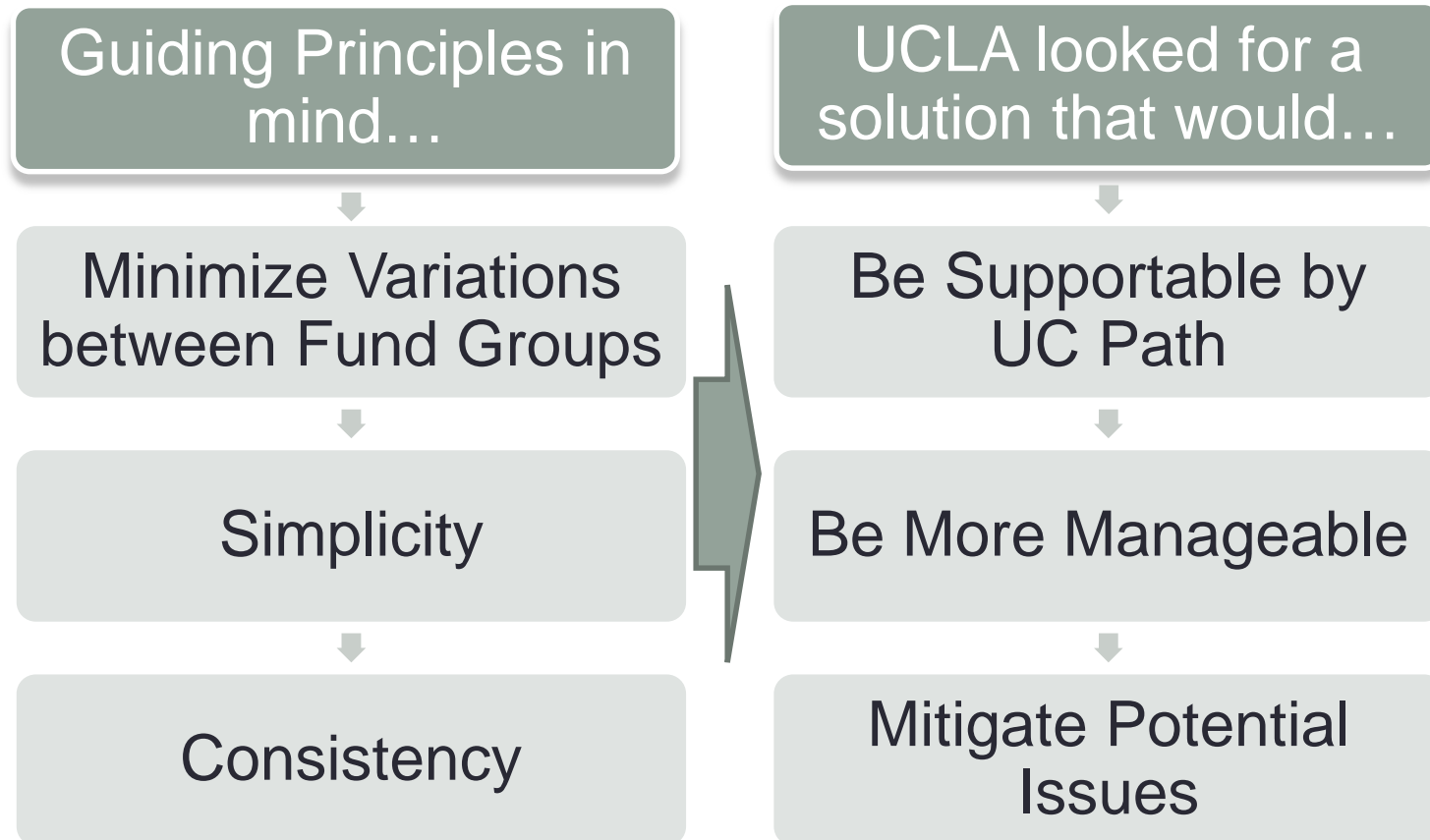
# CBR Timing

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- CBR Proposal to Federal Government – 01/01/2018
- CBR Federal Negotiations complete by Go-Live
- CBRs effective with UCPath Go-Live

# UCLA Implementation Strategy

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# UCLA Employee Groups

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| <b>Group #</b> | <b>Employee Group</b>                                 | <b>Proposed FY19 CBR</b> |
|----------------|---|--------------------------|
| <b>1</b>       | <b>Faculty Summer</b>                                 | <b>5.0%</b>              |
| <b>2</b>       | <b>HCOMP Senior Faculty</b>                           | <b>26.0%</b>             |
| <b>3</b>       | <b>Faculty</b>  | <b>31.8%</b>             |
| <b>4</b>       | <b>Other Academics</b>                                | <b>44.4%</b>             |
| <b>5</b>       | <b>Post Docs</b>                                      | <b>31.8%</b>             |
| <b>6</b>       | <b>Staff Exempt</b>                                   | <b>44.4%</b>             |
| <b>7</b>       | <b>Staff Non-Exempt</b>                               | <b>54.7%</b>             |
| <b>8</b>       | <b>Food-Custodian-Grounds</b>                         | <b>71.1%</b>             |
| <b>9</b>       | <b>Employees &amp; Students with Limited Benefits</b> | <b>5.0%</b>              |

# Vacation Leave Accrual

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- Goal – cover actual cost of vacation taken
- Simplify calculation
- Three Rates:
  - 6% - Fiscal Year Faculty
  - 7% - Accruing Staff & Non-Faculty Academics
  - 0% - Non-Accruing Staff & Academic Year Faculty
- VLA charge continues despite individual's vacation balance

# Impact

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- Campus impact of CBR and VLA expected to be low
  - Budgets have used CBR since Fall 2016
- Sponsored Award Mitigation
  - For Awards budgeted prior to CBR
  - Industry Clinical Trials Exempt
  - Contact me if impact >5% and \$10,000 of awarded direct costs

# Benefit Assessment Calculations

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- UC's Current Payroll System:
  - Benefits assessed on Regular Pay
  - Vacation Pool pays for Salary & Wages and Benefits
  - Vacation Credit to FAU reimburses Salary & Wages and Benefits
  - VLA charge stops when employee vacation reaches max
- UCPath:
  - CBR and VLA assessed on Regular Pay (net of vacation taken)
  - Vacation Pool pays for Salary & Wages
  - Vacation Pool does not pay for Benefits
  - Vacation Credit to FAU reimburses Salary & Wages
  - VLA continues when employee vacation reaches max

# Payroll Expense Report (PPS)

| Amount | Medicare Amount | Health Insurance Amount | Annuitant Health Insurance Amount | Other Postemployment Benefits Health Insurance Amount | Other Postemployment Benefits Administration Amount | Life Insurance Amount | UCNDI Amount | Workers Compensation Amount | Unemployment Insurance Amount | Dental Insurance Amount | Vision Insurance Amount | OPFR Amount | Employee Support Program Amount | Core Medical Insurance Amount | Core Life Insurance Amount |
|--------|-----------------|-------------------------|-----------------------------------|---|---|-----------------------|--------------|-----------------------------|-------------------------------|-------------------------|-------------------------|-------------|---------------------------------|-------------------------------|----------------------------|
| 445.33 | 104.15          | 1,064.98                |                                   | 217.40  | 12.40   | 4.34                  | 6.71         | 43.04                       | 25.53                         | 37.04                   | 12.75                   | 0.00        | 5.11                            | 0.00                          | 0.00                       |
| 0.00   | 218.18          | 914.80                  |                                   | 460.05  | 26.24   | 4.34                  | 6.71         | 91.08                       | 54.03                         | 80.24                   | 12.75                   | 0.00        | 10.81                           | 0.00                          | 0.00                       |
| 547.61 | 128.07          | 510.86                  |                                   | 268.50  | 15.32   | 4.34                  | 6.71         | 53.16                       | 31.54                         | 43.50                   | 12.75                   | 0.00        | 6.31                            | 0.00                          | 0.00                       |
|        | 128.71          | 0.00                    |                                   | 268.98  | 15.34   | 4.34                  | 6.71         | 53.26                       | 31.59                         | 53.09                   | 12.75                   | 0.00        | 6.32                            | 0.00                          | 0.00                       |
|        | 36.25           | 459.78                  |                                   | 77.36   | 4.41  | 2.17                  | 3.35         | 15.32                       | 9.09                          | 43.95                   | 6.37                    | 0.00        | 1.82                            | 0.00                          | 0.00                       |
|        | 36.07           | 459.78                  |                                   |   |   |                       |              |                             |                               |                         |                         | 0.00        | 1.82                            | 0.00                          | 0.00                       |
|        | 121.13          | 1,180.06                |                                   |   |   |                       |              |                             |                               |                         |                         | 0.00        |                                 |                               |                            |
|        | 120.69          | 510.86                  |                                   |   |   |                       |              |                             |                               |                         |                         | 0.00        |                                 |                               |                            |



**30+ Categories**

| Health Insurance Amount | UCNDI Amount | Workers Compensation Amount | Unemployment Insurance Amount | Dental Insurance Amount | Vision Insurance Amount |
|-------------------------|--------------|-----------------------------|-------------------------------|-------------------------|-------------------------|
| 4.34                    | 6.71         | 43.04                       | 25.53                         | 37.04                   | 12.75                   |
| 4.34                    | 6.71         | 91.08                       | 54.03                         | 80.24                   | 12.75                   |
| 4.34                    | 6.71         | 53.16                       | 31.54                         | 43.50                   | 12.75                   |
| 4.34                    | 6.71         | 53.26                       | 31.59                         | 53.09                   | 12.75                   |
| 2.17                    | 3.35         | 15.32                       | 9.09                          | 43.95                   | 6.37                    |
| 2.17                    | 3.36         | 15.32                       | 9.09                          | 43.96                   | 6.38                    |
| 4.34                    | 6.71         | 52.05                       | 30.88                         | 43.96                   | 6.38                    |
| 4.34                    | 6.71         | 49.85                       | 30.88                         | 80.24                   | 12.75                   |
| <b>30.38</b>            | <b>46.97</b> | <b>373.08</b>               | <b>221.32</b>                 | <b>425.52</b>           | <b>89.25</b>            |
| 0.00                    | 0.00         | 0.60                        | 0.35                          | 0.00                    | 0.00                    |
| 0.00                    | 0.00         | 1.20                        | 0.71                          | 0.00                    | 0.00                    |
| 0.00                    | 0.00         | 0.24                        | 0.14                          | 0.00                    | 0.00                    |
| <b>0.00</b>             | <b>0.00</b>  | <b>2.04</b>                 | <b>1.20</b>                   | <b>0.00</b>             | <b>0.00</b>             |



# Distribution of Payroll Expense Report (UCPath) (draft)

| CBR             | Leave Assessment | Vacation Fringe Expense | GAEL (EL)    | GAEL (GL)    | GAEL (AL)   | GAEL (LP)   | GAEL (PR)    | Other       | Fringe Costs (Total) |
|-----------------|------------------|-------------------------|--------------|--------------|-------------|-------------|--------------|-------------|----------------------|
| 17.62           | 0.00             | 0.00                    | 0.99         | 0.53         | 0.04        | 0.07        | 1.27         | 0.00        | 20.52                |
| 17.62           | 0.00             | 0.00                    | 0.99         | 0.53         | 0.04        | 0.07        | 1.27         | 0.00        |                      |
|                 |                  |                         |              |              |             |             |              |             | <b>20.52</b>         |
| 1,330.30        | 170.23           | 0.00                    | 6.81         | 3.64         | 0.23        | 0.49        | 8.76         | 0.00        |                      |
| 1,330.30        | 170.23           | 0.00                    | 6.81         | 3.64         | 0.23        | 0.49        | 8.76         | 0.00        | 1,520.46             |
| 1,263.79        | 161.73           | -121.60                 | 6.47         | 3.47         | 0.23        | 0.46        | 8.32         | 0.00        | 1,322.87             |
| 1,263.79        | 161.73           | -121.60                 | 6.47         | 3.47         | 0.23        | 0.46        | 8.32         | 0.00        |                      |
|                 |                  |                         |              |              |             |             |              |             | <b>2,843.33</b>      |
| 33.95           | 47.53            | 0.00                    | 1.90         | 1.02         | 0.07        | 0.14        | 2.44         | 0.00        | 87.05                |
| 33.95           | 47.53            | 0.00                    | 1.90         | 1.02         | 0.07        | 0.14        | 2.44         | 0.00        | 87.05                |
|                 |                  |                         |              |              |             |             |              |             | <b>174.10</b>        |
| 979.34          | 125.32           | 0.00                    | 5.01         | 2.69         | 0.18        | 0.37        | 6.44         | 0.00        |                      |
| 979.34          | 125.32           | 0.00                    | 5.01         | 2.69         | 0.18        | 0.37        | 6.44         | 0.00        | 1,119.35             |
| 979.35          | 125.33           | 0.00                    | 5.01         | 2.69         | 0.18        | 0.36        | 6.45         | 0.00        | 1,119.37             |
|                 |                  |                         |              |              |             |             |              |             | <b>2,238.72</b>      |
| 8.40            | 0.00             | 0.00                    | 0.47         | 0.25         | 0.01        | 0.03        | 0.60         | 0.00        | 9.76                 |
| 11.40           | 0.00             | 0.00                    | 0.64         | 0.34         | 0.02        | 0.05        | 0.82         | 0.00        | 13.27                |
|                 |                  |                         |              |              |             |             |              |             | <b>23.03</b>         |
| 6.60            | 0.00             | 0.00                    | 0.37         | 0.20         | 0.01        | 0.03        | 0.48         | 0.00        | 7.69                 |
| 4.80            | 0.00             | 0.00                    | 0.27         | 0.14         | 0.01        | 0.02        | 0.35         | 0.00        | 5.59                 |
|                 |                  |                         |              |              |             |             |              |             | <b>13.28</b>         |
| 12.90           | 0.00             | 0.00                    | 0.72         | 0.39         | 0.03        | 0.05        | 0.93         | 0.00        |                      |
| 6.30            | 0.00             | 0.00                    | 0.35         | 0.19         | 0.01        | 0.03        | 0.45         | 0.00        |                      |
|                 |                  |                         |              |              |             |             |              |             | <b>22.35</b>         |
| 742.36          | 95.00            | -226.19                 | 3.80         | 2.03         | 0.14        | 0.27        | 4.88         | 0.00        | 622.29               |
| 742.36          | 95.00            | -226.19                 | 3.80         | 2.03         | 0.14        | 0.27        | 4.88         | 0.00        |                      |
| 742.36          | 95.00            | -226.19                 | 3.80         | 2.03         | 0.14        | 0.27        | 4.88         | 0.00        |                      |
| 989.81          | 126.66           | 0.00                    | 5.06         | 2.71         | 0.18        | 0.37        | 6.51         | 0.00        | 1,131.30             |
| 989.81          | 126.66           | 0.00                    | 5.06         | 2.71         | 0.18        | 0.37        | 6.51         | 0.00        |                      |
|                 |                  |                         |              |              |             |             |              |             | <b>1,753.59</b>      |
| 8.10            | 0.00             | 0.00                    | 0.45         | 0.24         | 0.02        | 0.03        | 0.58         | 0.00        | 9.42                 |
| 9.00            | 0.00             | 0.00                    | 0.50         | 0.27         | 0.02        | 0.04        | 0.65         | 0.00        | 10.48                |
|                 |                  |                         |              |              |             |             |              |             | <b>19.90</b>         |
| <b>6,437.97</b> | <b>899.33</b>    |                         | <b>40.72</b> | <b>21.82</b> | <b>1.45</b> | <b>2.95</b> | <b>52.37</b> | <b>0.00</b> | <b>7,108.82</b>      |

# UCPath 2-Month Example

## Month 1. No Vacation

| Sub 00/01/02 | Type | FAU    | Period  | Sub 03 | Type | FAU    | Sub 06 | Type       | FAU          |
|--------------|------|--------|---------|--------|------|--------|--------|------------|--------------|
| 10,000       | REG  | Fund A | Current | 100    | GAEL | Fund A | 5,000  | CBR Assmnt | Fund A       |
|              |      |        |         |        |      |        | 1,000  | VLA Assmnt | Fund A       |
| 10,000       |      |        |         | 100    |      |        | 6,000  |            | <b>TOTAL</b> |

## Month 2. Vacation Taken (50%)

| Sub 00/01/02 | Type | FAU    | Period  | Sub 03 | Type | FAU    | Sub 06   | Type         | FAU          |
|--------------|------|--------|---------|--------|------|--------|----------|--------------|--------------|
| 10,000       | REG  | Fund A | Current | 50     | GAEL | Fund A | 2,500    | CBR Assmnt   | Fund A       |
| -5,000       | REG  | Fund A | Prior   |        |      |        | 500      | VLA Assmnt   | Fund A       |
| 5,000        | VAC  | Fund A | Prior   |        |      |        | -5,000   | Vac Usage CR | Fund A       |
| 10,000       |      |        |         | 50 ↓   |      |        | -2,000 ↓ |              | <b>TOTAL</b> |

### Configuration

| Earn Code | GAEL    | CBR     | VLA     |
|-----------|---------|---------|---------|
| REG       | Subject | Subject | Subject |
| VAC       | Not     | Not     | Not     |

### Key

CBR Rate = 50%

VLA Rate = 10%

GAEL Rate = 1%

# Thank You!

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**UCLA**

Office of Contract and Grant Administration

# **Composite Benefit Rates for Proposal Budgets**

**Research Administrator's Forum**

**August 9, 2018**

# Composite Benefit Rate

(Application for Proposals)

<https://www.finance.ucla.edu/composite-benefit-rate-assessment>

Complete all **5** steps to ensure correct CBR category is identified

[Title Code Lookup](#)

| Step | Action  |
|------|---|
| 1    | Map employee to Composite Benefit Employee Group based upon <a href="#">Title Code Link</a>   |
| 2    | <p>IF<br/>DOS Code Is equal to ACA or ACM or ACR or SSC</p> <p>THEN<br/>Reassign employee to the "Faculty Summer" group</p>   |
| 3    | <p>IF<br/>Benefit Eligibility Level Indicator Assigned (BELIASI) does not equal 1</p> <p>AND<br/>Standard Group Is one of the following:<br/>Faculty, Other Academic, Staff, HCOMP Senior Faculty, Food-Custodian-Grounds</p> <p>THEN<br/>Reassign employee to the "Employees &amp; Students with Limited Benefits" group</p> |
| 4    | <p>IF<br/>Standard Group Is equal to "Staff"</p> <p>AND<br/>Fair Labor Standards Act (FLSA) Status is equal to E (Exempt)</p> <p>THEN<br/>Reassign employee to "Staff Exempt"</p>   |
| 5    | <p>IF<br/>Standard Group Is equal to "Staff"</p> <p>AND<br/>Fair Labor Standards Act (FLSA) Status is equal to N (Non-Exempt)</p> <p>THEN<br/>Reassign employee to "Staff Non-Exempt"</p>   |

# Composite Benefit Rate

(Application for Proposals)

$$\text{CBR} + \text{Vacation Accrual} * = \text{Total Fringe Benefit Rate}$$

| COMPOSITE BENEFIT EMPLOYEE GROUP           | COMPOSITE BENEFIT RATE |
|--|------------------------|
| Faculty Summer                             | 5.0%                   |
| HCOMP Senior Faculty                       | 26.0%                  |
| Faculty                                    | 31.8%                  |
| Other Academics                            | 41.4%                  |
| Post Docs                                  | 41.1%                  |
| Staff Exempt                               | 44.4%                  |
| Staff Non-Exempt                           | 54.7%                  |
| Food-Custodian-Grounds                     | 71.1%                  |
| Employees & Students with Limited Benefits | 5.0%                   |

| FY18-19 VACATION LEAVE RATE GROUP          | LEAVE RATE |
|--|------------|
| Fiscal Year                                | 6.0%       |
| Accruing Staff & Non Faculty Academics     | 7.0%       |
| Non-Accruing Staff & Academic Year Faculty | 0.0%       |

**NO CHANGE**

Future Budget Years may include a 1% increase to the Total Fringe Benefit Rate

\* if allowable by Sponsor



# Extramural Fund Management

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August 9th, 2018

# Agenda

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- **UCPath Composite Benefit Rates and Vacation Leave Assessment**
  - Unallowable Benefit Expenses in NRSA Grants
  - UCPath Payroll Reports as Supporting Documentation
  - Payroll View Details Reports in the Effort Reporting System
- **UCPath and Payroll Related Reports in the RAPID Tool**

# **UCPath Composite Benefit Rates and Vacation Leave Assessment**

# Unallowable Benefit Expenses in NRSA Grants

NIH Grant Policy Statement, 11. RUTH L. KIRSCHSTEIN NATIONAL RESEARCH SERVICE AWARDS

- **11.2 INDIVIDUAL FELLOWSHIPS / 11.2.9.7 Employee Benefits**

Since Kirschstein-NRSA fellowships are not provided as a condition of employment with either the Federal government or the sponsoring institution, institutions may not seek funds, or charge individual fellowship awards, for costs that normally would be associated with employee benefits (for example, FICA, workman's compensation, life insurance, union dues, and unemployment insurance). Concerning union dues or other similar costs otherwise paid personally by the fellow; if a fellow requests the institution deduct such a cost from the stipend amount, the institution can provide the fellow such a service. However, in no case can such a deduction from the stipend be made automatically without the approval of the fellow.

- **11.3 INSTITUTIONAL RESEARCH TRAINING GRANTS / 11.3.8.7 Employee Benefits**

Because Kirschstein-NRSA awards are not provided as a condition of employment with either the Federal government or the recipient, it is inappropriate and unallowable for organizations to seek funds, or to charge Kirschstein-NRSA institutional research training grants, for costs that normally would be associated with employee benefits (for example, FICA, workers compensation, life insurance, union dues, and unemployment insurance). Concerning union dues or other similar costs otherwise paid personally by the trainee, if a trainee requests the institution deduct such a cost from the stipend amount, the institution can provide the trainee such a service. However, in no case can such a deduction from the stipend be made automatically without the approval of the trainee.

# Unallowable Benefit Expenses in NRSA Grants

The Current Process Before CBR

- Worksheet in the RAPID COP [PAYROLL: Training Grant– Allowable/Unallowable benefits]**

- The worksheet segregate allowable expenses and unallowable expenses based on object codes by person in two tables.
- Department fund manager reviews accuracy and submit it to EFM as a part of Closeout Packet.
- Department works with the central Payroll office to transfer off unallowable expenses from the grant fund via financial journal entries.

**Allowable Benefits**

| Paid/Lien        | Total           | Joe Bruin | Josephine Bruin | Brown Bear |
|------------------|-----------------|-----------|-----------------|------------|
| Paid             | <b>4,457.32</b> |           |                 | 4,457.32   |
| Lien             | <b>5,017.62</b> | 1,578.24  | 0.00            | 3,439.38   |
| Total Allowables | <b>9,474.94</b> | 1,578.24  | 0.00            | 7,896.70   |

**NIH PSBP Unallowable Charges**

| Paid + Lien        | Total          | Joe Bruin | Josephine Bruin | Brown Bear |
|--------------------|----------------|-----------|-----------------|------------|
| Work Comp (8501)   | <b>1441.79</b> | 375.92    | 425.89          | 639.98     |
| Life Ins. (8751)   | <b>52.25</b>   | 9.15      | 0               | 43.1       |
| Disability (8741)  | <b>166.6</b>   | 29.4      | 0               | 137.2      |
| Total Unallowables | <b>1660.64</b> | 414.47    | 425.89          | 820.28     |

|             |                  |          |        |          |
|-------------|------------------|----------|--------|----------|
| Grand Total | <b>11,135.58</b> | 1,992.71 | 425.89 | 8,716.98 |
|-------------|------------------|----------|--------|----------|

# Unallowable Benefit Expenses in NRSA Grants

## The Future Process with CBR

- **Benefit expense will be charged as a lump sum based on the Composite Benefit Rate (CBR) for each employee group.**
- **CBR include benefit expenses not allowed by NIH Grant Policy for NRSA grants and detailed breakdowns of different types of benefits are not available.**
- **How can we ensure not to charge unallowable expenses to NRSA grants?**
  - CBR is assessed only when salaries are paid to employees.
  - Trainees/Fellows receive stipends (not salaries) on NRSA grants.  
(Excerpts from NIH Grant Policy Statement in the next slide)
  - No benefit is assessed to NRSA grants.
  - No risk of charging unallowable benefit expenses to NRSA grants.
  - Two training grant worksheets in the RAPID COP will be discontinued.
    - Training Grant – Postdoc Allowable/Unallowable Benefits.
    - Training Grant Benefits.

# Unallowable Benefit Expenses in NRSA Grants

NIH Grant Policy Statement, 11. RUTH L. KIRSCHSTEIN NATIONAL RESEARCH SERVICE AWARDS

- **11.2 INDIVIDUAL FELLOWSHIPS / 11.2.9.2 Stipends**

A **stipend** is provided as a subsistence allowance for Kirschstein-NRSA fellows to help defray living expenses during the research training experience. **It is not provided as a condition of employment** with either the Federal government or the sponsoring institution.

- **11.3 INSTITUTIONAL RESEARCH TRAINING GRANTS / 11.3.8.2 Stipends**

Trainees generally are supported for 12-month full-time training appointments for which they receive a **stipend** as a subsistence allowance to help defray living expenses during the research training experience. **The stipend is not "salary" and is not provided as a condition of employment** with either the Federal government or the recipient organization.

# UCPath Payroll Report

As Supporting Documentation for Sponsored project funds

- **Certain awards require the payroll detail report to support total payroll and benefit expenses in the invoice or the financial report.**
- **Currently PPS Payroll Expense Distribution Report is provided to the sponsor.**
  - Includes salaries and benefits.
- **Total benefits in the UCPath Payroll Report include non-payroll expenses: GAEL (General Automobile and Employment Practices Liability Insurance Assessment)**
  - When submitting the payroll report to the sponsor, GAEL expenses need to be removed to reconcile salaries and benefits between payroll reports and invoices/financial reports.
- **UCPath Payroll Report displays composition of compensation (REG/VAC) differently from today in PPS.**
  - Refer to the next slide for more information.
- **EFM is in the process of working with the UCPath reporting team to address implications of the current design of UCPath payroll report to be used as supporting documentation for sponsored project funds.**

# Payroll Report Comparison

## Example Scenario (simplified):

- Monthly pay rate: \$10,000 (all REG)
- Benefit rate: 40%
- Vacation accrual rate: 10%
- 50% of effort to Grant A
- February: 10 days vacation out of 20 work days
- March: no vacation

Vacation credit is posted not in the month when vacation is taken but in the following month.

| For Grant A for March         | PPS Payroll Expense Distribution Report | UCPath Payroll Report                          |
|-------------------------------|---|--|
| Salaries                      | 5,000.00 REG                            | 5,000.00 REG<br>(2,500.00) REG<br>2,500.00 VAC |
| Total salaries (sub: 00 - 02) | 5,000.00                                | 5,000.00                                       |
| Benefits                      | 2,000.00                                | 1,000.00                                       |
| Vacation accrual              | 500.00                                  | 500.00   |
| Vacation credit (salary)      | (2,500.00)                              | (2,500.00)                                     |
| Vacation credit (benefit)     | (1,000.00)                              | -  |
| Total benefits(sub: 06)       | (1,000.00)                              | (1,000.00)                                     |

Annotations in the table:  
 - A green arrow points from the \$5,000 REG in the PPS Salaries row to the \$2,000.00 in the PPS Benefits row, labeled "\$5,000 REG X 40%".  
 - An orange arrow points from the \$2,500.00 VAC in the UCPath Salaries row to the \$1,000.00 in the UCPath Benefits row, labeled "\$2,500 REG X 40%".  
 - A blue bracket groups the (2,500.00) and (1,000.00) in the PPS Vacation credit rows, labeled "\$3,500 credit in total".  
 - A blue bracket groups the (2,500.00) and - in the UCPath Vacation credit rows, labeled "\$2,500 credit in total".

Benefits are assessed based on \$5,000 REG and vacation credit is assessed on both salary and benefit.

Benefits are assessed based on \$2,500 REG and vacation credit is assessed only on salary, not on benefit.

# Payroll Report Comparison

In summary,

- PPS assess benefits on total salary including vacation time taken and give vacation credit for benefits.
- UCPATH assess benefits on salary net of vacation time taken; therefore, vacation credit for benefits is not applicable.

→   In aggregate, no difference on the total amount of salaries and benefits.

*(Note: In this example, for the purpose of demonstrating different approaches of assessing benefit and vacation credit, exactly the same vacation accrual rate and benefit rate are used for PPS and UCPATH calculation. However, actual amounts of benefit, vacation accrual, and vacation credit for the same individual are highly unlikely to be the same in UCPATH as in PPS. They will be calculated based on CBR rates and VLA rates for employee groups in UCPATH\*.)*

| For Grant A for March         | PPS Payroll Expense Distribution Report                                    | UCPATH Payroll Report  |
|-------------------------------|--|--|
| Salaries                      | 5,000.00 <span style="background-color: #f0e6ff; padding: 2px;">REG</span> | 5,000.00 <span style="background-color: #f0e6ff; padding: 2px;">REG</span><br>(2,500.00) <span style="background-color: #f0e6ff; padding: 2px;">REG</span><br>2,500.00 <span style="background-color: #f0e6ff; padding: 2px;">VAC</span> |
| Total salaries (sub: 00 - 02) | 5,000.00   | 5,000.00   |
| Benefits                      | 2,000.00   | 1,000.00   |
| Vacation accrual              | 500.00   | 500.00   |
| Vacation credit (salary)      | (2,500.00)   | (2,500.00)   |
| Vacation credit (benefit)     | (1,000.00)   | (1,000.00)   |
| Total benefits(sub: 06)       | (1,000.00)   | (1,000.00)   |

  Different Earn Codes in UCPATH (DOS code in PPS) are assigned to salary amount.

  Different benefit amounts in the month vacation credit is posted.

  Different vacation credit amounts in the month vacation credit is posted.

# Payroll View Details in the ERS

- Example Scenario (simplified):
- Monthly pay rate: \$10,000 (all REG)
  - Benefit rate: 40%
  - Vacation accrual rate: 10%
  - 50% of effort to Grant A
  - February: 10 days vacation out of 20 work days
  - March: no vacation

Vacation credit is posted not in the month when vacation is taken but in the following month.

**ERS with PPS**  
(For Grant A for March)

- **50% effort** based on salaries of \$5,000 REG
- Payroll View Details will show
  - \$5,000 REG

**ERS with UCPATH**  
(For Grant A for March)

- **50% effort** based on salaries of \$2,500 REG and \$2,500 VAC
- Payroll View Details will show
  - \$5,000 REG
  - -\$2,500 REG
  - \$2,500 VAC

# **UCPath and Payroll Related Reports in the RAPID Tool**

# Payroll related Reports in the RAPID Tool

## Overview and Communication History

- RAPID Tool has multiple reports that consume payroll data and EFM has evaluated the need to integrate these reports with transition to UCPath.
- February 2018: Communicated the status of evaluation at RAF.

| In-scope  | In-scope but evaluating CBR implication  | Under evaluation   |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Payroll After Fund End Date</li> <li>• Employee Sum</li> <li>• Admin Salary</li> </ul> | <ul style="list-style-type: none"> <li>• Training Grant – Postdoc Allowable/Unallowable Benefits</li> <li>• Training Grant Benefits</li> </ul> | <ul style="list-style-type: none"> <li>• ERS Detail Reports</li> </ul> |

- February 2018: Announcement soliciting feedback on the usage of ERS Detail Reports.
- April 2018: Announcement confirming that the RAPID ERS reports will be remediated.
- May 2018: Communicated the status of evaluation at RAF.

| In-scope  |  | In-scope but evaluating CBR implication  |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Payroll After Fund End Date</li> <li>• Employee Sum</li> </ul> | <ul style="list-style-type: none"> <li>• Admin Salary</li> <li>• ERS Detail Reports</li> </ul> | <ul style="list-style-type: none"> <li>• Training Grant – Postdoc Allowable/Unallowable Benefits</li> <li>• Training Grant Benefits</li> </ul> |

# Payroll related Reports in the RAPID Tool

## Current Status

- Evaluation on CBR implication to two reports; “Training Grant – Postdoc Allowable/Unallowable Benefits” and “Training Grant Benefits” has been completed.
- Based on the conclusion that CBR is assessed only to Salaries but not to Stipends, there is no need to maintain these reports.

| In-scope  |  | Out of Scope   |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Payroll After Fund End Date</li> <li>• Employee Sum</li> </ul> | <ul style="list-style-type: none"> <li>• Admin Salary</li> <li>• ERS Detail Reports</li> </ul> | <ul style="list-style-type: none"> <li>• Training Grant – Postdoc Allowable/Unallowable Benefits</li> <li>• Training Grant Benefits</li> </ul> |

- New version of RAPID tool remediated for UCPath is under testing.
  - Testing of the RAPID tool is dependent on UCPath testing
  - More information will be provided when testing is completed and the new version is released.

# RAPID Tool: Payroll Related Reports

## Conclusion Summary

| <b>RAPID Project Quick Wins</b>                                      |   |
|--|---|
| Closeout Reports   | ARRA, ERS, Billing & A/R Reports  |
| Pre-Closeout Checklist (Recommended 2 months prior to fund end date) | ARRA Linked Accounts by Hierarchy Code<br>ARRA FTE Report                                   |
| Smart Closeout Tool  | ERS Detail report (11/12 Academics and Non Academics)<br>ERS Detail report (9/12 Academics) |
| Summary - By Sub   |   |
| Expenses - Unallowable and Warning Object Codes                      | Billing & Accounts Receivable   |
| Expenses - After End Date  | Remediated – under testing  |
| Remaining Encumbrances   | Financial Reporting and Invoicing Tool  |
| F&A Reconciliation Link  | Will discontinue  |
| Subawards/Subcontracts/Subgrants                                     |   |
| 1198XX (Intercampus/Carryforward/STIP)                               |   |
| Training Grant -Trainee Expense Worksheet                            |   |
| Training Grant – Postdoc Allowable/Unallowable Benefits              |   |
| Training Grant Benefits  |   |
| Detail - Closed Warning and Unallowable Expenses                     |   |
| Detail - After Closeout  |   |
| Payroll After Fund End Date  |   |
| Employee Sum   |   |
| Admin Salary   |   |
| Detail - Closed Warning and Unallowable Expenses                     | Remediated – under testing  |
| Detail Equipment – Within 90 days of Expiration                      |   |

# Any Questions?

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