



# Extramural Fund Management

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March 11, 2021

# Agenda

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- **ORA Procedures**
  - Appropriation for Award Payment Bases
  - Invoicing and Reporting for Awards Received in Foreign Currency
- **Effort Reports**
  - Current Release Certification Status
  - Next Release Plan

# RAF Presentations

All RAF presentations are available at <https://ora.research.ucla.edu/raf/>

*“Question and Answer” is posted in addition to the presentation.*

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## RAF Archive

### February 2021 RAF

Topics	Speaker	Download/View Slide PDF
<b>Welcome and Announcements</b> > Introduction to OCGA Senior Director Tracey Fraser	Marcia Smith, ORA	<a href="#">Download</a>
<b>Human Research Protection Program</b> > Updates	Kristin Craun, OHRPP	<a href="#">Download</a>
<b>Contract and Grant Administration</b> > e-EPASS Updates > Grant Updates	Harveen Kukreja, OCGA Kathy Kawamura, OCGA	<a href="#">Download</a> <a href="#">Download</a>
<b>Research Policy and Compliance</b> > Export Control: Considerations for overseas remote work during the pandemic	Ann Pham, RPC	<a href="#">Download</a>
<b>Extramural Fund Management</b> > Effort Report Certification > Expired Funds to Close > NIH FFR submissions to PMS > PAMS Accounts Receivable	Yoon Lee, EFM	<a href="#">Download</a>
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**ORA Procedure:**  
**Appropriations for Award Payment Bases**  
**Invoicing and Reporting for Awards Received in Foreign Currency**

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# ORA Procedures

- **ORA procedures effective 2/01/21:**
  1. Appropriations for Award Payment Bases
  2. Invoicing and Reporting for Awards Received in Foreign Currency
- Procedures were vetted amongst the 3 offices involved in processes: OCGA, ORDМ, and EFM.
- Procedures can be found on the EFM website under “Policies and Procedures” section.  
<https://efm.research.ucla.edu/policies-and-procedures/>

The screenshot shows the UCLA Research Administration website. The top navigation bar includes links for Home, About EFM, Policies and Procedures, Research Finance, Contact Us, and ORA. The main content area is titled 'Policies and Procedures' and is divided into sections: Sponsor Policies, Federal Guidelines (with links for Uniform Guidance and Federal Acquisition Regulation), Major Sponsors, and EFM Procedures. The 'ORA Procedures' link is highlighted with a red box and an arrow pointing to it with the text 'New section added'. Another arrow points to the 'Policies and Procedures' menu item in the top navigation bar with the text 'click here!'.

# Appropriations for Award Payment Bases

## Purpose of Procedure

- To describe how appropriations are processed to the general ledger (GL) based on the payment bases for sponsored research awards. The payment basis determines how UCLA will earn and record revenue. The three payment bases are Cost Reimbursement, Firm Fixed-Price, and Firm Fixed-Rate.

## Definitions

- **Cost-Reimbursement:** Payment is based on actual costs incurred. Revenue is earned when allowable and applicable costs are incurred up to the total approved budget. Unspent cash balance must be returned to the sponsor.
- **Firm Fixed Price:** Payment is based on a fixed specified amount, regardless of costs incurred. Revenue is earned as milestones are completed. Unspent cash balance can be retained by the University in accordance with UCLA Policy 913.
- **Firm Fixed Rate:** Payment is based on a fixed rate applied to the number of units performed up to the total approved budget. An example is a clinical trial where funding is based on the number of patients participating in the trial and payment is received incrementally up to the maximum amount indicated in the award. Unspent cash balance can be retained by the University in accordance with UCLA Policy 913.

# Appropriations for Award Payment Bases

Reviewing the procedure

## OCGA (Office of Contract and Grant Administration)

1. At the time of award execution, OCGA completes the internal form, Award Data Coding Sheet (ADCS), and indicates the payment basis and budget amount for the award. Awards with multiple payment bases will have the budget for each payment basis on the ADCS.

## ORDM (Office of Research Data Management)

1. ORDM posts the appropriation to GL for the awarded amount indicated in the ADCS.
2. If the budget is cost reimbursement or firm fixed price, the appropriation is posted to GL for the awarded amount.
3. If the budget is firm fixed rate, the quantity of the units to be completed for the project is unknown at the time of award execution. Although the sponsors provide an awarded amount “not to exceed”, it is not uncommon to complete a far less number of units than what was projected in the maximum amount. As appropriating the maximum amount can be misleading as available budget to spend, the appropriation will not be posted to GL.
4. If the budget has multiple payment bases, a separate expense account and cost center will be designated for each payment basis and the appropriation to each expense account and cost center will follow the steps above.

# Appropriations for Award Payment Bases

Reviewing the procedure

## EFM (Extramural Fund Management)

1. When the financial deliverable is due, EFM prepares it, working with the department as needed, based on the appropriation in GL to submit it to the sponsor except for industry sponsored clinical trials.
2. For Industry Sponsored Clinical Trials, departments invoice the sponsor and EFM will appropriate budget to GL as payments are received.
3. EFM de-obligates unused appropriation balance in GL when submitting the final financial deliverables based on what UCLA has earned (revenue).
4. For cost reimbursement awards, EFM will return unspent cash balances to the sponsor.
5. For fixed rate or fixed price awards, EFM will transfer unspent cash balances per PI's request in accordance with UCLA's Policy 913.

# Invoicing and Reporting for Awards Received in Foreign Currency

**Purpose of Procedure:** To standardize invoicing and financial reporting for awards received in foreign currency.

## **OCGA and ORDM**

- Before execution of an agreement, OCGA intends to negotiate the award in US dollars.
- If the sponsor requires foreign currency, then OCGA converts the awarded amount to US Dollars and ORDM appropriates the budget to GL.
- A note is added in the award snapshot, ***Section II: Special Attention Needed***, that serves as a notification to the administering department that awarded amount is subject to change depending on foreign currency conversion rate.
- The foreign currency conversion rate information is included in the ***“Actions”*** section on the second page of the award snapshot.

# Invoicing and Reporting for Awards Received in Foreign Currency

## Example of award snapshot

**Section I: Award Summary**

Principal Investigator:	[Redacted]	Fund Number:	[Redacted]
Sponsor:	[Redacted]	Sponsor Award Number:	[Redacted]
Administering Unit:	[Redacted]	Prime Sponsor:	[Redacted]
Project Title:	[Redacted]	Current Action:	[Redacted]
Current Budget Period:	[Redacted]	Funds Awarded this Action:	[Redacted]
Project Period:	[Redacted]	Total Funds Awarded to Date:	[Redacted]

- See Section VII for Other Investigators
- For a History of Actions on this award, refer to the Award Snapshot Attachment

**Section II: Special Attention Needed**

1. This award is paid in foreign currency. The actual amount of funds received over time from the sponsor may differ from the awarded amount due to fluctuating exchange rates. The departmental fund manager should monitor exchange rates and review payments received to project the true fund balance available for spending.
2. Review the Award Snapshot Attachment and the Award document for additional terms and conditions.

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Page 2 →

**Action(s)**

1. Sponsor award agreement dated and signed 6/21/16 provides funding in the amount of 116,000 € EUROS for the period of 07/01/16 through 06/30/18. **The estimated dollar amount of \$132,240 is based on the conversation rate of 1 EUR = 1.14 USD on May 12, 2016. Please review your General Ledger receivables for converted payment amount. Date of payment receipt will determine the conversion rate used.**
2. Allocating Year 2's funds of \$66,120 for the project period of 07/01/2017 to 06/30/2018. **The estimated dollar amount of \$66,120 is based on the conversation rate of 1 EUR = 1.14 USD on May 12, 2016. Please review your General Ledger receivables for converted payment amount. Date of payment receipt will determine the conversion rate used.**
3. Sponsor modification dated 07/01/18 provides funding in the amount of 57, 000 € EUROS for the period of 07/01/18 through 06/30/2019. **The estimated dollar amount of \$66,388 is based on the conversation rate of 1 EUR = 1.16 USD on June 26, 2018. Please review your General Ledger receivables for converted payment amount. Date of payment receipt will determine the conversion rate used.** Sponsor modification also extends the end date to 06/30/2019.

# Invoicing and Reporting for Awards Received in Foreign Currency

Reviewing the procedure

## EFM (existing procedure)

1. When the sponsor requires invoicing or reporting in the sponsor's currency, EFM converts the total costs in the UCLA dollar in GL to a foreign currency applying the conversion rate at the time invoice or report is prepared.
  - EFM uses foreign currency conversion rates published on Bank of America, UCLA's major bank: <https://www.bankofamerica.com/foreign-exchange/foreign-currency-exchange/>
  - EFM includes the conversion rate information as supporting documentation to the invoice or financial report.
2. EFM records revenue and accounts receivable (A/R) in US dollars in GL based on the invoice amount issued to sponsor.
3. Payment the sponsor sends in a foreign currency is converted into US dollars when it is deposited to UCLA's bank. The payment received in US Dollars may be less or more due to different conversion rates at the time of invoicing and receipt of the payment and a wire fee for EFT.
  - EFM adjusts revenue and AR amounts based on the actual payment value deposited in US dollar to UCLA's account.
  - At the fund closeout, the department will receive either the gain or need to cover for the loss of payment as a result of currency conversion and the wire fee.

# Invoicing and Reporting for Awards Received in Foreign Currency

Reviewing the procedure

## EFM (new step added)

4. EFM evaluates the award amount every 6 months from the award begin. If a significant change to the exchange rate results in the anticipate total award amount to be greater or lesser than the total awarded amount on the award snapshot by 25%, EFM will adjust the appropriation in GL accordingly to reflect the current fair value of the amount in the US dollar to spend.
  - Semi-annual financial deliverables are added in PAMS (category = Internal Financial Reports) to trigger evaluation of the award amount. Comments to this financial deliverable will say *“Foreign Currency 6-month review”*.
  - EFM documents the assessment in the comments section of the PAMS deliverable.
  - EFM emails the PI and Department Fund Manager about the appropriation adjustments made in GL.
  - The award amount in the award snapshot will remain same.

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# Effort Report Certification

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# Effort Report Status

- Effort Report Certification Progress as of March 11, 2021 (released on September 24<sup>th</sup>)

Reporting Period	Summer 2018	Fall 2018 (Modified)	Winter 2019	Total	As of 2/11/21	Increase (decrease)
Certified	348	4,696	4,032	9,076	8,754	322
Open	86	1,363	1,098	2,547	2,869	(322)
Total	434	6,059	5,130	11,623	11,623	0
Certification rate	80.18%	77.50%	78.60%	78.09%	75.32%	2.77%

Thank you for the progress!

- <https://portal.research.ucla.edu/EffortReportingCertification>

- Reports flagged as “Under Prelim Review” in ERS due to unresolved UCPath defects.

Issue description	Affected reports	Status	Reports	
Incorrect effort percent for effort bearing payroll line	269	<p>→ Adjust and certify!</p> <p>1,135: Pending resolutions for certification.</p>	Total number of effort reports	11,623
Pending mass leave correction	518		Total pending UCPath resolution	- 1,135
Missing payroll records	386		Total ready for certification	10,488
Missing Y-OTC or N-OTC lines	231		Total certified	- 9,076
<b>Total effort reports with errors</b>	<b>1,404</b>			
<b>Total number of effort reports</b>	<b>11,623</b>			
		Remaining for certification	<b>1,412</b>	

# Effort Report: Next Release

- **EFM plans to generate effort reports soon in April/May 2021 to bring it all up to current.**

Reporting Period	Non-Academic and 11/12 Academics	9/12 Academics
Spring 2019	April – June 2019	March – June 2019
Summer 2019	July – September 2019	June – September (*)
Fall 2019	October – December 2019	July – October 2019
Winter 2020	January – March 2020	November 2019 – February 2020
Spring 2020	April – June 2020	March – June 2020
Summer 2020	July – September 2020	June – September (*)
Fall 2020	October – December 2020	July – October 2020
Winter 2021	January – March 2021	November 2020 – February 2021

*(\*) Additional Compensation DOS codes only*

- **More details on the release date and certification due dates will be shared soon.**
- **In the meantime, certify effort reports currently released as soon as possible.**
  - Be prepared for single audit for FY20-21.
  - Certification of next effort reports will coincide with fiscal closing period.
  - Catch up with the current open effort reports now!

# Any Questions?

## Contact Information

### EFM Website

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

### ERS Help Desk

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