



Extramural Fund Management

September 9, 2021

Agenda

- **Impact of fiscal closing schedule to sponsored projects**
- **Single Audit for FY20-21**
- **Effort Reporting Certification**

Impact of Fiscal Closing to Sponsored projects

Yoon Lee

Controller's Message on August 12, 2021

[Subject: July to September 2021 Ledgers]
sent to CAO/CFO and Financial System Users

- UCOP requires UCLA to maintain its local June ledger open until **September 10th** to accommodate adjustment journal entries that may arise during the financial statement audit period (August 3rd to September 10th).
- **September 14th**: July ledger closes. The July 1st beginning unexpended balance, the July 1st re-appropriation, and the July 1st reversal of accruals will post to the July ledger.
- **September 15th**: August and September OFSR summary reports (Fund Summary, Account Summary, Sub-Object Code Summary) will be available.
 - OFSR summary reports point to a table that only gets updated for 2 active ledgers at a time.
 - All GL transactions for July, August and September ledgers are available for users to view and report in two ways: (1) via the Online Financial System Reports (OFSR) in a report titled "Detail General Ledger" or (2) via the campus data warehouse (CDW).

IT service website:

<https://www.it.ucla.edu/enterprise-data-warehouse>

2020-21 Fiscal Year-End Closing Dates

07/14/21: FS Prelim Ledger data available in QDB/CDW
07/17/21: FS Interim Ledger data available in QDB/CDW
09/11/21: FS June Final Ledger data available in QDB/CDW
09/13/21: FS Post Final data available in QDB/CDW
09/15/21: FS July Ledger data available in QDB/CDW
09/18/21: FS August Ledger data available in QDB/CDW

** BFS communicated the timeline left as a planned timeline.*

** The balance is available in QDB/CDW the next day after ledger closes. For more detail timeline of August ledger balance, see the next slide.*

Timeline for the August Ledger Balance

What are available?	Date of data availability	Dependency
August balance is available in the OFSR fund and account summary reports & CDW/QDB (This excludes beginning balances)	9/13/21	June ledger to close
August beginning balance is posted.	9/15/21	July ledger to close
August ending balance is posted and available on all reporting tools.	9/18/21	August ledger to close

Impact to Sponsored Projects

- **Numerous operational and management reports and systems pull the data from the GL balance table. Not having the balance data available for July and August impacted EFM's operation and research administrators and PIs on campus.**
- **EFM developed workarounds to continue to support EFM's key operation to bill the sponsor and collect payment.**
 - Modifying worksheets to pull the data from the GL detail table (e.g. a letter of credit draw worksheet, a worksheet to process appropriation for clinical trial funds, etc.) and using different ORA tools to prepare financial deliverables other than PAMS Billing and Reporting tool.
- **Key systems and reports impacted for the campus use:**
 - *Online Financial System Reports:* Transaction details are available but the summary balance is not available.
 - *Fund Expiration Notices (FEN):* FENs are sent on schedule (90 days, 30 days prior to the fund expiration and on the day of fund expiration). The balance included in the FEN is as of July 2021.
 - *PAMS Report of Expired Funds to Close:* A list of expired funds is current as of the report run date but the balance shown for each fund is as of July 2021. The summary of expired funds by category is inaccurate.
 - *PAMS Billing and Reporting/F&A reconciliation:* Financial data for August and September are not available.
 - *PI portal:* Financial data available in the PI portal is based on July ledger.
 - ORA systems and reports impacted by this clearly indicates that the balance is as of July 31, 2021.

Single Audit for FY20-21

Yoon Lee

Overview

UC receives two audits every year by independent auditors besides numerous audits by sponsoring agencies. These two audits are conducted on parallel leveraging certain audit procedures for both.

Financial Statement Audit

- Independent, objective evaluation of financial reports and financial reporting processes to obtain reasonable assurance that financial statements are free from material misstatement.
- In accordance with Generally Accepted Accounting Principles (GAAP) and standards established by Governmental Accounting Standards Board (GASB).

Single Audit (Uniform Guidance Audit)

- Independent examination of an entity that expends \$750,000 or more of federal assistance to ensure that appropriate internal controls over compliance are in place and that federal funds are spent in compliance with the federal program's requirements in accordance with Uniform Guidance.
- Single audit is conducted in accordance with Uniform Guidance (2 CFR 200. 501 Audit Requirements)

Singe Audit (UG Audit)

- **PwC conducts FY20-21 Single Audit for UC Regents**
- **Timeline:**
 - Due date to submit single audit report with Federal Audit Clearinghouse: September 30, 2022 (original: March 31, 2022)
 - OMB Memo M-21-20 dated March 19, 2021: A six-month extension to the Single Audit submission was granted to all recipients and subrecipients with fiscal year-ends through June 30, 2021.
 - PwC aims to complete fieldwork testing by September 30, 2021 with a goal of completing the audit by the calendar year end.
- **Major compliance testing areas**
 - Allowability/allocability of costs including cost transfers, Subrecipient monitoring, Key personnel, Equipment, Procurement, suspension and debarment, Service centers, etc.
- **EFM supports Single Audit coordinating with other ORA units and other central offices mainly Business & Finance Solutions.**

Singe Audit: Research and Development Cluster

- UCLA is selected for full scope testing for FY20-21 R&D cluster along with UCD. PwC selected samples for testing and EFM is coordinating with multiple offices and the department to provide the requested supporting documentation.
- Research Development: Campus selection for full scope testing.

	FY21	FY20	FY19	FY18	FY17	
UCLA	Full scope		R&D out of scope		Full Scope	
UCB		Full scope				
UCSF		Full Scope				
UCD	Full scope					
UCSD						Full Scope
UCSB						
UCSC						
UCI						
UCR						
UCM						

- EFM will share updates on audit progress and results when available.
- If you are contacted by PwC auditors directly, please contact Yoon Lee in EFM. EFM will coordinate with you to provide answers to auditor’s questions.

Effort Report Certification

Robert De Jesus

Effort Report Status

- Effort Report Certification Progress as of September 8, 2021 (FY18-19: July 2018 – June 2019)

Reporting Period	Summer 2018	Fall 2018 (Modified)	Winter 2019	Spring 2019	Total
Certified	399	5,247	4,464	3,589	13,699
Open	35	823	676	1,822	3,356
Total	434	6,070	5,140	5,411	17,055
Certification Rate	91.94%	86.44%	86.85%	66.33%	80.32%

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

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

Effort Report with Under Prelim Review Flag Breakdown	Number of reports
Open Effort Report for FY18-19	3,356
Total Open Effort Reports with errors	823
Open Error Reports with no issue	2,533
Total number of effort reports	17,055
Error Rate	4.83%

- Certify reports that are not flagged as “Under Prelim Review” which means we have 2,533 Effort Reports left available for certification! Great Progress!

Effort Report Status

- Effort Report Certification Progress as of September 8, 2021 (FY19-20: July 2019 – June 2020)

Reporting Period	Summer 2019	Fall 2019	Winter 2020	Spring 2020	Total
Certified	3,715	3,359	3,322	3,193	13,589
Open	2,043	1,858	1,956	1,935	7,792
Total	5,758	5,217	5,278	5,128	21,381
Certification Rate	64.52%	64.39%	62.94%	62.27%	63.56%

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

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

Effort Reports with Under Prelim Review Flag Breakdown	Number of reports
Open Effort Report for FY19-20	7,792
Total Open Effort Reports with errors	1,268
Open Error Reports with no issue	6,524
Total number of effort reports	21,381
Error Rate	5.93%

- Certify reports that are not flagged as “Under Prelim Review” which means we have 6,524 Effort Reports left available for certification! Great Progress!

Effort Report Status

- Effort Report Certification Progress as of September 8, 2021 (FY20-21: July 2020 – March 2021)

Reporting Period	Summer 2020	Fall 2020	Winter 2021	Total
Certified	3,537	3,128	3,210	9,875
Open	2,058	1,885	1,778	5,721
Total	5,595	5,013	4,988	15,596
Certification Rate	63.22%	62.40%	64.35%	63.32%

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

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

Effort Reports with Under Prelim Review Flag Breakdown	Number of reports
Open Effort Report for FY20-21	5,721
Total Open Effort Reports with errors	600
Open Error Reports with no issue	5,121
Total number of effort reports	15,596
Error Rate	3.85%

- Certify reports that are not flagged as “Under Prelim Review” which means we have 5,121 Effort Reports left available for certification! Great Progress!

Effort Report Status

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

Issue description in Comment	Status
Incorrect percent of effort for effort bearing payroll line–review supplemental Excel file and job aid provided by EFM before certification	EFM is working to resolve Missing Payroll Records before releasing the Excel Supplemental File.
Pending Mass Leave Correction (MLC) entry–do not certify until further instruction is provided by EFM	EFM will be working to unflag Effort Reports with Mass Leave Corrections that have been processed and posted to Labor Ledger and General Ledger.
Missing payroll record(s) in effort report–do not certify until further instruction is provided by EFM	UCLA is working with UCPATH Center to find a solution.
Y-OTC or N-OTC indicator is missing–do not certify until further instruction is provided by EFM	UCLA is working with UCPATH Center to find a solution.

- **More detailed special instructions can be found on EFM website including**
 - ERS master exception list
 - Presentation and recording of the ERS webinar for UCPATH defects
 - Job aid – recalculated effort reports
 - <https://efm.research.ucla.edu/special-instructions-ers-release/>

Effort Report Status

- **UCLA is in the middle of receiving audit selections for the FY20-21 Single Audit**
 - The Single Audit will cover Sponsored funds with expenditures from July 01, 2020 – June 30, 2021
 - Payroll Expense is the biggest component of federally funded expenses. This means we should prioritize certifying the 5,216 Effort Reports that are eligible for certification (5,121 Open Reports with no Error and 95 Open Reports that can be certified by correcting the Percent of Effort) FY20-21 which have a chance of being selected for the audit.
 - Departments have certified an additional 640 Effort Reports for FY20-21 since the August 2021 RAF
 - Uncertified Effort Reports expose UCLA to be out of compliance and to the risk of having an audit finding
 - We must continue to address the past due Effort Reports so we can protect our Institution, our PIs and our Departments from any compliance and financial risks

Any Questions?

Contact Information

EFM Website

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

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