Announcements:

- John Radkowski has been appointed Director of Contracts & Grants Division of the Office of Sponsored Research. Official notification was sent from Erik Lium, Ph.D., Assistant Vice Chancellor of Research on March 10, 2011. John will be responsible for oversight of proposals, awards, and outgoing subcontracts for government and non-profit sponsors, and will be working closely with the Industry Contracts Division of the OSR, the Controller’s office, the Institutional Animal Care and Use Committee (IACUS) and the Committee on Human Research to promote compliance with all laws, regulations and university policies regarding research. John may be contacted by telephone at 415-502-4029 or by email at john.radkowski@ucsf.edu.

- FY11 Quarter 3 ARRA reports will be due on March 23, 2011. Further guidance from the OMB regarding data fields, “Award Description” and “Project Description” should be incorporated into the quarterly reports.

  **AWARD DESCRIPTION:** Include grant name and purpose and list the goals of the project and importance of achieving these goals. Use complete sentences and correct spelling. You will populate this data field in RAS.

  **PROJECT DESCRIPTION:** The description should include activities accomplished this quarter. This section reports progress on goals outlined in Award Description field. Use complete sentences and correct spelling. There is no corresponding data field in RAS. If you have an NIH grant, the Controller’s Office will auto-populate this field for you in OMB with the phrase, “As defined in the Award Description field.” If you have a non-NIH ARRA prime award (HRSA, DOD, NSF), you need to complete the project description (activities accomplished this quarter and progress on goals outlined in Award Description field) and send this to Lana Tomitch as an email attachment by Wednesday, March 23, 2011.

- Both award description and project description must be 2000 characters or less. RAS has a 2000 character limit for the award description. If you need to provide an email attachment project description, please make sure you’ve done the character count before sending your description to Lana Tomitch. Questions can be directed to Lana Tomitch at 415-502-3069 or lana.tomitch@ucsf.edu.

- Vacation leave usage credits on the ledgers are derived from the HBS system. For bi-weekly paid employees, all or part of their current month vacation leave usage may be credited to the current month’s ledgers depending on where the pay periods end. For monthly paid employees, their current month vacation leave usage will be credited in the following month’s ledgers because data are not recorded in HBS until the month ends.

- Next RSA Townhall Meeting will be held on Thursday, April 14, from 9:00am – 11:00am at Parnassus Campus, HSW-300. There will be a live broadcast to HD 160 at Mission Bay & Room 118 at the
Fresno Campus. Presentation from the February 2011 RSA Townhall Meeting is available online at the Controller’s Office website.

- RATS was recently upgraded and now provides users the ability to see their drafts in the Approval Log. There is currently a long list of drafts that require some clean-up. Users are asked to sort by UserId to determine if any of their drafts should be deleted because they were entry mistakes and/or proposals that were never submitted for one reason or another.

- OE Pre-Award will have its Kick-Off Meeting on April 7 from 12-1 pm in N217. The Kick-Off meeting will review the posting of the pilot positions, which includes a Cluster Director and at least 6 Research Services Coordinators. DOM did not apply to be a pilot because our Chair feels strongly that the department not be broken up into parts. Our priority is to maintain the relationships that have been established between our RSAs and our faculty. Over the next few months, the Department will be transitioning itself so that it mirrors the operational structure that has been developed for Pre-Award. RSAs and division administrators will be intimately involved with the development and implementation of any transition plans.

- Focus of our April & May RSA meetings leading up to the June RSA Retreat will include topics such as managing change, career development planning, resume writing, and interviewing techniques. Discussion of these topics will strive to provide RSAs with career development resources but also help prepare RSAs for the upcoming transition plans.

Guest Speakers:

Christine Durieux  
Director, Extramural Funds  
Controller’s Office

Debbie Caulfield  
Compliance Manager, Extramural Funds  
Controller’s Office

Michael Grafton  
Special Projects Manager, Extramural Funds  
Controller’s Office

The Controller’s Office routinely performs assessment of expense transactions to federal sponsored projects using a 535 source code. Some of the 535 transactions identified for the departments may be inappropriately processed. The Controller’s Office has asked departments to review the identified transactions list and explain why these debit transactions were not processed using a 545 or 547 source code. To determine which journal or transfer to use is the main goal of today’s slide presentation.

Michael Grafton explained the purpose of each of the journals and cost transfers listed below.

- 135 Budget Adjustment Journal
- 145 Budget Transfer-Temporary
- 320 Cash Receipt Journal
- 535 Financial Journal
- 545 Cost Transfer
- 547 Cost Transfer Exception

Most likely, RSAs will only need to use the 535 Financial Journal, 545 Cost Transfer, and 547 Cost Transfer Exception.

We must remember the 535 Financial Journals should not be used with federal sponsored funds. Federal sponsored funds should always use the 545 Cost Transfer or the 547 Cost Transfer. The 545 Cost Transfer is
commonly used to transfer costs impacting federal sponsored project funds and the 547 Cost Transfer is often used to transfer costs between fund years within the same federal fund or to clear a lump sum deficit on a federal fund.

Debbie Caulfield provided the group with compliance procedural updates. On a monthly basis, the compliance unit at the Controller’s Office will review sample population of source code transfer 545 and 547 debits to federal funds. They also review source code journal 535 debits to federal funds, all LX/RX debit transactions to federal funds and all funds in overdraft of $50K.

Debbie also explained the cost transfer procedure. We can go to this link to identify the correct source codes to use when preparing a cost transfer.


Intentional circumvention of the existing controls in PeopleSoft and using source codes other than 545 for cost transfers will result in revocation of general ledger privileges.

Intentional circumvention of the existing controls and using methods other than PET’s for payroll cost transfers will result in revocation of OLPPS privileges.

Debbie went on to discuss payroll cost transfers and provided tips on completing a perfect PET.

LX/RX should only be used to adjust pay rate increase from prior periods and should not be used to adjust funding changes. We should use payroll cost transfers for funding changes.

The Compliance Unit will be meeting with the Payroll Office staff at the Controller’s Office to discuss proper protocol for LX/RX, payroll adjustments and funding changes. There were duplicate effort from central HR, departmental HR and RSAs.

Slides from the presentation are attached below.

**Upcoming RSA meetings**

*RSA Meeting on April 21, 2011 at 8:30-10am in LHts Room 376 (Kathy Judd)*
*RSA Meeting on May 19, 2011 at 8:30-10am in LHts room 376 (Joseph Wilson)*
*RSA Staff Retreat on June 16, 2011*
Journal Entries

By Michael Grafton,
EMF Special Projects Manager
### 135 Budget Adjustment Journal

<table>
<thead>
<tr>
<th>Type of Journal</th>
<th>Purpose</th>
<th>Header and Lines</th>
<th>UCSF Attachments</th>
</tr>
</thead>
<tbody>
<tr>
<td>135 Budget Adjustment</td>
<td>Set up budgets based on approved awards or actual receipts</td>
<td>Header Page</td>
<td>Sponsored funds:</td>
</tr>
<tr>
<td></td>
<td>Move budget between NCA groups of a particular fund</td>
<td>- Ledger Group = BUDGETS</td>
<td>- for an original allocation, an attachment of the appropriate budget page (no need to attach the entire award) is required</td>
</tr>
<tr>
<td></td>
<td>Budget adjustment journals:</td>
<td>- Source = 135</td>
<td>- for a reallocation, if approval from the agency was required, an attachment of the approval from the agency is required; if no approval was required, no attachment is required however preparer should note &quot;no approval required&quot; in the Long Description on the Header page</td>
</tr>
<tr>
<td></td>
<td>- Cannot cross funds</td>
<td>Lines Page</td>
<td>Non-sponsored funds:</td>
</tr>
<tr>
<td></td>
<td>- Cannot be used to transfer overdrafts from one fund to another; use a 545 Cost Transfer when it involves a sponsored-project fund or a 535 Financial Journal for all other funds</td>
<td>- A debit or amount with a positive (+) sign is used to decrease an expense budget.</td>
<td>- provide attachments, if appropriate, to support re-allocation</td>
</tr>
<tr>
<td></td>
<td>- Cannot generally be used for adjusting permanently budgeted funds; use a 144 Budget Transfer-Permanent or a 145 Budget Transfer-Temporary</td>
<td>- A credit or amount with a minus (-) sign is used to increase an expense budget.</td>
<td>-----------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Refer to the table at the end of this job aid to determine which funds use Source Code 144 or 145 and which funds use Source Code 135.</td>
<td>-----------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>

Controller's Office
## 145 Budget Transfer-Temporary

<table>
<thead>
<tr>
<th>Type of Journal</th>
<th>Purpose</th>
<th>Header and Lines</th>
<th>UCSF Attachments</th>
</tr>
</thead>
</table>
| 145 Budget Transfer - Temp | Set up temporary appropriations or budgets (for permanently budgeted funds) | Header Page  
- Ledger Group = BUDGETS  
- Source = 145 | Regardless of the type of transaction, a WebLinks Fund Summary is required. Depending on the type of transaction, other appropriate documentation may include:  
- memo to file  
- funding requests  
- allocation letters  
- budget spreadsheet  
- capital project proposal  
- recharge approval letter, rate sheet  
- correspondence/e-mail  
- interlocation transfer of funds |
| | Record movement of appropriations between NCAs within the same budgeted fund | Lines Page  
- A debit or amount with a positive (+) sign is used to decrease an expense budget.  
- A credit or amount with a minus (-) sign is used to increase an expense budget. | |
| | Budget transfer – temporary journals:  
- Cannot cross funds  
- Cannot be used to transfer overdrafts from one fund to another; use a 545 Cost Transfer when it involves a sponsored-project fund or a 535 Financial Journal for all other funds  
- Post in WebLinks | | |

Refer to the table at the end of this job aid to determine which funds use Source Code 144 or 145 and which funds use Source Code 135.
## 320 Cash Receipt Journal

<table>
<thead>
<tr>
<th>Type of Journal</th>
<th>Purpose</th>
<th>Header and Lines</th>
<th>UCSF Attachments</th>
</tr>
</thead>
</table>
| 320 Cash Receipt      | Record receipt of cash and checks from third parties (for example, fees for services, employee reimbursements, vendor overpayments, continuing education, clinical trial revenue)  
Cash receipt journals:  
Must be prepared and approved and submitted within 5 working days after the date of deposit. Journals should be dated the date they are prepared. At the end of the month, cash journals can only be submitted for 2 working days after the end of the month (except Controller's Office staff who can submit their cash journals for the full 5 days).  
**Note:** Deposits should be made when the total is $500 or more or once a week, whichever comes first.  
Should not be used to correct chartfield or other financial errors. Use a 535 financial journal. | Add New Value Page  
- Journal Date = Date prepared  
Header Page  
- Include date cash was received and date cash was deposited in Long Description.  
- Ledger Group = ACTUALS  
- Source = 320 | None required. Departments are required to keep supporting documentation (ATM deposit “blue” slip, copy of the check) in their files for two years.  
Lines Page  
- A debit or amount with a positive (+) sign is used to increase cash. Amount must match the amount on a deposit slip. NCA is the only chartfield.  
- A credit or amount with a minus (-) sign is used to increase revenue, decrease an expense, or increase undistributed cash (NCAs in 1160xx series) or other receivables (NCAs in 1xxxx series).  
- Refer to the Cash Receipt Journal procedure for specific requirements regarding Reference, Open Item Key, and Journal Line Description. |
## 535 Financial Journal

<table>
<thead>
<tr>
<th>Type of Journal</th>
<th>Purpose</th>
<th>Header and Lines</th>
<th>UCSF Attachments</th>
</tr>
</thead>
</table>
| 636 636 Financial | Record:  
- Non-payroll adjustments to the General Ledger  
- Adjustments to balances  
- Correction of Chartfields (NCA, Fund, DPA, Program, Fund Year)  
- Balance sheet adjustments (used by Administrative Units and the Accounting Office)  
- See also 545 Cost Transfer Regular and 547 Cost Transfer Exception.  
Financial journals:  
- Do not use NCA 438888 or any Budget NCAs.  
- Do not transfer revenue from one fund to another unless it was truly posted to an incorrect fund. Attach supporting documentation to the journal.  
- Do not process journal entries to Fund 19900 for revenue NCAs.  
- Do not use unallowable NCAs with Federal/Sponsored project funds. | Header Page  
- Ledger Group = ACTUALS  
- Source = 535  
Lines Page  
- A debit or amount with a positive (+) sign is used to increase an expense or decrease revenue.  
- A credit or amount with a minus (-) sign is used to increase revenue or decrease an expense.  
- When correcting a journal, enter the original Journal ID in the Reference field. | Regardless of the type of transaction, a WebLinks report is required (this may be a Fund Summary or G/L Transaction Detail, or other financial report, depending on which is appropriate). Depending on the type of transaction, other documentation may be appropriate. |
# 545 Cost Transfer Journal

## Type of Journal

| 545 Cost Transfer Regular |

## Purpose

- Transfer cost/expense from current (source) fund to the (target) fund where either the source and/or target involve a sponsored-project fund.
- Transfer pre-award costs.
- Correct errors or changes in use involving sponsored-project funds.
- Transfer cost overruns in sponsored-projects funds to a departmental unrestricted fund; see also 547 Cost Transfer Exception.

## Header and Lines

- **Header Page**
  - Ledger Group = ACTUALS
  - Source = 545

- **Lines Page**
  - The Cost Transfer Source Transaction Inquiry page is always used to retrieve the source lines or credit lines.
  - A debit or amount with a positive (+) sign is used to increase the expense of the target lines.

## UCSF Attachments

If an expense is being allocated to more than one sponsored fund, an attachment showing the methodology for determining the allocation is required. Federal guidelines require that the methodology be "proportional to the benefit derived."

Because the expenses being moved are already being selected from the General Ledger, it will not be necessary to attach the G/L Transaction Detail, a calculator tape, or copies of invoices.

### PI Certification

- **Attachment E**
  - The Attachment E tab always appears with a 545 cost transfer.
  - For government funds or sponsored projects with federal flow-through, Attachment E must be completed.
  - For source transactions that are less than 120 days old (from posting date), only questions 1 & 2 need to be completed.
  - For source transactions that are more than 120 days old (from posting date), all three questions must be completed.

**Note:** Federal guidelines may differ.

1. PI signs Attachment E. Scan as PDF file and attach it to the Cost Transfer Journal in PeopleSoft.
2. Obtain PI electronic approval by email and attach it the Cost Transfer Journal in PeopleSoft.
## 547 - Cost Transfer Exception

<table>
<thead>
<tr>
<th>Type of Journal</th>
<th>Purpose</th>
<th>Header and Lines</th>
<th>UCSF Attachments</th>
</tr>
</thead>
</table>
| 547             | Exception cost transfer journals should rarely be used and will be monitored. The current (source) or target fund must involve a sponsored-project fund. Transfer exceptional payroll cost/expense, including vacation accrual, between fund years within the same DPA and fund (refer to FAQ on the Accounting Office web site for other payroll exceptions). Transfer from a sponsored project fund to a related program income fund for the purpose of liquidating program income. True cost overruns (for example, one-time closing of an expired DPA and fund with an overdraft using a lump sum transfer to a departmental unrestricted fund). Use NCA 437691 for both the debit and credit. When the cost transfer involves an open item NCA. | Header Page  
- Ledger Group = ACTUALS  
- Source = 547  

Lines Page  
- A credit or amount with a minus (-) sign is used to decrease the expense.  
- A debit or amount with a positive (+) sign is used to increase the expense.  

Attachment E  
- The Attachment E tab always appears with a 547 cost transfer.  
- For government funds or sponsored projects with federal flow-through, Attachment E must be completed.  
- For source transactions that are less than 120 days old (from posting date), only questions 1 & 2 need to be completed.  
- For source transactions that are more than 120 days old (from posting date), all three questions must be completed.  

Note: Federal guidelines may differ. | If an expense is being allocated to more than one sponsored fund, an attachment showing the methodology for determining the allocation is required. Federal guidelines require that the methodology be “proportionate to the benefit derived.”  
Attach WebLinks Fund Summary report(s) for lump sum transfers.  
PI Certification  
Primary Principle Investigator of a federal or flow-through fund receiving charges may be required to review/certify the statement on Attachment E. The PI’s approval can be maintained in any of the following ways:  
1. PI signs Attachment E. Scan as PDF file and attach it to the Cost Transfer Journal in PeopleSoft.  
2. Obtain PI electronic approval by email and attach it the Cost Transfer Journal in PeopleSoft. |

Controller’s Office
Compliance Update

By Debbie Caulfield,
Compliance Manager, EMF
Compliance Procedural Update

• On a monthly basis the Compliance Unit:
  – Reviews a sample population of source code journal 545, and 547 debits to federal funds
  – Reviews all source code journal 535 debits to federal funds
  – Reviews all LX/RX debit transactions to federal funds
  – Reviews all funds in overdraft of 50K
What is the correct journal to use for different types of cost transfers?

- Please refer to the Cost Transfer Procedures
  which identifies the correct source codes to use when preparing a cost transfer

- Intentional circumvention of the existing controls in PeopleSoft and using source codes other than 545 for cost transfers will result in revocation of general ledger privileges.

- Intentional circumvention of the existing controls and using methods other than PET’s for payroll cost transfers will result in revocation of OLPPS privileges.
  - Example: using 547 to transfer a non-payroll expense
  - Example: using LX/RX to cost transfer between DPA/funds
Cost Transfer Journal Entries (Source Code 545) are used to:

• Transfer cost/expense from current (source) fund to the (target) fund where either the source and/or target involve sponsored project funds.

• Transfer pre-award costs

• Correct errors or changes in use involving sponsored project funds
Cost Transfer Journal Entries (Source Code 545):

- Cannot be used to transfer payroll expenses
- Cannot be used to transfer indirect cost recovery expenses in the 490000 through 490099 group
- Cannot be used to transfer revenue
- Cannot be used with balance sheet or budgetary NCAs
- Cannot be used to transfer recharge credits in NCA range 492000-499999

Danger!
Cost Transfer Journal Entries (Source Code 547):

- Exception cost transfer journals should rarely be used. The current (source) or target fund must involve a sponsored project fund.
- Transfer exceptional payroll cost/expense, including vacation accrual, between fund years within the same DPA and Fund.
- Transfer from a sponsored project fund to a related program income fund for the purpose of liquidating program income.
Cost Transfer Journal Entries (Source Code 547):

- **Cannot** be used to transfer payroll expenses. (Except for FY transfers on the same DPA-fund.)
- **Cannot** be used to transfer Indirect Cost Recovery expenses.
- **Cannot** be used to transfer Revenue.
- **Cannot** be used with Balance Sheet or Budget Sheet or Budget NCA.
- **Cannot** be used to transfer recharge credits in NCA range 492XXX, only recharge departments should use this NCA range in non-sponsored project funds.
Cost Transfer Journal Entries (Source Code 535):

• Balance sheet revenue adjustments used by Administrative Units and the Controller’s Office

• For cost transfers when both the debit and the credit entries are discretionary funds
Cost Transfer Journal Entries (Source Code 535):

- Do not use NCA 438888 or any budget NCAs.
- Do not process journal entries to fund 19900 for revenue NCAs
- Do not use unallowable NCA’s with federal/sponsored funds
LX/RX – when to use

- Use **only** for retroactive pay increase in salary for prior time.

- Use **only** for reduction in prior period salary.

- NOTE: LX/RX does not remove flat rate benefits. Use a source code 547 journal to move payroll benefits.
**PET - Tips**

- Submit ORIGINAL signatures – If PI is unavailable, e-mail approval indicating clear understanding of charges is acceptable. PI signature of the DPE is not acceptable.
- Sign on the first page of the PET and Attachment E
  - Departmental box – for CT reviewer
  - Federal Contract & Grant box – for PI
- PET preparer should be different from approver
- Assign a unique journal ID to each PET
- Always enter a Reason Code
- Highlight relevant lines on the DPE
- Use one PET for each employee
- Double-Check numbers, signs & amounts for accuracy
Attachment E

- Cost transfers (both payroll and non-payroll) involving new charges to federal or federal flow-thru funds or a competing project in the same fund have additional requirements, including the completion of Attachment E. PI signature is required on the Attachment E.
- A federal flow-thru code that is not blank in Weblinks means that Attachment E is required.
Note: Federal policy specifically states that, “An explanation merely stating that the transfer was made “to correct error” or to “transfer to correct project” is not sufficient.”

Overdrafts

• An overdraft occurs on a sponsored award when the expenditures incurred by the Principal Investigator (PI) exceed the authorized budget as provided by the sponsoring agency.

• According to University Policy 300-19 Expenditures of Extramural Funds Sections III B.4 if a PI does not clear an overdraft in a timely manner, the Controller’s Office has the authority to transfer the over-expenditure to other non-sponsored funds.
Summary

• If transactions reviewed are in question, an e-mail notification will be sent to the Business Officer of each Department asking for clarification as to why the journal source code, LX/RX transaction or overdraft occurred.

• Corrective action will need to be taken by the responsible individual should the transaction be determined to be in error.
Questions:

• Contact the Compliance Unit:
  
  – Renee Jiang, Compliance Accountant
  – YeouReneeJiang@ucsf.edu
    • 476-4693

  Debbie Caulfield, Compliance Manager
  – DebbieCaulfield@ucsf.edu
    • 476-8688