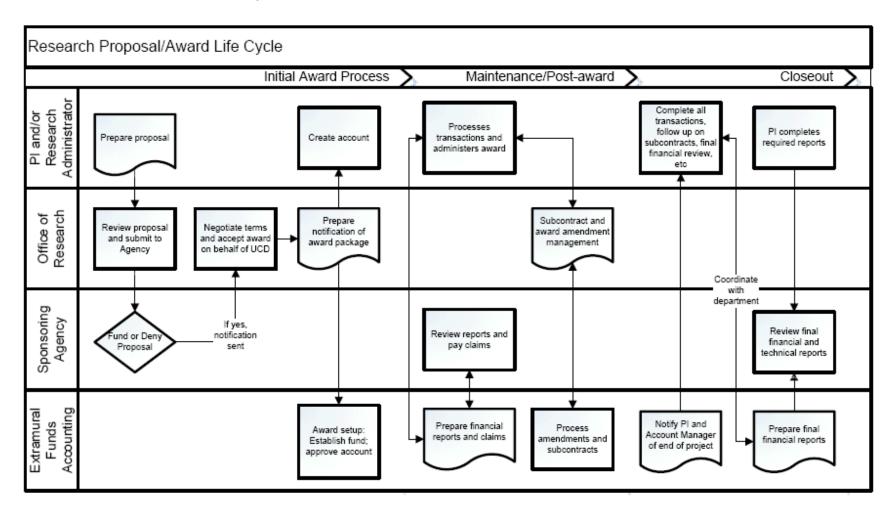
SUMMARY

Extramural Funds Accounting assists campus faculty and staff in meeting their teaching, research, and operational needs by providing quality financial services for externally funded projects. Protecting the University's mission and reputation is achieved through effective review of funds use to ensure compliance with regulatory requirements and restrictions. Extramural Funds Accounting is committed to serving principal investigators, research administration and the funding agencies with responsive customer service.

Extramural Funds Accounting effectively conducts post award financial management:

- With well-trained professionals both at Extramural Funds Accounting and at the Departments knowledgeable of federal statutes, regulations, program guidelines and University policies and procedures.
- With smooth transfer of information and knowledge between the key partners: PI/Departments, Extramural, Office of Research and the Funding Agency (as shown in Process Model 1). The roles and responsibilities for all university staff have been clearly stated and conveyed thereby facilitating quick response and fluid communication.
- With internal safeguards and controls in place throughout the process (as shown in Process Model 2, Exhibit A, and Exhibit B)
- A Financial Accounting System that has built-in approvals, system checks and a reporting system for monitoring activities on an on-going basis
- Written Policies and Procedures for financial management of funds

Process Model 1: Processes and Key Partners involved in a Award



Process Model 2: Post-award Financial Processes and Associated Controls

ONGOING POST-AWARD **CONTROLS & APPROVALS IN PLACE** Processes PI/DEPARTMENT transactions & => PI involved in all aspects of award administration administers => MyUCDavis portal available to PI to access financial information any time award => Monitor budget and administer the financial activities => Monthly ledger review of payroll and non-payroll transactions for allowability, allocability and consistency => Monitor for cost sharing compliance and ensure cost sharing commitments are met => Certify effort reports and process any necessary transfers Provide => Prepare and submit in a timely manner all required technical reports/documents support => Avoidance of cost-overruns and unallowable cost-transfers => Identification of the need for revised budgets and/or need for additional funds and no-cost extensions PI/Department **FUND ACCOUNTING** => Award established separately & budgeted based on Award document => Cost sharing requirements identified => Financial terms and conditions of award are reviewed and funds appropriated => Applicable F&A costs rates applied to Accounts per the rate agreement => Accounts are associated with PI and department account manager => Financial terms and conditions of award are reviewed and appropriate Account structure established for fund management of expenditures and financial reporting Post award administration requirements => Reporting requirements (timing, frequency, type) added to report control management tool Establishment Fiscal FISCAL MANAGEMENT OF AWARD of Award/Fund Management of => Central unit monitors selected financial transactions accounting Award => Budgetary & Purchasing controls, policies and procedures => Object code exclusions for costs not subject to F&A costs rate assessment => Expenditures accumulated according to Funding source, Program purpose and Expense categories => Monthly quality assurance reports for Extramural Funds Accounting Staff => Provide data on financial condition - overdraft reporting, deficit cash balances, excess cash balances => Subcontracts monitored by specific object codes => Timely invoicing and monitoring for prompt payment => Timely request for reimbursement of expenses on letters of credit => Preparation of quarterly federal cash transactions reports => Annual effort reporting system => Cost share reporting included with closeout process Establish => Final Award Closeout notification process (90 days before award end date) Award => Written Policies and Procedures for financial management of funds => Contracts & Grants Manual providing guidance on sponsored program management => Links to online resources Monitoring/ Reporting **Extramural Funds Accounting** FINANCIAL ACCOUNTING SYSTEM (FIS) => Distributed online financial accounting system FIS => Reporting System updated daily for all transactions and has over 200 queries available to support financial reporting and monitoring activities => F&A rate assessment processed daily => Review hierarchy in place for approval of transactions before g/l posting Financial Accounting System

Exhibit A: Checklist for Establishing Extramural Agreements (Page 1)

CHECKLIST FOR ESTABLISHING EXTRAMURAL AGREEMENTS

SUMMARY OF AWARD ATTRIBUTES:

| Expense | Account Number: | | | |
|---|---|--|--|--|
| Award N | umber: | | | |
| PI: | | | | |
| Awardin | g Agency: | | | |
| Agency | Award Number: End: | | | |
| Date of A | ward: Begin End: | | | |
| Project 1 | ıtle: | | | |
| Amount | of Award: \$ | | | |
| Date fina | l technical reports are due: | | | |
| | | | | |
| Extramu | ral Fund Manager:E-mail:E-mail:E-mail: | | | |
| Phone: _ | E-mail: | | | |
| (See Ext | amural Web Site: http://accounting.ucdavis.edu/EX/ ; Our Staff/Contact list by sponsor) | | | |
| REVIE | V AWARD AND HIGHLIGHT PERTINENT INFORMATION: | | | |
| | Award number | | | |
| | Agency name and address | | | |
| □ Agency contact, telephone number and/or e-mail address □ Principal Investigator (PI) | | | | |
| | | | | |
| | Award budget period (if different from project period) | | | |
| | Are these Federal or Federal Flow Through funds? What is the CFDA number? | | | |
| | http://aspe.os.dhhs.gov/cfda/index.htm | | | |
| | Invoicing/reporting provisions (i.e., format, frequency) | | | |
| | Regulatory guidelines (i.e., A-110, A-21, Agency-specific regulations) | | | |
| | Rebudgeting provisions (i.e., allowed up to 10% or 20%, allowed if scope is not changed) Is prior approval required on | | | |
| | rebudgeting? | | | |
| | Cost Sharing – Amount, source of match (i.e. F&A), account number where match will occur, timing of submission | | | |
| | (i.e., monthly, quarterly, annually) | | | |
| | ☐ Special reporting requirements and frequency (i.e., technical/progress reports) | | | |
| | ☐ Special terms and conditions (i.e., specific requirements associated with equipment/travel) | | | |
| | □ Audit requirements | | | |
| | Closeout reports submission deadlines (i.e., 30 days, 45 days, 60 days, 90 days) | | | |
| | Is award subject to any of the following compliance areas: | | | |
| | o Injury Prevention Program | | | |
| | o Federally Regulated Drugs | | | |
| | o Pathogenic Agents | | | |
| | o Production of Medical Waste | | | |
| | o Carcinogens | | | |
| | o Radiation | | | |
| | o Recombinant DNA | | | |
| | o Vertebrate Animals | | | |
| | Human Subjects | | | |
| | Review budget and identify object consolidations for proper appropriation and spending | | | |
| 0 | Verify F&A calculation | | | |
| | Identify line items on budget which are exempt from F&A assessment: | | | |
| | o Equipment | | | |
| | Graduate Student Fee Remission, Tuition and Health Insurance | | | |
| | o Patient care/participant costs | | | |
| | o Space rental and utilities | | | |



Exhibit A continued: Checklist for Establishing Extramural Agreements (Page 2)

- Subcontracts (F&A assessed on first \$25,000 use object code "7301"; Greater than \$25,000 use object code "7300")
- ☐ Are there collaborating P.I.s (internal)? Set up separate account
- ☐ Are there carry forward provisions on multi-year awards? Does the funding agency require a separate accounting of the expenses for each year? It may be necessary to set up a separate account for each budget period
- ☐ Are there multi-campus awards? Is Office of Research or Business Contracts preparing MCA?
- ☐ Are there subcontracts? Is Office of Research or Business Contracts preparing contract agreement?
- ☐ Has P.I. been notified of all terms and conditions of award?

ESTABLISH EXPENSE ACCOUNT/PERSONNEL ACTIONS/BILLING IDs:

- ☐ Establish expense account number by clicking on the link in the e-mail from Kuali, or by searching for the Award and clicking on the "Create EX Account" link
- ☐ Complete Account document required fields (leave Account Expiration Date blank)
- Enter the UC Account Number that properly represents the Higher Education Function of agreement
 - \circ 40 or 61 = Instruction
 - o 42 = Teaching Hospitals
 - o 43 or 60 = Academic Support
 - o 44-59 = Research
 - o 62 = Public Service
 - o 64 = Maintenance of Physical Plant
 - o 66 or 72 = Institutional Support
 - o 68 = Student Services
 - o 76 = Auxiliary Enterprises
 - o 77-79 = Student Financial Aid
 - \circ 80 = Agency Accounts
- ☐ Enter the PI as the Project Director on Account Document
- ☐ Establish/change appointment and distribution lines in PPS and set up Billing ID numbers
- ☐ Verify PI effort commitment in the on-line Effort Commitment System and enter any other commitments for Key Personnel
- ☐ Set up cost sharing commitment in the on-line Cost Share Tracking System if you receive the email indicating that the fund has been set up If you do not receive an email but have a cost sharing commitment, contact the Extramural Fund Manager
- ☐ Monitor cost sharing transactions monthly
- ☐ If Federal or Federal Flow Through, effort reports will be produced in the on-line Effort Reporting System and effort must be certified on an annual basis

References:

OMB Circular A-110; subpart .23 - Cost Sharing or Matching: http://www.whitehouse.gov/omb/circulars_a110

OMB Circular No. A-21, Cost Principles for Educational Institutions: http://www.whitehouse.gov/omb/circulars_a021_2004

Contract and Grant Manual: http://www.ucop.edu/raohome/cgmanual/

Accounting Manual Chapter A-000-7, Official Documentation Required in Support of University Financial Transactions, Section II.J. (Cost Participation on Sponsored Projects): http://www.ucop.edu/ucophome/policies/acctman/a-000-7.pdf

Cost Share Tracking System Instructions: http://accounting.ucdavis.edu/CostShare/index.cfm

UCOP Web Site for Research Administration: http://www.ucop.edu/raohome/

UC Davis Administrative Policy and Procedure Manuals: http://manuals.ucdavis.edu/search.htm



Exhibit B: Closeout Checklist for Sponsored Projects (Page 1)

CLOSEOUT CHECKLIST FOR SPONSORED PROJECTS

| Award N PI: | umber: | Number: | |
|--|---|---|--|
| Awarding Agency A Date of A Project T | g Agency Award Nu Award: Be itle: of Award | : | |
| Extramur Phone: | al Fund N | Manager: E-mail | |
| | 30 or 60 | nould begin 90 days prior to the award end date. Depending on the funding source, expenditures must be fully days after the award end date. This checklist will assist you in assuring a timely and accurate close out of your ents. | |
| Appropri | ation: | | |
| rr ·r | | Is any re-budgeting required (including sub-account)? | |
| | | Compare the agency-approved budget with the ending budget. | |
| | | Is re-budgeting by line item allowed? | |
| | | Is there a limitation on re-budgeting? | |
| Review e | vnenditui | re activity on FIS2/FIS256 | |
| Review e | | Is the fund in overdraft? If so, move the amounts in overdraft to a suitable funding source in accordance with | |
| | _ | UCD Policy and Procedure 330-63. | |
| | | Are expenditures allocable to the award? | |
| | | Are expenditures necessary and reasonable to the performance of the award? | |
| | | Are expenditures treated consistently as a direct or indirect cost? | |
| | | Are expenditures adequately documented? | |
| | | Are expenditures consistent with university policies and procedures? | |
| | | Are all expenditures allowable based on the terms and conditions of the award and awarding agency policy and guidelines? Are there any unallowable expenditures? (i.e. direct charges for administrative salary) Were expenditures incurred within the budget period? | |
| | | Clear all balance sheet items (i.e. Object code 0080 Travel Advances) using the FIS256 report. | |
| | ō | Review object codes exempt from indirect costs using the FIS256 report. Use the "Separate ICR eligible objects" option to group items subject to indirect costs. | |
| | | Are indirect costs captured accurately? | |
| | | Check Payroll activity for object code 1999 in SUB3 object consolidation. Re-class to an appropriate object | |
| | | code using a payroll transfer document. If expenditures are tracked by task order or project, are they allocated properly? | |
| | _ | ency require any supplemental documentation submitted with the final financial report or invoice? If so, this information to your Extramural contact. | |
| | | ency require any additional documentation per terms and conditions of the agreement (i.e., list of equipment)? ward this information to the agency and send a copy to your Extramural contact. | |
| | Terminate billing IDs associated with the project to ensure that no further expenditures are recorded in the fund after the award end date. | | |
| | Change 1 | Payroll appointments to ensure that no further expenditures are recorded in the fund after the award end date. | |



Exhibit B continued: Closeout Checklist for Sponsored Projects (Page 2)

| Is Cost-sharing applicable? If yes, complete the cost sharing information in the online Cost Share Tracking System. If cost sharing must be reported to the sponsor, print the form, obtain the appropriate signature, and forward a copy to the appropriate Extramural contact. Date sent: |
|---|
| Is Multiple Campus Agreement complete (if applicable)? |
| Have all subcontracts been fully paid? |
| Remove encumbrances. |
| Have all outstanding Effort Reports been certified? |
| Initiate an Account document to record the expiration date when expired accounts are fully spent and rebudgeted to zero on all object consolidations and cost share reports are completed. |

References:

OMB Circular A-110; subpart .23 - Cost Sharing or Matching: http://www.whitehouse.gov/omb/circulars_a110

Contract and Grant Manual, Chapter 5: http://www.ucop.edu/raohome/cgmanual/chap05.html

OMB Circular No. A-21, Cost Principles for Educational Institutions: http://www.whitehouse.gov/omb/circulars a021 2004

Accounting Manual Chapter A-000-7, Official Documentation Required in Support of University Financial Transactions, Section II.J. (Cost Participation on Sponsored Projects): http://www.ucop.edu/ucophome/policies/acctman/a-000-7.pdf

Cost Share Tracking System Instructions: http://accounting.ucdavis.edu/CostShare/index.cfm