



**UCLA**

Office of Research Administration

# Research Administrators Forum November 10th, 2016

# Welcome!

**Marcia Smith**  
Associate Vice Chancellor for Research

# Agenda

- **Welcome and Announcements - *Marcia Smith***
  - ORA Move Update
  - December RAF Canceled
  
- **OCGA & CFS**
  - Composite Benefit Rates (CBR), Vacation Accrual Implementation & GAEL - *David Beckstrom, Corporate Financial Services*
  - CBRs – *Kathy Kawamura*
  
- **EFM – *Yoon Lee***
  - General, Automobile, and Employment Practices Liability
  - New Fund Closeout Procedure
  - Visa Cost

# ORA Move Update

- ORA is moving to a new location:  
*10889 Wilshire Blvd, Suite 600-800  
 Los Angeles, CA 90024*
- **Key Move Dates that Impact the Research Community**

Move Task	Start Date	Complete Date
Movement of ORA servers to new location	5PM Friday, December 2 <sup>nd</sup>	5AM Monday, December 5 <sup>th</sup>
Movement of all ORA workspaces	5PM Thursday, December 22 <sup>nd</sup>	9AM Monday, January 3 <sup>rd</sup>

# ORA Move Update

- To enable ORA to successfully move with minimal disruption to the research community, **ORA will be closed for external business from Tuesday, December 20<sup>th</sup> – Thursday, December 22<sup>nd</sup> and January 3<sup>rd</sup> in addition to the holiday closure**
- **Sponsored project needs during the closure:**
  - Proposals, awards, invoices, financial reports, sponsor/committee response requests, etc. that must be approved, submitted or executed between December 20<sup>th</sup> and January 4<sup>th</sup>, 2017 must be submitted to the appropriate ORA unit by December 12<sup>th</sup> 2016

UCPath@UCLA

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Composite Benefit Rates  
(CBR) & Vacation Accrual  
Implementation

# 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
- UC Path:
  - 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 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
  
- *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 – 3 rates
- University of Wisconsin – 8 rates
- University of Illinois – 6 rates
- The Ohio State University – 7 rates

# Vacation Accrual

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- Goal – cover actual cost of vacation taken
- Current process undercharges
- Future changes
  - Simplify calculation
  - Three rates
    - Full Year Faculty
    - Accruing Staff & Non-Faculty Academics
    - Non-Accruing Staff & Academic Year Faculty
  - Charge continues despite individual's vacation balance

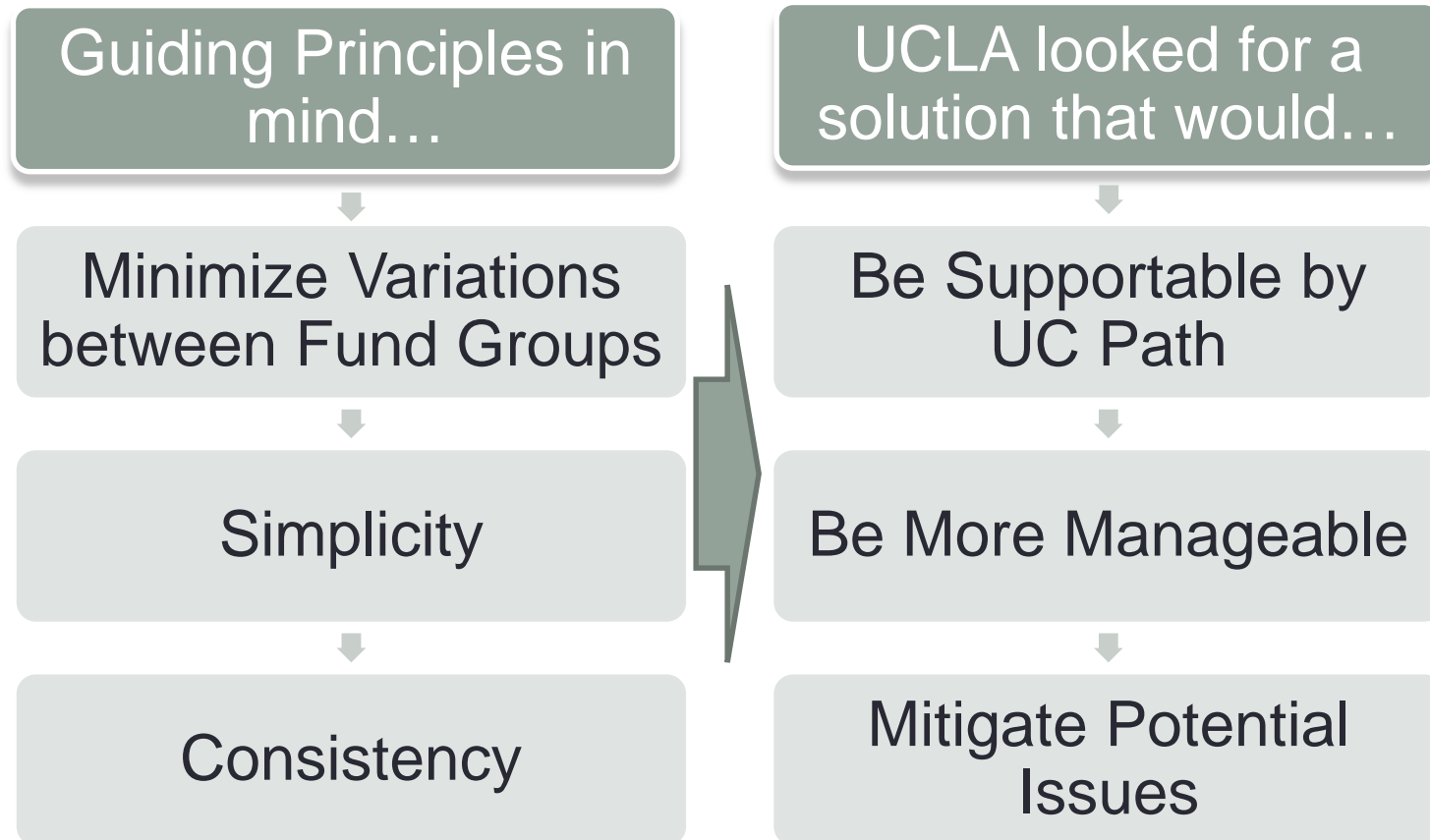
# CBR and Vacation Accrual Timing

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- Communicating to Campus – September/October 2016 in time for grant proposals for FY18
- CBR Proposal to Federal Government - Jan. 1, 2017
- CBR Federal Negotiations complete by July 2017
- UC Path Go-Live August 2017
  - First paycheck September 1<sup>st</sup> (August payroll)

# UCLA Implementation Strategy

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# UCLA Employee Groups

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<b>Group #</b>	<b>Employee Group</b>	<b>Preliminary CBR</b>
<b>1</b>	<b>Faculty Summer</b>	<b>5.0%</b>
<b>2</b>	<b>HCOMP Senior Faculty</b>	<b>24.0%</b>
<b>3</b>	<b>Faculty</b>	<b>30.9%</b>
<b>4</b>	<b>Other Academics</b>	<b>39.9%</b>
<b>5</b>	<b>Post Docs</b>	<b>30.9%</b>
<b>6</b>	<b>Staff Exempt</b>	<b>39.9%</b>
<b>7</b>	<b>Staff Non-Exempt</b>	<b>48.2%</b>
<b>8</b>	<b>Food-Custodian-Grounds</b>	<b>63.9%</b>
<b>9</b>	<b>Employees &amp; Students with Limited Benefits</b>	<b>5.0%</b>

# Mitigation Plan – General Funds

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- Overall effect - reduction in benefit expense by \$4.3M
- Expense swings (both positive & negative) between organizations and departments
- FY18 budget discussions will include
  - Organization & department changes due to CBR/Vacation Leave changes
  - Mitigation strategies for the organization

# Mitigation Plan - Sponsored Awards

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- Overall effect - increase in benefit expense by \$2.8M
- Sponsored Award Mitigation Plan to offset impacts to existing awards
  - Mitigation for methodology change
  - Impact >5% and \$10,000 of awarded direct costs
  - Available for FY2018 and FY2019
  - Committee to Review/Approve Mitigation
  - Awards approved for mitigation will transfer costs to mitigation plan funds
  - Industry Clinical Trials are exempt



# Payroll Expense Report (Today)

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	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	0.00	1.82	0.00	0.00
36.07	459.78											1.82	0.00	0.00
121.13	1,180.06													
120.69	510.86													



**30+ Categories**

Life 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	80.24	12.75
4.34	6.71	49.85	29.57	43.50	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>

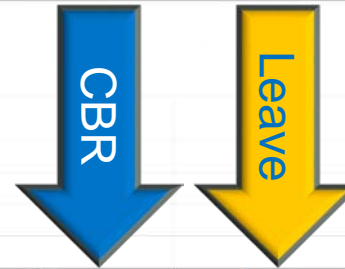
# Distribution of Payroll Expense Report (UCPath)

## Distribution of Payroll Expenses (DOPE)

### Report Parameters:

Time Period: December 2015  
 Account Location Code: M - UCOP UC PRESIDENT'S OFFICE  
 Business Unit: UCOP1  
 Department: xxxx-STUDENT SERVICES

Employee ID	Employee UCLA UID	Employee Name	Gross Salary	CBR	Leave Assessment	GAEL (EL)	GAEL (GL)	Other	Fringe Costs (Total)
10000456	203863044	xxxxxx,xxxx	(405.59)	3,105.20	705.73	28.23	28.23	0.00	3,867.39
			405.59						
			8,821.59	3,105.20	705.73	28.23	28.23	0.00	3,867.39
<b>203863061 - Summary</b>			<b>8,821.59</b>						<b>3,867.39</b>
10000579	303186545	yyyyyy,yyyy	9,026.32	3,177.26	722.11	28.88	28.88	0.00	3,957.13
<b>303186579 - Summary</b>			<b>9,026.32</b>						<b>3,957.13</b>
10000642	304241046	mmmm,mmmm	(335.42)	2,449.88	556.79	22.27	22.27	0.00	3,051.21
			7,295.31	2,449.88	556.79	22.27	22.27	0.00	3,051.21
<b>304241042 - Summary</b>			<b>6,959.89</b>						<b>3,051.21</b>
10000773	403863274	ggggggg,gggg	8,449.51	2,974.23	675.96	27.04	27.04	0.00	3,704.27
<b>403863258 - Summary</b>			<b>8,449.51</b>						<b>3,704.27</b>
10000848	404397151	rrrrrr,rrrr	4.06						
			16.22						
			2,596.00	920.92	207.68	8.38	8.38	0.00	1,145.36
			36.50						
			73.02						
			2,596.00	952.34	207.68	8.66	8.66	0.00	1,177.34



# Communication Plan

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- Deans' Council
- Academic Senate Leadership
- CAO/CFO Meeting
- Research Administrator Forum
- Research, Budget & CFS Web Sites

# GAEL Assessment Change - FY17

- General Automobile and Employment Practices Liability (GAEL) Insurance Assessment
- UCLA GAEL Assessment Change Effective FY17:
  - GAEL charges will continue to be redirected to departmental unrestricted funds for Federal & Federal pass through sponsored funds
  - GAEL charges will be assessed to State and Local sponsored funds and will no longer be redirected
- Impact to State and Local Sponsored Funds
  - Existing Awards
  - Include GAEL in Proposal Budgets



# Grant Updates

Research Administrator's Forum

November 10, 2016

# General Liability Insurance

(Application for Proposals)

## Previous (prior to 7/1/16)

GAEL was not assessed against federal, state, and local government awards.

## Current (after 7/1/16)

Include GAEL on all state, local government, and non-profit proposals budgets unless federal flow through. (*ie. federal proposals budgets or federal flow through proposals do not require GAEL. All other proposals should include GAEL.*)

# 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 DOS Code Is equal to ACA or ACM or ACR or SSC</p> <p>THEN Reassign employee to the "Faculty Summer" group</p>
3	<p>IF Benefit Eligibility Level Indicator Assigned (BELIASI) does not equal 1</p> <p>AND Standard Group Is one of the following: Faculty, Other Academic, Staff, HCOMP Senior Faculty, Food-Custodian-Grounds</p> <p>THEN Reassign employee to the "Employees &amp; Students with Limited Benefits" group</p>
4	<p>IF Standard Group Is equal to "Staff"</p> <p>AND Fair Labor Standards Act (FLSA) Status Is equal to E (Exempt)</p> <p>THEN Reassign employee to "Staff Exempt"</p>
5	<p>IF Standard Group Is equal to "Staff"</p> <p>AND Fair Labor Standards Act (FLSA) Status Is equal to N (Non-Exempt)</p> <p>THEN 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	24.0%
Faculty	30.9%
Other Academics	39.9%
Post Docs	30.9%
Staff Exempt	39.9%
Staff Non-Exempt	48.2%
Food-Custodian-Grounds	63.9%
Employees & Students with Limited Benefits	5.0%

FY17-18 Vacation Leave Rate Group	Leave Rate
Fiscal Year Faculty	8.2%
Accruing Staff & Non Faculty Academics	8.7%
Non-Accruing Staff & Academic Year Faculty	0.00%

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

\* if allowable by Sponsor



# MASTER TRAINING

<http://www.research.ucla.edu/ocga/training-calendar.html>

## DECEMBER

### Budgets 101

Wednesday, December 7, 2016

Kinross, Suite 210

9:30am-11:00 am

Do you have questions about budgets and budget related requests to sponsors? This session will discuss the basics of a budget, direct cost, exclusions, base, indirect cost, and F&A calculations. Further discussion will address the basic concepts of offset vs. carryforward, stipend vs. salary, effort vs. salary, cost sharing and rebudgeting requests. Experts from the department and EFM will be on hand, lending to the conversation.

# RESEARCH ADMINISTRATION

**Extramural Fund Management**

**November 9, 2016**

# Today's Topics

- General, Automobile, and Employment Practices Liability (GAEL)
- New Fund Closeout Procedure
- Visa Cost

# **General Automobile Employment Practices Liability Insurance (GAEL)**

Yoon Lee

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# GAEL: Practice Change

- Old Practice prior to July 1, 2016
  - GAEL expenses were not allowed to federal, federal pass through, state/local sponsored funds
  - GAEL expenses for these funds were set in FS to be redirected to a department unrestricted funding source
  
- Current Practice effective July 1, 2016
  - GAEL expenses are not allowed to be charged as direct cost for federal and federal pass through funds
    - GAEL are redirected to a department unrestricted funding source
  - GAEL expenses are allowed as direct cost to State/Local funds
    - GAEL-redirect discontinued effective July 1, 2016

# GAEL: Implementation of Change

- No impact to federal and federal pass through funds
- State and local funds: Existing awards
  - GAEL was not included as a direct cost in the budget.
  - If rebudgeting is allowed by the sponsor and funds are available for GAEL, GAEL expenses may remain on the sponsored funds.
  - If rebudgeting is not allowed by the sponsor and/or project budget are not available for GAEL charges, department needs to move GAEL to a department unrestricted funding source.
    - Under the old practice, GAEL would have been redirected to a department unrestricted funding source. The same funding source can be used.
    - EFM is consulting with GA if redirecting GAEL can be arranged for this scenario to prevent on-going cost transfers.

# GAEL: Implementation of Change

- New proposals for state and local awards
  - Factor GAEL in as a direct cost budget line item.
  - In accordance with UCOP Contract and Grant Manual Chapter 7-200: Types of Allowable Costs / 7-207 Insurance:
    - In developing any non-federal proposal budget, the General Automobile and Employment Practices Liability (GAEL) insurance assessment must be factored in as a budget line-item.

# New Fund Closeout Procedure

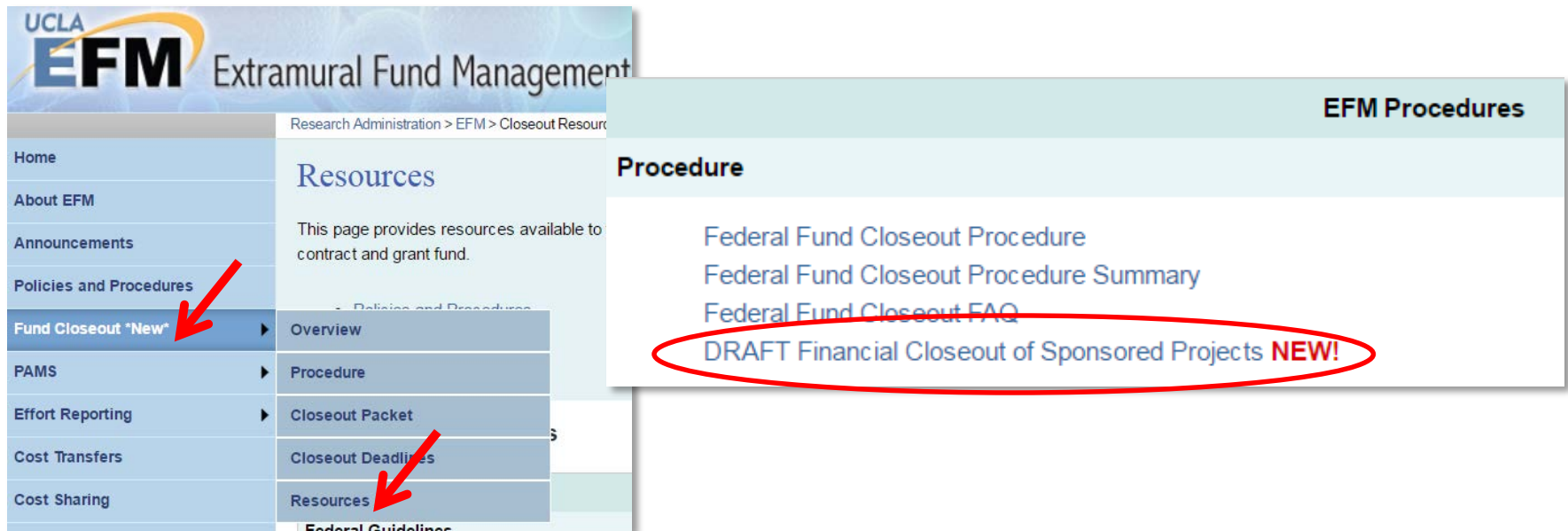
Yoon Lee

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# New fund Closeout Procedure

- October 31, 2016, EFM announced that comment period is open to campus on a draft of the new fund closeout procedure until November 30, 2016.
- To view the document, visit the EFM website under “fund closeout / Resources / EFM procedures”.



The screenshot shows the UCLA EFM website interface. The main navigation menu on the left includes: Home, About EFM, Announcements, Policies and Procedures, **Fund Closeout \*New\***, PAMS, Effort Reporting, Cost Transfers, and Cost Sharing. The 'Fund Closeout \*New\*' menu item is highlighted with a red arrow. Its sub-menu includes: Overview, Procedure, Closeout Packet, Closeout Deadlines, and Resources. A second red arrow points to the 'Resources' sub-menu item. An inset window titled 'EFM Procedures' displays a list of links: Federal Fund Closeout Procedure, Federal Fund Closeout Procedure Summary, Federal Fund Closeout FAQ, and **DRAFT Financial Closeout of Sponsored Projects NEW!**, which is circled in red.

- Your comments are welcome and appreciated: [EFMOperations@research.ucla.edu](mailto:EFMOperations@research.ucla.edu)
- EFM will refine the procedure and prepare FAQ based on comments received.

# Visa Costs

Yoon Lee

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# Visa Costs

- Uniform Guidance (UG) includes revised cost principles for federal awards made on or after December 26, 2014.
- UCLA's implementation of UG was presented at RAF in December 2014, including visa costs.
- Section 42. Recruiting costs under J. General provisions for selected items of cost in OMB circular A-21 was silent about visa costs.
- Allowability and applicability of visa costs were specified in the Uniform Guidance under §200.463 Recruiting costs.

# Visa Costs

## **In accordance with §200.463 Recruiting costs in the UG,**

(d) Short-term, travel visa costs (as opposed to longer-term, immigration visas) are generally allowable expenses that may be proposed as a direct cost. Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award.

For these costs to be directly charged to a Federal award, they must:

- 1) Be critical and necessary for the conduct of the project;
- 2) Be allowable under the applicable cost principles;
- 3) Be consistent with the non-Federal entity's cost accounting practices and non-Federal entity policy; and
- 4) Meet the definition of “direct cost” as described in the applicable cost principles.

# Visa Costs

## Other considerations:

- General cost principles are applicable to visa costs as all other allowable costs.
  - Visa costs must be reasonable, allowable under the applicable cost principles, and treated in a consistent manner regardless of funding sources.
  - If an employee's effort is allocated to multiple projects, visa costs for the employee must be distributed to those projects in proportion to the effort.
- Premium processing fees, renewal application fees, or application fees for changes in visa types are not allowed.
- If the employee resigns for reasons within the employee's control within 12 months after hire, visa costs for the employee are no longer allowable and must be immediately removed from the federal sponsored project fund.

# Visa Costs

## Change to Restriction on the Object Code

- As a part of the assessment conducted by both EFM and CFS to evaluate restrictions on object codes are aligned with current rules, regulations, and industry standard, restriction on the object code for visa costs (**3545**) is determined to be changed from “allowable” to “warning.”

Object code	Current Restriction	New Restriction	Object Code Title	Description
3545	Allowable	Warning	Visa Application- Outside legal service fee	Outside counsel to be hired only by OGC
3399	Unallowable	Unallowable	Costs of legal proceedings	Requires approval of campus counsel

- General Accounting Office is aiming to complete changes in the financial system and update object code website in November 2016.
- All visa costs will require appropriate supporting documentation to be remained on the sponsored project funds.

# Visa Costs

## To recapture:

- Before charging visa costs to federal sponsored projects, ensure allowability of visa costs by asking questions such as
  - Is this visa issued for a person who is critical and necessary for the conduct of the project?
  - Is this visa issued for a specific purpose and short-term period?
  - Can visa costs be clearly identified as directly connected to work performed on one specific project or multiple projects?
  - If visa costs are connected to multiple projects, are they being distributed to them in proportion to effort allocated to each project?
- As you conduct monthly reconciliation, if you discover visa costs charged on the federal sponsored project fund that do not meet the criteria to be allowable or do not have appropriate documentation in place to support, remove them from the fund timely upon discovery.

## Contact information

EFM Website

<http://ora.research.ucla.edu/EFM/>

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