

# Academic Affairs Fiscal Contacts Meeting

June 21, 2011

Kathy Farrelly, Academic Affairs

# Announcements

- »» Fiscal Closing
- Differential Income
- Administrative Overhead
- Carry Forward Balances
- Faculty Startup & Retention
- Non-budgeted Employee Benefits
- Endowed Chair Reports
- OIG DHHS Audit

# Fiscal Closing

- ▶ July 1: Sub-0 and Sub-1 permanent transfers
- ▶ July 8: Subs 2-9 permanent transfers
- ▶ July 15: June preliminary operating ledger cutoff
  - Budget & financial journals (non-OPAFS funds)
  - eNPETs
  - Current year transfers of funds, subs 0-9
  - Self-supporting activities entries
- ▶ VC can process journals and transfers after July 15. Contact Denise or Kathy.

# Transfer of Differential Income

- ▶ Campus is now monitoring the revenues to ensure compliance with PPM 300-40 with the expectation that you will record and transfer your differential income to the appropriate department and Vice Chancellor accounts before the end of the fiscal year. We will be assisting departments with differential income calculations and transferring funds to the appropriate accounts after the preliminary year end ledger has posted.
- ▶ Following are the financial entries to record differential income.
  - Debit (-): index, operating fund, organization, transfer account code 720702
  - Credit (+): index, reserve fund, organization, transfer account code 720702
  - Credit (+):VBADIFI, transfer account code 720702
  - Credit (+): VCADIFI, transfer account code 720702
  - Rule class FB08

# Administrative Overhead Fees

- ▶ For income-producing activities, with revenue from outside UCSD, that are not subject to differential income policy
- ▶ In Academic Affairs, these activities include Extension, MAS programs, executive education programs, conferences, licensing fees, royalty income, student activities, facilities use
- ▶ In general, the administrative overhead fee is 4.1% of prior year modified expense

# June 30, 2011 Carry Forward Balance Report

- ▶ We will request detailed information from departments for balances in core funds
  - 19900A, 19900R, 19904A, 19905A, 19906A, 19924A
  - 20095A, 20223A, 20225A
  - 05397A, 07427A, 19933A, 69750A
  - 18082A, 18083A, 18084A, 18085A
- ▶ Request for information will go out to divisions approximately August 8, 2011

# Allocations for Faculty Startup & Retention

- ▶ Plan to allocate funds each year based on actual expenditures
- ▶ Begin with hires and retentions effective July 1, 2011 and later
- ▶ Funds from AA will be transferred directly to departments
- ▶ Transfers will likely occur as part of fiscal closing, after June preliminary ledger, to include all expense
- ▶ Change is being proposed to reduce fund balances at the department level

# Non-budgeted Employee Benefits

- ▶ The Campus Budget Office would like to inform you that we will suspend the collection of benefits owed to the central benefits pool for non-budgeted general fund payroll from FY 09/10. This action recognizes the continuing State budget situation and offers some one-time relief to your departments. Additionally, the campus is currently engaged in several Systemwide initiatives on core resources, the implementation of which will have an impact on the central benefits pool. Compensation programs will be comprehensively reviewed and may result in future changes to policies and/or procedures.
- ▶ Any funds that have been transferred to the benefits pool for payment of FY 09/10 non-budgeted benefits will be refunded. We will do our best to find the transfers, but would appreciate notification of any transfers of which you are aware. Please send the TOF numbers to Hugo Rios at your earliest convenience.
- ▶ This is a one-year suspension that will be reviewed, or resolved, in FY 11/12.



# Endowed Chair Reports

## To Gift Fund Holders and Administrators, from UC San Diego Foundation

- ▶ As a part of the continuum of raising private support for the campus, an enhanced focus is needed on our stewardship efforts with our donors. Most donor stewardship surveys reveal that the primary reason donors make repeat gifts is when the impact of their gift is provided to them and they feel their gift has made a difference.
- ▶ Annually as of each June 30, the Office of Donor and Fund Stewardship in Advancement Services prepares an endowed fund advisory report to donors or interested parties for each of our endowed funds. For deceased donors, these reports are provided to the Donor Stewardship Committee of the UC San Diego Foundation. These reports reflect the endowed fund beginning market value, gift inflows, annual payout, appreciation and ending market value. In addition, reports show the accumulated (or unexpended) payout. The latter balance is an indication of whether expenditure of the endowed payout is occurring over time, or whether it is accumulating.
- ▶ As an enhancement to this annual fund report and to help report the impact of gifts and inform our donors, we will now include an “impact narrative” as part of the each fund report.

# Endowed Chair Reports (cont.)

- ▶ Accordingly, it would be important that you review your endowed fund payout balances at this time to ensure that you are expending the payout annually (as per policy) or have a plan to expend the payout that you can provide to the donor.
- ▶ We will be asking you, the fund-holders, to provide a short written narrative (in lay-reader terms) on how the endowed payout balances were used in the current year. Examples might include:
  - details about the award of a scholarship/fellowship, results of research, or the status of a project;
  - related publications that the gift supported;
  - plans for the future use of the funds if accumulation is necessary to save for a major purchase; and,
  - if appropriate biographical notes on the recent accomplishments of the Principal Investigator
- ▶ You will be receiving a request from our Donor and Fund Stewardship Office in early August to provide a programmatic narrative on funds which you are designated the fund-holder or administrator. Your prompt attention and reply are appreciated.
- ▶ We greatly appreciate your help and your excellent stewardship efforts. It is our hope that as we actively engage our donors in the impact and outcomes of their generosity, they will see how we greatly value their gifts to our campus, and continue their philanthropy. Please let me know if you have any questions, comments or concerns.

# OIG Audit

- ▶ Audit of direct-charged administrative and clerical costs, both payroll and non-payroll on DHHS awards
- ▶ Selecting sample for audit is in process
- ▶ AMAS will compile documentation by sampled item, requesting assistance from departments as needed, and prepare audit supporting file (including summary narrative, i.e., major project/unlike circumstances justification)

# Academic Affairs Budget Perspective

