• **UCPath Composite Benefit Rates and Vacation Leave Assessment**
  ◦ Unallowable Benefit Expenses in NRSA Grants
  ◦ UCPath Payroll Reports as Supporting Documentation
  ◦ Payroll View Details Reports in the Effort Reporting System

• **UCPath and Payroll Related Reports in the RAPID Tool**
UCPath Composite Benefit Rates and Vacation Leave Assessment
• **11.2 INDIVIDUAL FELLOWSHIPS / 11.2.9.7 Employee Benefits**
  Since Kirschstein-NRSA fellowships are not provided as a condition of employment with either the Federal government or the sponsoring institution, institutions may not seek funds, or charge individual fellowship awards, for costs that normally would be associated with employee benefits (for example, FICA, workman's compensation, life insurance, union dues, and unemployment insurance). Concerning union dues or other similar costs otherwise paid personally by the fellow; if a fellow requests the institution deduct such a cost from the stipend amount, the institution can provide the fellow such a service. However, in no case can such a deduction from the stipend be made automatically without the approval of the fellow.

• **11.3 INSTITUTIONAL RESEARCH TRAINING GRANTS / 11.3.8.7 Employee Benefits**
  Because Kirschstein-NRSA awards are not provided as a condition of employment with either the Federal government or the recipient, it is inappropriate and unallowable for organizations to seek funds, or to charge Kirschstein-NRSA institutional research training grants, for costs that normally would be associated with employee benefits (for example, FICA, workers compensation, life insurance, union dues, and unemployment insurance). Concerning union dues or other similar costs otherwise paid personally by the trainee, if a trainee requests the institution deduct such a cost from the stipend amount, the institution can provide the trainee such a service. However, in no case can such a deduction from the stipend be made automatically without the approval of the trainee.
Unallowable Benefit Expenses in NRSA Grants

The Current Process Before CBR

- Worksheet in the RAPID COP [PAYROLL: Training Grant– Allowable/Unallowable benefits]
  - The worksheet segregate allowable expenses and unallowable expenses based on object codes by person in two tables.
  - Department fund manager reviews accuracy and submit it to EFM as a part of Closeout Packet.
  - Department works with the central Payroll office to transfer off unallowable expenses from the grant fund via financial journal entries.

<table>
<thead>
<tr>
<th>Allowable Benefits</th>
<th>Total</th>
<th>Joe Bruin</th>
<th>Josephine Bruin</th>
<th>Brown Bear</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid</td>
<td>4,457.32</td>
<td></td>
<td></td>
<td>4,457.32</td>
</tr>
<tr>
<td>Lien</td>
<td>5,017.62</td>
<td>1,578.24</td>
<td>0.00</td>
<td>3,439.38</td>
</tr>
<tr>
<td>Total Allowables</td>
<td>9,474.94</td>
<td>1,578.24</td>
<td>0.00</td>
<td>7,896.70</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NIH PSBP Unallowable Charges</th>
<th>Total</th>
<th>Joe Bruin</th>
<th>Josephine Bruin</th>
<th>Brown Bear</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Comp (8501)</td>
<td>1441.79</td>
<td>375.92</td>
<td>425.89</td>
<td>639.98</td>
</tr>
<tr>
<td>Life Ins. (8751)</td>
<td>52.25</td>
<td>9.15</td>
<td>0</td>
<td>43.1</td>
</tr>
<tr>
<td>Disability (8741)</td>
<td>166.6</td>
<td>29.4</td>
<td>0</td>
<td>137.2</td>
</tr>
<tr>
<td>Total Unallowables</td>
<td>1660.64</td>
<td>414.47</td>
<td>425.89</td>
<td>820.28</td>
</tr>
</tbody>
</table>

Grand Total: 11,135.58 | 1,992.71 | 425.89 | 8,716.98
Benefits Expense will be charged as a lump sum based on the Composite Benefit Rate (CBR) for each employee group.

CBR include benefit expenses not allowed by NIH Grant Policy for NRSA grants and detailed breakdowns of different types of benefits are not available.

How can we ensure not to charge unallowable expenses to NRSA grants?
- CBR is assessed only when salaries are paid to employees.
- Trainees/Fellows receive stipends (not salaries) on NRSA grants.
  (Excerpts from NIH Grant Policy Statement in the next slide)
  → No benefit is assessed to NRSA grants.
  → No risk of charging unallowable benefit expenses to NRSA grants.
  → Two training grant worksheets in the RAPID COP will be discontinued.
    ◦ Training Grant – Postdoc Allowable/Unallowable Benefits.
    ◦ Training Grant Benefits.
11.2 INDIVIDUAL FELLOWSHIPS / 11.2.9.2 Stipends

A stipend is provided as a subsistence allowance for Kirschstein-NRSA fellows to help defray living expenses during the research training experience. It is not provided as a condition of employment with either the Federal government or the sponsoring institution.

11.3 INSTITUTIONAL RESEARCH TRAINING GRANTS / 11.3.8.2 Stipends

Trainees generally are supported for 12-month full-time training appointments for which they receive a stipend as a subsistence allowance to help defray living expenses during the research training experience. The stipend is not "salary" and is not provided as a condition of employment with either the Federal government or the recipient organization.
• Certain awards require the payroll detail report to support total payroll and benefit expenses in the invoice or the financial report.

• Currently PPS Payroll Expense Distribution Report is provided to the sponsor.
  ◦ Includes salaries and benefits.

• Total benefits in the UCPayPath Payroll Report include non-payroll expenses: GAEL (General Automobile and Employment Practices Liability Insurance Assessment)
  ◦ When submitting the payroll report to the sponsor, GAEL expenses need to be removed to reconcile salaries and benefits between payroll reports and invoices/financial reports.

• UCPayPath Payroll Report displays composition of compensation (REG/VAC) differently from today in PPS.
  ◦ Refer to the next slide for more information.

• EFM is in the process of working with the UCPayPath reporting team to address implications of the current design of UCPayPath payroll report to be used as supporting documentation for sponsored project funds.
Payroll Report Comparison

Example Scenario (simplified):
- Monthly pay rate: $10,000 (all REG)
- Benefit rate: 40%
- 50% of effort to Grant A
- February: 10 days vacation out of 20 work days
- Vacation accrual rate: 10%
- March: no vacation

Vacation credit is posted not in the month when vacation is taken but in the following month.

<table>
<thead>
<tr>
<th>For Grant A for March</th>
<th>PPS Payroll Expense Distribution Report</th>
<th>UCPath Payroll Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>5,000.00 REG</td>
<td>5,000.00 REG</td>
</tr>
<tr>
<td>Total salaries (sub: 00 - 02)</td>
<td>5,000.00</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Benefits</td>
<td>2,000.00</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Vacation accrual</td>
<td>500.00</td>
<td>500.00</td>
</tr>
<tr>
<td>Vacation credit (salary)</td>
<td>(2,500.00)</td>
<td>(2,500.00)</td>
</tr>
<tr>
<td>Vacation credit (benefit)</td>
<td>(1,000.00)</td>
<td>-</td>
</tr>
<tr>
<td>Total benefits (sub: 06)</td>
<td>(1,000.00)</td>
<td>(1,000.00)</td>
</tr>
</tbody>
</table>

Benefits are assessed based on $5,000 REG and vacation credit is assessed on both salary and benefit.

Benefits are assessed based on $2,500 REG and vacation credit is assessed only on salary, not on benefit.
Payroll Report Comparison

In summary,

- PPS assess benefits on total salary including vacation time taken and give vacation credit for benefits.
- UCPath assess benefits on salary net of vacation time taken; therefore, vacation credit for benefits is not applicable.

In aggregate, no difference on the total amount of salaries and benefits.

(Note: In this example, for the purpose of demonstrating different approaches of assessing benefit and vacation credit, exactly the same vacation accrual rate and benefit rate are used for PPS and UCPath calculation. However, actual amounts of benefit, vacation accrual, and vacation credit for the same individual are highly unlikely to be the same in UCPath as in PPS. They will be calculated based on CBR rates and VLA rates for employee groups in UCPath*.)

<table>
<thead>
<tr>
<th>For Grant A for March</th>
<th>PPS Payroll Expense Distribution Report</th>
<th>UCPath Payroll Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>5,000.00 REG</td>
<td>5,000.00 REG</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2,500.00) REG</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,500.00 VAC</td>
</tr>
<tr>
<td>Total salaries (sub: 00 - 02)</td>
<td>5,000.00</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Benefits</td>
<td>2,000.00</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Vacation accrual</td>
<td>500.00</td>
<td>500.00</td>
</tr>
<tr>
<td>Vacation credit (salary)</td>
<td>(2,500.00)</td>
<td>(2,500.00)</td>
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<td>Vacation credit (benefit)</td>
<td>(1,000.00)</td>
<td>(1,000.00)</td>
</tr>
<tr>
<td>Total benefits(sub: 06)</td>
<td>(1,000.00)</td>
<td>(1,000.00)</td>
</tr>
</tbody>
</table>

Different Earn Codes in UCPath (DOS code in PPS) are assigned to salary amount.

Different benefit amounts in the month vacation credit is posted.

Different vacation credit amounts in the month vacation credit is posted.

• For CBR and VLA rates, refer to Corporate Financial Services: https://www.finance.ucla.edu/composite-benefit-rate-assessment
## Payroll View Details in the ERS

### Example Scenario (simplified):
- Monthly pay rate: $10,000 (all REG)
- 50% of effort to Grant A
- Benefit rate: 40%
- February: 10 days vacation out of 20 work days
- Vacation accrual rate: 10%
- March: no vacation

Vacation credit is posted not in the month when vacation is taken but in the following month.

### ERS with PPS
(For Grant A for March)
- 50% effort based on salaries of $5,000 REG
- Payroll View Details will show
  - $5,000 REG

### ERS with UCPath
(For Grant A for March)
- 50% effort based on salaries of $2,500 REG and $2,500 VAC
- Payroll View Details will show
  - $5,000 REG
  - $2,500 REG
  - $2,500 VAC
UCPath and Payroll Related Reports in the RAPID Tool
RAPID Tool has multiple reports that consume payroll data and EFM has evaluated the need to integrate these reports with transition to UCPath.

February 2018: Communicated the status of evaluation at RAF.

February 2018: Announcement soliciting feedback on the usage of ERS Detail Reports.

April 2018: Announcement confirming that the RAPID ERS reports will be remediated.

May 2018: Communicated the status of evaluation at RAF.

<table>
<thead>
<tr>
<th>In-scope</th>
<th>In-scope but evaluating CBR implication</th>
<th>Under evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Payroll After Fund End Date</td>
<td>• Training Grant – Postdoc Allowable/Unallowable Benefits</td>
<td>• ERS Detail Reports</td>
</tr>
<tr>
<td>• Employee Sum</td>
<td>• Training Grant Benefits</td>
<td></td>
</tr>
<tr>
<td>• Admin Salary</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In-scope</th>
<th>In-scope but evaluating CBR implication</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Payroll After Fund End Date</td>
<td>• Admin Salary</td>
</tr>
<tr>
<td>• Employee Sum</td>
<td>• ERS Detail Reports</td>
</tr>
<tr>
<td>• Admin Salary</td>
<td>• Training Grant – Postdoc Allowable/Unallowable Benefits</td>
</tr>
<tr>
<td>• ERS Detail Reports</td>
<td>• Training Grant Benefits</td>
</tr>
</tbody>
</table>
• Evaluation on CBR implication to two reports; “Training Grant – Postdoc Allowable/Unallowable Benefits” and “Training Grant Benefits” has been completed.
• Based on the conclusion that CBR is assessed only to Salaries but not to Stipends, there is no need to maintain these reports.

<table>
<thead>
<tr>
<th>In-scope</th>
<th>Out of Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Payroll After Fund End Date</td>
<td>• Training Grant – Postdoc Allowable/Unallowable Benefits</td>
</tr>
<tr>
<td>• Employee Sum</td>
<td>• Training Grant Benefits</td>
</tr>
<tr>
<td>• Admin Salary</td>
<td></td>
</tr>
<tr>
<td>• ERS Detail Reports</td>
<td></td>
</tr>
</tbody>
</table>

• New version of RAPID tool remediated for UCPath is under testing.
  ◦ Testing of the RAPID tool is dependent on UCPath testing
  ◦ More information will be provided when testing is completed and the new version is released.
**RAPID Tool: Payroll Related Reports**

### Conclusion Summary

#### RAPID Project Quick Wins

**Closeout Reports**
- Pre-Closeout Checklist (Recommended 2 months prior to fund end date)
- Smart Closeout Tool
- Summary - By Sub
- Expenses - Unallowable and Warning Object Codes
- Expenses - After End Date
- Remaining Encumbrances
- F&A Reconciliation Link
- Subawards/Subcontracts/Subgrants
- 1198XX (Intercampus/Carryforward/STIP)
- Training Grant - Trainee Expense Worksheet
  - Training Grant – Postdoc Allowable/Unallowable Benefits
  - Training Grant Benefits
- Detail - Closeout
- Detail - After Closeout
  - Payroll After Fund End Date
  - Employee Sum
  - Admin Salary
  - Detail - Closed Warning and Unallowable Expenses
  - Detail Equipment – Within 90 days of Expiration

**ARRA, ERS, Billing & A/R Reports**
- ARRA Linked Accounts by Hierarchy Code
- ARRA FTE Report
- ERS Detail report (11/12 Academics and Non Academics)
- ERS Detail report (9/12 Academics)
- Billing & Accounts Receivable
- Financial Reporting and Invoicing Tool

- **Remediated – under testing**
- **Will discontinue**
- **Remediated – under testing**
Contact Information

EFM Website
http://ora.research.ucla.edu/efm/

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