Agenda

• Ascend Project
  ◦ Project Portfolio Management (PPM) and POETAF
  ◦ Award and Project
  ◦ Expenditure Type
PPM and POETAF
All sponsored contract and grant costs will be captured in PPM.

All costs in PPM will be posted to General Ledger based on Sub Ledger Accounting (SLA) Rules.
**PPM and POETAF**

**Key PPM Transaction Fields**

**POETAF: Combination that describes a PPM expenditure**

| **PROJECT NUMBER** | • Unique number assigned to identify each project under an award  
<table>
<thead>
<tr>
<th></th>
<th>• Contains budget by expense category</th>
</tr>
</thead>
</table>
| **ORGANIZATION**   | • Unit that owns a given project expenditure  
|                    | • Department must be designated as an expenditure-owning organization |
| **EXPENDITURE TYPE** | • Identifies the specific type of transaction  
|                    | • Corresponds with Natural Account segment in the CoA |
| **TASK**           | • Identifies the project activity |
| **AWARD**          | • Umbrella record that contains overall financial and demographic information with projects associated underneath |
| **FUNDING SOURCE** | • The funding source supporting a specific expenditure  
|                    | • Options generally include sponsor and an internal source, such as a cost share fund |
Award and Project
Today, Fund represents a sponsored award (contract, grant, cooperative agreement, etc.)
Tomorrow, the equivalent of Fund will be Award.

Project is a sub grouping of the Award, similar to today’s combination of expense account and cost center in the Financial System.
Award and Project

Separate projects are needed whenever there is a need to track budgets and expenses separately.

Award

Sponsor
Funding
PI
Department

Project 1

Budget
Expenses
PI
Department

Project 2

Budget
Expenses
PI
Department
Award and Project

**Award**

- **NSF**
- **$500,000**
- **Dr. John Smith**
- **Physics**

Dr. John Smith at Physics is the PI
Dr. Joe Taylor is a co-investigator at Chemistry

**Project 1**

- **$360,000**
- **$950 in Supplies**
- **Dr. John Smith**
- **Physics**

**Project 2**

- **$140,000**
- **$5,000 in Salary**
- **Dr. Joe Taylor**
- **Chemistry**
Multiple Projects on Awards

Separate projects are needed whenever there is a need to track budgets and expenses separately.

- **Multiple F&A Rates**
  - On Campus
  - Off Campus
  - No F&A

- **Multiple Investigators & Departments**
  - Biochemistry
  - Physics

- **Different Earning Basis**
  - Cost-Reimbursable
  - Fixed Price / Fixed Rate

- **Sponsor Restricted Funds**
  - NSF Participant Support Costs
  - Diversity Supplement

- **Other Scenarios**
  - Program Project/Center Grants
### PATS, PAMS, and Oracle PPM

**When an award is executed**

#### Current

**PATS**
- Award set up
  - PATS Institution Record (8 digits)

**Current Financial System (FS)**
- Certain PATS data feed to FS
- Fund number (5 digits) is assigned to the PATS award
  - Account/Cost center is linked to the fund

**PAMS**
- Financial deliverables are set up

#### Future

**PATS**
- Award set up
  - PATS Institution Record (8 digits)

**Future Oracle Cloud PPM**
- Certain PATS data feed to PPM
- PATS number = PPM Award number (8 digits)
  - Project/Funding Source are set up

**PAMS**
- Financial deliverables are set up
PATS, PAMS, and Oracle PPM

- PATS and PAMS will continue to exist and integrate with PPM.
- FS Fund number will no longer exist.
- PPM Award number is equivalent to today’s FS fund number.
- PPM Award number will be the same as PATS award number.
- PPM Award Project is a sub grouping of the award.
- PPM Award Project will be used as a vehicle to separate budget and expenses within the award.
Expenditure Type
Current Structure of Cost Classification

- Object Codes are used to identify the nature of expense to support accurate financial and management reporting.
- Sub Codes group object codes based on logical classifications.
- More than one sub code are applicable to an object code.

<table>
<thead>
<tr>
<th>Object Code</th>
<th>Applicable Subs</th>
<th>Restrictions</th>
<th>Object Code Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>03 04 05 07 08 09</td>
<td>ALLOWABLE</td>
<td>TRAVEL-IN-STATE AND DOMESTIC</td>
</tr>
<tr>
<td>2005</td>
<td>03 04 05 07 08 09</td>
<td>ALLOWABLE</td>
<td>TRAVEL - OUT-OF-STATE</td>
</tr>
<tr>
<td>2010</td>
<td>03 04 05 07 08 09</td>
<td>ALLOWABLE</td>
<td>CAR ALLOWANCE(MILEAGE)</td>
</tr>
</tbody>
</table>

- Object code is used to indicate allowability of costs.
- Object code is used to establish F&A base.
Expenditure Types and Categories in PPM

- Expenditure Types will be used to describe the nature of expense (like object codes today).
- Expenditure Categories will be used to group similar nature of the expenditure types (like sub codes today).
- Only one expenditure category will be applicable to each expenditure type (unlike today’s sub codes).
- Expenditure Types will be used to indicate allowability of costs.
- Expenditure Types will be used to establish F&A base.
- Expenditure Types will be mapped to correct values in Account in General ledger to support accurate financial and management reporting.
Design Principles for Expenditure Type in PPM

• Minimize the number of expenditure types while supporting accurate financial and management reporting.
  ◦ Currently, 1013 object codes are available; however, 494 codes were never used and 66 codes were used less than 10 times across campus for FY17-18.

• Ensure an expense item can be correctly mapped to the correct value in the Account in Chart of Account in the General Ledger (G/L).
  ◦ PPM expenditure type cannot be more general than the level maintained in the G/L.

• Support effective and efficient compliance monitoring.
  ◦ Provide more clarity to the nature and allowability of an expenditure type with description to avoid or minimize questioned costs (warning object code items).
  ◦ Establish a separate expenditure type for the nature of expense subject to different F&A assessment based on the amount (e.g. subcontract, genomic array, etc.).
• Reviewed 120 open funds for the 3 pilot departments and consolidated 246 object codes to 75 Expenditure Types following the design principles.

• 10 expense categories have been established based on common reporting requirements from sponsors.
  ◦ (1) Salary and wages, (2) Benefits, (3) Supplies, (4) Travel, (5) Services, (6) Equipment, (7) Stipends, Tuition and Fees, (8) Subcontract(s), (9) Other Direct costs, and (10) Indirect Costs.

• Some detailed expenditure types remain because the Expenditure Type list cannot be more general than the CoA Account List.

• Certain Object Codes with “Warning” today will be described as program specific in the expenditure type description and those expenditure types will be allowable.

• Unallowable Object Codes will not exist in the Expenditure Type list.

• The current draft of expenditure categories and expenditure type list will be sent via ORAlistserv for feedback.
Questions to Campus

Departmental perspective is critical to refine the business processes around two following topics and your feedback by February 28, 2019 is appreciated.

• Award Projects:
  ◦ Do you have any awards that will require multiple projects on one award for the reasons not listed in the slide #10?

• Expenditure Type List:
  ◦ Does the initial draft of expenditure category and expenditure type list meet the reporting needs of the department?
Any Questions?

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