

August 1, 2024

JOHN M. CARETHERS, MD
VICE CHANCELLOR FOR HEALTH SCIENCES
0602

RINA C. DAVISON
ASSISTANT VICE CHANCELLOR FOR HEALTH SCIENCES ADMINISTRATION
0602

**Subject: *Vice Chancellor Health Sciences Executive Accounts
Report 2024-17***

The final report for Vice Chancellor Health Sciences Executive Accounts Report 2024-17, is attached. We would like to thank all members of the department for their cooperation and assistance during the review.

Because we were able to reach agreement regarding management action plans in response to the audit recommendations, a formal response to the report is not requested. The findings included in this report will be added to our follow-up system. We will contact you at the appropriate time to evaluate the status of the management action plans.

UC wide policy requires that all draft reports be destroyed after the final report is issued. We also request that draft reports not be photocopied or otherwise redistributed.

Christa Perkins
Director
Audit & Management Advisory Services

Attachment

cc: Judy Bruner
 Alexander Bustamante
 Jeff Gattas
 Robert Nelson
 Pierre Ouillet
 Cheryl Ross
 Brandon Rhodes

UC San Diego

AUDIT & MANAGEMENT ADVISORY SERVICES

Vice Chancellor Health Sciences Executive Accounts
Report No. 2024-17
August 2024

FINAL REPORT

Performed By:

Mareline Godfrey, Senior Auditor
John Teevan, Manager

Approved By:

Christa Perkins, Director

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I. EXECUTIVE SUMMARY

Audit & Management Advisory Services (AMAS) has completed a review of Vice Chancellor Health Sciences Executive Accounts as part of the approved audit plan for Fiscal Year 2023-24. A review of selected business office operations and related internal controls is performed as a service to incoming Vice Chancellors to assess the management and administration of executive accounts and the central business office function. The objective of our review was to evaluate whether internal controls and business processes for oversight for VCHS executive accounts provided reasonable assurance that operations were effective, and in compliance with University policy and procedures.

Based on our review, we concluded that Internal controls and business processes for oversight of VCHS executive accounts provided reasonable assurance that operations were effective, and in compliance with University policy and procedures. During our review, we observed that the new members of VCHS senior leadership were actively reviewing existing procedures and processes, revising as appropriate and implementing additional controls. The VCHS Office is performing numerous process improvements to ensure compliance with University policy, monitoring and reconciliation of financial reports, fund balances, default projects, and management of financial deficits. VCHS is also collaborating with the Health Sciences Controller's Office for quarterly review of financial reports and evaluation of deficits to ensure timely reconciliation and monitoring of deficit resolution plans. Based on the sample reviewed, expenses charged to VCHS financial units appear valid, authorized and were approved appropriately. Also, our detailed testing of executive office expenditures indicated that transactions were performed in compliance with policy. Attachments A and B provide financial balances for FY24 through quarter 3 for the VCHS central office functions.

We noted opportunities for improvement related to deficit management process, review and monitoring of recharge services, and other financial activities. These observations are discussed in greater detail in the balance of this report.

A. Deficit Management

1. VCHS will develop a follow-up process to ensure approved resolution plans are routinely reviewed and implemented timely to avoid carry-over and recurrence of deficits. This process will consider including a formal communication of deficit resolution plans to the Campus Budget Office (CBO).

B. Recharge Services Oversight

1. VCHS has initiated efforts to improve recharge oversight that includes financial analyses, reporting, and surveying recharge unit managers to understand business needs, identify challenges and provide tools and guidance needed to address deficits, reconcile funds, and evaluate pricing.
2. VCHS has initiated a comprehensive evaluation of recharge units to assess their ongoing financial health and complete any needed rate adjustments. This includes providing guidance and best practices with reasonable timelines for cleanup.
3. VCHS will develop a follow-up process to ensure recharge units perform and complete reconciliation and required adjustments quarterly or at yearend, at minimum, to ensure timely and accurate information is available during annual rate review process.

C. Review and Monitoring of Financial Activities

1. The financial unit manager for International Services is in the process of working with the

Cashier's Office to deposit the wire transfer received from the international host to the appropriate project.

2. The VCHS Office will ensure that financial unit managers submit a request to cancel unused cards, and will schedule an annual review of all P-Cards and Travel cards to ensure that they are issued to VCHS authorized users, that usage is monitored, and that units proactively cancel cards for separated staff.
3. VCHS will communicate with unit managers on a monthly basis and remind Financial Unit reviewers of requirements for timely processing of transactions (such as cost transfers and expense reports), Financial Unit approval of expense reports, and P-Card restricted items.

Observations and related management action plans are described in greater detail in section V. of this report.

II. BACKGROUND

Audit & Management Advisory Services (AMAS) has completed a review of Vice Chancellor Health Sciences Executive Accounts as part of the approved audit plan for Fiscal Year 2023-24. A review of selected business office operations and related internal controls is performed as a service to incoming Vice Chancellors to assess the management and administration of executive accounts and the central business office function. This report summarizes the results of our review.

UC San Diego Health Sciences operates under the leadership of Vice Chancellor Health Sciences (VCHS). The VCHS Office oversees UC San Diego Health, UC San Diego School of Medicine, Skaggs School of Pharmacy and Pharmaceutical Sciences, and Herbert Wertheim School of Public Health and Human Longevity Science, with a mission to deliver outstanding patient care through commitment to the community, groundbreaking research and inspired teaching. The Vice Chancellor is focused on the overarching strategy for all of Health Sciences, working with the Chancellor, Campus and Health System leadership on expanding UC San Diego Health's clinical enterprise, fostering research collaborations, enhancing educational opportunities, and expanding philanthropic participation.

The current VCHS appointment was effective January 1, 2023. With over 350 employees within the central administrative function, Executive Accounts are managed in over 50 financial units in the following areas:

- 300000C - Health Sciences
- 300001C - Health Sciences Office
- 300002C - Chief Operating Officer
- 300003C - Financial Officer
- 300004C - Health Sciences Information Technology Shared Services
- 300005C - Academic Affairs and Faculty Development
- 300006C - Scientific Officer
- 300007C - Academic Resource Center
- 300008C - Sponsored Research Service Core
- 300009C - HS HR Shared Services

These units do not include UCSD Health, Health Sciences (HS) professional schools, or organized research units which are not included in the scope of this review.

III. AUDIT OBJECTIVE, SCOPE, AND PROCEDURES

The objective of our review was to evaluate whether internal controls and business processes for oversight for VCHS executive accounts provided reasonable assurance that operations were effective, and in compliance with University policy and procedures. In addition, we also evaluated internal controls for selected core business operations (such as payroll and timekeeping, travel and entertainment, procurement, etc.), overall financial status and fund balances, delegations of authority, and detailed testing of expenses charged to executive accounts. Detailed testing of expenditures was limited to expenses charged to executive accounts from January 2023 to March 2024.

In order to achieve our objective, we performed the following:

- Reviewed the following:
 - Related UC system-wide and UCSD campus policies including Business and Finance Bulletins (BFB), Accounting Manual (AM), and Contracts and Grants Manual;
 - VCHS organization chart;
 - Financial systems roles;
 - Available delegations of authority documents;
 - Operating statements and budgets;
 - Deficit balances; and
 - Distribution of Payroll Expense (DOPE) reports;
- Analyzed the Health Sciences Net Operating Results (NOR) and Fund Balance Reports for Fiscal Year 2022-23 and FYTD 2024, and traced expenses to Oracle Financials Cloud (OFC);
- Interviewed VCHS Administration and Finance personnel, including:
 - Assistant Vice Chancellor, VCHS Administration;
 - Senior Director, VCHS Finance;
 - Director, VCHS Accounting;
 - Analyst, VCHS Planning & Space Management; and
 - Director, VCHS Resource Management;
- Evaluated and conducted limited testing related to:
 - Non-payroll expenditures, including travel, events and entertainment, and procurement card (p-card) purchases, cost transfers and other operating expenses;
 - Payroll expenditures including timekeeping records;
 - Recharge and other income-producing activity;
 - Financial reports and deficit management.

IV. CONCLUSION

Based on our review, we concluded that Internal controls and business processes for oversight of VCHS executive accounts provided reasonable assurance that operations were effective, and in compliance with University policy and procedures. During our review, we observed that the new members of VCHS senior leadership were actively reviewing existing procedures and processes, revising as appropriate and implementing additional controls. The VCHS Office is performing numerous process improvements to ensure compliance with University policy, monitoring and reconciliation of financial reports, fund balances, default projects, and management of financial deficits. VCHS is also collaborating with the Health Sciences Controller's Office for quarterly review of financial reports and evaluation of deficits to ensure timely reconciliation and monitoring of deficit resolution plans. Based on the sample reviewed, expenses charged to VCHS financial units appear valid, authorized and were approved appropriately. Also, our detailed testing of executive office expenditures indicated that transactions were performed in compliance with policy. Attachments A and B provide financial balances for FY24 through quarter 3 for the VCHS central office functions.

We noted opportunities for improvement related to deficit management process, review and monitoring of recharge services, and other financial activities. These are discussed in the balance of this report.

V. OBSERVATIONS REQUIRING MANAGEMENT ACTION

A.	Deficit Management
VCHS processes for reviewing and monitoring financial deficits could be improved so that overdrafts are cleared and addressed in a timely manner.	
Risk Statement/Effect	
Unresolved deficits increase risks of non-compliance with University policy, and impacts other resources.	
Management Action Plan	
A.1	VCHS will develop a follow-up process to ensure approved resolution plans are routinely reviewed and implemented timely to avoid carry-over and recurrence of deficits. This process will consider including a formal communication of deficit resolution plans to the Campus Budget Office (CBO).

A. Deficit Management

In partnership with the Health Sciences Controller’s Office, VCHS has recently implemented a new deficit management process to comply with University Policy (PPM 300-2 *Financial Deficit Policy*) and CBO requirements, to ensure timely review, monitoring, and resolution. The new process includes quarterly reports of funds in deficit over \$25K from the Controller’s office sent to each department in the professional schools and the VCHS Budget and Financial Operations teams.

Departments are expected to return the report to the Health Sciences Controller’s Office with an indication of whether the deficit will be resolved by fiscal year end, and if not, an assignment of Medium or High Risk and plan for resolution. For those items, a written plan is required providing assurance that the department head / business officer is informed and supports the resolution plan. This information is reviewed by the Health Sciences Controller’s Office and the VCHS Budget and Financial Operations teams. Additional documentation of discussion with the VCHS, Chief Financial Officer (CFO), and CBO may also be required for certain items, including Medium and High Risk items not able to be resolved by fiscal year-end. A finalized roll-over summary is then provided to the CBO during the annual budget season.

The Financial Deficit Report – Operating Funds¹ for VCHS units in the scope of this review indicated

¹ The Financial Deficit Report – Operating Funds groups data by Fund categories based on the Managerial Reporting Fund hierarchy with the exception of Contracts & Grants/Sponsored Projects. Deficits are measured at the Financial Unit/Fund level only, while Recharge Operating Funds also include Project to allow identification of unique recharge activities. This report excludes fund 13042 - Internal Loans. Capital asset purchases are not accounted for as expenses in the income statement and therefore are not included in the calculation of Ending Net Position. (Source: *Business Analytics Hub – Financial Resource Management Dashboard*)

total (Ending Net Position) deficits of \$54.2 million, \$29.3 million and \$2.9 million in Recharge Operating, Other Unrestricted and Core funds, respectively, as of the third quarter of FY2024, excluding deficits that are less than \$25K. The table below provides balances in the last four quarters.

Fund Type	FY23	FY24 Quarter 1	FY24 Quarter 2	FY24 Quarter 3
Core	\$(1,654,709)	\$(1,448,049)	\$(839,871)	\$(2,881,015)
Other Unrestricted	\$(17,530,277)	\$(23,891,882)	\$(26,120,964)	\$(29,332,928)
Recharge Operating	\$(45,537,738)	\$(47,549,182)	\$(50,894,567)	\$(54,207,047)
Restricted	\$(742,145)	\$(915,235)	\$(1,088,325)	\$(521,353)

During our review, we confirmed that VCHS is collaborating with the Health Sciences Controller’s Office in reviewing deficits to ensure that required adjustments and resolution plans for low and medium risks are completed at fiscal year-end, and that approved resolution plans are received by the Controller’s Office for deficits that roll over to the following fiscal year.

We reviewed a judgmental sample of funds in deficit, and noted that overall the VCHS Office is currently working with respective financial unit in reviewing the deficit and ensuring a resolution, which include resolving the deficits this fiscal year or in future periods. The VCHS shared a summary status for the selected funds. The formalized communication of deficit resolution plans from each financial unit to the VCHS, the CBO and the Controller’s Office, consistent with current standards and guidance, is also currently in process. Continued follow up on these deficits through the next fiscal year will assist with ensuring the deficits are either ultimately resolved, and improve accountability for deficits that are not resolved timely, or where alternate resolution plans may be needed.

B.	Recharge Services Oversight
Recharge services oversight could be improved to ensure recharge rates are sufficient to recover operating costs. This includes ensuring that reviews and reconciliations are completed and that deficit balances are addressed in a timely manner.	
Risk Statement/Effect	
Insufficient oversight and monitoring process could increase risk of unrecovered costs which could impact other resources.	
Management Action Plans	
B.1	VCHS has initiated efforts to improve recharge oversight that includes financial analyses, reporting, and surveying recharge unit managers to understand business needs, identify challenges and provide tools and guidance needed to address deficits, reconcile funds, and evaluate pricing.
B.2	VCHS has initiated a comprehensive evaluation of recharge units to assess their ongoing financial health and complete any needed rate adjustments. This includes providing guidance and best practices with reasonable timelines for cleanup.
B.3	VCHS will develop a follow-up process to ensure recharge units perform and complete reconciliation and required adjustments quarterly or at yearend, at minimum, to ensure timely and accurate information is available during annual rate review process.

B. Recharge Services Oversight

University policy (UCSD PPM 300-87, *Sales & Service of Educational Activities: Recharges by Academic Support Units, and Sales & Services to External Entities Policy*), states that “expenditures to revenue reconciliation must be performed at least annually to determine any necessary rate adjustments in accordance with the UC San Diego Self-Supporting Activity Guidance. Every effort should be made to ensure the year-end surpluses or deficit does not exceed two months of the Sales & Service of Educational Activity (SSEA) annual expenditures. Significant surplus or deficit balances can be amortized over a period of several fiscal years with prior Financial Analysis Office² approval, and projected year-end surplus or deficit balances must be included in subsequent year rate computations.” In addition, the SSEA Review Matrix establishes a periodic rate review requirement between one and five years based on annual federal billings and risk.

The VCHS Office oversees a financial portfolio for over 100 small and large recharge units, spread throughout the VCHS, whose activities are managed at the department level. At the beginning of our review, we were advised the VCHS Office has dedicated resources to improve processes for monitoring and reviewing recharge management, rate adjustments, and ensure financial reconciliation and deficit resolution.

The VCHS Office recently designed new tools and financial reports to analyze the financial status of each unit and/or project, placing high priority on recharges with large deficit balances, in keeping with the VCHS new deficit management process. The VCHS Office identified 30 out of 120 recharge units that are in deficit, which are summarized in **Attachment C**. The VCHS Finance team surveyed and met with the respective recharge unit managers to better understand their business operations, identify challenges, provide guidance in reviewing rates and developing a resolution plan to address deficits and other issues. This includes closing out projects or units that have not generated revenues for over a year, or transitioning units/project that may need to be merged to campus.

We selected a judgmental sample of recharge services and reviewed financial reports, rates and reconciliation statements prepared by the VCHS. We noted that recharge rates had not been adjusted for up to five years in four of the eight (50%) selected projects reviewed, and that there had not been activity in three of the projects for over one year. Quarterly financial reports and reconciliation statements have been prepared by the VCHS Office to monitor and assess overall financial status and provide guidance. However, as evaluations are still ongoing, a follow-up process may be required to ensure clean-up efforts align with fiscal year end processes.

C. Review and Monitoring of Financial Activities

VCHS process for monitoring financial information could be improved to ensure financial activities are consistently reviewed and reconciled.

Risk Statement/Effect

² Now named the Costing Policy & Analysis Office.

Lack of timely and consistent review of financial activities increases risk of non-compliance with University policy, inaccurate financial reports, undetected errors/irregularities, unaccounted budget variances, and fund overdrafts.	
Management Action Plans	
C.1	The financial unit manager for International Services is in the process of working with the Cashier’s Office to deposit the wire transfer received from the international host to the appropriate project.
C.2	The VCHS Office will ensure that financial unit managers submit a request to cancel unused cards, and will schedule an annual review of all P-Cards and Travel cards to ensure that they are issued to VCHS authorized users, that usage is monitored, and that units proactively cancel cards for separated staff.
C.3	VCHS will communicate with unit managers on a monthly basis and remind Financial Unit reviewers of requirements for timely processing of transactions (such as cost transfers and expense reports), Financial Unit approval of expense reports, and P-Card restricted items.

C. Review and Monitoring of Financial Activities

Concur Transactions

University policy (BFB-BUS-43 *Purchases of Goods and Services; Supply Chain Management*) states that purchasing expense reports should be reviewed on a timely basis by the reviewer. The reviewer should ensure that it includes documentation related to all purchases and all cardholder transactions should be approved to confirm the appropriateness and receipt of the goods and services ordered. Also, University policy (G-28 *Travel Regulations*) outlines a reasonable amount of time not to exceed 45 days after the expenses were paid or incurred for the submission of expense reports. The expenditure may be considered income upon reimbursement for the travel and applicable income taxes may be withheld if filed beyond that specified time period.

During our detailed testing of non-payroll expenditures, we reviewed transactions processed in Concur, which included travel, events, entertainment and other types, as well as p-card purchases. We noted expenses charged to financial units were not always reviewed to ensure expenses are valid and processed timely. Assigned financial unit reviewers rely on the Concur system controls to identify potential exceptions to transactions, as well as central offices for reviewing expense justifications and that supporting documents were provided. However, central office review does not absolve the Financial Unit approver from their responsibilities to ensure expenditures are legitimate and charged to correct fund and account codes.

The following table summarizes the number of transactions that were not processed timely as required by policy, and where a routine review of submitted transactions could identify other potential issues, such as restricted items, and the availability of funds to the projects charged. At the VCHS Office, Financial Unit Managers are responsible for validating, tracking and monitoring their fund activity and balances to ensure alignment with the approved budget.

	# of Transactions Reviewed	Total Amount	Submitted After 21 Days	Submitted after 45 Days	Other Issues Noted
Travel	13	\$65,572	10	5	5
Events/Other	9	\$20,927	4		
P-Card	10	\$13,341	5		3

Travel Reimbursements to University

University policy (*BUS-49 Policy for Cash and Cash Equivalents Received*) requires that the recording of incoming wire transfers to the appropriate general ledger and/or receivable accounts must occur within two working days. All unidentified deposits will be posted to a specific “cash received undistributed” account.

We noted that five of the samples reviewed involved foreign travel with a business class upgrade, the cost of which was reimbursed by international hosts. Business & Financial Services (BFS) ultimately approved this travel and related upgrades based on the justification provided. However, we noted that the funds received through wire transfer from international hosts to reimburse the business class upgrades were not deposited in a timely manner. Funds for two of the travels were deposited to a separate project three months from the time the wire transfer was received. For the remaining three travels, the funds received in August 2022 have not yet been deposited to the appropriate project. The responsible Financial Unit Managers are currently working with the Central Cashier’s Office to address this issue.

Purchasing Cards

University policy (*BFB-BUS-43 Purchases of Goods and Services; Supply Chain Management*) and the local implementation procedures³ require that some goods and services, regardless of their value, cannot be purchased using a procurement card due to funding or policy restrictions.

We noted the following restricted transaction types were purchased using a p-card:

- \$1,005: special entertainment (employee holiday gathering event);
- \$1,740: conference registration fees for seven travelers who claimed other related travel expenses; and
- \$2,719: gift cards and ground transportation costs.

During our review, we also noted that the Credit Cardholders report list as of September 2023 indicated 36 cards issued (18 for procurement and 18 for travel), 16 of which were not actively used in 2023. The VCHS Office indicated that the list may not be accurate and that some of the cards that remain active had not been used for a period of time due to budgetary considerations. The VCHS Office has discussed this matter with the respective financial units which plan to cancel the cards that are no longer in use. The VCHS Office will follow up with the other units to ensure that those cards are canceled, or that they inform the VCHS regarding the business need to maintain the cards.

In addition, the VCHS Office indicated that a card for one employee who had separated from the University has been cancelled; however, it still was reported as active. For any other separated employees, the VCHS Office will ensure that their units submit a request to cancel active cards. The

³ <https://blink.ucsd.edu/buy-pay/ways/restricted.html>

VCHS Office will also schedule an annual review of all p-cards and travel cards to ensure that they are issued to VCHS authorized users, that usage is monitored, and that units proactively cancel cards for separated staff.

Cost Transfers

Per University policy (BFB-A-47 *Direct Costing Procedures*), the University is committed to the accurate and timely maintenance of its financial records and situations requiring the transfer of recorded costs must be identified and processed expeditiously. Additionally, special considerations must be given to transfers of cost to federal funds to ensure that the University action meets the administrative standards established by the federal regulations, typically within 120 days from the close of the month in which the original charge posts to the general ledger.

During our review, we noted that cost transfers for the current fiscal period July 2023 through March 2024 included 98,721 transaction amounting to \$552,343 that were considered high risk. We reviewed a small judgmental sample of five transactions to evaluate the reason for the high risk category, and noted that three of these transfers were not processed timely at between 161 and 718 days, and two were transfers to a project that is in an overdraft position. The justifications provided were related to erroneous charges and incorrect funds to which original expenses were charged.

Attachment A - Net Operating Results and Fund Balance, Health Sciences⁴, As of March 2024 YTD

	TOTAL		CORE			OTHER UNRESTRICTED FUNDS		RESTRICTED FUNDS	
	Total Funds	Core Funds	Operating	Reserves	Clinical Operations	Restricted Funds	Contract & Grants		
External Revenues									
AFFAGT-Affiliation Agreements	1,294,896	(0)	(2,307,498)	(0)	3,602,394	(0)	(0)		(0)
CONGRA-Contracts and Grants	23,667,740	(0)	(0)	(0)	(0)	(0)	23,667,740		
EXTRCG-External Recharge Activity	98,617	(0)	87,183	11,434	(0)	(0)	(0)		(0)
INVINC-Investment Inc	578,405	(0)	(0)	(0)	(0)	578,405	(0)		(0)
OTHREV-Other Revenue	394,308	(0)	394,308	(0)	(0)	(0)	(0)		(0)
PGIFTS-Private Gifts (Ext Rev)	1,804,803	(0)	(0)	(0)	(0)	1,804,803	(0)		(0)
SSEARV-Sales and Services Ed Activities	16,510	(0)	16,510	(0)	(0)	(0)	(0)		(0)
SVCAGT-Service Agreements	(1,140,101)	(0)	(157,500)	(0)	(982,601)	(0)	(0)		(0)
Internal Resources									
ALCCBO-Core CBO Allocations	129,638,187	129,638,187	(0)	(0)	(0)	(0)	(0)		(0)
ALCVCDD-VC/Dean Allocations	(18,912,249)	(16,870,348)	(1,018,445)	(5,000)	(0)	(1,018,456)	(0)		(0)
ALCZOT-Other Allocations	390,650	(0)	(0)	(0)	(0)	390,650	(0)		(0)
CAREPT-Care/Guaranteed Payments	(0)	(0)	(0)	(0)	(0)	(0)	(0)		(0)
HSSSUP-Health System Support	960,553	(0)	(0)	(0)	960,553	(0)	(0)		(0)
HSTSUP-Health System Transitional Support	(0)	(0)	(0)	(0)	(0)	(0)	(0)		(0)
INTRCG-Internal Recharge Activity	38,655,891	152,258	38,275,369	228,264	(0)	(0)	(0)		(0)
OTRTFR-Other Transfers	3,016,388	(174,262)	2,500,000	3,214,431	(2,500,000)	(23,781)	(0)		(0)
TOTAL RESOURCES	180,464,598	112,745,836	37,789,928	3,449,128	1,080,345	1,731,621	23,667,740		
Compensation Expenses									
CMPASW-Academic Salaries and Wages	3,317,093	1,649,925	1,439,172	46,761	11,000	170,235	0		0
CMPNAS-Non Academic Salaries & Wages	33,163,302	10,716,187	20,224,167	1,693,442	0	496,745	32,760		0
COMPAC-Accruals and Other	(316,888)	(37,769)	(274,887)	(5,429)	0	941	255		0
COMPBN-Benefits	16,157,831	4,970,492	9,585,618	758,571	559,314	266,291	17,546		0
Non-Compensation Expenses									
ATAHOH-Assessments, Tax & Overhead	2,974,605	4,279,531	(1,207,870)	34,631	(131,687)	0	0		0
DEPAST-Department Assessments	(1,732)	0	14,991	(16,723)	0	0	0		0
EQPTX-Equipment, Rentals and Repairs	7,571,154	7,704,772	(214,907)	37,015	(486)	44,760	0		0
FERREX-Facilities, Rentals and Repairs	6,267,483	5,633,323	634,674	(515)	0	0	0		0
NETCOM-Network and Communications	829,324	481,662	324,415	20,204	0	2,780	264		0
OOPEXP-Other Operating Expenses	(108,848)	3,900,288	(2,981,517)	(1,663,398)	110	633,778	1,891		0
OVHIDC-Overhead-IDC	7,907	0	0	0	0	0	7,907		0
PSVCST-Prof. Svcs Consulting and TES	3,442,610	868,367	2,294,698	259,606	0	19,939	0		0
SHRSVC-Shared Services	5,081,643	448,605	4,616,379	16,658	0	0	0		0
SOFTML-Software Maint.and Licenses	2,765,884	54,913	2,440,266	270,705	0	0	0		0
STSUPP-Student Support (FinAid)	23,179	20,000	3,179	0	0	0	0		0
SUPMAT-Supplies and Materials	4,956,105	245,025	3,800,198	904,388	1,605	4,888	0		0
TRAVEL-Travel and Transit	125,768	57,187	66,190	1,827	0	563	0		0
UTILIT-Utilities	106,909	106,353	556	0	0	0	0		0
Non-Operating Expenses/Transfers									
INTLON-Internal Loan and Debt Service	(1,262,868)	(6,018,021)	4,755,153	0	0	0	0		0
OTHNON-Non Operating Expenses	(68,966)	(68,966)	0	0	0	0	0		0
OTHNOP-Non Operating Transfers	(44,896)	(501,379)	693,420	(245,897)	(65)	9,025	0		0
YEFCLP-Year End Fund Collapse	7,849,058	7,849,058	0	0	0	0	0		0
TOTAL EXPENSES	92,835,656	42,359,555	46,213,897	2,111,847	439,790	1,649,945	60,623		
Expense % of Resources	51%	38%	122%	61%	41%	95%	0%		
CHANGE IN NET POSITION	87,628,942	70,386,281	(8,423,969)	1,337,281	640,555	81,676	23,607,117		
Beginning Net Position	27,429,985	46,964,796	(2,636,015)	6,490,295	(1,401,022)	1,082,379	(23,070,446)		
ENDING NET POSITION	\$115,058,927	\$117,351,077	(\$11,059,984)	\$7,827,576	(\$760,467)	\$1,164,055	\$536,670		
Capitalization in Progress	619,289	122,391	520,163	(23,265)	0	0	0		0
RESOURCES AVAILABLE	\$114,439,639	\$117,228,686	(\$11,580,147)	\$7,850,841	(\$760,467)	\$1,164,055	\$536,670		

⁴ **Note:** For Financial Unit: 300000B-Health Sciences These amounts and totals include the financial units for the Senior Associate VC HS and VCHS Center for Health Innovation which were not in the scope of this review (approx. \$7.6 and \$6.7 million in resources and expenses collectively for this reporting period).

Attachment B – Fund Summary, Health Sciences⁵ - As of March 31, 2024

FinU Level 3 Code 300000B

FinU Code	FinU Description	Beginning Net Position	Total Resources	Total Expenses	Ending Net Position	Capitalization in Progress	Resources Available
3000000	UCPath Default Health Science Total	(\$1,054,632)	\$0	\$290,427	(\$1,345,059)	\$0	(\$1,345,059)
3000045	VCHS Center for Health Innovation Total	\$4,891,457	\$1,056,155	\$3,038,917	\$2,908,695	\$0	\$2,908,695
3000118	VCHS Business Contracting Total	\$0	\$711,392	\$660,321	\$51,071	\$0	\$51,071
3000119	VCHS Resource Management Total	(\$7,944)	\$0	\$2,028	(\$9,972)	\$0	(\$9,972)
3000120	VCHS HSSPO Total	(\$1,757)	\$974,054	\$903,929	\$68,367	\$0	\$68,367
3000121	VCHS OCTA Total	(\$64,419)	\$0	(\$88,396)	\$23,976	\$0	\$23,976
3000122	VCHS HRPP Total	(\$326,675)	\$0	(\$329,400)	\$2,725	\$0	\$2,725
3000123	VCHS Academic Staff Admin Total	\$0	\$2,000,788	\$1,614,513	\$386,275	\$0	\$386,275
3000124	VCHS Chief Operating Officer Admin Total	\$1,498,986	\$25,147	\$1,315,675	\$208,458	\$0	\$208,458
3000125	VCHS Faculty Affairs Total	\$1,426,100	\$1,416,551	\$523,165	\$2,319,486	\$0	\$2,319,486
3000126	VCHS Physical Resource Mgmt Total	\$0	\$1,051,202	\$893,212	\$157,990	\$0	\$157,990
3000127	Health Sciences Space Advisory Comm Total	\$0	\$156,842	\$124,639	\$32,204	\$0	\$32,204
3000128	VCHS Recharge Rate Review Support Total	\$0	\$0	\$0	\$0	\$0	\$0
3000129	VCHS Project Management Total	\$0	\$0	\$308	(\$308)	\$0	(\$308)
3000130	VCHS Business App Dev Group Total	(\$4,589)	\$0	\$539	(\$5,128)	\$0	(\$5,128)
3000131	VCHS Business Intelligence Total	\$0	\$1,425,000	\$1,156,546	\$268,454	\$0	\$268,454
3000132	VCHS Budget and Analysis Total	\$808	\$142,931	\$75,048	\$68,691	\$0	\$68,691
3000133	VCHS Controller Office Total	(\$1,443)	\$1,135,500	\$1,025,308	\$108,749	\$0	\$108,749
3000134	VCHS Financial Officer Admin Total	(\$57,152)	\$448,634	\$187,032	\$204,451	\$0	\$204,451
3000135	VCHS Billing and Accounts Receivable Total	(\$2,959)	\$0	\$210	(\$3,168)	\$0	(\$3,168)
3000136	Capital Expenses Total	\$106,242	\$0	(\$183,826)	\$290,067	\$0	\$290,067
3000137	Debt Service Total	\$19,445	\$11,941,163	\$5,476,978	\$6,483,631	\$0	\$6,483,631
3000138	Sanford Leases Total	\$115,152	\$4,688,306	\$5,481,097	(\$677,639)	\$0	(\$677,639)
3000139	VCHS Resource Management Office Total	\$0	\$432,704	\$399,795	\$32,909	\$0	\$32,909
3000143	Human Research Protection Program Total	(\$54,888)	\$0	(\$52,719)	(\$2,169)	\$0	(\$2,169)
3000144	VCHS Core Bioservices Total	(\$661,595)	\$2,875,296	\$3,705,505	(\$1,491,804)	\$0	(\$1,491,804)
3000145	OCTA Recharge Total	\$154,726	\$0	\$63,933	\$90,793	\$0	\$90,793
3000146	Video Media Group Total	(\$93)	\$3,250	\$3,362	(\$205)	\$0	(\$205)
3000147	VCHS Laboratory Support Services Total	(\$448,494)	\$45,247	\$84,851	(\$488,098)	\$0	(\$488,098)
3000148	Stem Cell Genomics Core Total	(\$481,756)	\$498,486	\$770,883	(\$754,153)	\$0	(\$754,153)
3000149	Human Embryonic Stem Cell Core Faci Total	(\$601,698)	\$598,855	\$535,138	(\$537,980)	\$34,728	(\$572,709)
3000150	Microscopy Core Total	\$660,835	\$120,521	\$680,954	\$100,401	\$0	\$100,401
3000151	Health Sciences Office Affiliates Total	(\$4,744)	\$815,813	\$1,055,479	(\$244,410)	\$94,652	(\$339,062)
3000192	Sponsored Research Service Core Total	\$316,625	\$3,835,106	\$3,543,393	\$608,338	\$0	\$608,338
3000193	Academic Resource Center Total	(\$1)	\$4,089,277	\$4,617,785	(\$528,510)	(\$1)	(\$528,509)
3000194	Research Service Hypercare Total	(\$34,980)	\$1,171,859	\$1,801,068	(\$664,190)	\$0	(\$664,190)
3000195	Health Sciences IT Shared Services Total	\$221,024	\$6,290,867	\$7,885,208	(\$1,373,318)	\$0	(\$1,373,318)
3000196	VCHS International Business Total	\$8,164,667	(\$2,140,101)	\$835,948	\$5,188,618	\$5,000	\$5,183,618
3000197	AVC Faculty Affairs Total	\$0	\$331,275	\$297,719	\$33,556	\$0	\$33,556
3000198	AVC Academic Affairs Total	\$0	\$551,475	\$418,476	\$132,999	\$0	\$132,999
3000199	VCHS Chief Academic Officer Admin Total	\$0	\$0	(\$17,262)	\$17,262	\$0	\$17,262
3000200	AVC Translational Medicine Total	(\$140,526)	\$308,158	\$681,218	(\$513,586)	\$0	(\$513,586)
3000201	AVC Computational Health Sciences Total	(\$16,708)	\$172,410	\$319,139	(\$163,436)	\$0	(\$163,436)
3000202	VCHS Velos Total	\$54,475	\$0	\$73,939	(\$19,464)	\$54,545	(\$74,009)
3000203	VCHS CEO Health Physician Group Total	(\$136,878)	\$0	(\$79,028)	(\$57,850)	\$0	(\$57,850)
3000205	CVC Total	(\$135,074)	\$0	\$35,548	(\$170,622)	\$0	(\$170,622)
3000206	Dean CVC Affairs Total	\$0	\$0	\$0	\$0	\$0	\$0
3000207	VCHS OCAA Total	\$3,532	\$0	\$125,804	(\$122,273)	\$3,691	(\$125,964)
3000208	Health Sciences Office Total	(\$2,609,782)	\$94,265,909	\$26,472,990	\$65,183,137	\$192,098	\$64,991,039
3000212	Health Sciences Total	\$1,290,938	\$9,630,552	(\$2,876,918)	\$13,798,408	\$0	\$13,798,408
3000215	VCHS Leases Total	\$599,984	\$4,251,138	(\$188,526)	\$5,039,648	\$111,341	\$4,928,308
3000216	Building Ops and Admin Leases Total	(\$353,629)	\$1,155,237	\$418,063	\$383,544	\$11,050	\$372,494
3000219	HS HR Shared Services Total	\$2,453,289	\$16,632,580	\$15,613,445	\$3,472,423	\$112,185	\$3,360,238
3000221	SAVC Health Sciences Total	\$12,998,924	\$6,511,101	\$3,658,827	\$15,851,199	\$0	\$15,851,199
3000230	VCHS Communications Support Total	(\$344,808)	\$843,920	(\$216,632)	\$715,745	\$0	\$715,745
Grand Total		\$27,429,985	\$180,464,598	\$92,835,656	\$115,058,927	\$619,289	\$114,439,639

⁵ **Note:** These amounts and totals include the financial units for the Senior Associate VC HS and VCHS Center for Health Innovation which were not included in the scope of this review (approximately \$7.6 and \$6.7 million in resources and expenses collectively for this reporting period).

Attachment C – Health Sciences Recharge Activities Deficit Report for the period ending June 30, 2023

DEPARTMENT - RECHARGE OPERATION	BEGINNING BALANCE	HEERF ALLOCATION	REVENUE	EXPENSES	ENDING RECHARGE FUND BALANCE	ENDING FINUNIT PORTFOLIO BALANCE	VARIANCE - ENDING FINU BALANCE TO RECHARGE FUND BALANCE	VARIANCE - FY21 BEGINNING TO FY23 ENDING RECHARGE FUND BALANCE	ALLOWABLE DEFICIT (+/-16.67% EXPENSES)	VARIANCE - ACTUAL RECHARGE FUND BALANCE TO ALLOWABLE DEFICIT
Advanced Cell Therapy Lab	(4,857,764)	380,499	2,262,137	(2,405,703)	(4,620,830)	(5,763,693)	(1,142,863)	(2,869,205)	(310,516)	(4,310,314)
VCBS - Research Service Core (RSC)	86,095	-	3,689,823	(5,241,548)	(1,465,631)	316,625	1,782,256	(1,517,418)	6,929	(1,472,560)
Biomedical Informatics Clinic	12,882	-	(25,764)	-	(12,882)	-		(25,764)	-	(12,882)
CMM - Electron Microscopy Core	(120,840)	120,840	434,918	(288,281)	146,636	-		140,107	(59,969)	206,605
CMM - Glycoanalytics Core	(291,711)	-	239,505	(133,839)	(186,044)	-		(25,166)	(23,878)	(162,166)
Ctr. for Future Surgery - Surgical Resources Laboratory	(2,033,263)	166,508	3,241,774	(2,172,465)	(797,445)	-		1,800,481	(395,454)	(401,991)
CTRI - Project Management Professional Services	41,598	-	20,109	(95,281)	(33,574)	-		(33,574)	(5,366)	(28,208)
CTRI - Translational Research Techonology Center	72,123	-	(93,901)	-	(21,779)	-		78,947	25,186	(46,964)
Human Embryonic Stem Cell Core - Human Stem Cell Core Fac.	(521,385)	76,848	409,495	(399,532)	(434,574)	(601,698)	(167,124)	(384,605)	(120,683)	(313,891)
Human Embryonic Stem Cell Core - Molecular Imaging Core	(36,013)	-	50,021	(182,694)	(168,686)	(601,698)	(433,012)	(207,808)	(11,339)	(157,347)
MCC - 10X Connect Shared Resource	-	-	31,800	(175,097)	(143,297)	-		(143,297)	-	(143,297)
MCC - Biostatistics Shared Services	(276,856)	191,638	487,998	(481,847)	(79,067)	-		(33,959)	(113,245)	34,178
MCC - Cancer Center IT Services	(95,779)	-	-	(16,922)	(112,700)	-		(107,583)	(11,906)	(100,795)
MCC - Flow Cytometry Shared Services	69,881	-	33,186	(120,259)	(17,192)	-		(244,149)	(21,312)	4,120
MCC - Liquid Nitrogen Facilities	(282,804)	-	-	(27,181)	(309,984)	-		(290,399)	(22,543)	(287,442)
MCC - Pharmacology Services	57,439	-	329,408	(203,117)	183,730	-		99,904	(43,308)	227,038
Neurosciences - IT Facility	(317,466)	-	(273)	(882)	(318,621)	-		(283,741)	(27,091)	(291,529)
Pathology - Biomarkers Core	(431,651)	-	246,072	(418,715)	(604,294)	-		(412,851)	(61,136)	(543,158)

DEPARTMENT - RECHARGE OPERATION	BEGINNING BALANCE	HEERF ALLOCATION	REVENUE	EXPENSES	ENDING RECHARGE FUND BALANCE	ENDING FINUNIT PORTFOLIO BALANCE	VARIANCE - ENDING FINU BALANCE TO RECHARGE FUND BALANCE	VARIANCE - FY21 BEGINNING TO FY23 ENDING RECHARGE FUND BALANCE	ALLOWABLE DEFICIT (+/-16.67% EXPENSES)	VARIANCE - ACTUAL RECHARGE FUND BALANCE TO ALLOWABLE DEFICIT
Pediatrics - Host Microbe Systems and Therapeutics	66,846	-	660,412	(1,096,390)	(369,132)	-		(260,002)	120,902	(490,034)
Pharmacology - Lipidomics Core	41,152	-	307,182	(334,852)	13,482	-		(71,294)	(51,022)	64,505
Public Health - Biomarker Services	(11,663)	13,862	56,103	(96,638)	(38,336)	-		(38,336)	(16,854)	(21,482)
Public Health - Health Services Research Center (HSRC)	38,128	-	2,827,121	(2,955,856)	(90,607)	-		(141,286)	(472,328)	381,721
MCC - Transgenic Mouse Shared Resource	72,031	-	275,406	(388,421)	(40,984)	-		(195,627)	(62,364)	21,380
Radiology - MRI-MRS LIG Services	(38,261)	-	34,037	(16,427)	(20,652)	-		(20,652)	(13,727)	(6,924)
Radiology - Radiochemistry Services	(302,405)	-	355,778	(284,544)	(231,171)	-		(231,171)	(62,568)	(168,603)
Sanford Stem Cell - Alpha Stem Cell Clinic Services	178,271	-	21,740	(268,512)	(68,501)	-		141,976	89,826	(158,327)
SOM - HRPP Institutional Review Board	558,037	-	(430,530)	(178,173)	(50,666)	(54,888)	(4,222)	(1,025,443)	(97,043)	46,377
SOP - NMR	(773,182)	7,251	57,921	(148,698)	(856,708)	-		(237,470)	(21,441)	(835,266)
Stem Cell Genomics Core	(286,903)	44,759	173,519	(413,131)	(481,756)	(481,756)	(0)	(459,482)	(47,557)	(434,199)
VCHS - Core Bio Services	(2,113,652)	1,337,638	4,463,123	(4,277,515)	(590,406)	(661,595)	(71,189)	531,439	(669,489)	79,083
VCHS - Glasswash Facility	(377,659)	-	50,612	(121,447)	(448,494)	(448,494)	-	(158,787)	(20,834)	(427,660)