

May 2, 2017

PIERRE OUILLET  
Vice Chancellor, Chief Financial Officer (CFO)  
0007

**Subject:        Financial Deficit Balances  
                  Report 2017-01**

The final report for Financial Deficit Balances Report 2017-01, 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.

David Meier  
Director  
Audit & Management Advisory Services

Attachment

cc:     Judy Bruner  
       Sylvia Lepe  
       John Lohse  
       William McCarroll  
       Cheryl Ross

# UC San Diego

AUDIT & MANAGEMENT ADVISORY SERVICES

Financial Deficit Balances  
Report No. 2017-01  
May 2017

**FINAL REPORT**

**Performed By:**

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Greg Buchanan, Manager

**Approved By:**

David Meier, Director

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## I. EXECUTIVE SUMMARY

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Audit & Management Advisory Services (AMAS) has completed a review of Financial Deficit Balances as part of the approved audit plan for Fiscal Year 2016-17. This report summarizes the results of our review.

The objective of our review was to evaluate campus policies, practices, roles, and reports utilized for monitoring deficit financial balances, with an emphasis on accountability and process controls, to determine whether any policy or process gaps need to be addressed.

Per the UCSD Overdraft PPM, “overdraft” is defined as a negative financial position caused generally by spending in excess of an authorized or available funding and represents an unacceptable financial condition.

We concluded that the current efforts, and planned oversight by central financial and budgetary offices appeared to present an improved framework for the monitoring and resolution of financial balances. Steps have been taken to define accountability by undertaking development of an official overdraft policy that will define “financial overdraft”, responsibilities of administrative officials in monitoring deficits, and the process of addressing deficits once identified.

However, our review did identify the need to formally address central enforcement mechanisms and roles when financial deficits were not effectively managed at the organization level. In addition, we identified some funds that were not being appropriately included in the Sponsored Project template deficit report. Further, revenue or budgetary allocation errors were identified for some funds. Management Action Plans to address these findings are summarized briefly below:

### **A. Overdraft Policy - Enforcement**

The CFO has requested that the overdraft policy be updated to include ramifications when overdrafts are not resolved in a timely manner. Specifically, the policy will be updated to indicate that the Campus Budget Office (CBO) will have the authority to transfer funds and/or expenses from unrestricted fund sources within the department/unit or cognizant VC area if deficits are not cleared by fiscal year-end. The updated policy will also indicate that future appropriations may be withheld from a VC area if required to clear a deficit.

### **B. Missing Funds and Deficits from DBR**

1. ITS is developing and testing a new IFIS field that will be populated for new funds to indicate which report template should be used to capture deficits for the fund.
2. OPAFS worked with Office of Contracts and Grants Administration (OCGA) to update COEUS data for the three Health Sciences Funds, resulting in the December 2016 Sponsored Project deficit report accurately capturing the deficit balances for the three missing funds.
3. The GAO Manager will coordinate with ITS and OPAFS to ensure that existing sponsored project funds and related deficits are included in the DBR.

**C. Revenue Errors**

1. OPAFS has processed journal vouchers to correct seven of the 13 fund balances in IFIS.
2. OPAFS will work with individual departments, as necessary, to process journal vouchers to correct IFIS balances for the remaining funds.

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

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## II. BACKGROUND

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Audit & Management Advisory Services (AMAS) has completed a review of Financial Deficit Balances as part of the approved audit plan for Fiscal Year 2016-17. This report summarizes the results of our review.

Proper monitoring of deficit financial balances ensures that overdrafts are identified and addressed, demonstrating accountability and responsible stewardship over University resources. Overdrafts occur when expenditures exceed the award or budget allocation. At UC San Diego, the established overdraft reporting system has historically included:

- An unofficial overdraft policy published in Blink (Overdraft PPM): The document defined overdrafts and responsibilities of Administrative Officials.
- Overdraft Resolution Guidelines available in Blink: Document defines the process to be used in addressing overdraft conditions.
- Finlink Overdraft Reporting Tool: An electronic reporting of overdraft conditions to assist administrative officials meet their fund management responsibilities, through development of user profiles with specified reporting parameters for electronic notification of overdraft conditions. Use of the tool was discretionary.

Although the overdraft reporting system was considered useful and readily available to departments, it had not historically been used extensively and campus procedures for monitoring financial balances had not resulted in the timely resolution of significant overdrafts. One significant institutional barrier to resolving financial deficits was the view that some deficits were not “true deficits” because there were funds available elsewhere to cover the deficits. We strongly disagree with this view, and believe that it is more appropriate to have a single definition of financial deficit: negative financial balances at the fund-organization accounting level at any month end.

In response to the deficiencies in the existing policy and overdraft reporting system, the General Accounting Office (GAO) began actively working to develop an official overdraft policy, which was finalized effective February 23, 2017 (**Attachment A**). The policy provides an overdraft definition and sets forth responsibilities of administrative officials including Department Chairs, Chief Administrative Officers, Vice Chancellors (VC), Deans and the Controller.

The GAO also partnered with Information Technology Services (ITS) to develop month end Deficit Balance Reports (DBRs) based on three business practice categories: General Campus, Sponsored Project Awards, and Self-Supporting Funds. Per the initial development plan, fund assignment to the three templates was to be based on the Integrated Financial Information System (IFIS) level 3 fund hierarchies.

The General template and Sponsored Project DBR’s were developed and rolled out in March 2017. However, the Self-Supporting Funds DBR template was still under development as of the date of this report.

The DBR offers a graphical display of total deficits by Level 1 Organization. Deficits are calculated on the fund and organization combination within each Level 1 Organization. The dashboard and custom

detail reports offer statistical reports for Senior Management to assess the deficit balances by their organizations and funds. Links to detail reports can be exported, saved, and shared by financial staff for analysis and resolution.

Prior to the development of DBR, a deficit management process was established for Health Sciences through monthly review of operational deficit variance reports by the HS Associate VC/Principal Business Officer. Monthly meetings were held between the Controller and Principal Business Officer to discuss significant overdrafts and explanations. In addition, a quarterly meeting to discuss deficit reports through a formal presentation was held with high-level leadership including: UC San Diego Chief Financial Officer (CFO), UC San Diego Health Chief Executive Officer, UC San Diego Health CFO, HS Associate VC/Principal Business Officer and Chief Executive Officer of UC San Diego Clinical Practice. A similar monitoring process is planned with other VC areas after deployment of the DBR.

In addition to the DBR, the Campus Budget Office (CBO) has developed a monthly package of financial reports for each VC area to monitor the financial health and sustainability of their operation and initiatives. The reports are distributed to the Chancellor, VC/CFO, and high-level financial officers for each VC area. The reports go beyond identification of overdrafts and consider the net change in overall balances for the area with a focus on core funds. Unfavorable or unexpected net balances are discussed further with financial officers during budgetary meetings. The CBO financial reporting process helps bring overdraft issues to light, and the team assists in providing input towards their resolution and monitoring progress.

It is expected that the DBR roll-out will trigger budget realignments from departments, and more consistent monitoring of deficits, reducing the number of financial deficits. In some cases, allocations or re-allocations that have been historically made at year-end should be made earlier. The deficit monitoring and reporting process will evolve as reporting tools mature and overdrafts become more manageable, and could result in modified deficit monitoring thresholds.

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### **III. AUDIT OBJECTIVE, SCOPE, AND PROCEDURES**

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The objective of our review was to evaluate campus policies, practices, roles, and reports utilized for monitoring financial balances, with an emphasis on accountability and process controls, to determine whether any policy or process gaps need to be addressed.

The scope of our review included assessment of the DBR for accuracy and completeness, and roles of the Campus Budget Office (SBO), the Controller's Office, GAO and campus departments.

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

- Reviewed applicable University and campus policies and procedures for budget monitoring and accountability, including the Overdraft PPM and resolution guidelines in Blink;
- Evaluated and provided feedback to GAO on the official overdraft policy in development;
- Interviewed members of the following offices to gain an understanding of their processes for monitoring financial balances, reports used in the process, recent process changes, and significant concerns:

- The Campus Budget Office (CBO),
- The Controller's Office, and
- Business & Financial Services (BFS) GAO;
- Tested the accuracy and completeness of deficit reports generated from the DBR (General template for August and September 2016 and Sponsored Projects Awards template for November 2016);
- Discussed logic in calculation of deficit balances in DBR for General and Sponsored Project templates with GA, ITS and Office of Post Award Financial Services (OPAFS) staff;
- Assessed funds (and deficit balances) excluded from the award database and DBR; and
- Evaluated whether funds and organizational hierarchies for the VC Chief Financial Officer, VC Resource Management and Planning, and the Chancellor's Office were consistent with current organizational structures (organizational charts).

Testing of DBR General and Sponsored Projects template deficit reports was performed in November 2016 and January 2017 respectively. Consequently, any modifications or enhancements made to the DBR subsequent to fieldwork were not evaluated.

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#### IV. CONCLUSION

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Historically, for a number of reasons, the Campus has not been effective in identifying and resolving financial deficits. This is evident from the number of funds in deficit in the new DBRs. However, based on our review, we concluded that the current efforts, practices and planned oversight by central financial and budgetary offices appeared to present an improved framework for the monitoring and resolution of financial balances. Steps have been taken to define accountability by undertaking development of an official overdraft policy that will define "financial overdraft," responsibilities of administrative officials in monitoring deficits, and the process of addressing deficits once identified. We also concluded that the General and Sponsored Project DBRs appeared accurate and complete, with the exception of a small number of funds in deficit that were missing from the Sponsored Project template.

The DBR also builds upon the existing strengths of the Overdraft Reporting Tool to provide better metrics and more comprehensive reports to allow VC areas to monitor deficits in their area by Fund or Organizational levels. The DBR was demonstrated across each VC area to allow them to understand the report, provide feedback and have the opportunity to manage deficits prior to deployment. It is expected that the DBR will undergo enhancements post-implementation by providing additional deficit drill-down options, graphical improvements and other features, based on feedback from users. A new comment tool was planned to allow users to input comments on overdrafts, such as resolution plans, within the DBR rather than going through the Overdraft Reporting Tool, where this is being done now.

However, our review did identify the need to formally address central enforcement mechanisms and roles when financial deficits were not effectively managed at the organization level. In addition, we identified some funds that were not being appropriately included in the Sponsored Project template deficit report. Further, revenue or budgetary allocation errors were identified for some funds. These findings are discussed in detail in the remainder of the report.

## V. OBSERVATIONS REQUIRING MANAGEMENT ACTION

<b>A.</b>	<b>Overdraft Policy – Enforcement</b>
We noted that the overdraft policy did not address enforcement mechanisms and roles when financial deficits were not resolved at the department level in accordance with policy.	
<b>Risk Statement/Effect</b>	
Deficits may continue to be unresolved if there are no specific actionable ramifications for non-compliance with policy by organizational units.	
<b>Management Action Plan</b>	
A.1	The CFO has requested that the overdraft policy be updated to include ramifications when overdrafts are not resolved in a timely manner. Specifically, the policy will be updated to indicate that the Campus Budget Office (CBO) will have the authority to transfer funds and/or expenses from unrestricted fund sources within the department/unit or cognizant VC area if deficits are not cleared by fiscal year-end. The updated policy will also indicate that future appropriations may be withheld from a VC area if required to clear a deficit.

### A. Overdraft Policy – Enforcement – Detailed Discussion

Historically, there was an Overdraft PPM and Blink Guidelines that described responsibilities of administrative officials and the process to manage overdrafts. However, this policy was never formally published in the UC San Diego Policies and Procedures Manual (PPM) maintained by UC San Diego Policy and Records Administration.

The GAO Manager took the initiative to formalize an overdraft policy and a policy was finalized effective February 23, 2017. The policy requires a written deficit resolution plan for sponsored project funds in overdraft, or deficits for other funds larger than \$25,000 or 5% of the funds fiscal year budget, whichever is more. The policy requires Fund Managers or Principal Investigators to develop written action plans when appropriate and resolve overdrafts within six months after approval of a written plan by the Department Chair/Designee, or request approval from the cognizant VC or Dean if a longer resolution period is required. The policy identifies the Controller as being responsible for ensuring that final resolution is effectively achieved, and provides that the Controller partner with appropriate administrative officials to invoke needed corrective actions when deficits are not resolved timely or are over specified financial thresholds.

The Controller indicated that she plans to use the DBR to initiate deficit discussions in quarterly meetings with the cognizant Associate VCs who will be responsible for follow up with their departments/divisions to obtain explanations and develop written resolution plans as necessary. They also plan to generate trend reports to monitor progress and achievement of the resolution plan.

Also, the policy will be updated to stipulate any consequences of non-compliance and outline how financial deficits may be resolved in cases where the cognizant administrative officials do not fulfill their responsibilities for correcting overdrafts in a timely manner.

<b>B. Missing Funds and Deficits from DBR</b>	
We identified 181 active funds that were not appropriately captured in the award database and, as a result, 29 of these funds that were in deficit were not included in the Sponsored Project deficit report.	
<b>Risk Statement/Effect</b>	
Funds with deficit balances will not be captured in the deficit report if funds are not captured in the award database.	
<b>Management Action Plan</b>	
B.1	ITS is developing and testing a new IFIS field that will be populated for new funds to indicate which report template should be used to capture deficits for the fund.
B.2	OPAFS worked with Office of Contracts and Grants Administration (OCGA) to update COEUS data for the three Health Sciences Funds, resulting in the December 2016 Sponsored Project deficit report accurately capturing the deficit balances for the three missing funds.
B.3	The GAO Manager will coordinate with ITS and OPAFS to ensure that existing sponsored project funds and related deficits are included in the DBR.

**B. Missing Funds/Deficits from DBR – Detailed Discussion**

During our analysis of the Sponsored Project deficit reports, we came across two issues with regards to certain funds not being captured accurately in the deficit report, namely:

- Funds in IFIS, but not captured in the Award Database (178 funds – 26 of which were in deficit but not captured in DBR); and
- Deficit funds in Award Database, but not captured in DBR (three funds).

**Attachment B** summarizes the two observations and each issue is discussed further below:

Funds in IFIS but not captured in Award Database

Each contract or grant that is received by UCSD is assigned a fund number that falls within a specific IFIS Level 3 fund range used to identify the type of contract or grant that was received. For example Federal grants are normally assigned a fund number that falls within the IFIS fund range 21000A – 33999A.

Although it was initially indicated that Level 3 IFIS fund ranges were used to determine assignment to the three DBR templates, upon analysis we noted that the Sponsored Projects deficit report only

included funds captured in the COEUS<sup>1</sup> award database. The decision to use the award database was to meet ITS needs to capture award end dates from COEUS in the deficit report. Consequently, the sponsored project deficit report logic was built to capture balances for funds captured in the award database.

In light of this process, we compared the listing of funds that were included in the COEUS award database to funds that fell within the Level 3 IFIS fund ranges used to account for sponsored project activities. Based on our analysis, we identified 178 active funds that were within the IFIS fund range used for sponsored projects, but were not captured in the COEUS award database, and were therefore not included in the Sponsored Projects DBR template. The OPAFS Associate Director acknowledged that there were some funds that had not historically migrated appropriately to the award database and, consequently, any deficits would not be captured in the DBR. This issue was discussed in the early stages of Sponsored Project template development, but overlooked as the project progressed.

Of the 178 funds, 26 funds were in deficit as of November 30, 2016 and excluded from the DBR. The OPAFS Associate Director indicated that 20 of these funds were related to awards that should have been reflected in the Sponsored Project deficit report. The remaining six funds, which composed primarily of Campus-wide funds, were identified to be year-end adjustments or funds managed by GAO which were not representative of award balances. A table summarizing the deficit funds is presented in **Attachment C**.

#### Deficit Funds in Award Database, but not captured in DBR

Our analysis of the Health Sciences sponsored project deficit report identified three fund/organization combinations (8565CA/784816; 8955BA/414859; and 94396A/414826) that appeared to be captured in the award database but were not captured in the Sponsored Projects DBR. Based on input provided by the OPAFS, it was determined that the three funds were not included in the Sponsored Project database due to a data entry error that occurred when these awards were initially entered into the COEUS award database. When awards are initially entered into the database, the award is assigned a status of Advance Approval, Closed, Anticipated, Early Termination, MTA Not Completed, or Obligated. The OPAFS team advised that if funds are not assigned an appropriate status, then fund balances will not be appropriately reflected in the DBR. The three funds listed above were erroneously entered by Health Sciences Sponsored Project Pre-Award Office (HSPPO), which prevented the deficit balances from being appropriately captured in the DBR.

During our review, the COEUS data for these three funds were corrected to ensure that the deficits were accurately captured in the DBR.

The DBR should be complete in capturing all deficits and any exclusions should be justified.

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<sup>1</sup> A campus core relational database that links proposal and award information to the campus legacy financial systems.

<b>C.</b>	<b>Revenue Errors</b>
We noted instances where erroneous revenue transactions were posted to sponsored project funds in IFIS.	
<b>Risk Statement/Effect</b>	
Because IFIS revenue balances are not used to calculate deficit balances reported on the Sponsored Project DBR, these errors do not affect the accuracy of the DBR. However, these errors create differences between the fund balances stated in the IFIS operating ledger and the balances stated in the DBR templates.	
<b>Management Action Plan</b>	
C.1	OPAFS has processed journal vouchers to correct seven of the 13 fund balances in IFIS.
C.2	OPAFS will work with individual departments, as necessary, to process journal vouchers to correct IFIS balances for the remaining funds.

### C. Revenue Errors – Detailed Discussion

When sponsored project related program income is received, the income is recorded as revenue in a IFIS sub-fund for that sponsored project, and a corresponding budgetary allocation is posted to the primary sponsored project IFIS fund that is used to account for normal operating expenses. In order to avoid double counting program income, the Sponsored Project template deficit calculation is based on the difference between actual expenses and corresponding budget allocations (including transfers), but does not account for transactions that were posted as revenue to the IFIS operating ledger.

During our analysis, we compared balances reported in the Sponsored Project DBR to IFIS operating ledger balances. Based on this analysis, we identified the following discrepancies for 13 funds that were due to revenue balances that appeared in IFIS:

VC Area	Fund	Org	Deficit Balance per IFIS	Deficit Balance - DBR	Difference
Student Affairs	93133A	770018	\$ (147,625)	\$ (147,775)	\$ (150)
Health Sciences	18382A	414925	\$ (1,225,212)	\$ -	\$ 1,225,212
Health Sciences	2158BB	414925	\$ (20,434)	\$ (20,368)	\$ 66
Health Sciences	31699A	414951	\$ -	\$ (8,535)	\$ (8,535)
Health Sciences	81874D	414816	\$ (44,268)	\$ (37,742)	\$ 6,526
Health Sciences	855A6A	414827	\$ -	\$ (1,901)	\$ (1,901)
Health Sciences	8564AA	414946	\$ (5,605)	\$ (340)	\$ 5,265

## Financial Deficit Balances

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Health Sciences	857C2A	414960	\$ (51,597)	\$ (28,176)	\$ 23,421
Health Sciences	858C2A	414960	\$ -	\$ (277)	\$ (277)
Health Sciences	89477A	414891	\$ (15,807)	\$ -	\$ 15,807
Health Sciences	89593A	414827	\$ -	\$ (7,084)	\$ (7,084)
Marine Sciences	219FC2	416470	\$ -	\$ (99)	\$ (99)
Research Affairs	94346C	416267	\$ -	\$ (15,257)	\$ (15,257)

Based on input provided by OPAFS, it was determined that discrepancies were primarily due to erroneous revenue postings to IFIS. Budgetary allocations were done incorrectly, or revenue was posted to the incorrect index, which created inaccurate balances in IFIS for the above listed fund-organization combinations. These transactions were determined to be related to internal allocations that were either not processed, or processed incorrectly, and need to be corrected to ensure that the IFIS balances align with the DBR.



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### ACCOUNTING PROCEDURES – GENERAL

#### Section: 300 - 2

Effective: 02/23/2017

Supersedes: New

Review Date: 02/23/2020

Issuance Date: 03/01/2017

Issuing Office: [Business & Financial Services](#), [General Accounting Division](#)

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### FUNDS MANAGEMENT (OVERDRAFT) POLICY

#### I. POLICY SUMMARY

This policy defines Overdrafts and management responsibilities for resolving and reporting Overdrafts across the UC San Diego campus.

#### II. DEFINITIONS

**Administrative Official** - For this policy, the term Administrative Official refers to any UC San Diego employee or faculty member who holds one of the following positions with delegated financial, administrative, or management responsibility as outlined in the [Administrative Responsibilities Handbook](#):

- Associate Chancellor
- Associate & Assistant Vice Chancellors
- Deans
- Department Business Officers
- Department Chairs
- Directors
- Managers
- Principal Investigators
- Provosts
- Unit/Department Heads
- Vice Chancellors

**Fund** – A source of funding for a transaction or expenditure identified by a specific code used in the Integrated Financial System. For further detail, please see [Fund Overview](#).

**Organization** - A department or functional unit within a department identified by a specific Organization Code in the Integrated Financial System. For further detail, please see [Organization Codes](#).

**Overdraft** - A deficit in a Fund caused when an Organization spends more than is authorized or available.

Overdrafts may be measured by testing balances at any of several levels within the accounting hierarchy; the appropriate level depends on the nature of the Funds and is typically identified by funding source limitations. The measurement of a deficit largely depends on the financial activity within a particular fund. To effectively and consistently identify and remediate fund deficits, fund balances are measured in three business practice categories: General Campus, Sponsored Project Awards, and Self-Supporting Funds.

### III. POLICY STATEMENT

It is in the best interest of the campus for Administrative Officials to identify and remedy the circumstances creating an Overdraft and to prevent a misuse of resources. This policy is structured to:

- define Overdrafts and management responsibilities for their resolution, and
- facilitate Administrative Officials' efforts to remedy circumstances creating an Overdraft.

### IV. RESPONSIBILITIES

#### A. Principal Investigators or Fund Managers

1. For sponsored projects, the person(s) named as the Principal Investigator, manager, or director in an award of a contract or grant accepted by UC San Diego, has primary responsibility for adherence to the conditions of the award and for ensuring that expenditures made are appropriate, allowable, and within the budgetary limitations of the award. Thus, the Principal Investigator is responsible for:
  - a. Avoiding Overdrafts, cost over-runs, and unallowable, unreasonable, or unauthorized cost-transfers or expenditures;
  - b. Identifying the need for additional funds;
  - c. Immediately resolving any Overdraft or developing a written action plan to eliminate the Overdraft when the Fund's cumulative expenses exceed the authorized funding from the sponsor for longer than 30 days; and
  - d. Implementing written action plans to eliminate Overdrafts.
2. For Funds other than sponsored projects' Funds, the Fund Manager is responsible for:
  - a. Avoiding Overdrafts, cost over-runs, and unallowable, unreasonable, or unauthorized cost transfers or expenditures;
  - b. Identifying the need for additional funds;
  - c. Immediately resolving any Overdraft or developing written action plans to eliminate Overdrafts larger than \$25,000 or five percent of the Fund's fiscal year budget, whichever is more; and
  - d. Implementing written action plans to eliminate Overdrafts.

#### B. Responsibilities of Department Chair and Department Business Officer (or Equivalent Officers)

Department Chairs, Department Business Officers, and Equivalent Business Officers shall:

1. Identify, avoid and, if necessary, resolve Overdrafts.
2. Ensure that sponsored projects' expenses do not exceed the cumulative amount of the award, allocation, or budget and, if Overdrafts do occur, ensure that corrective action is taken to eliminate the Overdraft. In the case of Overdrafts lasting over 30 days, ensure that an overdraft resolution plan is in place.
3. Ensure that Principal Investigators or Fund Managers develop a written plan under which Overdrafts larger than \$25,000 or five percent of the Fund's fiscal year budget, whichever is more, will be eliminated within six months of approval of the written plan. Any longer period for resolution of an Overdraft must be approved by the appropriate Vice Chancellor or Dean.

**C. Responsibilities of Vice Chancellors and Deans**

For the Organizations under their purview, the Vice Chancellors/Deans are responsible for ensuring that:

1. Overdrafts are routinely monitored at the level of the Department Chairs and Business Officers;
2. Written plans to resolve overdrafts are prepared and submitted to the Department Chair/Designee and Vice Chancellor/Dean for review and approval when deficit balances are larger than \$25,000 or five percent of the funds fiscal year budget, whichever is more; and
3. Actions specified in approved overdraft resolution plans are realistic and effective towards timely resolution of the targeted Overdraft.

**D. Responsibilities of the Controller**

If an Overdraft occurs, the Controller is responsible for ensuring that final resolution is effectively achieved. As such, the Controller's duties include monitoring financial and budget data for Overdrafts to ensure that:

1. System support tools are providing timely information required to effectively report and remedy Overdrafts;
2. The Overdraft remediation process satisfies the University's policy requirements and the sponsors' terms and conditions when applicable;
3. There is support for the development of written action plans to discharge Overdrafts when they are larger than \$50,000 or five percent of the Fund's fiscal year budget, whichever is more;
4. For Overdrafts greater than \$50,000 or five percent of the Fund's fiscal year budget, whichever is larger, or that remain unresolved for more than 180 days, the Controller shall partner with the appropriate Administrative Official(s) to ensure that appropriate corrective actions are taken;
5. The Controller will periodically review all organizationally strategic multi-year deficit reduction plans to support timely clearing of deficits; and
6. Ensure that this policy is maintained to incorporate current regulations and support operating requirements.

**V. PROCEDURES**

An electronic deficit reporting system has been developed to help administrative officials meet their fund management responsibilities. It provides a view of current overdrafts by Vice Chancellor with drill-down capabilities for various levels of accounting and organizational hierarchies. Although the use of the report is discretionary, it is considered to be an effective report for monitoring current overdrafts. As such, Administrative Officials, Fund Managers, and Principal Investigators are urged to make appropriate use of it. The deficit report can be accessed on [Blink](#).

**VI. FORMS**

None.

**VII. RELATED INFORMATION**

- A. Board of Regents Standing Order 100. Officers of the University

[100.1 Designation and To Whom Responsible](#)

[100.4 Duties of the President of the University](#)

- B. [Academic Personnel Manual](#)

- C. [UCOP Accounting Manual, D-224-17, Delegation of Authority-Signature Authorization, Section II.B., Responsibility Attendant to Delegated Authority](#)

- D. [UCOP Contract and Grant Manual](#)

[6-440 Responsibilities of the Principal Investigator](#)

[6-450 Responsibilities of Department Chair \(or Equivalent Officers\)](#)

[6-460 Responsibilities of Campus Controllers](#)

- E. [UC San Diego Administrative Responsibilities Handbook](#)

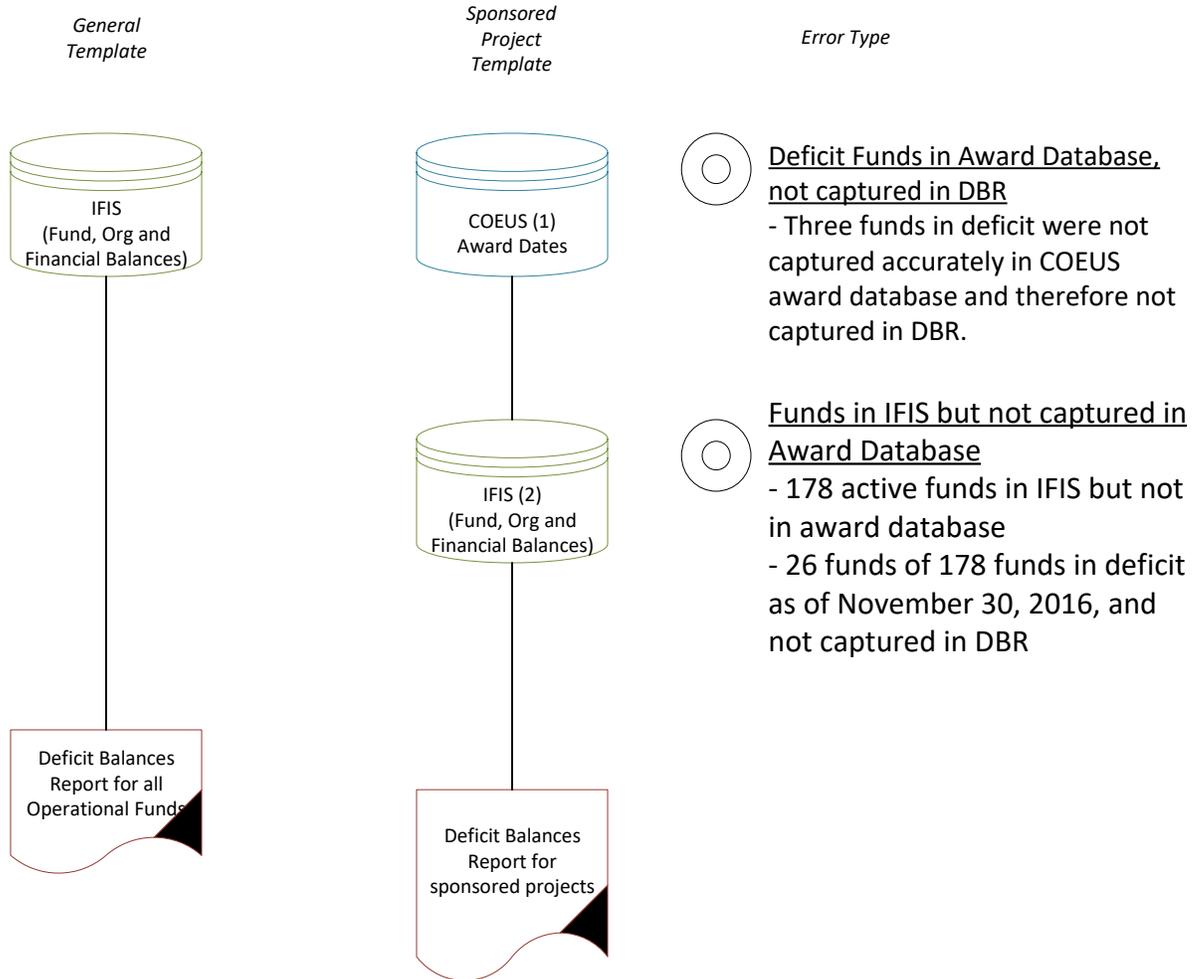
**VIII. FREQUENTLY ASKED QUESTIONS (FAQ'S)**

See blink: [Deficit Balance Analytics](#)

**IX. REVISION HISTORY**

None new policy.

**Attachment B – Funds not in Sponsored Project DBR**



**Notes:**

(1) The sponsored project template pulls award end dates from the COEUS database, and is limited to awards that are captured in COEUS. Award end dates are necessary to distinguish between closed and open award deficits in the DBR.

(2) The sponsored project template pulls data on the Fund and Organization number, title, hierarchies, payment method; as well as budgetary, financial and deficit balances from IFIS.

## ATTACHMENT C - Deficit Funds Not in Deficit Balance Report (DBR)

Fund/Org	Fund Title	VC Area
18425A	DHS 96-27049 ZHU 25% 6/00	Health Sciences
414925		
784925		
26533C	VA IPA O.PETERSON 0 03/98 ERLY TERM	Health Sciences
414823		
29030A	D PHS NS29403-03 ZORNOW 50.0 4/94	Health Sciences
414909		
29332A	PHS D R01AI26887-08 SWAIN 51% 6/96	Health Sciences
414925		
29379B	D MH45131-07 JESTE 26% 08/96 M/S	Health Sciences
414960		
29621B	PHS MH49671 ADMN CDC JESTE 26% 2/02	Health Sciences
414960		
29621D	PHS MH49671 CRC CLIN HARRIS 26%2/02	Health Sciences
414960		
29832D	PHS SPINA AI36214-08 26% 5/02	Health Sciences
414951		
29832N	PHS MATHEWS AI36214-08 26% 5/02	Health Sciences
414821		
33353G	PHS U01AI043638 RICHMAN AIEDRP	Health Sciences
414951		
40973A	NOVARTIS/CIBA 5477 CARSON 11/11	Health Sciences
414827		
414925		
414947		
434967		
434999		
41162A	PFIZER 91-S-0647 26.8% ZISOOK 3/94	Health Sciences
414960		
44446A	MOLECULAR BIOSYS WAGNER 51.5% 4/01	Health Sciences
414825		
79068A	NIH-VMRF MITTAL 16% 4/99	Health Sciences
414817		
79333A	NIH-VMRF PA HOSTETLER 16% 8/02	Health Sciences
414816		
8550EA	PCORI 20131877 OHNO-MACHADO 2/13 5	Health Sciences
414811		
87682B	BURNHAM INST.,BLOOR	Health Sciences
784756		
21566A	NSF POST DOC FELLOWSHIP INST ALLOW	Academic Affairs
416209		
416210		
416240		
417660		
21A0GA	NSF ECCS-1700506 PAL	Academic Affairs
416208		
41254A	DEC1471 MICRO92-121 PASQUALE 0% 694	Academic Affairs
416209		
20851E	F EDUC/SDUSD 0%6/2000CHILD NUTRITN	Academic Affairs
417683		
18998A	Y/E ADJ - STATE CONTRACTS	Campuswide
417667		
24997A	Y/E ADJ- FED GRANTS	Campuswide
417667		
28998A	Y/E ADJ- FED CONTRACTS	Campuswide
417667		
720500		
40499A	Y/E ADJUSTMENTS-PRIVATE CONTRACTS	Campuswide
417667		
720500		
23400A	PELL ADMINISTRATIVE ALLOWANCE	Student Affairs
684700		

Funds Not Representative of Award\*

Funds that should have been captured in Award Database

\* Based on feedback from OPAFS