



Research Administration Forum

December 10, 2021

Managing Carry Forward Balance: What happens in General Ledger and financial Deliverables?

Yoon Lee

How can I tell if my fund...

- **How can I tell if my fund requires prior sponsor’s approval to carry over the balance?**
 - In addition to award snapshot and the agreement, PAMS Financial Deliverable page shows “Restricted CF”. An automatic feed from PATS.

The screenshot shows the 'Financial Deliverables' section of a PAMS system. The 'Restricted CF' field is highlighted with a red box, and a red arrow points to it from the left. The page includes navigation tabs at the top: Worklist, Award Overview, Financial Deliverables (selected), Billing and Reporting, Accounts Receivable, Closeout, Management Reports, Administration, and Support. Below these are sub-tabs: Deliverables List, Basic Deliverables Search, and Advanced Deliverables Search. The main content area is titled 'Deliverables List' and contains a table of fund details.

Institution Number:	20181517	Sponsor:	NIH-NIMH National Institute of Mental Health	Dept Title (Code):	Semel Institute (2000)
Award Snapshot:	[Icon]	Sponsor Award:	U01MH117079	Dept Contact:	Miao Ye
Award Status:	Awarded/Fully Executed	Project Period:	09/01/18 - 05/31/23	EFM Contact:	Grace V Agustin
Payment Basis:	Cost Reimbursable	PI:	Xiangdong William Yang	Billing Site:	https://pmsapp.psc.gov/pms/app/main
Restricted CF:	Yes	Prime Sponsor:	N/A	Dunning Site:	https://pmsapp.psc.gov/pms/app/main
Federal Advance:	No	Notes:	Yes	UCPath Issues:	No

- **How can I tell if my fund has restricted carry forward balance?**
 - Check if you see the holding account 400005 linked to the fund in General Ledger. The appropriation amount in the holding account represents the balance requested for carry forward but not yet approved.

Holding Account 400005

- **The holding account 400005 is used to segregate the restricted carry forward balance from the remaining budget available for spending.**
- **When EFM prepares a financial deliverable for the budget period for the award with restricted carry forward,**
 - If there's the unspent budget from the budget year, EFM links the holding account 400005 to the fund and move the balance from the department expenses account to the holding account.
 - The balance in the holding account is restricted for spending until sponsor's approval is obtained.
 - EFM indicates an intent to request for carry forward of the balance in the invoice or financial report.
- **If/When the sponsor approves to carry forward the balance,**
 - EFM moves the balance in the holding account 400005 to the department expense account to lift restriction on funding.
- **If/When the sponsor approves to carry forward the balance,**
 - EFM de-obligates the balance in the holding account. The total appropriation on the fund is reduced by the balance.
- **Monitor spending against budget – Exclude restricted budget in the holding account 400005.**
 - There's no hard control in Financial System to stop you from spending over the budget.
 - It is important to read and understand budget vs actual expenditures in General Ledger.
 - The total appropriation on the fund includes the budget in the holding account not authorized for spending.

Financial Deliverables

- In the invoice or financial report to close out the budget year, EFM indicates an intent to request to carry forward the balance.
- The department fund manager assists the PI to request to carry forward the balance. The balance amount is on the invoice or financial report submitted to the sponsor.
 - Department fund manager and the PI are copied to all financial deliverable submission.
 - A copy of financial deliverable is available for preview and download in PAMS.
- Excerpts from various invoice and financial report

**This is the final invoice to close out budget period 1/1/20-12/31/20. Please do not close award. PI requesting no-cost extension.*

Total authorized	\$80,838.00	
Total expenditure	<u>619.77</u>	
Unobligated balance	\$80,218.23	To be requested for carryforward by PI under a separate cover

Below is the summary of expenditures and payments a

- a. Total expenditures
- b. Previous billing expenditures
- c. Current billing expenditure (a-b)
- d. Payments Received
- e. Reimbursement Requested (current & outstanding billing a-d)

**PI to request carryforward balance of \$109,977.12 under a separate cover.*

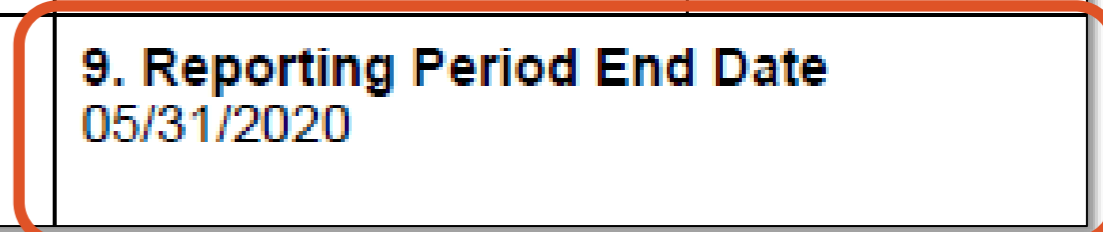
***Please note this is not the final invoice to close the award. There is a continuation pending for Year 5.*

This financial report 12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

The unexpended balance of \$48,620.30 will be requested for carryforward by the PI.

NIH Example: Federal Financial Report

4a. DUNS Number 092530369	4b. EIN 1956006143A1	5. Recipient Account Number or Identifying Number 30040	6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual
8. Project/Grant Period From: 09/01/2018 To: 05/31/2023			9. Reporting Period End Date 05/31/2020	



10. Transactions	Cumulative
Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	1,734,016.00
e. Federal share of expenditures	1,537,426.74
f. Federal share of unliquidated obligations	0.00
g. Total Federal share (sum of lines e and f)	1,537,426.74
h. Unobligated balance of Federal funds (line d minus g)	196,589.26



Unspent budget at the end of budget period, 5/31/20

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

08/28/20:TN: PI will request the balance on line 10 h. to be carried forward to the next budget period.



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Restricted carry forward balance in the holding account

Account/CC	Sub	Curr Month Financial	Fiscal Year		Inception to Date	
			Appropriation	Financial	Appropriation	Financial
<u>229000</u> FEDERAL PHS GRANTS						
	20	42,422.17	1,012,512.93	48,958.08	2,587,061.00	1,623,506.15
229000		42,422.17	1,012,512.93	48,958.08	2,587,061.00	1,623,506.15
<u>400005/8A</u> RESTRICTED SPONSR CARRYFORWRD-EFM/UNALLOC						
	08		196,589.26		196,589.26	
400005/8A		0.00	196,589.26	0.00	196,589.26	0.00
<u>441404/HD</u> NEUROBIOLOGY-FAC RES & SUP/DONG						
	00	822.00	59,865.00	822.00	59,865.00	822.00
	02		19,608.00		19,608.00	
	03	2.20	13,020.00	2.20	13,020.00	2.20
	05		1,200.00		1,200.00	
	06	307.43	33,915.00	307.43	33,915.00	307.43

Billing and Payment

- **EFM recognizes revenue only up to the budget authorized for spending excluding the restricted carry forward balance in the holding account.**
- **When a carry forward request is approved, EFM moves the balance from the holding account to the department expense account and submit a request for payment for costs incurred while waiting for the sponsor's approval.**
 - A request for payment will be done either by submitting an invoice or drawing cash on letter of credit in accordance with payment terms of the award.
- **If a carry forward request is rejected, EFM de-obligates the balance from the holding account. If there are any costs incurred in excess of budget authorized for spending, the department is responsible for funding those costs.**
 - Until the sponsor's approval is received, the carry forward balance should not be considered as available funding to spend. If the PI requests for spending against the restricted budget, explain financial responsibility in the event the request is not approved.

Holding Account 40006

- This is a new account created to segregate funding restricted for spending for reasons other than restricted carry forward. Such restrictions are included in the award document and called out in the award snapshot attachment.
- When the award includes the funding restricted for spending until certain conditions are satisfied, the restricted amount will be placed in the holding account 400006.
- When conditions are satisfied, the department fund manager assists the PI to request the sponsor to lift restrictions through OCGA. Once the sponsor confirms that restriction is lifted, EFM will move the balance from the holding account 400006 to a department expense account.
- **Example Scenarios**

This Snapshot: Sponsor award dated 06/29/2021 provides continuation funding in the amount of \$332,847 for YR-20. Funds are restricted due to noncompliance with the NIH Public Access Policy, as stated above.

This Snapshot: Sponsor award dated 03/10/2020 provides continuation funding in the amount of \$514,240 for Year 5. Note that of this funding, \$411,391 (80% of the approved budget) restricted due to the delinquent submissions of the Year 3 FFR and trainee IRB certifications. The delinquent Year 3 FFR and trainee IRB certifications must be submitted no later than 3/31/2020. Failure to submit the form(s) may result in suspension, and/or termination of this award, withholding of support, disallowances, and/or other appropriate action.

Any Questions?

Contact Information

EFM Website

<http://ora.research.ucla.edu/efm/>

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“ Thank You for Your Support and Partnership! ”

Happy Holidays!

from Extramural Fund Management

THERE'S NO PLACE LIKE FOR THE HOLIDAYS!



The image features a central grid of 48 Zoom meeting thumbnails arranged in 8 rows and 6 columns. Each thumbnail shows a different participant in a holiday-themed virtual background, such as snow, Christmas trees, and gingerbread houses. The grid is surrounded by a dark blue border decorated with white and light blue snowflakes, stars, and a string of colorful Christmas lights at the top. The text 'Happy Holidays!' is written in a large, white, cursive font at the top center, with 'from Extramural Fund Management' in a smaller, white, sans-serif font below it. At the bottom center, the text 'THERE'S NO PLACE LIKE FOR THE HOLIDAYS!' is written in a white, sans-serif font, with the Zoom logo to its right.