

UC San Diego PPM User Guide

Purpose and Scope of this Guide

This Guide is intended to give an overview of the UCSD Configuration and use of the Oracle Financial Cloud Project Portfolio Management (PPM) Subledger. This is a dynamic document to be updated as additional enhancements to the system and business processes are made. This guide includes links to additional, more detailed information where applicable. This guide includes information on some related processes outside of PPM but is not an all-encompassing Oracle Financial Cloud user guide.

Contents

1	Overview	3
1.1	<i>Understanding Subledgers and General Ledger</i>	4
1.2	<i>Reasons to Use PPM</i>	5
1.3	<i>Nuances between Budgeting in PPM and Budgeting in EPBCS</i>	5
1.4	<i>Nuances between PPM and GL Data</i>	5
1.5	<i>Coding Transactions to the PPM Subledger (POET/POETAF)</i>	6
1.6	<i>How Costs are entered and accounted in PPM</i>	6
2	Project Types	7
2.1	<i>Capital Projects</i>	10
2.1.1	<i>Inventorial Equipment</i>	11
2.1.2	<i>Fabrications</i>	11
2.1.3	<i>Budget</i>	11
2.1.3.1	<i>Steps to create a budget</i>	11
2.2	<i>Sponsored Project</i>	12
2.2.1	<i>Awards</i>	12
2.2.1.2	<i>Award Funding</i>	13
2.2.2	<i>Billing</i>	13
2.2.2.1	<i>Cost Reimbursable</i>	14
2.2.2.2	<i>Fixed Price</i>	14
2.2.3	<i>Sponsored Project Revenue Recognition</i>	14
2.2.4	<i>Overhead Assessment – Indirect Costs - Burden</i>	14
2.2.4.1	<i>PI-Initiated vs Industry-Initiated Clinical Trials</i>	15
2.2.4.2	<i>Understand Burden Cost vs. Raw Costs</i>	15
2.2.5	<i>Budget</i>	16
2.2.6	<i>How to Check Award Budget, Costs, and Balances</i>	16
2.2.7	<i>Unique Sponsored Projects Processes</i>	17

PPM User Guide

2.2.7.1	Subawards/Subcontracts.....	17
2.2.7.2	Fabrications	17
2.2.7.3	Cost Sharing.....	17
2.2.7.3.1	Cost Sharing Projects	17
2.2.7.3.2	Funding Allocation and Budget on Cost Sharing.....	18
2.2.7.3.3	Cost Sharing Costs.....	18
2.2.7.3.4	Non UCSD or 3 rd Party Cost Sharing.....	18
2.2.7.3.5	How to Review Cost Share Costs and Accounting	19
2.2.7.3.6	Cost Sharing FAQs.....	20
2.2.7.4	Program Income	21
2.2.7.4.1	Definition	21
2.2.7.4.2	Process.....	21
2.2.8	Sponsored Research Dates.....	21
2.2.8.1	Expenditure Item vs. Creation Date vs Accounted Date.....	21
2.2.8.2	Pre-Award - Spending on Federal and other sponsored Awards.....	22
2.2.8.3	Project and Award End Dates	22
2.3	General Projects.....	23
2.3.1	<i>General Projects Structures.....</i>	23
2.3.1.1	Definitions of Concepts to Consider when Structuring Projects.....	26
2.3.1.2	Factors to consider.....	26
2.3.1.3	Business Case Examples	27
2.3.1.3.1	Example 1: Faculty Discretionary Accounts.....	27
2.3.1.3.2	Example 2: Department resources	28
2.3.1.3.3	Example 3: External Revenue: Service Agreement.....	28
2.3.1.3.4	Example 4: PI Smith has 3 gifts	28
2.3.2	<i>Non-Revenue Activities</i>	29
2.3.3	<i>Revenue Generating Activities</i>	29
2.3.3.1	PPM Contract Management Module	30
2.3.3.1.1	Contracts Frequently Asked Questions (FAQ)	32
2.3.3.1.2	How to Create a Contract	32
2.3.3.2	Project Billing using Contracts.....	34
2.3.3.2.1	Generate a Billing Event	35
2.3.3.2.2	Create Invoice.....	35
2.3.3.3	Differential Income.....	36
2.3.4	<i>Recharges.....</i>	36
2.3.4.1	Recharge Operations.....	36
2.3.4.1.1	Internal Billing/Internal “revenue”	37
2.3.4.1.2	External Billing outside UC.....	37
2.3.4.1.3	Recharge Operations with Capital Equipment	37
2.3.4.2	Recharge mechanism for non-recharge operations.....	38
2.3.5	<i>Budget.....</i>	39
2.4	<i>Project Grouping.....</i>	39
3	Cost Transfers	41
3.1	<i>Applicable Policies and Regulations</i>	41
3.2	<i>UCSD Local Implementation Requirements</i>	42
3.3	<i>Cost Transfer Process in Oracle</i>	42

PPM User Guide

3.3.1	Process	42
3.3.2	Types of Cost Transfers	43
3.3.3	Cost Transfer Reporting	43
3.3.4	Cost Transfer vs Cost Recovery vs Resource Transfer	43
4	Cash Receipts	43
4.1.1	<i>Miscellaneous Revenue</i>	43
4.1.2	<i>Expense Reimbursements</i>	43
4.1.3	<i>Program Income</i>	44
5	Revenue Recognition	44
5.1.1	<i>Unearned Revenue</i>	44
6	How to Create, Edit, or Close a Project	44
6.1.1	<i>Step by Step – Manual</i>	45
6.1.1.2	General Projects: Move Fund Balances from Tasks to Projects	46
6.1.1.3	General Projects: Move YTD payroll transactions from old Tasks to Projects	46
6.1.1.4	General Projects: Move YTD non-payroll transactions from old Tasks to Projects	46
6.1.2	<i>Step by Step – Automated Mass conversion of tasks to projects for General Projects</i>	46
7	Project Personnel Roles	47
8	Resolving Unprocessed Costs in PPM	48
9	Reporting	48
10	Reconciliation	49
11	References	49
12	Appendix	50
12.1	<i>Glossary:</i>	50
12.2	<i>Accounts in GL only vs GL&PPM for project based transactions: KB0033364</i>	50
12.3	<i>Version Updates:</i>	50

1 Overview

Within the Oracle Financial Cloud, transactions are accounted for in the General Ledger (GL) but can be tracked at a more granular level within Oracle Project Portfolio Management (PPM). PPM is a suite of modules (including Awards, Contract Management, Project Financial Management, Project Financial Plan, Project Costs and Commitments) that is designed to track project costs, billing and revenue against project budgets. PPM operates as a subledger that tracks detailed transactions separately and then generates a summary-level entry to record those transactions in the General Ledger (GL). The General Ledger is a summarization of data from all the subledgers that provides a higher-level view of accounting activity with less granular detail than PPM or other subledgers.

PPM User Guide

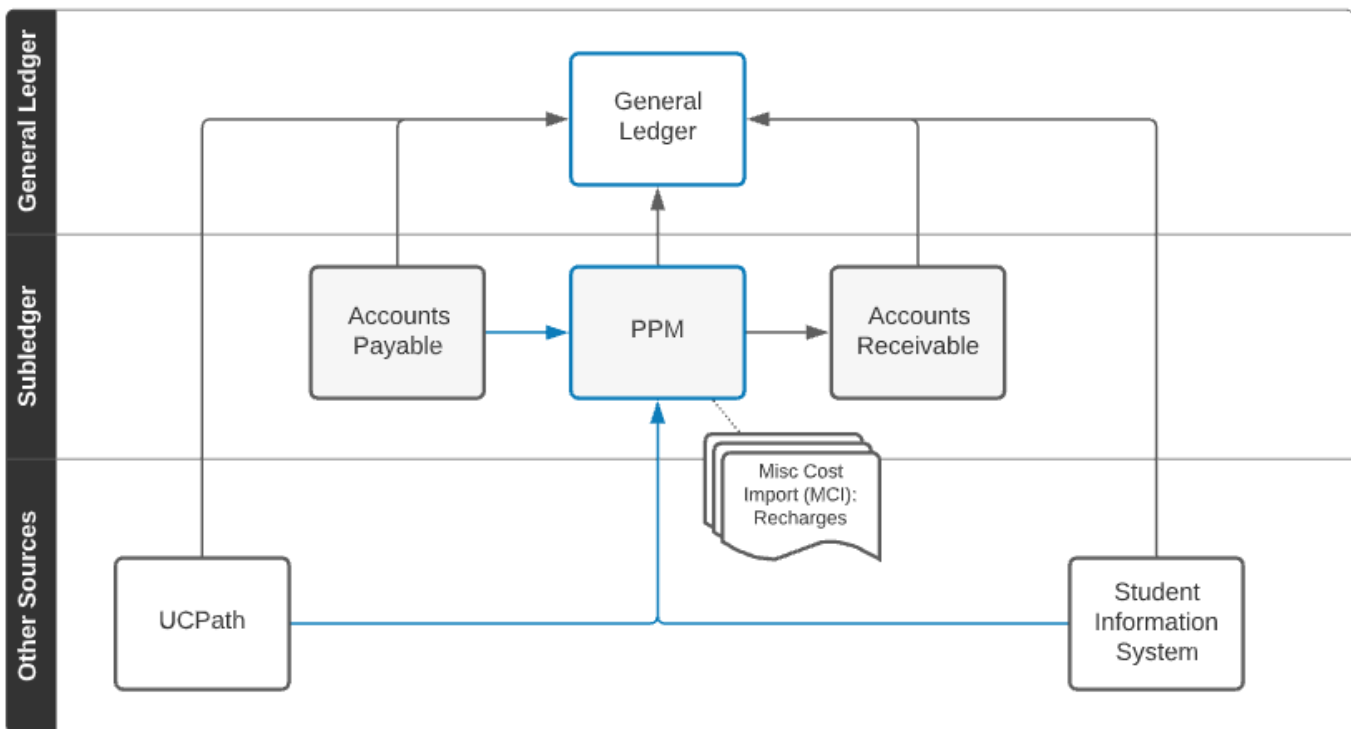
In PPM, a project is a primary unit of work that can be broken down into one or more tasks. The project number assigned in PPM matches the seven-digit project number in the chart of accounts project segment, but the two are distinct elements. In the GL, the project segment is part of the chart string. Transactions are done using chart strings via journal entries. In contrast, PPM uses the POETAF string to transact in the PPM subledger. See section 1.5 for further detail.

Elements from the legacy accounting system do not translate exactly into elements of Oracle Financials. Project and index (pre-Oracle) are not equivalent. Task and index are not equivalent. Transactions in PPM do not occur via journal entry, which can only be processed in the GL. To see the detailed information on any transaction, users need to look in the subledgers directly or use reports based on subledger data.

1.1 Understanding Subledgers and General Ledger

This diagram illustrates the flow of transactions from subledgers into the General Ledger. Accounts Payable and Accounts Receivable can push data directly into the General Ledger, without PPM involvement, or PPM can be an intermediary that collects and/or creates transactions before the data is aggregated to the GL.

Subledgers and General Ledger - Oracle Financials Cloud



This table illustrates how Oracle Projects supports Expenses, Revenue, Resources and PPM Budgets at the project and task levels in PPM:

	Expenses at task	Revenue at Task	Core resources at task	Use PPM Budget (Financial Plan)?
External Revenue	Yes	Yes-with Contract	No	Optional at task
Core Campus Funding	Yes	N/A	No	Optional at task

PPM User Guide

Mix of core and external revenue	yes	Yes-with Contract	No	Optional at task
Activity not through PPM	No	No	No	No

PPM Budgets Financial Plans are managed and controlled by departments - not central offices. This process can be useful for planning at the task level and will be in PPM Project Panorama reports in the Budget column.

1.2 Reasons to Use PPM

- To track:
 - Contracts and Grants Award information, including: funding amount, budget, expenses and revenue.
 - Traditional projects that have a start and an end date (e.g. Sponsored research, construction, conferences).
 - Fabrications.
 - Long-term efforts that cannot be captured by another segment in the chart of accounts (e.g. Recharge operations, academic courses, groups in the same financial unit).
 - Expenditures by task more granularly than required by campus leadership when needed for local level leadership.
- To record short-term and one-time costs (e.g. Faculty startup dispensations, service agreements).
- To view expenses in PPM and support performance monitoring with Budget vs. Actuals and facilitate reporting.
- To further track expenditures at a task level.

1.3 Nuances between Budgeting in PPM and Budgeting in EPBCS

PPM functionality allows a budget (financial plan) to be entered at the project and task level in order to monitor variances between expected expenses and actuals. The PPM budget is a distinct concept from the Campus Operating Plan that is developed in the Oracle Enterprise Planning and Budgeting Cloud Service (EPBCS). EPBCS has a separate budget planning and review process that occurs on an annual basis with approval from multiple layers of university management culminating with the Chancellor's approval.

The approved campus budget results in allocations being distributed to financial units. The PPM budget is a tool that can be used to implement the approved campus budget spending plan and enable reporting at a more granular level than is possible in the GL. There can be instances where the EPBCS budget will not exactly match the financial plan in PPM for valid reasons. The EPBCS budgeting tool was designed to accommodate yearly baselined budget imports into PPM for General projects in FY22. EPBCS Operating Plan budget allocations are posted to the GL using the "chart string" including the project segment as the basis to post in the GL.

1.4 Nuances between PPM and GL Data

- Campus Operating Plan (EPBCS) allocations are in the General Ledger at the project level only and are visible together with PPM detailed expenditure data only through reporting. Allocations are visible with summarized expenditure data in the General Ledger.
- External revenue generated through PPM Contracts is visible on the contract at the task level and through reporting in the Project Panorama at a detailed, task level and summarized in the General Ledger at the project level.

PPM User Guide

- External revenue not generated through PPM Contracts are in the General Ledger at the project level only and are visible together with PPM detailed expenditure data only through reporting. This revenue is visible with summarized expenditure data in the General Ledger. See section 2.3.2 for more information about the revenue distinctions.
- POET(AF) is used to transact in PPM whereas the chart string is used to transact in the GL. See section 1.5 for more information.
- POET or POETAF is only used in the PPM subledger not in the GL.
- PPM displays Payables costs at time of payment approval. The GL shows this expense and a payable liability when an invoice has been approved and shows a withdrawal of cash when paid. PPM tracks a Cost Commitment until the payable is paid.

1.5 Coding Transactions to the PPM Subledger (POET/POETAF)

To code transactions to the PPM subledger, **Project number**, **Organization**, **Expenditure Type**, **Task**, **Award**, and **Funding source** must be provided. All transactions in PPM have four required fields and two (sometimes) optional fields:

Name	Description	Required for
Project Number	The unique number that describes a project. These identical values will also appear in the COA in the Project segment.	All transactions in PPM
Expenditure Organization	Organization generating the expense. Does not drive accounting-only reporting	All transactions in PPM
Expenditure Type	The specific type of expense being incurred. The expenditure type is used to derive the account segment value in the COA, but expenditure types are more granular. The expenditure type is a combination of an account code and a description. There can be multiple expenditure types associated with a single account code, each with a different description	All transactions in PPM
Task Number	The number that represents the project task incurring the expense.	All transactions in PPM
Award number	The award to be used for this transaction. The base award number matches the Kual Research (KR) award number.	Transactions against projects that have awards.
Funding Source	Name of the sponsor in KR for the external funding source. This is NOT the same as the Fund in the CCOA. This is also the name of any Internal Funding Sources (used for Cost Sharing)	Transactions against projects that have awards.

All General Projects (Contracts/Faculty Funds) and Capital Projects will use the shortened **POET** chart string (no Award or Funding Source is required).

Project creation and modifications are managed centrally. See [How to Request New Oracle Projects and Tasks](#) for more information.

1.6 How Costs are entered and accounted in PPM

- PPM offers Costing functionality and is most commonly transacted through Miscellaneous Cost Import (MCI) Files. Central Offices also have access to create costs directly in the system.
- PPM creates its own overhead (burden) transactions.

PPM User Guide

- PPM creates accounting for costs that are imported from outside Oracle Fusion Payables through Subledger Accounting rules (SLAs). Examples of costs processed this way include:
 - UCPATH
 - Recharge Operations
- There are occasions when transactions are created outside of PPM and OFC. In those cases, a transaction is imported into the GL via journal entry. In order to have it represented as an expense in PPM without having it duplicated in the GL, the imported transaction is designated as “costed and accounted” in PPM. That way it does not affect GL accounting. There are very few transactions imported this way. Examples of this include:
 - ISIS transactions
 - EPIC transactions
 - Financial Control entries
- Costs for a project should always be reflected in PPM
- Costs must be incurred during project/task dates. In other words, the Expenditure Item Date of the transactions must be within the start and end dates of the task being charged to
 - **Expenditure Item (EI) Date:** Date a cost was incurred (service or good provided)
 - **Project End Date:** Date project ends. This is equal to the latest task end date
 - For more information on Dates, see section 2.2.8.
- PPM Costs that are not able to be posted for date issues are considered **Unprocessed Costs**
 - These must be corrected to be reprocessed or the cost posted to a different project
- PPM Costs that are not able to be posted for other control issues are considered **Unprocessed Costs**
 - These must be corrected to be reprocessed or the cost posted to a different project
 - See section 8 below for more information
- PPM Commitments are a type of cost to represent an obligation to pay, but is not yet a project cost. An example of this is a Purchase Order or subcontracts. More information on Commitments can be found at [Commitments in OFC](#).

2 Project Types

Project types include capital, sponsored, general, and default projects. Each project type provides controls on how Oracle Projects processes the projects for accounting and reporting. Each project type has a class category, and a class code for reporting purposes. Default Projects are considered a type of general project and are referenced going forward as General Projects.

Project Classifications and Naming conventions:

Classifications:

Name	Code	Description
Event	Events	Short-term efforts to stage a particular event, such as a conference
Service Agreement	Research Service Agreement	Efforts where UCSD hands are doing work for third parties – must be created by KR integration.
Service Agreement	Non-Research Service Agreement	Efforts where UCSD hands are doing work for third parties, unrelated to Research.
Line of Service	Recharge Operation	An operation that recovers costs from other UCSD entities.

PPM User Guide

Line of Service	Auxiliary	An operation that recovers costs from the public.
Course	Academic	Credit-granting courses offered by the campus.
Course	Extension	Courses solely provided by University Extension.
Course	SAPD	Strategic Academic Program Development (courses offered by the academic colleges to the public). Project-Owning Organization is always the academic department.
Cost Tracking	Faculty Start up	Monies allocated to a new faculty member.
Cost Tracking	Faculty Retention	Monies allocated to a faculty member as part of salary negotiations.
Cost Tracking	Faculty Discretionary	Unrestricted monies allocated to a faculty member.
Cost Tracking	Clinical Administration	Non-research efforts for the clinical practice.
Cost Tracking	Committee	Cross-campus committees.
Cost Tracking	Team	Organization unit at a level below the Financial Unit structure.
Cost Tracking	Campus Fellowships	UCSD-funded student support.
Cost Tracking	Non-capital construction	Facilities improvements and renovations below the threshold to be considered capital improvements.
Cost Tracking	Committed Reserves	Monies committed to specific endeavors.
Cost Tracking	General Reserves	Reserve funds that need to be earmarked at a more granular level than Fund allows.
Cost Tracking	Recharge Recipient	Project created purely for receiving recharges and mapping them to the appropriate Fund/Function/Location/FinU
Cost Tracking	Non Sponsored Research Award	Research awards from gift or internal sources
Cost Tracking	Operations	Projects created that track costs that support organization operations
Cost Tracking	Other	Any effort best modeled in PPM that does not fit into an established Class Category and Code.
Financial Allocation Model	Block Grant	Funds for Graduate Student Block Grant
Financial Allocation Model	Combined/Other student support	Funds to support student related activities not otherwise represented
Financial Allocation Model	GSGEI	Funds to support GSGEI

PPM User Guide

Financial Allocation Model	MAS	Funds to support MAS student programs
Financial Allocation Model	Master's Growth	Funds to support Master's Growth
Financial Allocation Model	TA	Funds to support TAs, Readers, etc.
Financial Allocation Model	Temp FTE	Funds to support temporary FTEs

Prefixes for project naming:

Project Type	Class Category	Code	Abbreviation
Sponsored Project	Sponsored Project	Sponsored Project	SP
Capital Project	Capital Project	Capital Project	CP
General Project	Event	Event	EV
General Project	Service Agreement	Research Service Agreement	RSA
General Project	Service Agreement	Non-Research Service Agreement	NSA
General Project	Line of Service	Recharge Operation	REC
General Project	Line of Service	Auxiliary	AUX
General Project	Course	Academic	ACAD
General Project	Course	Extension	EXT
General Project	Course	SAPD	SAPD
General Project	Cost Tracking	Faculty Start Up	FSU
General Project	Cost Tracking	Faculty Retention	FR
General Project	Cost Tracking	Faculty Discretionary	FD
General Project	Cost Tracking	Clinical Administration	CLIN
General Project	Cost Tracking	Committee	COMT
General Project	Cost Tracking	Team	TEAM
General Project	Cost Tracking	Campus Fellowships	CFEL
General Project	Cost Tracking	Non-capital construction	NCCON

PPM User Guide

General Project	Cost Tracking	Committed Reserves	CRV
General Project	Cost Tracking	General Reserves	GRV
General Project	Cost Tracking	Recharge Recipient	RCR
General Project	Cost Tracking	Non Sponsored Research Award	NSRA
General Project	Cost Tracking	Operations	OPS
General Project	Cost Tracking	Other	OTHR
General Project	Financial Allocation Model	Block Grant	BG
General Project	Financial Allocation Model	Combined/Other student support	OSS
General Project	Financial Allocation Model	GSGEI	GSGEI
General Project	Financial Allocation Model	MAS	MAS
General Project	Financial Allocation Model	Master's Growth	MG
General Project	Financial Allocation Model	TA	TA
General Project	Financial Allocation Model	Temp FTE	TFTE
Default	Default	Default	DFLT

2.1 Capital Projects

Capital Projects represent large construction projects that will be converted into capital assets upon project completion. Capital projects include new construction, renovations, landscape projects and infrastructure projects, and typically utilize a blend of funding sources. Capital projects are used to record asset costs, calculate capitalized interest, and group costs and assets.

Capital Projects have the department that is running the project as the Task-Owning Organization. The Project Owning Organization for Campus capital projects is Net Investment in Capital Assets (NICA) as the Financial Unit (FinU) and for Health capital projects, it is their Balance Sheet FinU.

Project transaction controls are available for Capital Projects. Transaction controls limit the number of allowable expenditure types and these are setup when the project is created. The list of allowable expenditure types can be viewed by navigating to Projects, search for the desired project, from the menu click Manage Project Financial Settings, and select Transaction Controls.

PPM User Guide

2.1.1 Inventorial Equipment

Inventorial equipment has a total acquisition cost of \$5,000 or more, and it is tracked in the Campus Asset Management System (CAMS). The head of the department and the principal investigator are ultimately responsible for the care, maintenance, financial records, physical inventory, and control of equipment. A department's property administrator takes care of the actual identification and tracking of inventorial equipment with the department. See [What Property Administrators Need to Know](#) for more information.

2.1.2 Fabrications

Fabricated equipment is constructed by UC San Diego departments for use by the University upon completion and must qualify as a piece of inventorial equipment. Departments are no longer required to submit a Fabrication Request to the Equipment Management Office. The fabrication identification (FAB) number has been replaced by the POET(AF) and fabrication related expenditures are tracked in Project Costs.

Departments, in cooperation with the Office of Contracts and Grants (OCGA), Sponsored Projects Finance (SPF) and Plant Accounting, are responsible for the classification, budget approval, expenditures and accounting of equipment fabrications. Departments are responsible for reporting fabricated equipment to the Equipment Management Office upon completion.

Depending on funding source, submit a Services & Support request to SPF or Internal Controls and Accounting (ICA) to create a Project and/or Task for the fabrication. To close out or cancel the fabrication, submit a request to the Equipment Management Office using the Services & Support portal.

2.1.3 Budget

The Project Budget must be completed/baselined in order for costs to be incurred for Capital Projects. Capital Program Management and Plant Accounting are responsible for setting-up the initial budget as well as future budget modifications in the Project Financial Plan module. Currently, Plant Accounting or Health Business Office will review and approve budget versions.

Budgets can be entered at resource category levels which match with the Expenditure Categories. Budgeting at the resource category that expenses are planned in will assist with accurate reporting and performance monitoring.

Budgets for Capital Projects should reflect the approved amount of the Capital Project. This does not reflect the resources transferred in the GL.

2.1.3.1 Steps to create a budget

- Go to **Projects> Project Financial Management** and search for project
- Click on the Project and go to **Manage Project Budget**. You will be directed to the **Manage Budget Versions Page**
- Click the **'+' sign** or use the drop down to choose **Create Budget Lines Manually**
- Click on the task row 1 (or task to add resources to). Click on the **+ sign** underneath the field header **Resources**
- Click down arrow under **Resource**. From the drop-down box, select the appropriate **Resource Category** you are budgeting for. There are seeded resources (Financial Resources, Equipment, Labor) that are NOT recommended to use as they do not align with our expenditure types

PPM User Guide

- Enter in **Project Budget Amount**
- Scroll to the bottom of the screen. Select **Save and Close**
- Repeat above steps as needed for additional tasks and/or resources
- You have 2 options at this point:
 - If you're not finished and want to come back at a later time, click **Save** in the upper right-hand corner. This will allow you to come back at a later time to complete the budget assignments.
 - Once you are finished, click the **Submit** button in the upper right-hand side.
- Your budget will now be in the **Budget Approval Workflow process**. It will be considered a **working version** until it has been approved. Once it has been approved, the system will display '**Current Baseline**'.

The **Baseline version** is what the system uses for calculations in reports. You can also create additional versions to mockup different scenarios of budgeting.

2.2 Sponsored Project

Sponsored projects represent an activity that is sponsored, or funded by an external organization, such as a federal, state, private organization, or agency in which a formal written agreement, i.e., a grant, cooperative agreement, or contract is entered into between the University of California, San Diego and the sponsor.

Sponsored projects class category includes Research, PI Initiated Clinical Trial, and Sponsor Initiated Clinical Trial. The research category is for traditional grants for research projects. These projects are created automatically through an integration with Quali Research (KR) and the award is set up by Sponsored Projects Finance (SPF). These projects have Awards and Funding Sources established. The Award number is always the base KR Award Number and the External Funding Source is always the KR Sponsor Name.

Project transaction controls are available for Sponsored Projects. Transaction controls are used to specify the type of transactions that are non-chargeable for the project and tasks. The list of unallowable expenditure types (aka E codes in the legacy system) can be viewed by navigating to Projects, search for the desired project, from the menu click Manage Project Financial Settings, and select Transaction Controls.

Additional Training on Awards can be found through [Blink FIS Training](#).

2.2.1 Awards

Awards represent a pool of money that projects may draw upon. One award may be associated with multiple projects, and each project will only be associated with one award. Most awards will be automatically generated through an integration with KR. By default, awards are set up with one project and one task. Additional projects or tasks may be created for the following reasons:

Award	Project	Task
<ul style="list-style-type: none">• New Competitive Segment (new financial document number from sponsor)• New Notice of Award (NOA)/Research award	<ul style="list-style-type: none">• Additional Project Owning Organization/ Financial Unit• Separate yearly billing• Separate billing method	<ul style="list-style-type: none">• Concurrent burden schedule• Cost sharing• Program income• Fabrication• Restricted buckets of funding such as NIH TG and NSF REU• Restricted supplemental funding

- | | | |
|--|--|---|
| | | <ul style="list-style-type: none">• Program projects or sponsor required work breakdown structure/task level programmatic tracking• Provide spending controls for co-PIs• Subawards (see section 2.2.7.1) |
|--|--|---|

Fund Managers can request additional tasks through Services & Support. It is recommended to limit the number of tasks to the above reasons.

In the Oracle Financial Cloud system, The Grants Management Module manages Award data. The Contract Module manages Contracts. All Awards are Contracts, but not all Contracts are Awards. Contracts is the basis for how Oracle designed a Grants Management solution. However, Contracts can be used for non-sponsored projects not associated with a research award, such as a service agreement (See General Projects section of this guide). The OFC Awards module is an extension of the Contract Module, and when a new Award is created via the KR integration, OFC is creating a special type of Contract with additional fields behind the scenes. This is why the Award Number on the Miscellaneous Cost Import file ("MCI" - PPM FBDI file for cost import) and similar interfaces is called the "Contract Number" and certain screens will say "Submit Contract" instead of "Submit Award."

2.2.1.2 Award Funding

Award funding is based on the Notice of Award from the sponsor as entered in Kuali Research. Funding is then allocated to the project(s). Budgets are then created at the project/task level. Project budgets must be within the funded amount as this is an Oracle control.

For awards that are at risk of not receiving the full awarded amount, such as clinical trials, the funding is at the ceiling that the sponsor allows and then the budget is initially created by the central office at the same ceiling amount. Departments can edit the budget (create a new version) to a lower amount if desired for PI reporting.

Additional information in [Awards Training](#)

2.2.2 Billing

The Sponsored Project Accounts Receivable and Cash Management (SPARCM) system is used for sponsored project billing. It is designed to create invoices and manage Financial Expense Reports (FERs) and Sponsor Required Financial Reporting. It serves as a repository for all invoices created during the life of the award.

SPARCM allows departments to:

- View invoices submitted to sponsors.
- Create Industry Sponsored Clinical Trial invoices.
- Track withholding amounts for final invoices.
- Submit electronic Financial Expense Report (FER) to SPF.
- Track upcoming FERs due

PPM User Guide

Billing frequency, terms (net 30 preferred), and billing contract information must be indicated in any agreements for services and/or goods between UC San Diego and external organizations. The university's common billing address must be used to ensure monies are collected centrally to be properly applied and reconciled to open receivables. Each department incurs the financial risk and assumes the liability for all unpaid past due balances. This includes resolving deficits incurred as a result of any uncollectible balances leading to a write-off. The department in consultation with the Accounts Receivable office must continually assess the ongoing financial risk to the university of continuing to provide products or services on behalf of any delinquent customer. Late fees may be assessed and collected by the Accounts Receivable office.

SPARCM is integrated with the Contracts Management billing module in Oracle Financials Cloud. Billing events are automatically created when invoices in SPARCM have a posted status. Sponsored activities are secured and paid in two ways: cost reimbursable or fixed price.

Letter of Credit awards are billed through Oracle (not SPARCM) using native Oracle PPM Billing functionality.

2.2.2.1 *Cost Reimbursable*

For activities that are cost reimbursable, the University fronts the expenses and the sponsor is then invoiced accordingly for allowable and reasonable expenses, in accordance with the terms of the contract. However, the costs cannot exceed the award amount. Any excess of spending over the award amount is the responsibility of the department and must be cleared within 120 days of the award end date. Review the [Sponsored Research Deficit Procedures](#) for more information.

2.2.2.2 *Fixed Price*

If the grant or contract is fixed price, the activity is negotiated at a pre-set amount, regardless of actual costs. If the costs incurred are more than the award amount, the cost overrun will be covered by the corresponding PI/department. Actual project costs are not reported to the sponsor. The sponsor is invoiced based on a pre-determined schedule in accordance with the terms of the contract. If there is a residual balance (income exceeds expenditures), the department may be eligible to retain these funds. Depending on the invoicing terms, a final invoice may be necessary before closing the award account. [See Fixed Price Policy and Closeout process.](#)

2.2.3 *Sponsored Project Revenue Recognition*

Sponsored Project revenue is based on when the invoice is billed, regardless of billing type.

2.2.4 *Overhead Assessment – Indirect Costs - Burden*

Indirect Costs (IDC) are charged to Sponsored Projects Awards based on the Federally Negotiated Rate or agreement with the sponsor. More information can be found here: <https://blink.ucsd.edu/research/preparing-proposals/idc-facts.html>

IDC is referred to as Burden in Oracle. Burden Structures are set up to include appropriate expenditure types that are subject to IDC. The Burden Schedule then applies the assessment at a set rate and creates the costs on a daily basis. Previously, Burden was calculated and assessed daily and summarized by costs of the same Expenditure Item date and expenditure organization. As of 11/5/21, Burden is calculated and assessed daily on a per transaction basis.

PPM User Guide

Indirect Cost Recovery (ICR) is the campus recovery of this IDC that the Campus Budget Office manages and distributes to campus to support the research function.

Additional information on IDC can be found here: [Understanding Burden Schedules](#)

2.2.4.1 PI-Initiated vs Industry-Initiated Clinical Trials

A study is considered a clinical trial when it contemplates the controlled, clinical testing in human subjects of investigational new drugs, devices, treatments, diagnostics, or comparisons of approved drugs, devices, treatments, or diagnostics to assess their safety, efficacy, benefits, costs, adverse reactions, and/or outcomes. Studies may be conducted under an industry-developed protocol or a principal investigator-developed protocol.

	PI-Initiated	Industry-Initiated
Responsible Pre-Award Office	Office of Contracts and Grant Administration (OCGA)	Office of Clinical Trials Administration (OCTA)
Protocol	<ul style="list-style-type: none"> • Authored by UC San Diego Investigator within the course and scope of his/her University employment; or jointly with an employee of another entity. 	<ul style="list-style-type: none"> • Authored by a non-UC San Diego employee, or a University investigator under a personal consulting agreement and without use of University facilities in accordance with UC Policies.
Indirect Cost (IDC)	<ul style="list-style-type: none"> • 30% IDC assessed on total direct costs. • Non-profit organization-funded clinical trials are subject to the sponsor policy for IDC. • Federally funded clinical trials are subject to the applicable federal negotiated rate 	30% IDC rate assessed on revenue.
Funding Source	May be funded by a for-profit, non-profit, state, or federal agency.	A for-profit entity must be the source of funding.

Native Oracle functionality is that the IDC is assessed in PPM on project costs and then accounted for in the GL. For UC San Diego, this is true except for Industry-Initiated Clinical Trials. IDC is calculated outside of Oracle based on revenue in the general ledger and then posted via journal entry in GL and the IDC expenses are loaded to PPM Project Costs to be reflected on the project.

2.2.4.2 Understand Burden Cost vs. Raw Costs

Raw costs and Burdened costs can be found in *Projects > Costs > Manage Project Costs*

- **Raw Cost** in Provider Ledger Currency = Raw Cost in Project Currency = Raw Cost in Transaction Currency
- **Burdened Cost** in Provider Ledger Currency = Burdened Cost in Project Currency = Burdened Cost in Transaction Currency

It is recommended to use burdened costs in reconciling projects because it shows the burden or indirect cost charged on the project using expenditure type 538000 - FandA (IDC) – Expense.

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Raw cost is the direct cost. IDC/Burden is calculated as a separate cost and shows in the burdened cost column. IDC is not calculated with the single direct cost line item because the raw cost and burdened cost would be two different amounts on the direct costs.

More information: [PPM Raw Costs vs Burden Costs](#)

2.2.5 Budget

The Project Budget must be completed and baselined in order for costs to be incurred for all types of awards. Fund managers or department designee receive an email notification when the award is ready for budget creation. They are responsible for setting-up the initial budget as well as future budget modifications in the Awards module. Budget modifications that require prior approval from the agency will need to go through the appropriate contracts' office, OCGA or OCTA, and be reflected in KR.

Budget creation defaults as follows when Fund Manager fails to complete the budget:

- Resource Category: Operating Expenses = Total Direct Cost
- Resource Category: Indirect Cost = Total Indirect Cost

SPF Award Accountants review and approve budgets, process re-budgeting between projects and restrictions to budget resources for NIH awards where carry over requires prior approval, and any other financial restrictions per the Notice of Award. During the award close out, the fund manager or the award accountant is able to process a deallocation from the project budget to match final invoice or final report. For more information, see [How to Manage Sponsored Project Budgets in OFC PPM](#).

Sponsored project budgets are based on burdened costs. It is recommended to hide/ignore the raw cost column when managing project budgets. Also note that budget versions in OFC are cumulative, therefore when modifying budgets, previous year allocations must be included, otherwise, there could be unbudgeted amounts on the project.

2.2.6 How to Check Award Budget, Costs, and Balances

Generally, Sponsored Projects are managed based on the Budget vs. actuals. The Funding generally matches the Budget. There are cases, such as clinical trials where it might be prudent to set the budget at a lower amount than the funding to control the available balance on PI reports.

The Revenue and Cash Received are managed outside of the Award space and are important to be aware of, but is generally managed by Sponsored Projects Finance (SPF). To see the revenue on an award, please use the Cumulative Research Report and to see the outstanding AR, please see the Sponsored Projects AR Aging report.

Budgets, costs and balances can be viewed using the following screens:

- **Awards> Manage Awards:** view Budgets, Inception to Date Actual Expenses, Total Commitments, and Balances.
- **Projects> Costs> Manage Project Costs:** view details of the actual costs on projects and awards.
- **Projects> Costs> Manage Project Commitments:** view all Committed Costs
- **Projects Panorama** report on reports.ucsd.edu

To learn more about reviewing budget, costs and balances, see [How to Check Award Balances/Expenses](#). Additional reporting available at reports.ucsd.edu.

2.2.7 Unique Sponsored Projects Processes

This is not all-encompassing for processing and managing every aspect of sponsored projects, but is intended to discuss unique, not as common processes

2.2.7.1 Subawards/Subcontracts

Proposals may include work to be done by one or more other institutions. In this case, the other participating institutions become subrecipients under the University of California, San Diego's prime award. PIs/departments must address specific questions regarding subcontractor suitability, selection and potential conflicts of interest prior to the establishment of a subcontract.

Subcontracts are initiated through OCGA and managed through KR. Approved subcontract invoices are integrated from KR to OFC AP and PPM to pay the subcontractor and reflect the expense.

To track regular and intercampus subcontracts/subsites without creating a task for each, follow steps from the [How To Manage Subcontracts/Subawards in OFC PPM](#) KBA in Services & Support.

Subawards are entered as a commitment in Oracle to reflect the obligation to pay the subaward. See [Commitments in OFC](#) for more information.

2.2.7.2 Fabrications

Unique task(s) are created for Fabrication costs and are set with a 0% IDC rate. Any appropriate expenditure type can be charged to the task.

See section 2.1.1.1 above for additional information on the process.

2.2.7.3 Cost Sharing

In cost sharing, the university commits resources to projects/research awards that are funded by external sources, usually in the form of contracts or grants. UCSD's cost sharing resources can include staff time, supplies and materials costs, equipment costs, or commitments from outside partner organizations (3rd party cost sharing).

The award accountant designates one or multiple internal funding sources for cost sharing commitment in Funding Sources panel within the Financial tab of the Award space. The department is responsible for identifying and providing to SPF the source(s) the department will be using. If the desired internal funding source is not available, SPF submits a Services & Support ticket to Information Technology Services (ITS) to create the funding source.

2.2.7.3.1 Cost Sharing Projects

An additional project will need to be set-up on the award to track the cost sharing transactions. If burden is required on cost share transactions, the appropriate burden schedule with prefix "INT" will need to be assigned to the cost share task in the Project Burden Override screen. It is important to know that Burden or Indirect costs assessed will zero out accounting wise using internal burden schedules.

2.2.7.3.2 Funding Allocation and Budget on Cost Sharing

Sponsored Projects Finance (SPF) will allocate the funding from the identified source. Budget can then be allocated just like any other sponsored budget allocation. See [2.2.5 Budget](#) section for more information.

2.2.7.3.3 Cost Sharing Costs

Type of Costs	
Direct Cost	Cost share commitments identified in the proposal or as stated in the Notice of Award (NOA) will need to be identified up front or at the beginning of the award period and charged to the cost sharing project created on the award.
Converted Cost	Task 0 internal funding source(s) was created for all converted cost share tagged in the legacy cost sharing system. If the source fund was in the cost sharing system, that specific internal funding source was converted to the award. Otherwise, the generic “internal” was used. Departments will need to confirm/provide the specific internal funding source to the award accountants before spending can occur on Task 0.

2.2.7.3.4 Non UCSD or 3rd Party Cost Sharing

Third party cost sharing is when UC San Diego agrees to cost-share expenses that are incurred through an outside entity. During award set-up, the award accountant will designate an internal funding source called **3rd Party Cost Share** for cost sharing commitment in the Funding Sources panel within the Financial tab.

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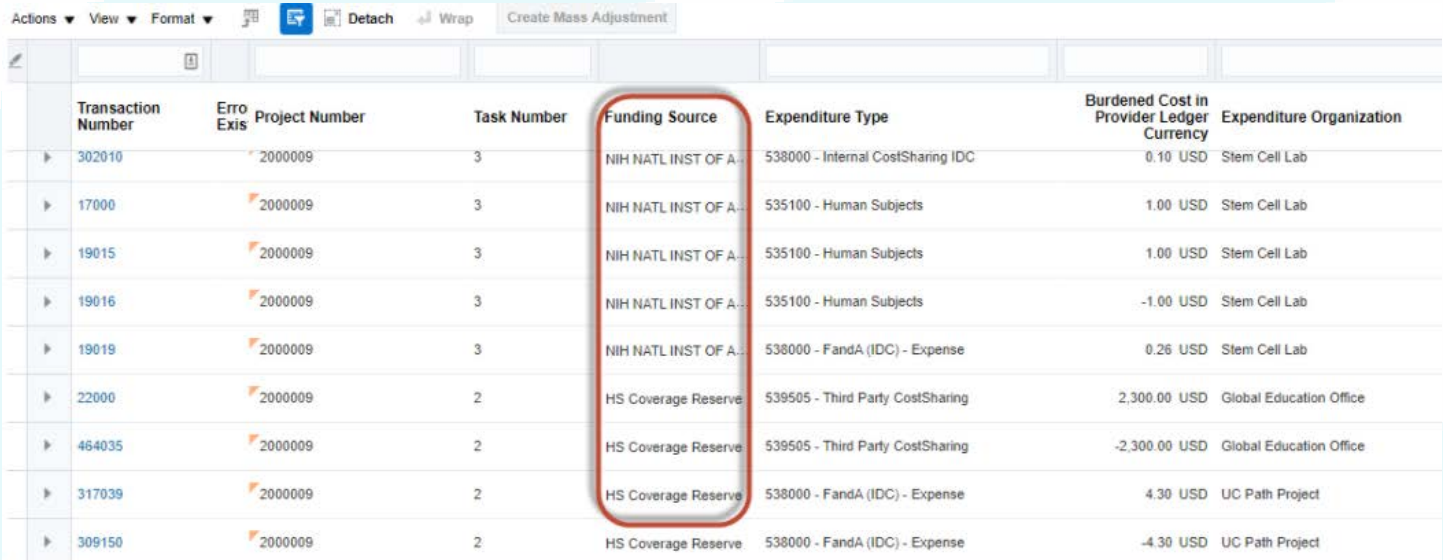
When non-UCSD entities are involved in a project, the department will need to submit a Services & Support ticket to provide evidence of their cost sharing expenditures. The evidence will be uploaded to the award in Oracle, and the award accountant will create a new task and manually add the cost using the expenditure type 539505-3rd Party Cost Sharing. The cost will zero out when posting to the ledger.

2.2.7.3.5 How to Review Cost Share Costs and Accounting

To review cost share costs:

1. Navigate to **Awards**
2. Click on **Manage Awards**
3. Search for **Project/Award Number**
4. Click on the **Award Number** and drill down to the desired Project with Cost Sharing
5. Select **Manage Project Costs** to see all the costs on the project.

The search can be filtered for the internal funding source or view costs based on the cost sharing source.



Transaction Number	Erro Exis	Project Number	Task Number	Funding Source	Expenditure Type	Burdened Cost in Provider Ledger Currency	Expenditure Organization
302010		2000009	3	NIH NATL INST OF A...	538000 - Internal CostSharing IDC	0.10 USD	Stem Cell Lab
17000		2000009	3	NIH NATL INST OF A...	535100 - Human Subjects	1.00 USD	Stem Cell Lab
19015		2000009	3	NIH NATL INST OF A...	535100 - Human Subjects	1.00 USD	Stem Cell Lab
19016		2000009	3	NIH NATL INST OF A...	535100 - Human Subjects	-1.00 USD	Stem Cell Lab
19019		2000009	3	NIH NATL INST OF A...	538000 - FandA (IDC) - Expense	0.26 USD	Stem Cell Lab
22000		2000009	2	HS Coverage Reserve	539505 - Third Party CostSharing	2,300.00 USD	Global Education Office
464035		2000009	2	HS Coverage Reserve	539505 - Third Party CostSharing	-2,300.00 USD	Global Education Office
317039		2000009	2	HS Coverage Reserve	538000 - FandA (IDC) - Expense	4.30 USD	UC Path Project
309150		2000009	2	HS Coverage Reserve	538000 - FandA (IDC) - Expense	-4.30 USD	UC Path Project

To review accounting:

1. Highlight the desired cost, click on **Actions**
2. Select **Accounting**
3. Click on **View Accounting**

This example shows the Fund for the cost is the internal funding source charged to the Project Owning Organization's Financial Unit.

View Accounting

Accounted in S...
 Create Raw Cost Accountin...
 Create Adjustment Accountin...

Project Type: UCSD Sponsor Project
 Cost Accounting Journals:
 Cost Accounting Journals:
 Date: 06/01/2020
 Journal Source: Project Accounting

Project Accounting Lines: F...
 Ledger: UCSD
 Status: Final

View

Line	Event	Account	Class	Accounted (USD)	
				Debit	Credit
1	Miscellaneous Co...	16130.15015.3000008.500000.440.000.000000.2000009.000000.000000.00000	Intr...	10.00	
2	Miscellaneous Co...	16130.15015.3000008.500000.440.000.000000.2000009.000000.000000.00000	Ra...		10.00

Segment Value Description

Entity	16130	Health Science
Fund	15015	HS Coverage Reserve
Financial Unit	3000008	HS Anesthesiology
Account	500000	Academic Salary and Wages
Funct	440	Research
Program	000	No Program
Location	000000	No Location
Project	2000009	
Activity	000000	No Activity
InterEntity	00000	No Entity
Future 1	000000	No Value
Future 2	000000	No Value

2.2.7.3.6 Cost Sharing FAQs

How does my GL reconcile with my cost-sharing?

Your expenses that are charged to your cost-sharing will be charged with the SP project number in the chart string, but a different fund from the externally sponsored portion. If you need to move resources in the GL to “zero out” the fund/finU, process a journal.

Example: NSF award with cost sharing being met by SOFI

Expense to the NSF portion: 16110.20000.1000020.522401.440.000.000000.1234567.000000.00000.

Expense to the SOFI portion: 16110.13991.1000020.522401.440.000.000000.1234567.000000.00000.

SOFI resource: 16110.13991.1000020.774009.000.000.000000.2345678.000000.00000.

Optional Journal in GL

CR 16110.13991.1000020.774009.440.000.000000.1234567.000000.00000.

DR 16110.13991.1000020.774009.000.000.000000.2345678.000000.00000

What if my Cost-sharing is being met by another Department?

There are two options depending on the accounting requirements.

1. Create new project with that other department project owning organization. When you charge costs to this new project, the expenses will post to this other dept FinU.
2. Other dept transfers the resources to your FinU, same project number, different fund. Create a separate task to track this separately, if desired.

PPM User Guide

What chart string do I enter for UCPATH?

Use the same chart string that you would for your sponsored project, but make sure to enter the FUNDING SOURCE that is appropriate for your cost-sharing. This will ensure that the same controls for your sponsored project will be applicable to the cost-sharing commitment. The accounting is derived from PPM when the payroll is posted, so the appropriate cost-sharing fund as setup by your internal funding source will be charged.

How do I record cost-sharing that is being met by another sponsored research award?

This is a very rare situation, but if you do have this, please follow the instructions for 3rd party cost-sharing and make sure that your documentation is very clear that it is approved and that the costs are not being cost-shared on any other award.

See <https://ucsdcloud.sharepoint.com/sites/STaRT/ofcppm/SitePages/OFC-PPM-Department-Guide-to-Managing-Cost-Sharing.aspx> For more information

2.2.7.4 Program Income

2.2.7.4.1 Definition

- Gross income earned by the grantee that is directly generated by a supported activity or earned as a result of the award.
- Includes, but is not limited to, income from fees for services performed, and any registration or other fees paid by conference participants or sponsors.

2.2.7.4.2 Process

- Unless stated otherwise in the terms of the award, program income received during the period of the grant is retained by the grantee and added to the funds committed to the project and used to further project objectives.
- Record program income on a separate **task** with internal funding source "Program Income" P12000.
- Assign "No IDC 0.0" to the program income task.
- Income will be posted as miscellaneous cash receipt in the Manage Project Cost screen in PPM under expenditure type "405401 - Program Income on Sponsored Research".
 - This will automatically post as a negative cost when the Project, Task and Funding Sources is entered in the Receipts module in Oracle.
- Record Costs on the separate task setup for program income.
 - The F in POETAF is Funding Source number P120000, Funding Source Name: Program Income.
- Expenses and income earned must be included in the financial report when required by the agencies.
- The process for billing to receive the program income is still being determined.

2.2.8 Sponsored Research Dates

Awards have many dates, all of which control the ability to charge to awards.

2.2.8.1 Expenditure Item vs. Creation Date vs Accounted Date

- **Expenditure Item (IE) date:** date transaction incurred (must be within project period).
- **Creation date:** date transaction posted in PPM.

PPM User Guide

- **Accounting Date:** In the Manage Project Costs search screen, the accounting period is the “most recently updated” accounting period. This is not always equal to the original accounting period that the cost was created and accounted in.

For example, a lab supply is purchased on 3/1/21, but the invoice is paid to the vendor on 4/1/21. The EI date is 3/1/21 and the creation date is 4/1/21.

2.2.8.2 Pre-Award - Spending on Federal and other sponsored Awards

Pre-award costs are those incurred prior to the effective date (usually 90 days) of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency.

Specify the pre-award date to track expenditures incurred before the award is formally received in OFC PPM Awards space. The Project dates will then be in line with the pre-award date and so costs with EI date that is within the Pre-Award Period will post to the project even though the Award start date is later than the project start date.

The Pre-Award cost date can also be utilized for those awards that have approved advanced spending via OCGA. This advanced spending approval would flow from KR with documentation of advanced spending without official Notice of Award (NOA) from agency.

2.2.8.3 Project and Award End Dates

Project End Date: Date project ends

Award End Date: Date Award ends, this is derived from the CONTRACT end date in the Contract Module

Generally, the **Project End Date=Award End Date**. This can be different if there are multiple projects on the same award.

Oracle functionality (not a configuration) is such that:

- **EI Date** must be within project end date, regardless of accounting posting date.
- **Budget Period** dates, regardless of accounting posting date. Budget periods are defined on the NOA and allows for budgeting at period and controls carryforward spending. Converted awards all have a single budget period.
- Control budget dates: these are the dates of the GL control budget set by the baselined Award Project budget
- Sponsored Projects expenses are allowable if they are incurred during the award
- **Contract (Award) dates**, regardless of accounting posting date
 - Project End Dates cannot be backdated once sent
 - Budget Period Dates cannot be backdated once sent (Oracle functionality and is a highly rated enhancement request from the Grants community)
 - Award End Date will also stop transactions from posting, but we are able to manually adjust the end date to a future or past date
 - Contracts drive billing controls (dates and dollars)

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In IFIS, if costs posted to the ledger after the award end date, departments had to justify they were incurred during the time of the award. In Oracle, the departments need to provide the correct EI Date, which is a system-driven control for Sponsored Research. Expenses must be within all of the above dates to post as a project cost in PPM.

To check the various dates on your award, please use the [Award Projects Dates Report](#)

2.3 General Projects

General projects can be defined as an activity or event with a single purpose that may be executed over a specified period of time such as a conference, a course, a research project, departmental operations, etc. General projects are not sponsored or capital projects. They may cross fiscal years and have a predetermined budget (often managed separately in EPBCS). All general projects have at least one task which is used to differentiate various components of a project. A project may have multiple tasks. Separate projects are needed whenever there is a need to track budgets and expenses separately.

A default project is a type of General Project and is available for each Financial Unit in the Chart of Accounts. This project may be used for recharges or other transactions that come from the general monies of a department. The fund is often university core funds SOFI (13991). UC Path payroll transactions may post to a default project when an employee does not have a funding source (sponsored projects), is posting to an ended project or has some other expired data element. Recharge Operations may post to a default project when the provided POETAF has expired or if customer does not provide a specific project for the charge. The naming convention of the project name is DFLT <FinU#>

All requests to update projects or create new non-sponsored projects are handled through Services & Support. This includes any changes to field values, creation of new tasks, or any project modifications.

Departments may choose to use general projects to track financial activities. Some examples include

- Non-Revenue Activities
 - Core funds
 - Faculty funds
- Revenue Generating Activities
 - Academic Courses
 - Recharge operations* (can only be processed via PPM so projects are required)
 - Service agreements
 - Contracts between UC San Diego and external organizations
 - Gifts & Endowments
- *Note, Revenue may or may not be generated in PPM for the above activities. See below for more specific examples.

2.3.1 General Projects Structures

Departments must determine when to track costs for individual projects at a task level and how many tasks are appropriate. All projects have at least one task, which is created at the same time as the project in PPM. More tasks can be added to a project any time after creation as needed. For example, a project is set up to track Events. Individual tasks can be set up for specific events, such as Triton Day, Commencement, and New Student Welcome. More tasks can be added when new events are planned.

PPM User Guide

Use Project & Task when you need a way to track resources and expenses for anything more detailed than Financial Unit, Fund, and Function. Examples include ad-hoc commitments, recurring granular operating budget, faculty start-up, internally funded grants, service agreements.

There are two options available:

Options	Pros	Cons
<p>1. Use financial plan/budget in PPM at the task level to reflect resources</p>	<ul style="list-style-type: none"> -Most areas already use Projects and Tasks this way, fits with original design decision. -Already works with Project Panorama reporting. Project Panorama can become portfolio management report. -Sponsored, Capital & General Projects can use same reporting. -Could transition easily if/when Oracle adds resource functionality to PPM Tasks. 	<ul style="list-style-type: none"> -Requires manual updating of budget to account for new resources. -Does not show budgeted resources vs. actual resources. -Repurposes PPM budget to mean something different (authorization to spend) rather than campus accounting budget definition (target). -No automated controls for budget entry amounts (no check against actual resources, could have double counting).
<p>2. Use project (with single task) as lowest level of granularity and report mostly out of the GL.</p>	<ul style="list-style-type: none"> -Allows for full P&L (budgeted vs actual for resources and expenses) at lowest level. -Resources are automatically accounted for at the lowest level without any manual adjustments. -Potential solution for all general project types. -Budget definition remains "target" instead of "authorization to spend". 	<ul style="list-style-type: none"> -Requires restructuring of every General Project Task to a new Project. -No automated way to link related Projects for reporting. -Sponsored Projects and General Projects are reported differently. -Differs from original design decision of thin General Ledger.

Example: Ad-hoc academic initiative receiving \$30,000 campus funding from different purposes and spenders. \$5,000 student organization support, \$10,000 Speaker Series, and \$15,000 Director Discretionary. Same FinU, Fund, Function, Program, Activity, and Location.

PPM User Guide

Solution: Use Project & Task as follows

Example Option 1 – “Financial Plan” at Task Level

Description	Project/Task	Number	Comm Track	Push to GL	Expense	Balance
Black History Month	Project	1000001	\$30,000	\$30,000	\$1,000	\$29,000
Student Organization Support	Task	1	\$5,000			\$0
Speaker Series	Task	2	\$10,000			\$0
Director Discretionary	Task	3	\$15,000		\$1,000	(\$1,000)

Description	Project/Task	Number	Comm Track	Push to GL	PPM Financi	Expense	Balance
Black History Month	Project	1000001	\$30,000	\$30,000		\$1,000	\$29,000
Student Organization Support	Task	1	\$5,000		\$5,000		\$5,000
Speaker Series	Task	2	\$10,000		\$10,000		\$10,000
Director Discretionary	Task	3	\$15,000		\$15,000	\$1,000	\$14,000

GL Balance
Performance Monitoring Balances

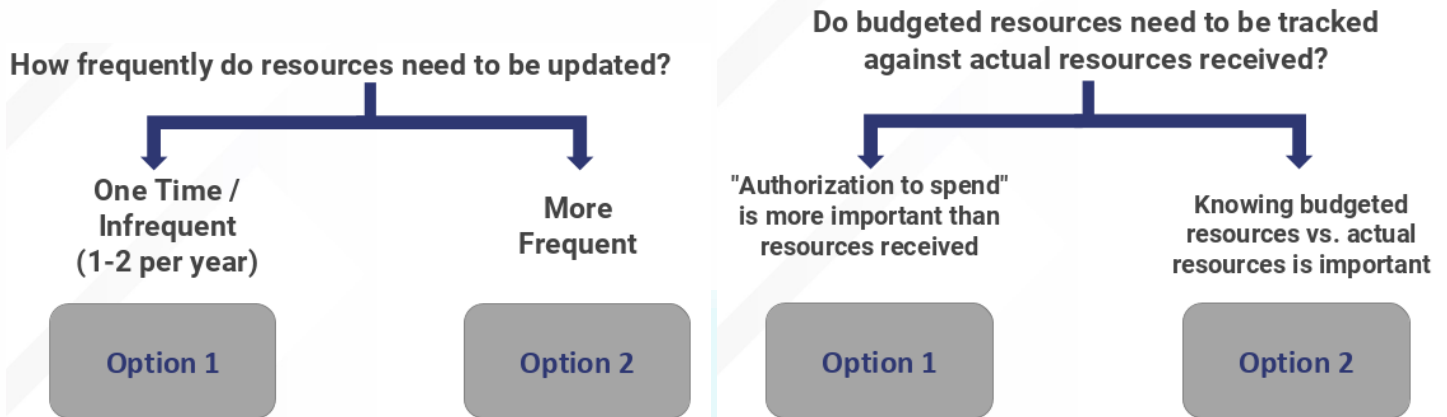
Example Option 2 – Move to Project with single Task

Description	Project/Task	Number	Comm Track	Push to GL	Expense	Balance
Black History Month	Project	1000001	\$30,000	\$30,000	\$1,000	\$29,000
Student Organization Support	Task	1	\$5,000			\$0
Speaker Series	Task	2	\$10,000			\$0
Director Discretionary	Task	3	\$15,000		\$1,000	(\$1,000)

	Project/Task	Number	Comm Track	Push to GL	Expense	Balance
Black History Month						
Student Organization Support	Project/Task	1000001 /1	\$5,000	\$5,000		\$5,000
Speaker Series	Project/Task	1000273 /1	\$10,000	\$10,000		\$10,000
Director Discretionary	Project/Task	1001381 /1	\$15,000	\$15,000	\$1,000	\$14,000

GL Balances

Decision Tree for each Project/Activity Type



2.3.1.1 Definitions of Concepts to Consider when Structuring Projects

- Resource: External Revenue, internal fund balance transfer, or intra-location fund balance transfer that may be available for use. This may or may not reflect actual cash received. Judgement must be used prior to expenditure, looking at timing of receipt of cash.
- Resource Transfer: A balance transfer **that nets to zero within a fund**, and crosses one or more other segments in the General Ledger.
 - For example, if a resource transfer is done between 2 project segments, all other segments remaining the same, this transfer changes the net position of the projects—one increases and one decreases.
- Allocation: A distribution of financial resources to the campus or a campus unit which can be either recurring or one-time. Recurring allocations from central resources to campus units will occur monthly with Oracle. One-time allocations will occur annually.
- Net Position aka Entity/Fund Balance: Difference between assets and liabilities, which increases with revenue and decreases with expenses.
- Budget: A budget is a financial plan of anticipated Resources and/or Expenses for a defined period.
- Budget Balance: Budget – actuals. This is also referred to as Performance monitoring.
- PPM Budget (Financial Plan): PPM functionality to set performance target within PPM at task level.
- Cash: Actual cash received. This is NOT equal to Revenue.

2.3.1.2 Factors to consider

A main determining factor for creating projects with 1 task or many tasks is at what level you need to track resources vs. expenses and at what level you need to track your planning vs. actuals for a unit of work.

Some questions to consider:

- How do you define what is “available to spend”?
- Is it planned expense (Budget) versus actuals? Is it actual resources (cash, revenue, allocations) versus expenditures?
- Who or which unit is responsible for overseeing the resources (cash, revenue, allocations) associated with the project?
- Do you need to report on the revenue by this distinct item (such as gift payment received, task, expense)?

For example, in your personal checking account; you get a \$1000 paycheck in your checking account for 10 types of expenses (mortgage, utilities, water, groceries, etc.). You have a separate budget for your planned spending of those 10 expenses in your checking account, not 10 different checking accounts. This scenario would be equivalent to one project

PPM User Guide

with ten tasks. All the resources are in the checking account (aka General Ledger) and the expenses are commingled in the project segment in the GL but are distinguished by separate task numbers to facilitate tracking against performance (budget) targets. The PPM budget does not need to be adjusted to match the actual expenditures at task level, but rather variance of actuals against the plan help to explain the net surplus/deficit at the overall project (checking account) level.

In contrast, if you separately transfer \$100 to another checking account for your vacation fund, this scenario would be equivalent to two projects, one with 9 tasks and one with one task. The determining question becomes: Is it required to see an individual check book (financial) balance that compares resources against actuals, or will budget-to-actual variances at the task level suffice in that they help to explain the overall financial balance within a composite project?

Downside to many projects: Currently there is no way to clearly associate projects with one another in a group for reporting purposes. Potential solutions are being examined. The original plan of having a thin general ledger was intended to avoid overloading the GL with project numbers.

Downside to many tasks: Revenue and resource transfers are not reflected at the task level potentially limiting reporting granularity.

2.3.1.3 Business Case Examples

2.3.1.3.1 Example 1: Faculty Discretionary Accounts

A department is creating projects/tasks for Faculty Discretionary Accounts. Is it better to create one project for all Discretionary accounts in the department or separate projects for each faculty member?

Step One: Define what your “available to spend” is.

Is it a plan vs. actuals (performance tracking) or is it resource vs. Actuals (financial balance)?

Answer: This case would be resources versus actual expenses (financial balance).

Step Two: Identify who is the primary stakeholder who is spending and overseeing the account.

Are there multiple or is there just one?

Answer: In this case there are multiple faculty with responsibility for their discretionary accounts.

Step Three: Identify who “owns” the resources tied to the account (e.g. Faculty or Department).

Suppose Dr. Smith has \$25,000 in discretionary. The resources come from remaining fund balances from prior years as well as allocations made in the current year. The resources may be spent in the current fiscal year or they may be spent in future years as needed by Dr. Smith.

For this example, it is best to set up a project for Dr. Smith’s Discretionary. This way the resources in the GL are associated with a project that is uniquely linked to her. Remaining fund balances at fiscal year-end will stay in the project and be associated with her easily. If she wanted to group expenses for tracking against specific spending plans, she could have separate tasks, but if not, it is simplest to keep everything on task 1. Then reporting is simplified; if she spent \$10K out of the \$25K the report would display the available remaining balance as \$15K.

If Dr. Smith’s discretionary was set up as a task under a departmental project, then it would be more difficult to determine which resources are associated with her versus the faculty using the other tasks.

PPM User Guide

2.3.1.3.2 Example 2: Department resources

CBO provides \$100K resources for the Department of Basket Weaving. The Department has full discretion in how to spend the resources. Department decides to plan to spend \$50K for administration, \$25K for Basket Weaving for UN and \$25K for GR courses. It is important that the department does not overspend \$100K, but it is ok to shift spending within these 3 groups if needed.

Set up 1 project with 3 tasks. Set up PPM Financial Plan with 50/25/25. Use reporting to track plan vs. actuals. The GL will show the actual resource allocation to the GL.

		Project.Task#	PPM Financial Plan	Expenses	Resources	PPM Plan Balance	Financial Balance
GL		A		\$65,000	\$100,000		\$35,000
PPM	BasketWeaving Admin	A.1	\$50,000	\$45,000		\$5,000	
PPM	BasketWeaving UN	A.2	\$25,000	\$15,000		\$10,000	
PPM	BasketWeaving GR	A.3	\$25,000	\$5,000		\$20,000	

2.3.1.3.3 Example 3: External Revenue: Service Agreement

- Setup Project per PI/per Project Manager
- Setup Task per Service Agreement
- Setup Contract per customer/Service Agreement

		Project.Task #	PPM Financial Plan	Expenses	Revenue	PPM Plan Balance	Financial Balance
GL		A		\$65,000	\$51,000		(\$14,000)
PPM	Service Agreement 1	A.1	\$50,000	\$45,000	\$35,000	\$5,000	(\$10,000)
PPM	Service Agreement 2	A.2	\$15,000	\$15,000	\$15,000	\$0	\$0
PPM	Service Agreement 3	A.3	\$6,000	\$5,000	\$1,000	\$1000	(\$4,000)

In this example, the PI has spent \$14K more than has been received so far. The PPM Budget is set up with the maximum amount of the service agreement. The PPM Budget balance for the first agreement indicates that \$5K is the remaining amount left to spend. The task financial balance shows that the \$10K has not yet been billed or collected from Service Agreement 1 and \$1K is left to spend on Service Agreement 3 and \$4k to bill and collect.

2.3.1.3.4 Example 4: PI Smith has 3 gifts

Option A: Set up 1 Project with 3 tasks; one for each gift fund

Your report would need to be run at the task level in PPM to match the GL for the same gift. But, if you look at the PPM project level, you would see the balance for all of PI Smith Gifts

PPM User Guide

		Project.Task #	PPM Financial Plan	Expenses	Resources	PPM Plan Balance	Financial Balance
GL		Fund1		\$45,000	\$100,000		\$65,000
GL		Fund2		\$15,000	\$100,000		\$85,000
GL		Fund3		\$5,000	\$100,000		\$95,000
PPM	Gift1; task 1	A.1	\$100,000	\$45,000		\$65,000	
PPM	Gift2; task2	A.2	\$100,000	\$15,000		\$85,000	
PPM	Gift3; task3	A.3	\$100,000	\$5,000		\$95,000	

Option B: Alternately, you could setup the above example with 3 separate projects; one for each of the gift funds. This way your PPM project matches your gift fund. In this case, if you have no need to separate out the gift activities further than “the gift”, you may want to consider not using PPM at all.

If you have 1 gift fund that is being allocated for multiple PIs you would want to separate those into separate projects so the revenue can be tracked separately in the GL. Otherwise, all revenue will be aggregated at the fund level and determining which revenue corresponds to which PI will be more challenging to track, similar to example 1 above.

2.3.2 Non-Revenue Activities

Non-revenue activities typically include internal tracking of faculty spending, and core funds. General Projects offer the ability to easily track and roll performance balances across fiscal years. Start-up funds are considered to be designated funds set aside specifically for individual faculty members over the course of several fiscal years. Faculty members and financial support staff can see their performance to actuals and expenditures within PPM.

First choose the structure as appropriate for your project (see above examples 1&2). Keep in mind at what level you are accountable for the financial balance in the GL. Financial Plans in PPM are initially loaded from EPBCS and can be edited by departments and reflect the plan for specific tasks so departments can track performance monitoring. Carryforward from year to year process is still being refined. A control report to compare the EPBCS Plan, the Resources in the GL and the PPM Financial Plan is under development to address the following conflict:

Deficit Monitoring will be based on the GL financial balance, looking at financial balances which reflects revenue minus expense plus fund balance (account 300000) at the Financial Unit – Fund – Project level of granularity. Thus, if a unit chooses to adjust their PPM Budget to reflect offcycle changes to their planned spend, these changes will not impact the financial balance at the GL level. The downside to this flexible approach is that financial managers will need to understand and be able to explain their financial balances (surplus/deficit) at the GL level separate from their performance against an evolving local performance target in PPM.

2.3.3 Revenue Generating Activities

Revenue is defined as External revenue, meaning the portion of resources that is not from UC sources.

- See example 4 above for Gift Revenue

PPM User Guide

- See example 3 above for Service Agreement (contract) example
- See Cash Receipts section below for non-contract revenue

Gift revenue is a non-exchange transaction and is recognized when a gift is received or pledged. Gifts received must be sent to Gift Processing Services in Advancement Services to be processed prior to gift revenue being recorded by the Gift & Foundation Accounting team.

Should you bill and record revenue through PPM Project Billing or the Receivables Module?

Revenue contracts are written agreements that exist between UC San Diego and external organizations for the exchange of goods or services. Revenue is recognized based on the performance obligation in the contract and the price. Revenue contracts include, but are not limited to, service agreements, consulting agreements, clinical service agreements, etc. Billing must happen through Project Billing for contract based services. Contracts are setup per customer, but multiple contracts can be associated with a single project.. Other revenue generating activities might include ad-hoc revenue such as retail operations and can be billed through the receivables module.

	PPM Billing	Receivables Billing
Contract with a customer	Yes	No
Revenue on Task	Yes	No
Point of Sale Receipts	No	Yes
Other ad-hoc Agreements	Yes	Yes

Retail Operations: Receivables module is suggested due to the volume of revenue activities

Non-Retail Operations: PPM Project Billing is suggested due to flexibility of setting up contracts with multiple projects and tasks. Note that recharge operations must use PPM Project billing for external revenue to reflect revenue with each service line/task.

Reports are currently available through the Project Panorama on reports.ucsd.edu to report on revenue at the project and task level.

2.3.3.1 PPM Contract Management Module

Contracts represent agreements between the university and an external entity. One Contract as setup in the Contracts Module may be associated with many projects and have many different lines describing services and price agreements. Not all Projects have Contracts associated with them, but they are necessary to track revenue at the project and/or task level through project billing.

When creating a Contract for the first time, you can create it manually or use the Contract Wizard. To reuse a contract, simply duplicate the contract and make your edits, or save the contract as a contract template and use this template to create new contracts. Once the contract is submitted, it routes to the Accounts Receivable Central office for approval.

1. In the Create Contract window, enter the basic information required to create the customer contract such as business unit, legal entity, contract type, primary party, contract start and end date, and contract currency.
2. A contract type is a contract category that determines the nature of the contract (i.e. Service Agreements). It also specifies what kind of information can be entered including contacts, contract lines and terms.

PPM User Guide

- a. If the contract lines are related to projects, enter project information.
- b. If the contract lines are related to products, enter the product type information.
- c. If the contract lines are related to services, enter the service type information.
3. Validate the contract and correct any errors.
4. Submit the contract for approval.

A contract moves through a variety of states throughout its life cycle, from initial drafting to negotiation to active management and eventually to contract closeout. A contract status indicates where a contract is in its life cycle, and also determines what actions and operations are permitted for the contract.

The following table describes the available contract statuses and lists those permitted actions for each status that cause a change in contract status:

Status	Description	Available Actions	Resulting Statuses
Draft	The initial status of a contract	<ul style="list-style-type: none"> • Cancel • Submit for Approval • Create new version 	<ul style="list-style-type: none"> • Canceled • Pending Approval • Draft
Canceled	The status of a contract changes to Canceled when the draft is canceled.	There is no action available that changes the status of the contract.	
Pending Approval	The status of a contract changes to Pending approval when it is submitted for internal approval.	<ul style="list-style-type: none"> • Stop Approval • Stop Approval • Approve • Approve • Reject 	<ul style="list-style-type: none"> • Draft • Under amendment (if it has an earlier active version) • Active • Hold – if there’s an existing hold on it. • Under amendment
Active	The status of the contract changes to Active when it is approved by all the approvers.	<ul style="list-style-type: none"> • Amend • Apply Hold • Close (Terminate) 	<ul style="list-style-type: none"> • Under amendment • Hold • Closed
Hold	The status of a contract changes to Hold when a hold is applied.	<ul style="list-style-type: none"> • Amend • Remove Hold • Close (Terminate) 	<ul style="list-style-type: none"> • Under amendment • Active if prior to end date or expired. • Closed
Under Amendment	The status of a contract changes to Under amendment when it is amended.	<ul style="list-style-type: none"> • Approval • Revert • Create New Version 	<ul style="list-style-type: none"> • Pending Approval • Active • Under amendment
Closed	The status of a contract changes to Closed when you terminate it. Closed status implies either a foreclosure or a closeout after expiration.	<ul style="list-style-type: none"> • Reopen 	<ul style="list-style-type: none"> • Draft
Expired	When the contract end date is reached for an active contract, the contract status changes to expired.	<ul style="list-style-type: none"> • Amend • Apply Hold • Close 	<ul style="list-style-type: none"> • Under amendment • Hold • Closed

Bill plans and revenue plans are required in order to set billing attributes that can be shared across contract lines within a contract. The invoice or revenue method determines how to invoice or recognize revenue for the contract lines that use the bill plan or revenue plan. Select the invoice method or revenue method that has a method classification with the invoicing or revenue recognition instructions that meet your requirements. Only certain combinations are allowed in Oracle.

Revenue	Billing Rate Based	Billing Amount Based	Billing Percent Spent	Billing Percent Complete
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PPM User Guide

As Incurred	Yes			
As Billed	Yes			
Rate Based	Burden Only	Yes	Yes	Yes
Amount Based	Yes	Yes	Yes	Yes
Percent Spent	Yes	Yes	Yes	Yes
Percent Complete	Yes	Yes	Yes	Yes

Gray indicates not available as of February 2021. Future configuration is to be considered.

2.3.3.1.1 Contracts Frequently Asked Questions (FAQ)

When should I use the Contracts Management Module? When you want to track revenue from customers at the project or task level.

What type of documents can I attach to a contract? Any kind of file, including images, to a contract in the Documents region of the contract Header tab. Files or URLs added in the Contract Document region can only be updated when the contract is in the Draft or Under Amendment statuses.

What happens to document attachments when I create a new contract version? New contract version inherits the documents attached during the previous versions.

How can I delete draft or canceled contracts? Select the delete action. You can delete either all versions or only the current draft. You can delete a version of a contract only if the contract has more than one version.

What's the purpose of a customer PO number? What if I have multiple PO numbers associated with one contract? You can capture a customer purchase order (PO) while creating a contract for tracking purposes. To add multiple PO numbers, create multiple contract lines.

2.3.3.1.2 How to Create a Contract

1. Click on **Contract Management**, then on **Contracts**
2. On the right-hand side, click on the **Tasks** icon for the drop-down menu. Select **Manage Contract Templates**
3. You will want to create a Service Agreement, which is for department use.
 1. In the field **Template Name**, enter the word Service and then click on **Search**
Select **Service Agreements**
Click on **Actions** and you will get a drop-down menu.
Click on **Create Contract from Template**
4. Complete the field **Primary Party** with your customer name. Use the search function if the customer number is unknown.
5. **Start Date** will default to today's date, but you can change it as needed.
6. Enter an **End Date**. Even though it is not required with an asterisk *, you will get an error if an end date is not entered.
7. Note that dates will drive when you are able to bill—you can only bill within the contract dates.

Overview tab

PPM User Guide

- Update the **Name**. It will default to Service Agreements, but you should enter a better name to identify the contract.
- Under Additional Information, enter the **Revenue Account** that the contract should collect revenue on. Use the search function from the drop down if unknown.
- Click **Save** on the top.

Parties tab

- Confirm you Customer and Supplier names.
- In the **Accounts** section, complete the following which are required even though they do not have an asterisk *.
 - **Bill-to Account Number**
 - **Bill-to Site**
 - **Ship-to Account Number** (search by Bill-to Account number)
 - **Ship-to Site**
- Click on Update Lines.
 - Enter a **Bill-to Contact**, then click **Update** button

Billing tab

- Enter **Contract Organization**, which is the UCSD department
- In **Transaction Type**, enter **PA Invoice**. You will have to search for the words 'PA Invoice'

Bill Plan Section

- Click on the **Plus** sign icon to Create a Bill Plan and complete the following:
 - **Name**
 - **Method Name** select **Amount Based Invoice**
 - Under Customer Information, make sure the required fields are populated.
 - **Billing Cycle** select **Immediate**
 - Payment Terms select terms or Immediate
 - Under Invoice Summarization Options,
 - **Labor Format** select **UCSD Labor**
 - **Nonlabor Format** select **UCSD Nonlabor**
 - **Event Format** select **UCSD Events**
 - Click on **Save**. You will not be able to continue without saving first.
 - Then you can Associate Contract Lines by clicking on the **Plus** sign icon.
 - Add contract lines by searching as needed.
 - Use the drop down to **Save and Close**

Revenue Plan Section

- Click on the **Plus** sign icon to Create a Revenue Plan and complete the following:
 - **Name**
 - **Method Name** select **Amount Based Revenue**
 - Associate Contract Lines by clicking on the **Plus** sign icon.
 - Add contract lines by searching as needed.
- Use the drop down to **Save and Close**

PPM User Guide

- Click **Save** again for the Billing tab

Lines tab

This is where you will set the amount for Project/Task

Overview tab

- Enter **Line Amount** with the dollar amount of the contract.
- Click on **Save**

Associated Projects tab

- Click on the **Plus** sign icon, then enter the following:
 - **Project Name** which will auto populate Project Number
 - **Task Name**
 - **Funded Amount**
- Click on **Save** when done and **Submit**
- **Submit** to Approvers
- Use the drop down to **Save and Close**

2.3.3.2 Project Billing using Contracts

A project or a project and tasks must be associated to a contract line if either the invoice or revenue method classification on the bill plan or revenue plan. A bill plan is a set of instructions on a contract that define how to invoice a customer and a revenue plan is a set of instructions for recognizing revenue within a contract. Multiple contract lines on a contract can use the same or different revenue plans.

- For amount-based contract lines, the association of a project or task to a contract line is optional.
- A contract line can be associated with multiple projects and tasks.
- A project can be associated with multiple contract lines.

Creating and associating contract lines to projects involves the following steps:

1. Create a contract line and associate one or more projects to it
2. Define billing controls for the contract line, if the contract type is enabled for billing controls.
3. Add a bill plan and revenue plan to the contract line.

Invoice events are automatically created during invoice generation if the invoice method is percent spent or percent complete. Manual events are also processed during invoice generation. A billing transaction is created for each automatic or manual event. The billing transaction is the source for creating invoice distributions.

Project and contract components work together to create invoice distributions. The contract contains the instructions for calculating invoice amounts, and the project owns the cost transaction details. When you generate an invoice, invoice distributions are created for the contract, and transferred to the Receivables module. The revenue is generated in PPM when an event is completed. Customer payments are applied in the Receivables module.

Here are the accounting entries for your reference:

PPM User Guide

- Billing Events are completed
 - Dr. Unbilled AR, Cr. Revenue
- Released and transferred invoice to the Receivables module
 - Dr. AR, Cr. Unbilled AR
- Customer payment received and applied to the open invoice
 - Dr. Cash Clearing Account, Cr. AR

2.3.3.2.1 *Generate a Billing Event*

1. Click on **Contract Management**, then click on **Invoices**
2. On the right-hand side, click on the **Tasks** icon for the drop-down menu. Select **Manage Events**
3. Click on the **Plus** sign to create a new event. Fill in the following:
 - **Business Unit** with **UCSD Campus**
 - **Contract Number**
 - **Contract Line**
 - Event Number is automatically assigned
 - **Event Type** for most departments will be **Milestone**
 - **Completion Date** although it does not have an asterisk, you will get an error if not entered. This will drive when the invoice is generated. See below
 - **Amount in Bill Transaction Currency** is the amount of the invoice
 - **Project Name**
 - **Task Name**
 - Click on **Save and Close**

2.3.3.2.2 *Create Invoice*

Invoice creation process is run automatically every hour. If you need to create an invoice manually, follow the steps below. Completion Date will determine when an invoice is generated. If entering a date in the future, the Invoice will be created automatically on that date.

Once invoices are submitted, the Accounts Receivable central office will approve and transfer to the Receivables module. If the customer account is setup with invoice delivery via email, the system will automatically deliver the invoice via email to the customer on a daily basis.

1. Click on **Contract Management**, then click on **Invoices**
2. On the right-hand side, click on the **Tasks** icon for the drop-down menu. Select **Manage Invoices**
3. In the middle of the page, click on drop down for **Actions** and select **Create Manual Invoice**, then enter the following fields:
 - **Business Unit** enter **UCSD Campus**
 - **Contract Number**
 - **Bill Through Date** you can change if you want to.
 - Number and Bill Set should automatically populate. **Submit**.

Invoice Lines Section

- Click on drop down for **Actions** and select **Create Line** for your invoice. Enter

PPM User Guide

- **Line Number**
- **Description** up to 240 characters can be entered

Invoice Distributions Section

- Select **Unbilled Transactions** tab
- Select **Events** tab
- **Select** your Event line
- Click on drop down for **Actions** and select **Attach to Manual Invoice Line**. Enter your line from drop down.
- Click on **Submit** by the Invoice Header section to submit to General Accounting for approval.

2.3.3.3 Differential Income

Departments providing services to external organizations (Non-UC users) must include indirect cost (overhead) recovery. This is an overhead cost recovery rate, which is also referred to as Differential Income (DI). Service agreements that fall under recharge activities as well as miscellaneous service agreements are subject to DI (see section 2.3.4.2 for agreement classifications). Differential Income is an overhead cost recovery rate. It is the rate applied to all sales to non-UC users of activities in order to recover the indirect cost related to the activity. This is separate from the Federally negotiated overhead rates used for sponsored projects. Please see this link for more information:

<https://blink.ucsd.edu/finance/financial-analysis-office/ssa/ssa-guidance/overhead-cost-recovery-differential-income.html>. Departments are responsible for billing the external organizations in accordance with the terms of the contract through project billing. An external revenue account should be used to record external revenue associated to a recharge operation fund. Please use the COA lookup report on reports.ucsd.edu to lookup your account number or contact General Accounting.

For more information on Differential Income, please see [How to Record Departmental Support Differential Income KBA](#). Information on the process for Equipment Renewal/Replacement is pending. The Central Administration portion of the DI Assessment is currently at GL as a campus administrative debit, but in the future, should be processed to PPM as well to ensure that the PPM project Costs are reflected correctly.

2.3.4 Recharges

A recharge is an internal charging mechanism for products or services provided by financial units within the University. At UCSD there are 2 types of recharges: **Internal Billing** done by Recharge Operations and **Cost Recovery** done by the process of recharge mechanism.

2.3.4.1 Recharge Operations

Recharge Operations are a type of general project. Each recharge operation has a separate general project, category of line of service, and class type of Recharge in PPM. The project will represent the overall recharge operation, and the tasks the various services provided. The project name prefix for Recharge Operations is REC.

PPM User Guide

2.3.4.1.1 Internal Billing/Internal “revenue”

For Recharge Operations, the units providing the products or services function as a non-profit business and recharge in order to recover the costs of providing such products or services. Recharge Internal Billing, sometimes referred to as internal revenue or recharge income, is not reported the same way on the Financial Statements as external revenue nor is it recognized as revenue. The credit for a recharge is not accounted for as revenue, but as a cost recovery - negative project costs. Recharge Operations are approved “businesses” through the Financial Analysis Office.

Example: The Animal Care Program department administers a recharge operation that provides animal care services to the campus. Each category of animal is a separate service with different rates. They would create one Project for the overall recharge operations, and separate tasks for the different animals.

All recharges are project-to-project. The customer for the service may choose to use the default project for their financial unit or provide a different project to be billed. There is one credit account for all recharge operations. Each operation must use a distinct debit account. There is a corresponding Expenditure Type for each recharge operation.

Recharges are imported into Project Costs in PPM via the Miscellaneous Cost Import (MCI) file. Each recharge transaction consists of two lines in the file: (1) an expense on the project belonging to the customer, and (2) a contra-expense on the project for the recharge operation representing their “revenue.” For more information, see [How to Process Recharges in PPM](#).

Example: Animal Care has provided services to the Biology department, and now it is time for them to recover costs via recharge.

Project Name	Expenditure Org	Expenditure Type	Task Name	Amount
Biology Default Project	Animal Care	770000 - Animal Care recharge expense account	Task 1	\$5,000
Animal Care Recharge Operation	Biology	775000 - Recharge Credit	Mouse Services	-\$5,000

Recharge Operations should process the Miscellaneous Cost Import (MCI) file uploads into PPM via API or by using the RMP Application. Otherwise, the completed MCI file should be submitted via S&S for processing. While every attempt will be made to process submissions by ledger close, manual file submissions are not guaranteed to be processed by ledger close due to volume of requests.

Any Projects Cost failures should be resolved by the Recharge Operation. See the below section on Resolving Unprocessed Cost Errors.

2.3.4.1.2 External Billing outside UC

Recharge operations providing service to external organization (Non-UC users) must bill customers through PPM Project Billing. See section 2.3.3.2 for more information on project billing. The billings must include indirect cost (overhead) recovery (Differential Income). Please see section 2.3.3.3 for more information on Differential Income

2.3.4.1.3 Recharge Operations with Capital Equipment

PPM User Guide

Recharge Operations with Capital Equipment will have a task for Renewal/Replacement - Equipment Reserve. The Equipment Reserve is used to record depreciation and is accumulated to replace equipment to ensure that the facilities are operating on a continuous basis. An MCI File prepared and submitted to General Accounting has to be used to move depreciation from the operating fund of the project to the renewal and replacement fund of the project.

2.3.4.2 Recharge mechanism for non-recharge operations

University Sales and Services Activities that go through a proposal and approval process that are able to perform the recharge mechanism and are not identified as a Recharge Operation will be permitted to use Miscellaneous Cost Import (MCI) file uploads into PPM. Users should complete the MCI file and submit via S&S for processing.

Any Projects Cost failures should be resolved by the Recharge Operation. See the below section on Resolving Unprocessed Cost Errors.

Qualifying activities with approval are in the table below:

Self-Supporting Activity	Definition	Examples
Auxiliary Enterprise Activities	Auxiliary enterprise activities are self-supporting activities which provide non-instructional support in the form of goods and/or services primarily to individual students, faculty and staff upon payment of a specific user charge or fee for the goods and/or services provided. Services to other departments or to the general public are incidental.	Bookstore, Parking, Housing, Dining and Hospitality Services
Sales and Services of Educational Activities	Academic support activities are recharge or income-producing activities within academic departments which provide, at approved rates and on a regular and continuing basis, goods and/or services to campus sponsored research projects and university funded activities. Academic departments are defined as any department of instruction and/or research including Organized Research Units.	Testing services, computer services and illustration services
Service Enterprise	Service enterprise activities are activities which provide, at approved rates and on a regular and continuing basis, goods and/or services to a wide variety of campus departments. Typically, service enterprise activities will have only incidental sales to individuals.	Police and Telecommunication Services
Other Income-Producing Activities	Other income-producing activities provide goods and/or services to a wide range of customers that include non-UC users, students, faculty, staff and other campus departments. There may be an overlap with the definitions of auxiliary enterprise, service enterprise and academic support activities categories. Due to strict federal costing principles, other income-producing activities, except conferences, publications and certain rentals of space, should not have any recharges to federal funds/sponsored research projects. Service agreements approved by Business Contracts Office in Procurement & Contracts, a division of Business and Financial Services or their designee, are also recorded in this category.	Campus recreation classes, academic course material, rental of space, conference programs
Medical Center	The Medical Center provides goods and/or services entirely to other Hospital units within the same fund group. However, the rates or rate methodology of Medical Center activities, which recharge funds other than the same fund group, will be subject to review and approval.	Urgent care, surgical facilities, and patient beds
Service Agreements by Non-Recharge Units	Service agreements are written legal contracts between the University and external sources containing terms and conditions under which goods and/or services are to be furnished by the University. Service agreements are normally issued by approved recharge activities (Service Enterprise and Academic Support) for	Consulting Services

ongoing or continuous goods and/or services. However, service agreements can be issued by non-recharge activities for one-time or occasional sales of goods and/or services. Waivers of the differential income must be approved.

Debit and Credits using recharge mechanism must use Expenditure Type Accounts in PPM that associate to Recharge Sales and Service Account pairs. The net impact on the Account hierarchy (77xxxx) must be zero.

For more information on processing MCI files for Recharge Operations or Recharge mechanism, please see information here: <https://collab.ucsd.edu/display/ESRFIS/Recharge+Remediation>

2.3.5 Budget

The following section provides guidance for financial staff on budgeting for general projects. Budgets are not mandatory. Therefore, it is the department's responsibility to ensure the budgets are adequately and properly established. Initial FY Budgets may be loaded from EPBCS plan. Edits are then managed and controlled within departments.

Budgets are set up based on Resources. You can set Resources at the task level. Resource options are based on Expenditure Categories.

Steps for creating a Budget:

- Go to **Projects> Project Financial Management** and search for project
- Click on the Project and go to **Manage Project Budget**. You will be directed to the **Manage Budget Versions Page**
- Click the **'+' sign** or use the drop down to choose **Create Budget Lines Manually**
- Click on the task row 1 (or task to add resources to). Click on the **+ sign** underneath the field header **Resources**
- Click down arrow under **Resource**. From the drop-down box, select the appropriate **Resource Category** you are budgeting for. There are seeded resources (Financial Resources, Equipment, Labor) that are NOT recommended to use as they do not align with our expenditure types
- Enter in **Project Budget Amount**
- Scroll to the bottom of the screen. Select **Save and Close**
- Repeat above steps as needed for additional tasks and/or resources
- You have 2 options at this point:
 - If you're not finished and want to come back at a later time, click **Save** in the upper right-hand order. This will allow you to come back at a later time to complete the budget assignments.
 - Once you are finished, click the **Submit** button in the upper right-hand side.
- Your budget will now be in the **Budget Approval Workflow process**. It will be considered a **working version** until it has been approved. Once it has been approved, the system will display **Current Baseline**.

The **Baseline version** is what the system uses for calculations in reports. You can also create additional versions to mock up different scenarios of budgeting.

2.4 Project Grouping

PPM User Guide

It is possible to group projects where a common data element can be identified. There is not an immediate solution for grouping “arbitrary” projects based on PI or Fund Manager knowledge. Here are the options currently available and factors to help you determine which selection meets your needs:

Option	Description	Factors to Consider
Portfolio Based by PI or PM	Group by PI or project manager name.	<ul style="list-style-type: none"> This in in line with the current OFC reporting structure Option does not allow for arbitrary grouping
Project Classifications	Group by project classifications; available since go live, they have been expanded and reviewed by BFG. View the PPM User Guide pages 7-10 for a full list of classifications.	<ul style="list-style-type: none"> Project Classifications allow for a more granular grouping from project type Option does not allow for arbitrary grouping
Oracle Reporting Customizations	Select and then save search criteria as customization for future queries.	<ul style="list-style-type: none"> Allows the user to set customized report selections in the Oracle BI reports Does not allow you to share this customization across users Have to maintain/update customization as needed
Custom Reports	Build a custom report out of the Activity Hub (Cognos/Tableau)	<ul style="list-style-type: none"> Build a custom report out of the Activity Hub (Cognos/Tableau) Requires technical/report writing support
Existing Project Data Elements	Group by data elements including: <ul style="list-style-type: none"> Department Reporting Category Project Type Project Naming Conventions Customer Contract Financial segment elements (fund, function, location, etc) 	<ul style="list-style-type: none"> Broader, less granular

The current Fund Manager Persona workgroup will evaluate adding Project Classifications to reports. Also, we continue to work with Oracle and monitor their product updates for additional solutions.

Want to update your project classifications?

Submit an [Oracle PPM General Project Request](#). The template is currently being revised but in the meantime, please attach and submit your own spreadsheet to include 3 columns: Project number, Category, and Code.

3 Cost Transfers

3.1 Applicable Policies and Regulations

A cost transfer is defined as a reallocation of a payroll or non-payroll expense, or cost, from one account distribution to another after the expense has been recorded in the operating ledger, for the purpose of correcting an error, redistributing an expense, or changing the original fund source. There are a number of different policies, procedures, and cost principles that address cost transfers. Uniform Guidance does not provide extensive guidance on cost transfers relating to federal awards, however there are some cost principles that address cost transfers in general. For example, section 200.405(c) states "Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards."

The most specific guidance from the federal government on cost transfers appears in the NIH Grants Policy Manual under section 7.5 (Cost Transfers, Overruns, and Accelerated and Delayed Expenditures), which states:

*Cost transfers to NIH grants by recipients, consortium participants, or contractors under grants that represent corrections of clerical or bookkeeping errors **should** be accomplished within 90 days of when the error was discovered. The transfers **must** be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by a responsible organizational official of the recipient, consortium participant, or contractor. An explanation merely stating that the transfer was made "to correct error" or "to transfer to correct project" is not sufficient. Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overruns are not allowable. [emphasis added]*

Recipients must maintain documentation of cost transfers, pursuant to 45 CFR 75.364, and must make it available for audit or other review (see [Administrative Requirements-Monitoring-Record Retention and Access](#)). The recipient should have systems in place to detect such errors within a reasonable time frame; untimely discovery of errors could be an indication of poor internal controls. Frequent errors in recording costs may indicate the need for accounting system improvements, enhanced internal controls, or both. If such errors occur, recipients are encouraged to evaluate the need for improvements and to make whatever improvements are deemed necessary to prevent reoccurrence.

In addition to the above, University of California policy BFB A-47: Direct Costing Procedures, section 3 (Expenditure Adjustments) sets forth limitation and criteria for making expenditure adjustments. Section 3.B.4 of this policy states that cost transfers:

must be fully explained, justified, and approved by the unit administrator(s) involved in the transaction. (an explanation which merely states that the adjustment being made is "to correct an error," "to transfer to correct project," or "expenditure inadvertently charged to incorrect account/fund" is not sufficient). In the case of adjustments which involve Federal grants and contracts, the certification and approval signatures must include that of the principal investigator, department head, or other academic official. For transfers processed electronically or using on-line systems, the certification and approval of the department head, principal investigator or other academic official must be maintained by the department in accordance with local campus requirements.

PPM User Guide

With consideration of the above federal guidelines, a best practice for any institution that receives federal funds is to implement a process to ensure that cost transfers involving federal funds are supported by documentation that fully explains the purpose of the transfers.

3.2 UCSD Local Implementation Requirements

- All cost transfers should involve at least two employees to ensure proper segregation of duties and internal controls. At a minimum, cost transfers should involve a transaction preparer and a separate approver. The secondary approver could be a Fund Manager or Principal Investigator (PI) or other employees with knowledge of the transactions.
- In order to comply with UC policy requirements for cost transfers involving federal funds, any cost transfer that is not electronically approved by the PI should be supported by other documentary evidence that the transfer was certified and approved by the PI, department head (Chair), or other academic delegates with knowledge of the transactions. For this purpose, documentary evidence could include any offline documentation demonstrating that the PI was aware and approved of the transactions, which could include emails from the PI approving of the transfer or hardcopy forms with the PI's wet signature.
- The requester should be required to provide proper and adequate justification for the transfer.
- For cost transfers involving federal funds, the PI should be notified of the transfer since they are ultimately responsible for those funds.
- For cost transfers involving federal funds, the process should include central independent oversight and monitoring to ensure that cost transfers processed by departments are reasonable and timely, and that the justification is sufficient (including any necessary attachments). The legacy ENPET system accomplished this objective by using a decision tree to identify transactions that were High-risk, and routed those transactions to SPF for review and approval before posting them to the ledger.

3.3 Cost Transfer Process in Oracle

Cost Transfers are supported in Oracle. Departments can initiate cost transfers directly through Manage Project Costs (Projects>Costs>Task menu>Manage Project Costs). Central offices utilize the same functionality, but depending on their role, have no or different workflow from departments. Cost Transfers should always be initiated in the source system. However, Oracle functionality allows for cost transfers between project to project within PPM. Payroll cost transfers should be processed through UCPATH (Direct Retro).

3.3.1 Process

- User initiates in Oracle
- Routes to receiving project workflow group
 - Workflow groups are defined as users assigned to a security role
 - Security roles are created for each level 4 FinU group
- Exception requests should be submitted through S&S for review through the Projects Workgroup
- Payroll costs go through additional central office approval until Spring of 2021
- Reports to be used for post audit review

Training can be found here:

https://support.ucsd.edu/services?id=kb_article_view&sys_kb_id=beccd5be1b056890df40ed7dee4bcbc7&table=kb_knowledge

PPM User Guide

Slide deck: https://ucsdcloud-my.sharepoint.com/:p/g/person/lsvirgil_ucsd_edu/ESxn9FR2s9ZAo_JK5qpVh8MBCSy6joDCifXMnaBGAw0Scg

3.3.2 Types of Cost Transfers

See the [Cost Transfer Guide](#) to find out the type of cost transfers.

3.3.3 Cost Transfer Reporting

Reporting on Cost transfer details can be found on reports.ucsd.edu under the Cost Transfer Panorama.

3.3.4 Cost Transfer vs Cost Recovery vs Resource Transfer

When to do a cost transfer or cost recovery vs resource transfer in the GL:

https://support.ucsd.edu/nav_to.do?uri=%2Fkb_view.do%3Fsys_kb_id%3Ddc135e50db4a6050d4781c79139619e1%26sysparm_rank%3D1%26sysparm_tsqueryId%3Dddefd82fdb526890d4781c79139619d0

4 Cash Receipts

Cash Receipts are processed in the Receivables Module, not in PPM, but are often related to PPM processes so are included here.

4.1.1 Miscellaneous Revenue

Miscellaneous revenue is considered non-receivables related transactions which may include revenue from retail operations, investment income, commission, etc. It does not apply to federal or other sponsored research funds. It does not apply to gift funds. Gifts must be routed through Gift Services in Advancement. Gift revenue will be recorded by the Gift and Foundation Accounting team. Miscellaneous revenue is posted to the project chart string, if provided in the Cash Deposit Form, at the general ledger level, not in PPM. In other words, revenue outside of project billing is recorded at the general ledger only but can reference a project number in the Chart String.

Self-supporting units may integrate their Point of Sale (POS) system or recap process with Oracle API to record POS activities as miscellaneous receipts. For more information, contact the Accounts Receivable Central Office through Services & Support.

4.1.2 Expense Reimbursements

Cash deposits to expense accounts are allowed under these circumstances:

- Refunds or rebates from a vendor for goods or services purchased from the vendor.
- Reimbursement of personal usage of university resources, such as use of travel card for personal expenses.
- Reimbursement of items purchased to facilitate an activity.

When completing the Cash Deposit Form located in Services and Support, the function code cannot be 000 when making a deposit to an expense account. Expenditure type, project number and task number are required to process an expense reimbursement deposit against a project. The reimbursement will be shown in the project as a negative cost with the specified expenditure type.

PPM User Guide

Supporting documentation of expense reimbursement must be provided, and transactions are subject to central office approval.

4.1.3 Program Income

Payments for program income must be deposited with the correct sponsored research project, task and Funding Source. See above in Sponsored Projects for more information

5 Revenue Recognition

Revenue recognition is based on accrual accounting in accordance with Generally Accepted Accounting Principles (GAAP). Revenue is recognized when earned, and expenses are recognized when incurred. Revenue is considered earned when the university has substantially met its obligation to be entitled to the benefits represented by the revenue. Revenue is recorded when earned, regardless of the timing of cash receipts. In other words, revenue does not equal cash received. In the event a project stipulates performance measures, revenue is considered earned when the performance measures are completed.

In Oracle, revenue scheduling rules determine the number of periods and the percentage of total revenue to record in each accounting period. Invoicing rules determine when to recognize the receivable for invoices that span more than one accounting period.

See Sponsored Project Billing and PPM Project Billing for additional information on how PPM recognizes revenue.

5.1.1 Unearned Revenue

Unearned Revenue is money received by UC San Diego in advance of having provided the services or goods. An example of this is a pre-payment. Unearned revenues are not yet revenues and therefore cannot be reported on the income statement. Instead, the unearned revenue amount must be reported on the balance sheet as a liability.

Example: UC San Diego engages in a consulting agreement for \$60,000. The terms require a payment of \$15,000 at the time the contract is signed, and \$45,000 at the end of the project. The first \$15,000 will be booked to unearned revenue and as revenue is earned based on completion of the work, revenue gets recognized (dr. unearned revenue, cr. Revenue).

Option only available in the Receivables Module - Use “deferred revenue scheduling rules” only for invoices that are assigned the In Advance invoicing rule. If you use a deferred revenue scheduling rule with a single accounting period, Receivables recognizes the revenue in the period specified. If the deferred scheduling rule is used with multiple accounting periods, Receivables creates the revenue recognition schedule based on the rule, and the start date is determined by the accounting start date provided. If the accounting start date occurs in a closed accounting period, Receivables posts that portion of revenue into the subsequent open accounting period.

Unearned revenue for project billing is something that the Accounts Receivable office in collaboration with the project team will continue to explore. This guide will be updated when more information is available.

6 How to Create, Edit, or Close a Project

PPM User Guide

Departments must submit a request through Services and Support to create a new Oracle project with tasks, add new tasks to existing projects, or update to project or task including project team members and/or task manager. Each project must have at least one task. If a task is not requested by the department, it will be created by default. A task under a project is needed when you need the ability to track expense established at the project or task level.

Scenario	Solution
Tasks under projects belong to different financial units	End task and create new project
One task setup with a fund, a function, a location should be 2 of each instead of 1	<ul style="list-style-type: none"> • Add more tasks • A balance transfer in the GL may be required between the two projects as appropriate (color of money). • Fund balance will close out at year-end once the P&L is closed for the year.
Have 1 project with 100 tasks, interested in changing 100 tasks to 100 projects	End 99 tasks and create 99 new projects
If project owning organization is wrong	Create a new project, end old project. Project is tied to owning organization, and task is tied to the fund, function, location and program for non-sponsored projects.
Close a Project	Best practice is to ensure that the budget(if applicable)=expense=resources. Closing a project in PPM by changing the project status will prevent new transactions, but does not impact any activities on the GL

The Projects team is working with ITS to build a tool for departments to initiate these requests directly.

6.1.1 Step by Step – Manual

1. Download, complete, attach and submit the [Oracle Project & Task Request template](#) through Services & Support based on the project type as displayed below.

Project Type	About	Related To	More Specifically
Capital Projects	Financial Accounting	Oracle Project Portfolio Management	New Oracle Capital Project and/or Task
General Projects	Financial Accounting	Oracle Project Portfolio Management	Create New Oracle General Project
Sponsored Projects	Financial Accounting	Oracle Project Portfolio Management	Create New Oracle Award Project

2. Submit one Excel file per project number. If you are requesting multiple projects, make sure to complete one form for each project. *The project team is working on a solution to allow multiple project requests at once. This guide will be updated with the new process when available.*
3. Multiple tasks can be requested under one project.
4. If requesting a recharge operations project, a recharge approval letter from FAO must be included.
5. Complete the New or Change Request tab for any new projects or modifications.
 - a. Required fields:
 - i. Project Request Type
 - ii. Project Type
 - iii. Project Classification
 - iv. Project Name
 - v. Fin Unit Name
 - vi. Fin Unit Code
 - vii. Project Manager

- viii. Task Request Type
 - ix. Task Name
 - x. Fund Name
 - xi. Fund Code
 - xii. Function Name
 - xiii. Function Code
6. Complete the Close Project or Task Request tab to request to close a project. If you are requesting to close multiple projects, make sure to complete one form for each project.
 7. To update Project Team Members, complete additional fields in the forms above.

6.1.1.2 General Projects: Move Fund Balances from Tasks to Projects

Submit Services & Support request to Internal Controls and Accounting – Support.

6.1.1.3 General Projects: Move YTD payroll transactions from old Tasks to Projects

Process Direct Retros in UC Path to ensure DOPES matches financial accounting. Or if that is not required, See 3.3.2 Cost Transfer Matrix.

6.1.1.4 General Projects: Move YTD non-payroll transactions from old Tasks to Projects

Review 3.3.2 Cost Transfer Matrix.

6.1.2 Step by Step – Automated Mass conversion of tasks to projects for General Projects

As of Spring 2021, the Projects team is working with ITS on a way to support departments that want to change their projects/task with a mass request. The below steps are still in pilot phase as of this publication and are subject to change

1. Access spreadsheet of Department/FinU projects
2. Review projects and identify which tasks to move to new project
 - Indicate project manager (PM) email and Department category (Faculty/Dept Controlled) if desired. PM will carryover from current project if left blank
 - New Project name will be the current task name, but appended with the prefix from the project
 - New task name will be the same as the original task
 - Project Classification will stay the same
3. Submit S&S back when above is completed
4. Identify project/tasks that are on active contracts—will ask ITS if they can pull this
5. Update contracts appropriately (oracle doesn't allow for Contract updates that we know of)
6. ITS will create new projects
 - **If Dept already created new projects, annotate separately in step 2 so that this step is skipped
7. ITS will move all project costs from old task to new project
 - Costs not in PPM but in GL
 - Resources at project level
 - Expenses with 0 project or missing POET
8. Dept to do journal to move revenue appropriately
9. Dept verify that transactions transferred as desired in PPM and GL—using GL reports and Projects Panorama or other reports
10. Carryforward transactions and misc revenue will be reversed from PPM project costs
11. Dept verify balances in GL remained the same

PPM User Guide

12. Dept to communicate to upstream systems to stop using the old project/task combination (Concur, PO, ISIS, UCPATH, recharges)
13. Review any inflight transactions:
 - If any open AR, those will have to be reverse on existing project task and redone on new project/task
 - If any open POs: initiate change order
 - If any AP
 - If any open Concur
14. ITS to inactivate (end date) old task
15. Any transactions that post to old task after this conversion are the responsibility of the dept to initiate cost transfers

In addition, at OFC Go live, Gift Revenue, IFIS converted carryforward balances and Misc Revenue were posted in PPM as negative costs. As of the release of this guide, that practice will not continue and the existing transactions will be reversed by end of FY21.

7 Project Personnel Roles

Project Personnel Roles are separate from Security roles. These are roles that can be assigned to Awards, Projects and Tasks to be used in reporting. Project roles are recommended to only assign 1 person in each role at each level (except Key Person).

Project Role Name	Description	Level role should be assigned to
Project Manager	Manages the execution and completion of a single project. Creates budgets, plans, and schedules. Sources and allocates resources such as labor, subcontractors, materials, and equipment. Tracks physical and financial project performance, changes, and issues. Ensures proper billing and cost transfers. Communicates status and project performance to program managers and project executives.	Projects
Principal Investigator	Controls and monitors the technical direction and academic quality of research projects such as laboratory studies or clinical trials. Ensures that projects comply with the terms, conditions, and policies defined by the sponsor and the institution. Owns ultimate responsibility for the management of the sponsored research award, especially in cases where funding is obtained from federal agencies such as the NIH.	Awards
Team Member	Performs, tracks, and reports progress on project and no nproject work.	Awards and Projects
SPF Supervisor	SPF Supervisor	Awards
SPF Accountant	SPF Accountant supporting award/project	Awards
GA Supervisor	GA Supervisor	Projects
GA Accountant	GA Accountant supporting project	Projects
Agreement Biller Supervisor	Clinical Trial SPARM Biller Supervisor	Awards
Agreement Biller	Clinical Trial SPARM Biller	Awards

PPM User Guide

Collections Support	Clinical Trial Collections Support	Awards
MSO/DBO/CAO	Chief Administrative Officer of Department	Awards and Projects
Fund Manager	Fund Manager supporting the administration of a project	Awards and Projects
Fiscal Manager	Manager of a group of financial activities. Same as CT Department Supervisor	Awards and Projects
Key Person on NOA	Key Person listed on Sponsored Projects NOA in addition to PI	Awards
Pre-Award Office Contact	Pre-Award Office Contact	Awards
Task Manager	PI for the task	Task
Task Fund Manager	Fund Manager for the task	Task

See above section for how to request updates to Project Roles. The Projects team is working with ITS for a web application solution for departments to update project roles directly.

8 Resolving Unprocessed Costs in PPM

PPM Cost has embedded controls to ensure accurate financial accounting. When Costs are Imported to PPM, if any costs fail, they are reflected as Unprocessed Costs. There are various reasons why Costs fail and various ways to correct. The business owner of the cost is responsible for correcting the error or the cost timely to ensure proper recording and accounting. Only central offices can correct unprocessed costs in PPM.

The Project team is working with ITS and Oracle to streamline the current error resolution process.

Error Resolution Process: https://lucid.app/lucidchart/18f0a79f-e84f-498c-b45f-2b386d71c810/edit?page=0_0#
 Errors and How to correct: <https://collab.ucsd.edu/pages/viewpage.action?pageId=114937379>

How to Process Recharges in

PPM https://support.ucsd.edu/finance?id=kb_article_view&sys_kb_id=6863f73d1b4ea490df40ed7dee4bcb96

9 Reporting

This section outlines recommended best practices for faculty members and financial staff on how to validate their accounting through the use of reports within the Oracle system. The scope of the Financial Activity Hub reports and FAH data elements is out of scope for this guide. New reports are being developed regularly, see the [Blink](#) page for more up to date information.

bah.ucsd.edu:

- **Project Panorama:** Overview of Project information, balance information for sponsored and non-sponsored awards.
- **UCSD-DSH Project Information Lookup:** Information about projects, non-sponsored chart segment mapping and expenditure types
- **UCSD-DSH Project Cost Transfer Panorama:** Information about Cost Transfers processed
- **UCSD-BIP Project Costs Detail Report:** Report to display detailed PPM Costs
- **Cumulative Research Report:** Overview of sponsored projects budgets, balances, costs and revenues

PPM User Guide

- **Project Balances with Expenditure Details Dashboard:** Summary transactions of Project Balances will expenditure level detail for FYTD and ITD

Reports not in bah.ucsd.edu but will be moved as appropriate over time.

- [Award Trial Balances Report](#)
- [Sponsored Projects AR Aging](#)
- [Reconciliation between General Ledger and PPM subledger-is under re-development under the Transaction Panorama](#)
- Recharge report (statements of operations – project P&L)-Under Development

10 Reconciliation

Use the Transaction panorama to identify discrepancies in your data. Information on how to fix discrepancies will be published with the panorama.

11 References

- Oracle Financials - Using Revenue Management:
<https://docs.oracle.com/en/cloud/saas/financials/20b/fafrm/define-revenue-management.html#FAFRM2373751>
- Oracle Financials – Create Customer Contracts: <https://docs.oracle.com/en/cloud/saas/sales/20d/fascc/create-customer-contracts.html>
- BI & Financial Reporting KBAs:
https://support.ucsd.edu/services?id=kb_category&kb_category=08e2d53adb4024d0d4781c7913961912
- Post Award Financials KBAs:
https://support.ucsd.edu/services?id=kb_category&kb_category=a4ae9f58dbdac0dc4cd8f06e0f961987
- Billing and Receivables KBAs:
https://support.ucsd.edu/services?id=kb_category&kb_category=e3ebc085db98d410dbd6f2b6af961936
- Equipment Asset Management KBAs:
https://support.ucsd.edu/services?id=kb_category&kb_category=bf8e1b58dbdac0dc4cd8f06e0f96193f
- UC San Diego Recharge Basics: <https://rmp.ucsd.edu/files/rmp-finance/RechargeBasicsPresentation.pdf>
- Clinical Research & Trials: <https://blink.ucsd.edu/research/preparing-proposals/clinical-research-trials/pi-vs-industry.html>
- Managing Sponsored Project Funds: SPARCM:
<https://blink.ucsd.edu/finance/awards/managing/sponsored/sparcm.html>
- Managing Sponsored Projects: STaRT:
<https://ucsdcloud.sharepoint.com/sites/STaRT/Wiki%20Pages/Home.aspx>
- Awards Training:
<https://blink.ucsd.edu/finance/support/training-events/trainingcourses.html#Oracle:-Advanced-Concepts-in-PP>
- Recharge Processing: <https://collab.ucsd.edu/display/ESRFIS/Recharge+Remediation>
 - [How to Set Up a Recharge operation in PPM](#)
- **PPM Billing:**
 - [How to create a PPM contract in order to bill external customers](#)
 - [How to Create a Billing Contract in Project Portfolio Management \(PPM\) for General Contracts](#)
 - [Creating a Billing Invoice in Project Portfolio Management \(PPM\)](#)

12 Appendix

12.1 Glossary:

- Revenue = income generated from business operations - services rendered or goods sold. Revenue does not equal cash
- Invoicing/Billing: Process by which the seller sends a payment request for the amount owed for the sale of goods or services.
- Budget = financial plan for future activities including sales (revenue)/costs. Sponsored and Capital projects must have a budget to be able to spend
- Funding Amount: Amount Obligated by Sponsor (only for Sponsored Projects awards)
- Funding Allocation: Funding Amount allocated to sponsored projects awards

12.2 Accounts in GL only vs GL&PPM for project based transactions: [KB0033364](#)

12.3 Version Updates:

- 4/8/21:
 - clarified PPM billing vs. Receivables
 - Pulled out some definitions into glossary
 - Added appendix
 - Updated 2.2.1.2