



VCAA Fiscal Tiger Team

High Risk Ledger Review

Training January 17, 2023

Fiscal Tiger Team

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Training Goals/Learning Outcomes

- » Understand how to do a high risk ledger review
- » Learn how to use the Transaction Details report for doing a high risk ledger review



1.

Monthly Control Activities



Monthly Control Activities Include:

- » **Transaction Verification**
- » GL-PPM Reconciliation
- » Department Exceptions Review
- » Fiscal Operations Review
- » Overdraft Funds Review
- » Payroll Reconciliation
- » Receivables & Cash Operations
- » Projects & Awards
- » Procure to Pay
- » Custodial Equipment Management
- » Individual Security Access

[Link to Internal
Controls Checklist](#)

We've Covered Some of These in our Trainings Already:

- » Transaction Verification
- » GL-PPM Reconciliation
- » Department Exceptions Review
- » Fiscal Operations Review
- » Overdraft Funds Review
- » Payroll Reconciliation
- » Receivables & Cash Operations
- » Projects & Awards
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[Link to Internal
Controls Checklist](#)

Training Timeline

Fiscal Contacts
presentation: Fiscal Year
to Date vs. Inception to
Date Reporting

SEP

Fiscal Contacts
presentation: Monthly
Reconciliation Using the
NOR Report

OCT

Fiscal Contacts
presentation: Zero Project
Reconciliation & GL-PPM
Reconciliation

NOV

Fiscal Contacts
presentation:
Understanding the DOPES
for Payroll Reconciliation

DEC

Fiscal Contacts
presentation: High-risk
Ledger Review

JAN

Fiscal Contacts presentation:
Monthly Reconciliation Using
Project Setup Match Errors
Report

FEB

TBD

MAR



2.

Transaction Verification





High Risk Ledger Review

- » Provides a mechanism for departments to select transactions for period review.
 - » This is an acceptable alternative to reviewing 100% of transactions.
- 

High Risk Ledger Review Best Practices

- » Departments can decide how to run the report, whether by financial unit, project manager, fund manager, etc.
- » For your high risk ledger review, only review transactions that are not a “net zero item” by selecting "N" for the "Net Zero Item" filter. Net zero items have already been transferred off the project and do not require further cleanup on that project.
- » Download the report to Excel to make notes as to whether transactions are okay or require additional follow-up, as well as provide justification for charges that are questionable but acceptable.
 - ◇ Include a “Valid/Not Valid” column
 - ◇ Look at trends - what is causing the “not valid” transactions
- » Save files in a shared departmental drive to be referenced as proof of review in the event of an audit.

Choose these 5 Prompts:

1. Choose a report to display - PPM Condensed or Full

Display Reports

- * PPM Condensed
 PPM Full
 PPM Commitments
 GL Table

2. Choose a date search option - Orig Accounting Period and monthly review is recommended

Choose a Date Search Option

- Original Accounting Period
 Most Recent Accounting Period (PPM Costs Only)
 Expenditure Item Date (PPM Only)
 Transaction Creation Date

Accounting Period:

From: Dec-22

To: Dec-22

Date Search:

From: Jan 17, 2023

To: Jan 17, 2023

Reset

Finish

Prompts for PPM and GL Transactions

These prompts will impact results in both the PPM Transactions and GL Transactions tabs.

3. Choose how to complete review in your department - could be by role, Fin Unit, Project, etc.

Select a Person by Role

PI/PM/TM

- Aalipour, Mansour
 Aarons, Gregory A
 Aarons, Sarah Miranda
 Abagyan, Ruben

Select all Deselect all

MSO/DBO/CAO

Fund Manager

Fiscal Manager

Fin Unit L3

Fin Unit L3

Fin Unit L4

Fin Unit L4

Fin Unit/Project Organization

0000000-No Financial Unit

Prompts for PPM Transactions Only

These prompts will only impact the PPM Transactions tab results. Using any of these prompts will cause the GL Transactions tab to yield no results.

4. Click "Yes" for High Risk Ledger Review

High Risk Ledger Review

Yes

5. Click "No" for Net Zero Item

Net Zero Item

N

Award Owning Organization

pAwardOrg

Award Number



3.

High Risk Types



| 7 Risk Types | Definition | Objective |
|---|--|--|
| Equipment under dollar threshold | Expenditure type starts with 163003 (Capital Equipment) and the total invoice amount is less than \$5,000 | Identify expense items that have been misclassified as assets |
| High dollar invoice | Total invoice amount is more than \$2,500 | Ensure purchase was appropriate, item was received, and was properly charged |
| Recharge | Expenditure type starts with 770000 or contains "bookstore" | <p>Identify recharges that posted to the wrong project or were charged by a person not associate with the project.</p> <p>Ensure these costs belong to the project and task and that proper documentation can be obtained in case of audit on these expenses</p> |
| Transaction posted after project end date | Accounting date is after the project end date | Identify costs that were incurred after the project end date and are therefore unallowable to the award. |
| Fabrication cost not on fabrication task | Expenditure type starts with 163001 and the task does not contain the word "fab" | Identify transactions miscategorized as equipment fabrication |
| Questionable expenditure type on a sponsored project | Expenditure type appears in the questionable expenditure type list defined by SPF and the project is a sponsored project | Verify that transactions are properly accounted and allowable on the award. Allowable charges may require additional justification. |
| Misposted Cost Sharing | An external funding source was used with a cost share project or task, or an internal funding source was used with a non-cost share project or task. Cost share project or task defined as one with a burden schedule starting with 'INT.' | Identify and correct transactions that have a mismatch between the funding source and the burden schedule |

What to do: Equipment under dollar threshold

- » Look at the line item description to identify what was purchased. If the purchase does qualify as equipment (acquisition cost => \$5,000 and useful life > one year), then okay.
- » If the item is not equipment, submit a **Non Salary Cost Transfer Request** for cost correction.
- » Select 'The expense or expenditure type on a PO, non-PO, or Concur transaction posted to an incorrect expenditure type/account'
- » Complete spreadsheet

What to do: High dollar invoice

- » Subaward invoices and Concur Travel and Expense invoices are reviewed and approved prior to posting in Oracle. These invoices should be reviewed at a high level to ensure the charges belong on the project. For example, verify the traveler or reimbursement recipient is associated in some way with the project being charged. Full transactional review is not required.
- » Invoices that are not subcontracts or Concur transactions perform the following:
 - ◇ Review vendor invoices for accuracy by comparing charges to purchase orders or to non-PO request.
 - ◇ Verify that the goods and services purchased have been received by obtaining packing slips.
 - ◇ Review costs to ensure that they are properly classified and recorded.
 - ◇ Review transactions to ensure that expenses are allowable and appropriate.

What to do: Recharge

- » If a link is provided, go to the URL to view detail about the charge. Identify the person who made the charge and what was purchased to ensure that the cost is allowable and properly accounted to the project
- » If no information about the charge is provided, contact the recharge facility manager to obtain information about the charge.
- » If the charge does not belong on the project-task, complete a PPM **cost transfer** to move it to the correct project-task. View the KBA on How to Initiate a Partial or Full Cost Transfer in Oracle PPM
- » Note: For routine recharges such as water cooler rental and mail charges on non-sponsored projects, a less detailed review may be appropriate.

What to do: Transaction posted after end date

- » If a link is provided, go to the URL to view detail about the charge. Identify the person who made the charge and what was purchased to ensure that the cost is allowable and properly accounted to the project
- » For invoices, click on the invoice number to view the invoice in OFC. Open the invoice PDF and identify the invoice date or the date the goods were received or services rendered. Ensure that the goods were received or services were rendered prior to the end of the award. If goods were received or services were rendered after the end of the award, move the cost to the appropriate project-task with a PPM **cost transfer**.
- » For payroll and recharges, verify that the work was performed within the period of performance. Monthly payroll on awards that end mid-month should be pro-rated such that the award is not charged for work performed on days after the end date.
- » Ensure these costs belong to the project and that proper documentation can be obtained in case of audit on these expenses.
- » If the charges are appropriate, ensure that the expense is recorded as a subsequent expense or pending expense on the project Financial Expense Report in SPARCM. View more about department reporting responsibilities here.
- » If the Final Financial Report was submitted to the agency and did not include the cost in question, move the cost to the appropriate project-task with a PPM **cost transfer**. Cost transfer resources:
 - ◊ How to Perform a Full, Split or Select Multiple Transactions/Costs for a Cost Transfer in Oracle
 - ◊ Resources for Salary Cost Transfers/Direct Retros in UCPath. See UCPath Job Aids under Funding
- » How to Submit a Direct Retro

What to do: Fabrication cost not on fabrication task

- » Determine whether the transaction is miscoded or whether the transaction is on the wrong task
- » If the transaction is miscoded, submit a **Non Salary Cost Transfer Request** for cost correction. Select 'The expense or expenditure type on a PO, non-PO, or Concur transaction posted to an incorrect expenditure type/account' Complete spreadsheet.
- » If the cost posted to the wrong task, process a cost transfer to the correct fabrication task
- » How to Perform a Full, Split or Select Multiple Transactions/Costs for a **Cost Transfer** in Oracle
- » If a new fabrication task needs to be created, submit a sponsored project or general project change request.
- » Learn more about how to create a Project and Task for a fabrication in Oracle PPM.

What to do: Questionable expenditure type on sponsored project


- » Determine whether the correct expenditure type was used and whether the cost belongs to/directly benefits the award.
- » If the incorrect expenditure type was used and the cost does belong on the award, submit a **Non Salary Cost Transfer Request** for cost correction.
- » If the cost is unallowable on the award, process a **PPM cost transfer**.
- » If the correct expenditure type was used and the cost is allowable on the award, **contact your award accountant for additional guidance**. They may request that you provide backup documentation justifying the allowability of the questionable expenditure type. Documentation may include but not limited to:
 - ◇ Copy of the proposal budget and budget justification identifying the expenditure or
 - ◇ Justification from the Principal Investigator how the expenditure benefits the project or
 - ◇ Approval from sponsor to incur the cost(s)

What to do: Mispasted Cost Sharing

- » Determine whether the correct expenditure type was used and whether the cost belongs to/directly benefits the award.
- » Review the OFC PPM Department Guide to Managing Cost Sharing
- » Identify whether the charge has the wrong funding source or is on the wrong project or task
- » If the wrong funding source was used, process a **cost transfer** in OFC to reflect the correct funding source on the costs:
- » Cost Share expenses should have an Internal Funding Source
- » Non Cost Share expense should have an External Funding Source
- » If the funding source is correct, but the cost is on the wrong project or task, process a **cost transfer** to move the charge to the correct project-task.
- » Review KBA How to Perform a Full, Split or Select Multiple Transactions/Costs for a Cost Transfer in Oracle
- » Resources for Salary **Cost Transfers/Direct Retros** in UCPATH. See UCPATH Job Aids under Funding
 - ◇ How to Submit a Direct Retro
 - ◇ How to Submit a Direct Retro for Work Study
 - ◇ How to Submit a Direct Retro with the Salary Cap/MCOP Worksheet



Reminder on Cost Transfers

- » Any transactions related to student support (stipends, tuition and fees) should NOT be cost transferred. Instead, submit a ticket so that GEPA or Financial Aid can help correct the transaction in the source system.
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Reminder

[Academic Affairs Fiscal Managers
Resources Tool](#)

Training Topics

- » September: Fiscal Year to Date vs. Inception to Date Reporting
- » October: Zero Project Reconciliation & GL-PPM Reconciliation
- » November: Monthly Reconciliation Using the NOR Report
- » December: Understanding the DOPES for Payroll Reconciliation
- » January: High Risk Ledger Review
- » February: Monthly Reconciliation Using Project Setup Match Errors Report



THANK YOU!

Any questions?

You can find us at

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CREDITS

Special thanks to all the people who made and released these awesome resources for free:

- » Presentation template by [SlidesCarnival](#)
- » Photographs by [Unsplash](#)