

**ESR** Enterprise Systems Renewal

# Financial Information System

Change Network | June 2019

UC San Diego

# Change Network Topics

- 1 | Academic Affairs Collaboration Policy
- 2 | Composite Benefit Rates
- 3 | Departmental Index Number Categorization (Stage 1)

# Collaboration Policy

This policy is intended to cover requests for **Academic Affairs** staff participation that includes the following:

- *Acting as a Subject Matter Expert (SME) on any process that is managed outside of Academic Affairs or across units within Academic Affairs.*
- *Providing guidance or input on either the current or future state of a policy/procedure that is managed outside of Academic Affairs or across Academic Affairs units.*
- *Participating in the development, testing, piloting, or modification of a policy/procedure/tool that is managed outside of Academic Affairs or across Academic Affairs units.*
- *Any other request from projects originating outside of Academic Affairs or across Academic Affairs units that will require time commitments outside of staff members' normal job duties.*



## Related Links

- [Links to policy, forms & slides \(at bottom\)](#)
- [Request Template](#)
- [Collaboration Policy](#)
- [Rollout schedule](#)

# Departmental Index Number Categorization (Phase 1)

## High Level Timeline of full Index Number Mapping:

- Full Index Number mapping to be completed by TBD Fall 2019 date
- Departments need clear instructions on how to map index numbers to new Chart Strings & Projects
- Design Leads & Teams require several iterations of Design, Configure & Test to finalize guidance
- Departments can begin categorizing Index Numbers now (**Phase 1**) to assist with Full Index mapping (Phase 2)
- Index Number Categorization guidance to be developed in early June to be shared through Change Network in mid-to-late June

# FIS Change Channel

June 6, 2019



- UCPath
- CBR Overview:
- CBR and Sponsored Research:

Pearl Trinidad

Sylvia Lepe

Deston Halverson

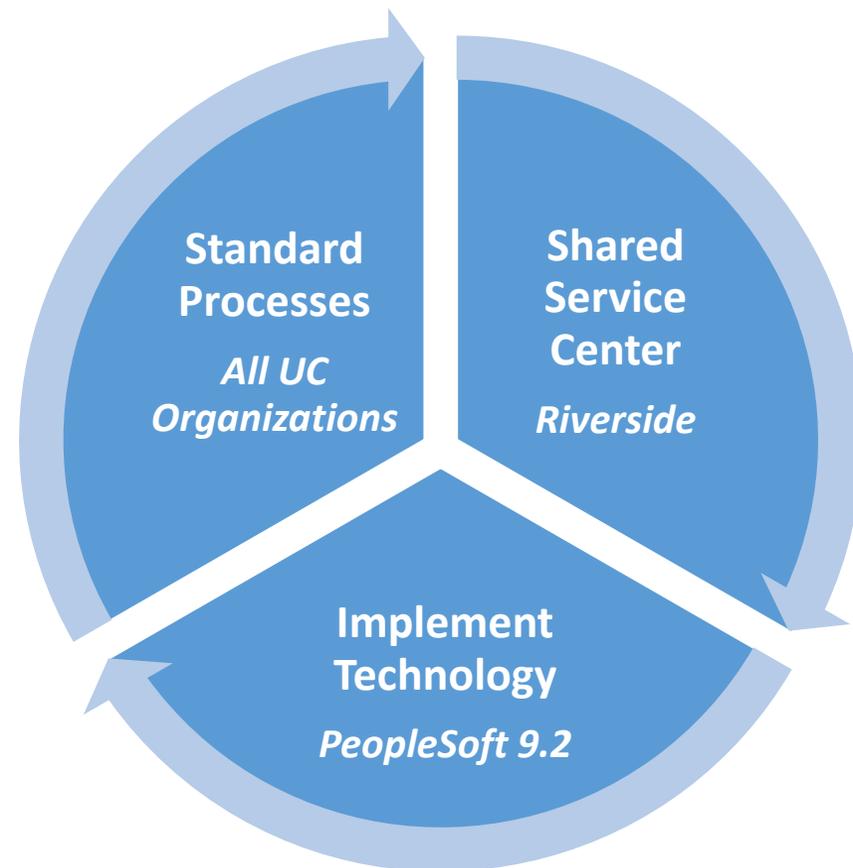


# UCPATH:

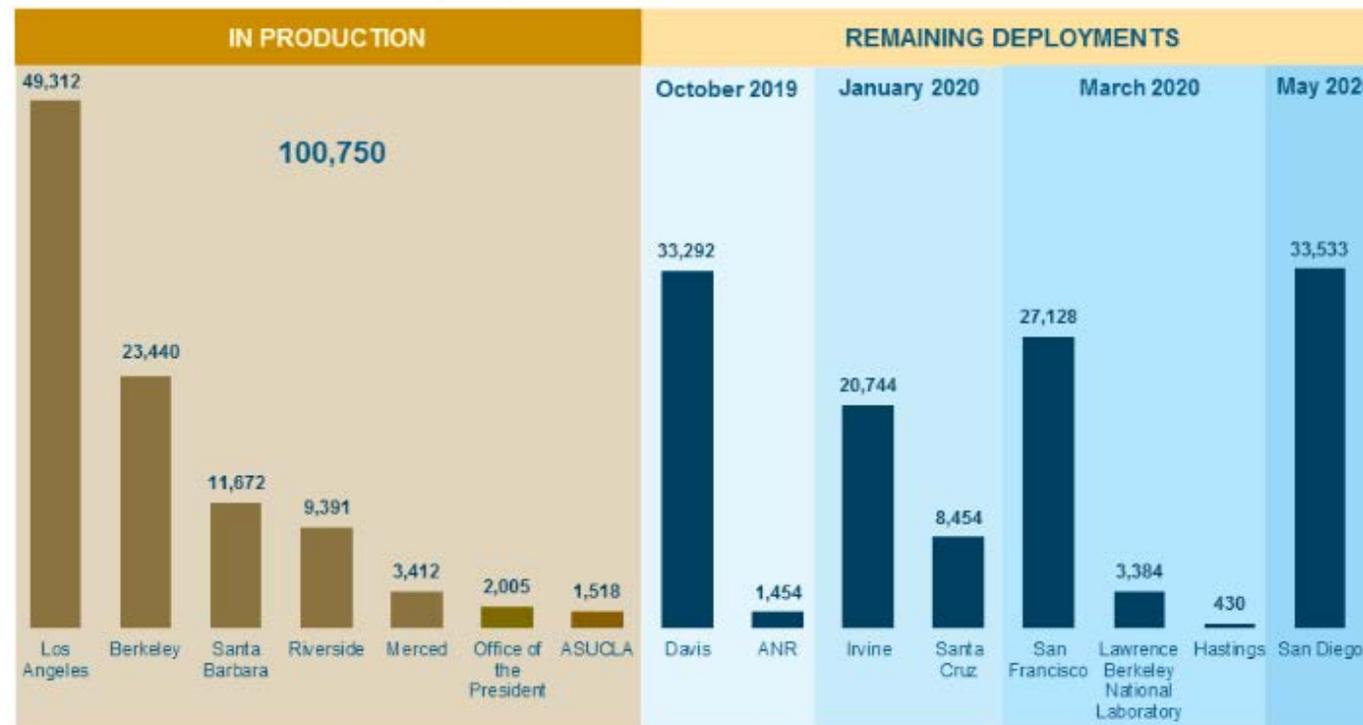
The University of California's Program to implement a single payroll, benefits, human resources and academic personnel solution for all UC Employees

-10 UC Campuses -5 Medical Centers -5 Entities : ~200,000 employees

## UCPath Deployment Sequence



### All UC employees will transition to UCPath





Every department will be required to provide a default index/account.

Funding distribution is not a control mechanism to suspend/suppress pay.



Financial Transaction is separate from a Personnel Transaction.



Composite Benefit Rate (CBR) : A new methodology for assessing **employer** benefits will take effect with UCPath Implementation

- UCSD is transitioning to Composite Benefit Rate assessment for employer paid benefits when UC Path goes live.
- UCSD will join a long list of large research universities that utilize the CBR methodology for charging benefits to funds. Based on employee groupings, employer paid benefits will be pooled and charged at a rate rather than the multiple benefit charges assessed today.
- CBRs will be charged in a consistent method as a % to all eligible components of pay except for certain bonuses, incentives and Z payments.

# What is included in CBR?

Retirement	Taxes	Health and Welfare
<ul style="list-style-type: none"><li>• Matching Retirement Contribution</li><li>• UCRP Supplemental Assessment Principal</li><li>• Faculty Summer Retirement.</li></ul>	<ul style="list-style-type: none"><li>• OASDI</li><li>• Medicare</li><li>• Workers Compensation</li><li>• Unemployment Insurance</li><li>• UCDI Insurance</li><li>• PSBP (Post Doc) Disability</li><li>• PSBP (Post Doc) Workers Compensation.</li></ul>	<ul style="list-style-type: none"><li>• Health Insurance Contribution</li><li>• OPEB Health</li><li>• Dental Insurance</li><li>• Vision Insurance</li><li>• Benefits Administration, Employee Support Program</li><li>• Core Medical Insurance</li><li>• Life Insurance</li><li>• Senior Management Supplement</li><li>• PSBP (Post Doc) Broker Fee PSBP (Post Doc) Life Insurance</li><li>• Core Life Insurance</li></ul>
<p><b><i>Other benefits not mentioned above will not be part of CBR</i></b></p>		

	Today	UC Path
<b>Salaries Charged</b>	By % of Effort	By % of Effort
<b>Benefits Charged</b>	Hundreds of Individual Rates	One Composite Rate by Employee Group

- **Composite Benefit Rates (CBRs)** are established to cover the employer costs of fringe benefits offered by the University.
- **CBRs** base benefit rates on a percentage of an employee's eligible salary, according to their employee group association, and do not vary by individual employee benefit selections.

- Campus planning CBRs are the new budgeting rates moving forward.
- The campus will be informed as soon as CBRs are federally approved.
- When UCPath is implemented, the federally approved CBRs will be used for 'charging' and planning rates = actual rates.
- Factors that will determine benefit rate category, include benefit eligibility (BELI), title code or class title outline, Business unit. (Campus or Medical center)
- Not all types of pay will be assessed CBR. As a general rule, Institutional Base Pay is CBR eligible.

# Campus Planning Benefit Rates vs Prior OCGA Planning



Category Descriptions	Campus Rate	19-20	20-21	21-22	22-23	23-24
Academic Appointee	Prior Planning	38.4%	39.5%	40.6%	41.7%	42.8%
Staff Employee		45.2%	46.4%	47.7%	48.9%	50.2%
HCOMP Faculty & Doctors	1	33.1%	33.3%	33.5%	33.6%	33.8%
Faculty, Leadership & Professionals	2	37.1%	37.4%	37.8%	38.0%	38.2%
Faculty Summer Salary	A	9.1%	9.1%	9.1%	9.1%	9.1%
Post Doc Scholars	B	22.2%	22.9%	23.5%	24.2%	24.3%
Service Professionals	3	58.1%	58.8%	59.5%	60.1%	60.4%
Campus Support	4	50.6%	51.1%	51.6%	52.0%	52.2%
General Staff & All Other	5	44.5%	44.9%	45.4%	45.7%	46.0%
Partial Ben. Eligibility	C	7.4%	7.5%	7.5%	7.6%	7.6%
Students & No Eligibility	D	2.6%	2.6%	2.6%	2.6%	2.6%

Planning Rates are based on 2019 YE salary projections and known benefit increases. They are subject to change as more information is available.

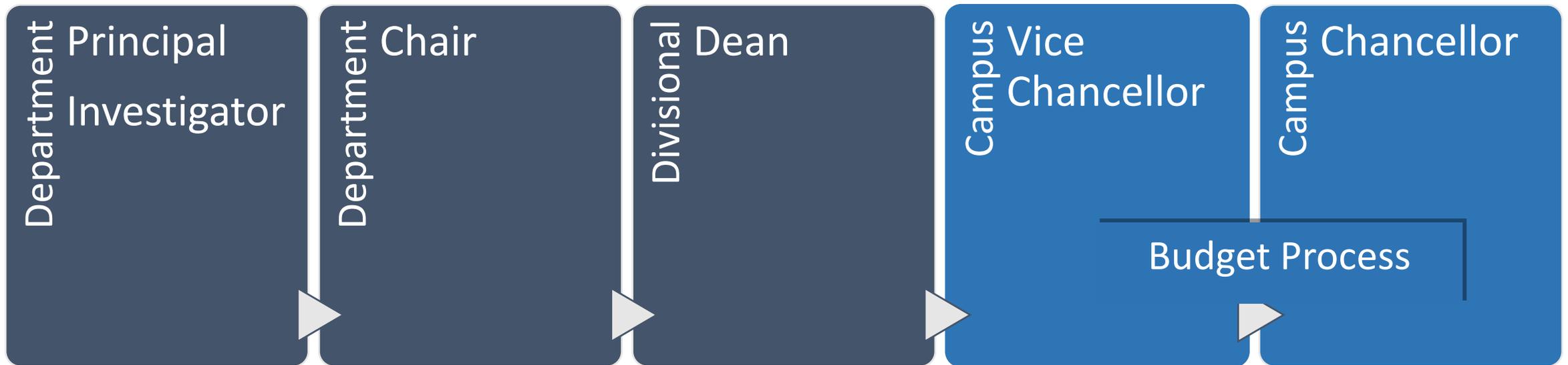
Please note;

- GSR fees are *not* included as part of the CBR. If applicable, please ensure GSR fees are included in the project budget.
- The below budget planning figures are for full-benefit eligibility employees. Partial (Campus Rate C) or no benefit eligible (Campus Rate D) appointments are included in their own categories.
- The projected rates (FY20-FY24) are estimates for planning purposes only. They are subject to change as rates are adjusted and negotiated with our cognizant agency.
- Please use a 3% rate escalation for each additional year past what has been provided.

Title/Appointment Type	Campus Rate	FY20	FY21	FY22	FY23	FY24
HCOMP Faculty & Doctors	1	33.1%	33.3%	33.5%	33.6%	33.8%
Professional Researchers & Specialists	2	37.1%	37.4%	37.8%	38.0%	38.2%
Academic Faculty & Visiting Professors	2	37.1%	37.4%	37.8%	38.0%	38.2%
Staff Research Associates (SRAs)	4	50.6%	51.1%	51.6%	52.0%	52.2%
Project Scientist	5	44.5%	44.9%	45.4%	45.7%	46.0%
Faculty Summer Salary	A	9.1%	9.1%	9.1%	9.1%	9.1%
Postdoctoral Scholars	B	22.2%	22.9%	23.5%	24.2%	24.3%
Students	D	2.6%	2.6%	2.6%	2.6%	2.6%

## Process, Approvals, and Routing:

Request will be submitted for approval by the PI to the Department. Department is responsible for evaluating and ensuring request meets the minimum requirements and that the PI research portfolio is unable to support the additional cost. Cost that cannot be covered by the Department should be routed to their Divisional. Cost that cannot be covered by the Divisional Dean should be routed to their Academic Vice Chancellor. Vice Chancellors that cannot mitigate within their portfolio can then include as a budget request in the annual Campus Budget Process.



- Early communication of CBRs and use in budget plans impacting external and multi-year projects is critical to reduce impact.

Proposed Strategy and Plan	
Core Funds	Rebalancing core benefit budgets at the VC level.
Auxiliaries	Recalibrating administrative assessment.
Sales & Services Education (Recharge Activities)	Develop a timeline for a review and recalculation of high volume, high risk recharge rates. Advise gradual rate changes as necessary.
Health Science	Plan in development within Health.
Sponsored Research	Short term mitigation for multi-year sponsored research grants experiencing hardship due to this change. Funding requests considered by divisional Dean then Vice Chancellor, prior to any campus level requests.

- For budget purposes, use the Campus Planning Benefit Rates in sponsored research proposal development effective July 1, 2019
  - Ensure proposals supporting future awards account for charging at rates aligned with new planning benefit rates.
  - Incorporating these rates will minimize impact of budget shortfalls
  - Campus planning benefit rates require approval by the Feds; once approved they will be implemented as the CBRs when UC Path rolls out
  - Mitigation process, if required for current and continuing awards affected, will be applied when shortfalls are realized in financial summaries
- Campus Notice regarding the use proposed benefit rates was published on June 4, 2019. The link to this notice can be found at:  
<http://adminrecords.ucsd.edu/Notices/2019/2019-6-4-3.html>
- OCGA and FAO web sites will be updated soon

ALL ACADEMICS AND STAFF AT UC SAN DIEGO

SUBJECT: Budgeting for Personnel Benefit Costs beginning July 1, 2019

UC San Diego is taking all necessary steps to prepare for a UC-wide transition to a new rate structure for personnel benefits that locally will be effective for budgeting purposes starting July 1, 2019. These new rates, Composite Benefit Rates (CBRs), are a part of UC Path, a unified UC-wide payroll system. The CBRs cover the employer share of fringe benefits costs, and represent pooled rates set as a percentage of eligible salary. While the distribution of university and contract and grant personnel benefit costs are changing, the transition to CBRs does not affect the mechanism by which individual employees pay for their benefits or the amount that individual employees pay.

As communicated earlier this year, and as part of the 2019/20 campus budget development, departments have already incorporated the CBR rates in their planning budgets effective July 1, 2019. Now is the time for investigators to begin incorporating the new rates in all sponsored research proposal budgets.

The link to planning CBRs and other information is provided at the end of this notice.

The transition to budgeting, and subsequent charging, with CBRs will streamline and standardize fringe benefits budgeting as well as eliminate the significant financial variability that now exists between budgeted rates and actual charges. CBRs will also provide a simplified and predictable method for multi-year budgeting across all contract and grant budgets.

**Sponsored Research Proposal Budgets:**

- Starting July 1, 2019, all proposed budgets prepared for sponsored research opportunities must incorporate the planning CBRs for the assigned research personnel in applications with deadlines of July 1, 2019 or later.
- Future awards that are made against proposals submitted prior to June 30, 2019, or existing awards that do not allow adjustments in budgeting for the new CBR rates, may be impacted. Grant holders who may experience material negative impact that cannot be mitigated should discuss potential one-time support with their academic leadership. Academic VCs will, in turn, contact the campus budget office if they cannot mitigate within their portfolio.
- SIO has already implemented the use of the proposed CBR planning rates for their sponsored research applications.

If you have any questions, please refer to <https://blink.ucsd.edu/finance/costing-analysis/cbrs/index.html> or email [CBR@ucsd.edu](mailto:CBR@ucsd.edu).

- CBR Webpages <https://blink.ucsd.edu/finance/costing-analysis/cbrs/index.html>
- Sharepoint and Budget and Planning Website
- [cbr@ucsd.edu](mailto:cbr@ucsd.edu)
- Additional presentations, training and informational materials are forthcoming.

- A new methodology for assessing **EMPLOYER paid** benefits will take effect with UCPath Implementation. This does not impact employee share of costs which are still based on individual employee elections.
- These new rates, Composite Benefit Rates (CBRs), represent employee title codes with similar benefit costs 'pooled' into 9 categories. CBRs are then derived as a percentage of eligible salary.
- Campus planning CBRs are the new rates to be used for budgeting purposes effective July 1, 2019 and forward.
- These are 'planning rates' and subject to change. Federal Department of Cost Allocation (DCA) must still approve these rates before we implement 'charging with CBRs' when we go-live with UCPath. Final decision from Feds is expected just prior to going live with UCPath.
- Information will be posted to CBR website once the rates are federally approved.

# Questions

