

## **Notification to Campus Regarding Implementation of Spending Fee Program**

A November 15, 2005 Notification to Campus announced the new Development Office Funding Model adopted by the Executive Budget Committee which became effective July 1, 2005. It is important to remember that this Funding Model provides the Development Office with the funds necessary to carry out its mission, while allowing for oversight over development expenditures and providing for flexibility needed to respond to changes in campus fundraising priorities.

One of the components of the funding model is a 1% Spending Fee on expenditures out of Regents' Gift and Endowment Income accounts. Due to customized programming required to accomplish this, assessment of the Spending Fee on departmental ledgers was delayed. The Spending Fee Program is now ready and will be run during the February PeopleSoft ledger closing process on March 7, 2006. February ledgers will reflect fees assessed against February spending out of Regents' Gift and Endowment Income accounts, as well as fees retroactive to July 1 on spending out of such accounts. Thereafter, the Spending Fee Program will run each month as a regular part of the monthly close process.

### **What Funds Ranges Are Affected By The Spending Fee?**

Only Regents' Gift and Endowment Income funds are affected by the Spending Fee. This includes the following fund ranges:

34100-39599 fund range	Regents' Endowment Income
40000-56999 fund range	Regents' Private Gift
80000-80999 fund range	Regents' Private Gift

Foundation funds are not affected by the Spending Fee. Foundation funds transferred to campus are generally directed to Regents' Mirror Funds. Mirror Funds are Regents' Gift or Endowment Income funds with the same purpose as their Foundation Fund counterpart. The Spending Fee is assessed on expenditures out of such funds; there is no spending out of Foundation Funds—funds must be transferred from the Foundation to the Regents' mirror fund before they can be spent.

### **How Will The Spending Fee Appear On My Ledgers?**

The Spending Fee Program will run similar to the way indirect costs are run on extramural funds. The program will run monthly against expenditures out of Regents' Gift and Endowment Income funds, with the 1% assessment charged to each DPA/Fund combination using NCA 437577 – Fees-Gift Expenditures, and recharge income recorded to the Development Office.

The following from WebLinks example provides a simple illustration of how fees will appear on your ledgers:

**GL Transaction Detail for 12/2005 To 12/2005 (CLOSED)**

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Source NCA	Prog	Line Description 1	Budget	Financial	Lien	PO ID
Invoice ID	Invoice Dt	Jrnl Jrnl	Reference	Posted Dt	PrepId	
ID	Dt					
<b>FundFY - 35XXX-SAMPLE FUND</b>						
<b>DPA - 52DPA1 DPA 1</b>						
NCA Group - 436000 OTHER SUPPLIES						
NCA - 436470 PHARMACEUTICALS						
616		436470 HENRY SCHEIN INC 0000170871	0.00	0.00	38.99	PO
12/20/2005	0000170871	12/20/2005				
Total:			0.00	0.00	38.99	
Total:			0.00	0.00	38.99	
Total:			0.00	0.00	38.99	
<b>DPA - 52DPA2 DPA 2</b>						
NCA Group - 436000 OTHER SUPPLIES						
NCA - 436010 SUPPLIES & MATERIALS-OTHER						
426		436010 CHARLES RIVER LABOR 02086765	0.00	161.03	0.00 36177D2300 614914RI	11/15/2005 AP00048589
12/14/2005	02086765	12/14/2005 SFPROD				
426		436010 CHARLES RIVER LABOR 02089516	0.00	174.28	0.00 36177D2307 620214RI	12/01/2005 AP00049156
12/22/2005	02089516	12/22/2005 SFPROD				
Total:			0.00	335.31	0.00	
NCA - 436360 LAB ANIMALS (VA & ANIMAL CARE)						
426		436360 CHARLES RIVER LABOR 02086918	0.00	224.05	0.00 36177D2292 613283 RI	11/08/2005 AP00048720
12/15/2005	02086918	12/15/2005 SFPROD				
Total:			0.00	224.05	0.00	
NCA - 436380 LAB INSTRUMENTS & SUPPLIES						
426		436380 FISHER SCIENTIFIC E0201624	0.00	105.03	0.00 36177A2504 8964395	12/01/2005 AP00047847
12/02/2005	E0201624	12/09/2005 SFPROD				
426		436380 ROCHE DIAGNOSTICS C R0093590	0.00	85.93	0.00 36177D2304 95271737	11/16/2005 AP00047962
12/05/2005	R0093590	12/09/2005 SFPROD				
426		436380 FOPPIANO, SILVIA CYGBX1XK	0.00	16.00	0.00 36177D2500 REIMB	11/28/2005 AP00048282
12/08/2005	CYGBX1XK	12/09/2005 SFPROD				
Total:			0.00	206.96	0.00	
NCA - 436605 RCHG-DEMURRAGE						
556		436605 DEM./36177 1	0.00	3.38	0.00	06639
12/31/2005	36177 1	01/02/2006 SFPROD				
Total:			0.00	3.38	0.00	
Total:			0.00	769.70	0.00	

NCA Group - 437500 OTHER EXPENSES  
 NCA - 437577 FEES-GIFT EXPENDITURE

566	<a href="#">437577</a>	DEC EXPENDITURE FEE	0.00	7.70	0.00	06D97E
12/31/2005	407100	01/11/2006 <a href="#">SFPROD</a>				
Total:			0.00	7.70	0.00	
Total:			0.00	7.70	0.00	
Total:			0.00	777.40	0.00	

**DPA - 52DPA3 DPA 3**

NCA Group - 436000 OTHER SUPPLIES  
 NCA - 436380 LAB INSTRUMENTS & SUPPLIES

545	<a href="#">436380</a>	Lab instruments & supplies	0.00	116.25	0.00	0000048509
12/14/2005	30792	12/20/2005 <a href="#">SFLPIRG</a>				
Total:			0.00	116.25	0.00	
Total:			0.00	116.25	0.00	

NCA Group - 437500 OTHER EXPENSES  
 NCA - 437577 FEES-GIFT EXPENDITURE

566	<a href="#">437577</a>	DEC EXPENDITURE FEE	0.00	1.16	0.00	06D97E
12/31/2005	407100	01/11/2006 <a href="#">SFPROD</a>				
Total:			0.00	1.16	0.00	
Total:			0.00	1.16	0.00	
Total:			0.00	117.41	0.00	
Total:			0.00	894.81	38.99	

Totals: 0.00 894.81 38.99

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<u>DPA</u>	<u>December Spending</u>	<u>NCA 437577-1% Spending Fee</u>
5DPA1	--	--
5DPA2	\$ 769.70	\$ 7.70
5DPA3	\$ 116.25	\$ 1.16

Assessment of the Spending Fee requires that all Gift and Endowment Income Fund Unexpended Balance transactions use a DPA. Prior to implementation of the Spending Fee, use of a DPA was optional for Unexpended Balance transactions on these funds. **Effective immediately, you should begin using a DPA on all Gift and Endowment Income Unexpended Balance transactions.**

### **Are There Any Exemptions To The Spending Fee?**

Scholarships and fellowships for non-salaried fellows and junior faculty are exempt from gift fee assessments, and are therefore exempt from Spending Fee assessments.

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Further questions on the spending fee, or any component of the Development Office Funding Model can be directed to Michael Irwin at [mirwin@support.ucsf.edu](mailto:mirwin@support.ucsf.edu) or 415-476-9221 or Janet Jones at [janet.jones@ucsf.edu](mailto:janet.jones@ucsf.edu) or 415-514-2900. You may also refer to [http://acctg.ucsf.edu/foundation\\_accounting/Development\\_Ofc\\_Funding\\_Model.pdf](http://acctg.ucsf.edu/foundation_accounting/Development_Ofc_Funding_Model.pdf) for further information on the funding model.

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