# Overhead Reconciliation Tool

## Table of Contents

Overview ..................................................................................................................................................... 2  
Common Reasons for IDC Errors ................................................................................................................. 2  
Using the Overhead Reconciliation Tool ..................................................................................................... 3  
  
  **Step 1 – Select the IDC Base** ................................................................................................................ 3  
  **Step 2 – Select Start and End dates for the most recent IDC rate** ................................................................ 3  
  **Step 3 – Enter the IDC Rate for this period in Cell E16** ........................................................................... 3  
  **Step 4 – Select Start and End Dates and enter IDC Rate for the next period** ........................................... 3  
  **Step 5 – Continue adding Start/End Dates and IDC rates as applicable** ............................................. 3  
  **Step 6 – Run BAIRS Reports and add data to spreadsheet** .................................................................... 3  
  **Step 7 – Review the Results** .............................................................................................................. 6  
Other Checks in the Tool – Use As Applicable ............................................................................................. 6  
  **Outside Subaward Check** ...................................................................................................................... 6  
  **Total Direct Cost Equivalent for Total Cost Rate** .................................................................................. 6  
Looking up an award’s IDC Base Code and Rate .......................................................................................... 7
Overview
This tool uses BAIRS monthly summary data to determine if the overhead currently charged on an award matches the amount that should be charged. Most of the heavy lifting is done by formulas in the spreadsheet. Only the correct IDC Base code, dates, and IDC amounts need to be entered, along with copying and pasting in raw BAIRS data.

Common Reasons for IDC Errors
This tool is designed to catch a number of the common IDC errors that we see on awards, including:

- If project code(s) were set-up with an incorrect rate or base
  - The IDC rate and base is set-up at the project level rather than the fund level. If your award has different IDC rates by project, then you will need to split up the data and use the tool separately for each different project’s IDC rates.
- If a scheduled change in IDC rate was not set-up on the award (i.e. when the federal rate switched from 56.5% to 57%)
- May* catch if an incorrect amount was charged to Account Code 57811 – Subaward costs below $25K
  - *There is a standard check built in to compare the amount charged to 57811 versus the number of non-UC Subawards. If you have some subawards with total costs <$25K or a subaward has not yet invoiced for the full $25K yet, this may skew the data.
- Potential other system glitches (IDC not charged in a given month, etc)

The tool is not set-up to handle the following situations. More research will be needed if any of the following apply to your award:

- Multiple IDC rate changes in the same fiscal year
- Sponsor IDC policies that don’t line up with the IDC Bases
  - The tool relies on UC Berkeley’s IDC Base Code Table. The tool is not set-up to handle exceptions to those bases which require manual adjustment from CGA.
- Account code errors that would change an expense from being included in IDC calculations to being exempt, or vice versa. Watch out especially for fabrications and participant support costs.
- Incorrect coding of IDC in the original SPO record set-up. Be sure to check the sponsor notice against the Phoebe Award Summary at the time of award set-up.
Using the Overhead Reconciliation Tool
We will use fund 32191 as an example in the tool.

**Step 1 – Select the IDC Base**
Select the correct IDC Base from the dropdown options in cell D5. More common IDC bases are included at the top of the list. If you do not know the correct IDC Base for your award, you can look up how it’s coded in BFS. See “Looking up an award’s IDC Base Code” at the end of this document. If the IDC Base in the system seems incorrect, discuss with your Team Lead or Supervisor and then escalate to CGA if needed.

In our example, the award is an NIH R01 under the standard federal negotiated rate, so we select BASE B – Modified Total Direct Costs.

**Step 2 – Select Start and End dates for the most recent IDC rate**
For the most recent IDC rate, we need to select our start and end dates. The Start date is when the rate became effective – July 2015 in our example. In this first section, the End Date is the most recently closed month. We will use February 2017.

If the IDC rate does not change over the course of the award, then you would use the award start date as your Start Date and the most recent closed month as your End Date. You will not need Steps 4-5.

**Step 3 – Enter the IDC Rate for this period in Cell E16**
In our example, the rate from July 2015 to February 2017 is 57%.

**Step 4 – Select Start and End Dates and enter IDC Rate for the next period**
We know that the IDC rate for this award used to be 56.5% because it follows our federally negotiated rate. The 56.5% rate was effective July 2013, but because our award started September 2013 we enter September 2013 as the Start Date. The End Date would be June 2015 (because the rate switched to 57% in July 2015).

Enter the IDC rate for this period (56.5%) in cell M16.

**Step 5 – Continue adding Start/End Dates and IDC rates as applicable**
If your award had a third IDC rate in effect, you would complete the next section (columns Q through V) for that rate information, similar to Step 4.

**Step 6 – Run BAIRS Reports and add data to spreadsheet**
You will need to run the BAIRS GL_Sum_By_Chartfields_ModC&G report for each of the End Dates listed in the Reconciliation Tool. In our example, we have two IDC rates and two End Dates – February 2017 and June 2015.

Navigate to the GL_Sum_By_Chartfields_ModC&G BAIRS Report and run the report for your fund number and first end date. Use a Value Range of 01000 – 99999 for the Dept ID. Ignore CF1 and CF2.
Select View 6 – Sum by Five by Fund, Dept ID, CF2, CF1, Program

Go to the Results View

Click in the upper lefthand corner of the table to select all values.
Navigate to the “BAIRS Data” tab on the Overhead Reconciliation Tool and paste the data in Cell A1.

Run the GL_Sum_By_Chartfields_ModC&G BAIRS Report for the next end date. Copy and paste the data into the BAIRS Data tab of the spreadsheet, after the end of the previous data. Delete the row with the second header information. The header information should only be in Row 1.

Delete Row ->
If you have more IDC rates, pull data for that End Date and add to the BAIRS Data tab of the spreadsheet.

**Step 7 – Review the Results**

Going back to the main tab of the spreadsheet, you will see your data pulled in to the report. Row 20 in each section will tell you if there are any discrepancies in IDC charged to your award.

In our example case, they are off by $0.07 total ($0.04 when the rate was 57% and $0.03 when the rate was 56.5%). This minimal amount is not worth correcting. Discuss any thresholds for corrections with your supervisor.

**Other Checks in the Tool – Use As Applicable**

**Outside Subaward Check**

If you have non-UC Subawards on your award and use an IDC rate where IDC should only be charged on the first $25,000 of each subaward, enter the number of non-UC Subawards in Cell L2. This may catch account coding errors. Cell L3 turns red if the total amount charged to account code 57811 exceeds the threshold of $25,000 per award.

In our example, there is one non-UC Subaward but we see that the amount charged to account code 57811 (subaward costs <$25,000) is greater than $25,000. So while the IDC is charging correctly in Step 7 according to the base and rate, the amount on account code 57811 is wrong and will need to be corrected.

This check will not catch all subaward account code errors. If you have subaward(s) with total costs less than $25,000 or subaward(s) that have not yet invoiced for the full $25,000, this can skew the data. It is important to review each subaward further to be sure it’s charged to the account codes correctly.

**Total Direct Cost Equivalent for Total Cost Rate**

If your award follows a sponsor IDC policy that uses a Total Cost (TC) base, the rate needs to be converted to Total Direct Cost (TDC) equivalent for use in our system. Since this needs to be calculated manually, it can be a source of error. A conversion calculator is included in the tool for your use.
Looking up an award’s IDC Base Code and Rate
You can use BFS to see what IDC Base and rate the award is currently set-up to use. With the new Project Chartfields, each project has an IDC Base and rate assigned.

Log-in to BFS and navigate to Main Menu → Awards → Project Activity.

Enter the project number and click “Search”.

![Image of BFS interface with search criteria]
Click on the FA Rates Tab.

Only refer to the rates in the Funded section. Ignore the Institution and Sponsor sections. This is what the system uses to calculate IDC. To see historical rates, select “Include History” and then click the “View All” link.

We can then see the rate used and the base. (If the rate or base seems incorrect based on the contract, discuss with your Team Lead or Supervisor first and then escalate to CGA if needed.) This particular award is an NIH R21, so it follows our federally negotiated rate. Base B is MTDC and we can see that the rate escalated according to our federally negotiated rate schedule.