ERSO Documentation Memorandum

The purpose of the ERSO documentation memorandum is to officially record decisions, interpretations or clarifications made at the executive level that will have broad impact on operations within ERSO. Such documentation is to guide future action in order that ERSO operations are consistent across and within teams. Memorandums are assigned an alpha-numeric identifier in sequence based on Key Unit as follows: Executive Office (EO), Human Resources (HR), Payroll (PR), Information Technology (IT), Purchasing Services (PS), Reimbursement Services (RS) and Research Administration (RA).

<table>
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<th>Date:</th>
<th>March 14, 2012</th>
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<tr>
<td>Subject:</td>
<td>Process to Clear Deficit Sweeps</td>
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<tr>
<td>Key Unit:</td>
<td>Research Administration</td>
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<td>Identifier:</td>
<td>RA-9 Clearing Deficit Sweeps</td>
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Discussion:

If a Contract & Grant fund shows a deficit balance three months after closing, campus sweeps the balance to department funds. The sweeps occur monthly.

If other types of funds show a deficit balance at fiscal year close, campus sweeps the balance to department funds. The sweeps occur annually.

Relevant Policy Links:

UCB Deficit Resolution Policy
http://campuspol.chance.berkeley.edu/policies/deficitresolution.pdf

Campus Cost Transfer Policy
http://controller.berkeley.edu/generalaccounting/PoliciesProcedures/CostTransfer.htm

Findings:

ERSO has a zero tolerance on overdraft funds. Any fund that is automatically swept requires timely resolution.

Guidance:
• If a deficit is swept and the fund is still **active**, the RSO will clear the deficit (direct expenses only) via payroll cost transfers and/or financial journals. When the fund has a credit balance totaling the direct expenses swept, contact the Budget Analyst to reverse the sweep.

• If a deficit is swept and the fund is **inactive**, the RSO will obtain from the PI permission to charge the sweep amount (direct expense amount only) to the PI’s **unrestricted** funds. The RSO will forward the permission to the Budget Analyst who will enter the journal.

If RSOs have any questions about clearing deficits, they should confer with their Team Leads. Team Leads may elevate questions to ERSO management if such help is needed.

Flow Chart: