

REGENTS OF THE UNIVERSITY OF CALIFORNIA, SAN FRANCISCO TRAUMA RECOVERY CENTER

Audit Report

PROPOSITION 47 SAFE NEIGHBORHOODS AND SCHOOLS FUND GRANT EXPENDITURES

July 1, 2018, through June 30, 2020



BETTY T. YEE
California State Controller

January 2022



BETTY T. YEE
California State Controller

January 31, 2022

Ellyn McCaffrey, Interim Assistant Controller
Contracts and Grants Accounting
University of California, San Francisco
1855 Folsom Street, Suite 425
San Francisco, CA 94143

Dear Ms. McCaffrey:

Attached is the final report for our audit of the Regents of the University of California, San Francisco Trauma Recovery Center's Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures for the period of July 1, 2018, through June 30, 2020.

If you have any questions, please contact Andrew Finlayson, Chief, State Agency Audits Bureau, by telephone at (916) 324-6310.

Sincerely,

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

KT/as

cc: Sarah B. Metz, Interim Director
Division of Trauma Recovery Services
University of California, San Francisco
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Audit Report

Summary

The State Controller's Office (SCO) conducted a performance audit of Regents of the University of California, San Francisco (UCSF) Trauma Recovery Center's (TRC) Proposition 47 Safe Neighborhoods and Schools Fund (SNSF) grant expenditures for the period of July 1, 2018, through June 30, 2020. The purpose of the audit was to ensure that program funds were disbursed and expended in accordance with program guidelines and grant requirements, as required by Government Code (GC) section 7599.2(c), and applicable laws and regulations.

We verified that during the period of July 1, 2018, through June 30, 2020, the California Victim Compensation Board (CalVCB) awarded the UCSF TRC with \$1,465,949 in Proposition 47 SNSF grant funds, of which \$1,440,989 was disbursed and expended (\$803,161 in fiscal year [FY] 2018-19, and \$637,828 in FY 2019-20).

Our audit found that UCSF TRC did not prepare and maintain sufficient documentation to substantiate labor costs of \$1,205,324 billed during the audit period; and did not adequately account for labor costs of \$15,868 charged in FY 2018-19.

Except as noted above, UCSF TRC grant expenditures claimed were in compliance with applicable laws, regulations, program guidelines and grant agreement.

Background

Proposition 47 – Safe Neighborhoods and Schools Fund

On November 4, 2014, California voters approved Proposition 47, which reduces penalties for certain offenders convicted of non-serious and nonviolent property and drug crimes. It also allows some offenders to apply for reduced sentences. Proposition 47 established the Safe Neighborhoods and Schools Fund, which is funded by savings that accrue to the State from implementation of the measure. This mandate is expected to save significant state corrections dollars annually.

Savings resulting from Proposition 47 are transferred to the Safe Neighborhoods and Schools Fund to support truancy reduction and drop-out prevention programs for public school pupils in grades K–12; increase victim services grants; and support substance abuse and mental health treatment and diversion programs for people in the criminal justice system.

Regents of the University of California, San Francisco

On July 1, 2018, CalVCB signed Grant Agreement Number VC-G8006 with the Regents of the University of California San Francisco to provide services to crime victims pursuant to GC section 13963.1, and program requirements as stipulated in the Notice of Funds Available for the California Trauma Recovery Center Grant. The program services are provided by the UCSF TRC. CalVCB awarded the UCSF TRC with \$1,947,868 in funding, of which \$1,465,949 was from the Proposition 47

SNSF and \$481,919 was from the Restitution Fund. The agreement term was from July 1, 2018, through June 30, 2020.

Established in 2001, the UCSF TRC provides specialized trauma-informed mental health services, clinical case management, and support services to underserved crime victims in the community. In 2017, California Assembly Bill 1384 named UCSF's TRC the "State Pilot Model" for California, and added GC section 13963.2 to require that CalVCB use the evidence-informed Integrated Trauma Recovery Services model developed by the State Pilot TRC when it selects, establishes, and implements trauma recovery centers pursuant to GC section 13963.1.

Audit Authority

The legal authority to conduct this audit is provided by GC section 7599.2(c), which requires the Controller, every two years, to conduct an audit of the Proposition 47 SNSF Grants Program operated by CalVCB "to ensure the funds are disbursed and expended solely according to this chapter" and to "report his or her findings to the Legislature and the Public."

In addition, GC section 12410 states, in part:

The Controller shall superintend the fiscal concerns of the state. The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment.

Objective, Scope, and Methodology

The objective of our audit was to ensure that UCSF TRC adequately accounted for Proposition 47 SNSF grant funds expenditures, and that its program funds were disbursed and expended in accordance with program guidelines and grant requirements and as required by GC section 7599.2(c) for the period of July 1, 2018, through June 30, 2020.

To achieve our objective, we:

- Identified the Proposition 47 SNSF Grants Program background, criteria, purpose, and requirements by reviewing the FY 2016-17 Governor's Budget, GC sections 7599 through 7599.2, and the California Department of Finance fund classification and basis for the Safe Neighborhoods and Schools Fund;
- Reviewed UCSF TRC's Proposition 47 SNSF grant files, grant agreements, program guidelines, program requirements, and claimed invoices;
- Reviewed UCSF TRC's claimed grant expenditures and performed analytical procedures and budgetary analysis to identify material cost components of each claim, any errors, and any unusual or unexpected variances;
- Interviewed UCSF TRC key personnel, completed internal control questionnaires, reviewed written internal policies and procedures, and identified controls related to audit objective, performed a limited walk-through of critical controls in order to gain a general understanding of UCSF TRC's internal controls related to the

Proposition 47 SNSF Grants Program, such as accounting, timekeeping, procurement and procedures performed by staff when preparing, reviewing and approving grant expenditures, monitoring the grants Program, and recording disbursements and expenditures in the UCSF TRC financial management system;

- Assessed UCSF TRC's internal controls related to the Proposition 47 SNSF Grants Program by reviewing policies and procedures, guidelines, grant agreements, contracts, expenditure reports and supporting documents; and conducted limited tests of those controls related to the audit objective in order to determine whether the controls were functioning as intended; and whether UCSF TRC was in compliance with written internal policies and procedures, applicable provisions of laws, regulations, and established criteria;
- Verified that, during the audit period, CalVCB awarded UCSF TRC with \$1,465,949 in Proposition 47 SNSF grant funds. In addition, verified that UCSF TRC expended \$1,440,989 in Proposition 47 SNSF grant funds (\$803,161 in FY 2018-19, and \$637,828 in FY 2019-20);
- Conducted a risk assessment and reviewed internal controls for Proposition 47 SNSF grants expenditures to determine the nature, timing, and extent of substantive testing;
- Tested sample transactions, traced those transactions to supporting documentation, and performed analytical procedures and budgetary analysis. Specifically, we:
 - Used a judgmental (non-statistical) sampling approach to select samples that supported our audit conclusions, and to ensure that the samples selected were representative of the population and provided sufficient, appropriate evidence;
 - Tested compliance with applicable laws, regulations, internal policies and procedures, and program requirements. Our audit procedures included interviewing appropriate personnel and inspecting documents, records, and grant agreements; and
 - Tested \$303,046 of \$1,440,989 in total claimed program costs as follows:
 - Salaries and Wages—We tested \$240,383 (or 28%) of \$872,783.
 - Rent Costs—We tested \$57,587 (or 29%) of \$199,167.
 - Utilities Costs—We tested \$2,861 (or 22%) of \$13,063.
 - HR Expenses—We tested \$755 (or 43%) of \$1,757.
 - Communication Costs—We tested \$1,460 (or 29%) of \$5,102.

Errors found, if any, were not projected to the intended (total) population

We did not examine the information-system controls or the economy, efficiency, or effectiveness of the program. Our audit of the program was related solely to program expenditures as required by GC section 7599.2(c).

We did not audit UCSF TRC's financial statements. We limited our audit scope to planning and performing audit procedures necessary to achieve our audit objective. In addition, our review of internal control was limited to gaining an understanding of the transaction flows and financial-management accounting system, and performing limited tests of controls regarding UCSF TRC's ability to accumulate and segregate reasonable and allowable program costs.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Conclusion

We verified that during the period of July 1, 2018, through June 30, 2020, CalVCB awarded UCSF TRC with \$1,465,949 in Proposition 47 SNSF grant funds. In addition, we verified that UCSF TRC expended its Proposition 47 SNSF grant funds as required by GC section 7599.2(c).

However, our audit found that UCSF TRC did not:

- Prepare and maintain sufficient documentation to substantiate labor costs; and
- Adequately account for labor costs.

These findings are quantified in the Schedule and described in the Findings and Recommendations section of this report.

Except as noted above, UCSF TRC grant expenditures claimed were in compliance with applicable laws, regulations, program guidelines and the grant agreement.

Follow-up on Prior Audit Findings

There have been no prior audits of UCSF TRC's Proposition 47 SNSF Grants Program; therefore, we did not perform any follow-up activity.

Views of Responsible Officials

We issued a draft report on October 12, 2021. Ellyn McCaffrey, Interim Assistant Controller, Executive Director, responded by letter dated October 21, 2021, disagreeing with Finding 1 and agreeing with Finding 2. This final audit report includes UCSF's complete response as an attachment.

Restricted Use

This report is intended for the information and use of UCSF TRC, CalVCB, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record and is available on the SCO website at www.sco.ca.gov.

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

January 31, 2022

Schedule— Summary of Grant Awards, Amounts Disbursed and Expended, and Audit Adjustments July 1, 2018, through June 30, 2020

Program Cost Element ¹	SNSF Grant Awarded ²	SNSF Grant Disbursed ³	SNSF Grant Expended ³	Allowable per Audit	Audit Adjustments	Reference ⁴
<u>FY 2018-19</u>						
University of California, San Francisco Trauma Recovery Center	\$ 1,465,949	N/A	N/A	N/A	N/A	
Total for FY 2018-19	<u>\$ 1,465,949</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	
<u>FY 2018-19</u>						
Salaries and Wages	N/A	\$ 479,411	\$ 479,411	N/A	\$ 479,411	Finding 1 & 2
Fringe Benefits	N/A	158,876	158,876	N/A	158,876	Finding 1 & 2
Patient Fund	N/A	N/A	N/A	N/A	N/A	
Rent	N/A	110,573	110,573	110,573	N/A	
Utilities	N/A	7,203	7,203	7,203	N/A	
Maintenance/Building/ Repair	N/A	4,987	4,987	4,987	N/A	
Supplies	N/A	24	24	24	N/A	
Staff Travel	N/A	N/A	N/A	N/A	N/A	
HR Expenses	N/A	916	916	916	N/A	
Communication	N/A	2,926	2,926	2,926	N/A	
Indirect Costs	N/A	38,246	38,246	6331	31,914	Finding 1 & 2
Total for FY 2018-19	<u>N/A</u>	<u>\$ 803,161</u>	<u>\$ 803,161</u>	<u>\$ 132,961</u>	<u>\$ 670,201</u>	
<u>FY 2019-20</u>						
Salaries and Wages	N/A	\$ 393,372	\$ 393,372	N/A	\$ 393,372	Finding 1 & 2
Fringe Benefits	N/A	116,270	116,270	N/A	116,270	Finding 1 & 2
Patient Fund	N/A	N/A	N/A	N/A	N/A	
Rent	N/A	88,593	88,593	88,593	N/A	
Utilities	N/A	5,860	5,860	5,860	N/A	
Maintenance/Building/ Repair	N/A	274	274	274	N/A	
Supplies	N/A	N/A	N/A	N/A	N/A	
Staff Travel	N/A	N/A	N/A	N/A	N/A	
HR Expenses	N/A	841	841	841	N/A	
Communication	N/A	2,176	2,176	2,176	N/A	
Indirect Costs	N/A	30,442	30,442	4,960	25,482	Finding 1 & 2
Total for FY 2019-20	<u>N/A</u>	<u>\$ 637,828</u>	<u>\$ 637,828</u>	<u>\$ 102,704</u>	<u>\$ 535,124</u>	
Grand Total	<u>\$ 1,465,949</u>	<u>\$1,440,989</u>	<u>\$1,440,989</u>	<u>\$ 235,665</u>	<u>\$1,205,324</u>	

¹Amounts rounded to the nearest whole dollar.

²For the period of July 1, 2018, through June 30, 2020, CalVCB awarded UCSF TRC with \$1,465,949 in Proposition 47 SNSF grant funds, of which \$803,161 was disbursed in FY 2018-19 and \$637,828 was disbursed in FY 2019-20.

³We verified the accuracy of Proposition 47 SNSF grants disbursed and expended by reconciling Proposition 47 SNSF grant records to UCSF TRC's financial and accounting reports.

⁴See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Insufficient supporting documentation for labor costs

UCSF claimed labor costs based on the percentage of time that individual employees worked on Proposition 47 grant activities. The percentage of time claimed was based on budgeted estimates. Due to a lack of time accounting records or equivalent data, we were unable to determine whether the percentage of time claimed for each employee was accurate, and whether estimates of time spent on Proposition 47 grant activities were reasonable.

UCSF provided employee timesheets to support labor costs; however, the timesheets did not support hours worked specifically on Proposition 47 activities. Employee time sheets record total hours worked and leave time used by employees; they do not differentiate between hours spent on Proposition 47 grant activities and hours spent on non-reimbursable activities.

UCSF provided patient log data to CalVCB as part of program reporting, but not for invoicing purposes. The clinical logs detail the number of clients served and training sessions provided to law enforcement and community agencies, and are documented in the quarterly progress reports submitted and approved by CalVCB. The clinical logs include hours worked, but do not detail which UCSF staff members worked on grant activities. Although the clinical logs indicate that UCSF staff members were engaged in grant activities, we were unable to use these logs to verify the actual percentage of time that employees were engaged in grant activities.

Because we were unable to determine whether the percentage of time claimed for each employee was accurate, and whether estimates of time spent on Proposition 47 activities were reasonable, we question the labor costs claimed by UCSF.

The total questioned labor costs are as follows:

Cost Element	Amount Claimed
Salaries	\$ 872,783
Fringe benefits	275,145
Associated indirect costs (5%)	57,396
Total	<u>\$ 1,205,324</u>

We also identified instances in which timesheets were submitted but not approved, or no timesheets were available to support the claimed costs. We reviewed 408 timesheets (100% of the billed employees' timesheets) for the audit period, and found that 73 timesheets had exceptions.

We found 29 exceptions in the 133 monthly timesheets, including:

- Submitted, but not approved;
- Not submitted or approved; and

- Not submitted, but approved.

We found 44 exceptions in the 275 biweekly timesheets, including:

- Not approved, but processed and completed; and
- Approved and processed, but not completed.

The *University of California Accounting Manual* (Chapter A-000-7, “Official Documentation Required in Support of University Financial Transactions,” section II, Part A, subparagraph 2) states, in part:

- c) For absences with full salary or absences without salary; an approved copy of the document authorizing such leave
- d) For employees whose time or effort is charged in whole or in part to U.S. government funds: the Personnel Activity Report (PAR), certified in accordance with campus instructions....

Grant Agreement Number VC-G8006, section IV: Invoicing and Payment, states, in part:

Funds will be released retrospectively on a quarterly basis upon receipt and approval of invoices and supporting documentation detailing program expenditures and the required database data as set forth in the Reporting Requirements of this NOFA (Section 8)....Invoices shall include the following:

- Signed timesheets or attendance records, including the employee name, position/classification, time base, rate of pay, hours worked (see Attachment 4, TRC Invoice Instructions), and a breakdown of fringe benefits, if applicable.

Grant Agreement Number VC-G8006, Attachment 4 – TRC Invoice Instructions, states, in part:

Grant funds will be released retrospectively on a quarterly basis upon receipt of the required invoice....Invoice batches received shall include the following....Supporting documentation for all direct costs including receipts and explanations of a typical expenses.

Recommendation

We recommend that UCSF TRC:

- Prepare and maintain sufficient documentation to substantiate labor costs, in accordance with the *University of California Accounting Manual*;
- Ensure that all labor costs charged to the Proposition 47 SNSF Grants Program are program-related, eligible, allowable, supported, reasonable, and in accordance with the grant agreement and program requirements; and
- Provide supporting documentation for all labor costs billed to CalVCB.

UCSF's Response

UCSF's payroll system and procedures ensure a reasonable representation of time spent as an indication of work completed for all employees. The program requires a complete and detailed review of submitted invoices which includes detailed justification and documentation for all charges prior to making payment. Therefore, the payment of all invoices during this period can be used as support that the [CalVCB] program office believed sufficient supporting documentation for labor charges was provided at the time each invoice payment was made and that the charges align with the work completed during the invoice period.

SCO Comment

Our finding and recommendation remains unchanged.

As stated in the finding, UCSF lacked accounting records or equivalent data. Therefore, we were unable to determine whether the percentage of time claimed for each employee was accurate, and whether estimates of time spent on Proposition 47 grant activities were reasonable.

FINDING 2— Inadequate accounting for labor costs

Our test of salaries disclosed that UCSF TRC did not adequately account for labor costs of \$15,868. In FY 2018-19, UCSF TRC incorrectly charged the TRC Director's and the Clinical Coordinator's time to the program. Human Resources records indicated that both employees were on extended leave of absence during the period.

UCSF TRC explained that during the emergent medical leave of these personnel, the acting clinicians worked considerable additional hours to fulfill both their primary and acting duties in clinical oversight and supervision of the program. CalVCB was fully aware of the staffing challenges and approved the contract billings.

Although we acknowledge the extra efforts of the acting officers to ensure minimal impact to trauma recovery services, we determined that charging the TRC Director's and the Clinical Coordinator's labor costs in lieu of work performed by the acting officers was unallowable, and not supported. Only actual costs incurred as a direct charge to the program are allowable.

The unallowable labor costs are as follows:

Cost Element	Amount Claimed
TRC Director—Salaries and wages	\$ 3,924
Clinical Coordinator—Salaries and wages	7,247
Clinical Coordinator—Fringe benefits	3,940
Associated indirect costs (5%)	756
Total	\$ 15,868

Grant Agreement Number VC-G8006, section IV: Invoicing and Payment, states, in part:

For services satisfactorily rendered, and upon receipt and approval of the invoices, the Board agrees to compensate the Awardee for actual expenditures permitted by the terms of this contract in accordance with the approved budget....Eligible costs include:

Direct Costs:

- Salaries and benefits for personnel providing direct treatment, including:
 - Activities such as mental health treatment, clinical supervision, social work, victim advocacy, and case management
 - Administrative salaries related to the support of direct treatment and other eligible activities.

Grant Agreement Number VC-G8006, Attachment 4 – TRC Invoice Instructions, states, in part:

Grant funds will be released retrospectively on a quarterly basis upon receipt of the required invoice....Invoice batches received shall include the following....Supporting documentation for all direct costs including receipts and explanations of a typical expenses.

Recommendation

We recommend that UCSF TRC:

- Ensure that all labor costs charged to the Proposition 47 SNSF Grants Program are program-related, eligible, allowable, supported, reasonable, and in accordance with grant agreement and program requirements;
- Make necessary accounting corrections for the labor costs totaling \$15,868 (salaries and associated benefits of \$15,112, and indirect costs of \$756) over-charged to the Proposition 47 SNSF Grants Program; and
- Reimburse \$15,868 to CalVCB for the unallowable costs claimed, or request that CalVCB offset UCSF TRC's future claims by \$15,868.

UCSF's Response

UCSF agrees that charges for extended leave should not have been charged to the program. UCSF reviewed salary transactions for extended leaves for faculty that were posted. UCSF has confirmed that all other payroll during the extended leaves was accurately accounted for and is currently monitoring for such instances to prevent future charges from being incorporated into an invoice. New policies and practices allow for easier capturing of these leaves. Any coverage provided by other employees will be included in the payroll charged and timesheets recorded accordingly. UCSF will work with CalVCB to remediate the \$15,068 in charges that were posted during the award period for this purpose.

**Attachment—
Regents of the University of California, San Francisco
Response to Draft Report**



University of California San Francisco
Controller's Office
Contracts and Grants Accounting

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October 21, 2021

Andrew Finlayson
Chief, State Agency Audit Bureau
State Controller's Office, Division of Audits
Post Office Box 942850
Sacramento, California 94250

Re: S21P470001 UCSF Management Response

Dear Mr. Finlayson,

University of California, San Francisco (UCSF) appreciates the opportunity to work with the California State Agency Audit Bureau to review our research post award management policies, practices and procedures and oversight of the Trauma Recovery Center's Proposition 47 Safe Neighborhoods and Schools grant. UCSF takes our obligation to administer awards to ensure compliance with all applicable laws, policies, and requirements very seriously. UCSF has a robust internal control environment to provide reasonable assurance that expenses charged to funded awards are allowable, allocable, reasonable, relevant, and necessary. Additionally, UCSF continuously evaluates and enhances policies, procedures and systems in place related to our post award management practices. UCSF strongly disagrees with *Finding 1 - Insufficient supporting documentation for labor costs* and presents the following support. A response to Finding 2 - *Inadequate accounting for labor costs*, is also included below.

FINDING 1 - Insufficient supporting documentation for labor costs:

UCSF's payroll system and procedures ensure a reasonable representation of time spent as an indication of work completed for all employees. The program requires a complete and detailed review of submitted invoices which includes detailed justification and documentation for all charges prior to making payment. Therefore, the payment of all invoices during this period can be used as support that the California Victims Compensation Board (CalVCB) program office believed sufficient supporting documentation for labor charges was provided at the time each invoice payment was made and that the charges align with the work completed during the invoice period.

In addition, in an email dated August 12, 2020, prior to the start of the audit, in conversation with the Trauma Recovery Grant Liaison, Jessica Ross, at the CalVCB, UCSF received confirmation that the current payroll records that had been provided with the aforementioned invoices were sufficient to meet the timesheet requirements. The exact verbiage from the email confirmation UCSF received is as follows:

The current payroll records you provide will be sufficient for the timesheet requirements, but I spoke with Ava and moving forward for this new grant cycle, we will need to receive the timesheets, whether that is electronic copies that can be electronically signed. But we will require them moving forward for the new grant cycle.

It was clearly stated in this email that UCSF would be required to provide timesheets for the new grant cycle and UCSF has been complying with that request as of 7/1/20 in support of our CalVCB invoices.

In terms of overall payroll processing and timesheet approvals, we point you to the U.S Department of Labor guidance <https://webapps.dol.gov/elaws/whd/flsa/hoursworked/sufferpermit.asp>) as the justification of why we pay the hours that are recorded by employees regardless of whether or not the timesheet is submitted or approved. Where employees are incorrectly paid, history corrections are permitted with employee and supervisor approval. For timesheets with exception, our program had the PI and the Division Administrator review/approve after the payroll reporting period closed in our systems (Huntington Business Systems (HBS)). As previously indicated, monthly paid employees are [FLSA exempt](#) and are compensated based on their position setup in the University of California (UC) payroll system. They are only required to report exception time for leave. See reference in UCSF guidance: <https://controller.ucsf.edu/how-to-guides/payroll/hbs-processing-center/employee-time-leave-reporting-using-hbs#submitting>. It is also referenced in UC policy at <https://policy.ucop.edu/doc/3410255/AM-P196-13>, section B, page 6.

Under **Section IX, Reporting Requirements**, in the signed agreement, UCSF is required to participate in data collection activities using a MS Access database provided by CalVCB. In addition, performance measure estimates were outlined in the 2018 Notice of Funds Available (NOFA) application. These performance measurements are captured in the SOW in the signed contract. TRC has fulfilled this requirement as reported and accepted by CalVCB which further substantiates that work was done at or above the requirement. This, in concert with the approved invoices, represents that CalVCB was satisfied with the performance and cost associated with the work product and further supports UCSF position that labor costs were sufficiently supported.

UCSF follows UC and US Federal policy in the maintenance and monitoring of labor charges. The comment that UCSF needs to have a Personnel Activity Report (PAR) under UC Accounting Manual A-000-7, Section II, Required Documentation, Part A, Salaries and Wage Costs—Including Employee Benefits, part 2) d) appears to be interpreted by the California State Agency Audit Bureau to be applicable to all types of governmental funding. In fact, this is intended for US federal funding only and does not apply to other levels of government funding. This intention is confirmed under [UCSF Administrative Policy 300-19](#) section A. Bullet 4 which was in place at the time of this program and audit:

Project principal investigators are responsible for ensuring that the University required, after the fact, verification of personnel expenditures charged to Federal Sponsored Projects is timely documented and maintained in accordance with campus procedures.

For all other funding, UCSF defaults to the federal guidelines in the absence of other terms and conditions where Uniform Guidance requires a process of internal control to verify that salary and wages charged to federally sponsored projects are reasonable estimates in relation to the actual work performed. See [§200.430 Compensation—personal services](#).

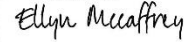
In addition, the grant does not request we maintain personnel activity reports. In point of fact, there are no units of service attached to the grant. The outcomes are solely based on unduplicated clients (UDC) and trainings to law enforcement. We met both the UDC and the training expectations for the grant period under review. As mentioned above, on a quarterly basis we do provide to the CalVCB reports on services, clients etc. The CalVCB has those quarterly reports that demonstrate work on the grant, types of services, personnel who provided services, etc. These were accepted and approved by the CalVCB.

Considering this information presented, UCSF feels that the finding is not representative of the oversight and management of costs and the related work completed under this program. Given the approval of the State office running the program to forgo timesheets during this period, UCSF believes we are in full compliance. UCSF will discuss further with the program directly.

Finding 2 – Inadequate accounting for labor costs

UCSF agrees that charges for extended leave should not have been charged to the program. UCSF reviewed salary transactions for extended leaves for faculty that were posted. UCSF has confirmed that all other payroll during the extended leaves was accurately accounted for and is currently monitoring for such instances to prevent future charges from being incorporated into an invoice. New policies and practices allow for easier capturing of these leaves. Any coverage provided by other employees will be included in the payroll charged and timesheets recorded accordingly. UCSF will work with CalVCB to remediate the \$15,068 in charges that were posted during the award period for this purpose.

Sincerely,

DocuSigned by:

ECF8AC1544824E0...

Ellyn McCaffrey
Assistant Controller, Contracts & Grants Accounting
University of California, San Francisco

cc: Shannon Turner, Associate Vice Chancellor and Controller
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