

Analyzing and Managing STIP at UCSF

This job aid will explain:

- How STIP is aggregated in the chart of accounts
- Restrictions on how and when STIP can be transferred
- How to transfer STIP
- How to calculate STIP below the Fund-DeptID level
- How to find the STIP rate in PeopleSoft

STIP Aggregation

- ▶ The STIP process is designed to produce a high degree of aggregation:
 - STIP is calculated at the Fund-DeptID level.
 - STIP from all Funds is distributed to a single Fund, 5018.
Exceptions: STIP earned on Agency Funds, which do not belong to the University, is distributed back to the original Fund and the original DeptID. STIP earnings on Sponsor STIP Restricted Awards are distributed to the original Fund, DeptID *and* Project.
 - Departments can choose to direct the STIP from multiple DeptIDs to a single DeptID that they own by use of the STIP Attribute on DeptID. See the “STIP Source and Target DeptIDs” job aid for details.
- ▶ In contrast, the accounts used for STIP are disaggregated, with five revenue and five expense accounts used for STIP distribution, to enable correct mapping of the UCSF ledger to the UCOP financial system. See the “STIP Calculation and Distribution” job aid for details on these accounts.
 - All the STIP accounts in a DeptID must be added together to determine if the total amount of STIP received is positive or negative.
- ▶ Departments are encouraged to manage STIP at the highest possible level of aggregation (e.g., redirect all STIP to a single DeptID) and to treat STIP as a pool of highly discretionary, non-earmarked funding.
 - To save the time and effort of calculating STIP every month, on the balance in a Project, it is recommended that departments support activities from this pool through their budgeting process.

Restrictions on Transfers of STIP

- ▶ Departments should not transfer STIP if it was directed to the Core Financial Plan by the STIP Fund Rules. (See Calculation & Distribution Job Aid)
- ▶ Transfers of STIP **income** should **stay within the fund** that originally received the STIP unless there is a government regulation, UC policy, or specific language in an award requires that STIP be credited to a fund or project.
 - Net positive STIP on a Federal award will be credited to the award by the Controller’s Office at year-end.

- ▶ STIP expense is not allowed on recharge activities, as that might result in interest expense being charged to federal awards.
 - Beginning in 2014-15, STIP revenue on recharges should also be retained by the department, not allocated back to the recharge Fund-Project. The STIP distribution model allocates STIP earnings to Fund 5018 and Project 1111111, so no additional transfers are needed.
 - Departments may wish to review their STIP Attribute DeptID settings if they have a separate DeptID for recharge activities.
 - Please refer to [UCSF Sales and Service Center Policy Guidance and Procedures Manual](#) for complete info on recharge STIP guidelines.
- ▶ **Do not** use the STIP accounts 49140 through 49144 or 59140 through 59144 for transfers of STIP. (See Transferring STIP below)
 - Those accounts are intended only for the original distribution of STIP by the monthly allocation process. Any other use will cause errors in the financial reporting to UCOP.
 - Note that Budget and Resource Management or the Controller’s Office may use the original STIP accounts if it is necessary to correct the original STIP journal.

Transferring STIP

- ▶ The DeptID and Project can be changed to transfer STIP to a new owner or to dedicate it to a specific project.
- ▶ If STIP income is owed to a DeptID-Project:
 - 1) Create a journal that debits the DeptID and/or Project that originally received the STIP and credits the new DeptID-Project for the same amount.
 - 2) Use Account 78005 on both the debit and the credit:
 - a) For transfers of STIP income or expense between DeptIDs or Projects
 - b) For transfers of STIP **expense (negative STIP)** from one current fund to another current fund
 - c) If the transfer is to another fund type, such as from Current to Plant, it can no longer be treated as STIP, and account 78005 cannot be used. A different account must be used to encode the purpose of the transfer.
 - 3) A journal that changes just the DeptID and Project would follow this schema:

Debit:	5018-DeptID A-1111111-43-78005	-\$50.00
Credit:	5018-DeptID B-XXXXXXX-43-78005	+\$50.00

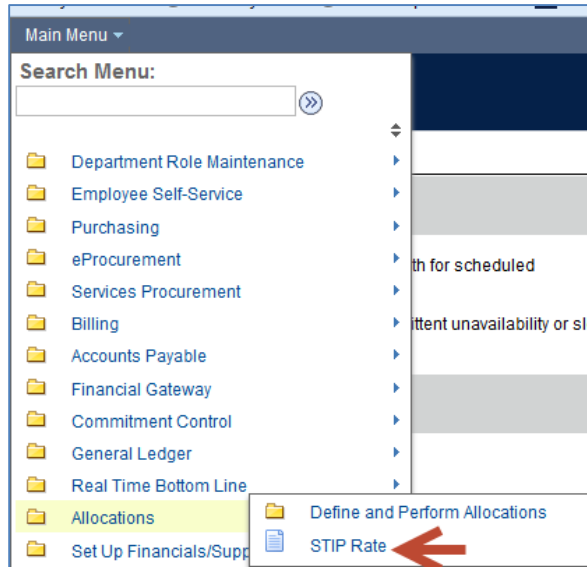
 - a) If instead the DeptID-Project owes STIP expense, then reverse the debits and credits, but the account would still be 78005 on both sides.

Calculating STIP Below the Fund-DeptID Level

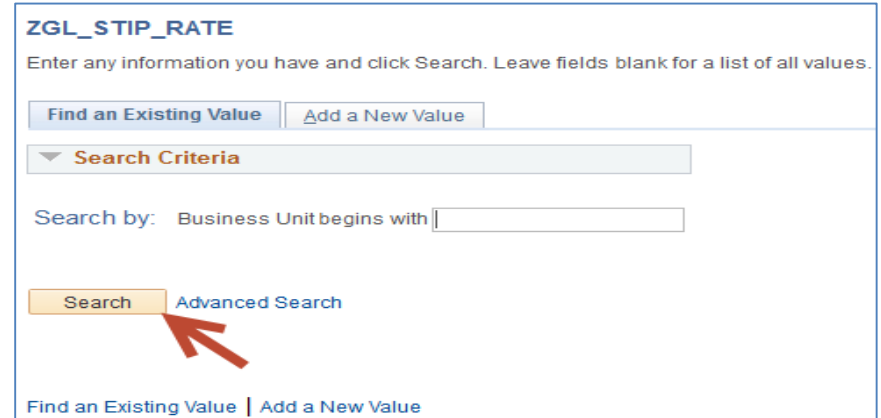
- ▶ To determine the STIP earned by an individual Project, departments will need:
 - The “Net Position” report from MyReports
 - The STIP rate for the month
 - ▶ The STIP rate changes every month, as does the Net Position. Therefore, STIP at the Project level must be calculated one month at a time.
- 1) Follow the instructions in the Net Position Report job aid to run the “Net Position” report in MyReports for your DeptID.
 - a) The report will have a single line for every Fund and Project where that DeptID has been used. The last column is Net Position End of Period.
 - 2) Follow the instructions in “Finding the STIP Rate” in this document to get the STIP rate for the same month as the Net Position.
 - 3) Take the Net Position End of Period for the Project you are interested in and multiply it by the STIP rate for that month.
 - 4) Repeat the steps above for every month in the year or in the life of the project.

Finding the STIP Rate

- ▶ The STIP Rates from July 2012 onward are available in PeopleSoft.
- 1) In the main menu, click on the Allocations folder, and click on STIP Rate.



- 2) On the STIP Rate screen, leave the search box blank and click the Search button.



- 3) That will bring up the table of monthly STIP rates. If needed, you can download all the rates to Excel using the Download button.

	*Fiscal Year	*Accounting Period	STIP Rate for Negative Net Pos	STIP Rate for Positive Net Pos		
1	2017	1	0.074579	0.074579	+	-
2	2017	2	0.071869	0.071869	+	-
3	2016	12	0.067026	0.067026	+	-
4	2016	11	0.072370	0.072370	+	-
5	2016	10	0.081416	0.081416	+	-
6	2016	9	0.067956	0.067956	+	-
7	2016	8	0.075364	0.075364	+	-
8	2016	7	0.079372	0.079372	+	-
9	2016	6	0.078387	0.078387	+	-
10	2016	5	0.058582	0.058582	+	-
11	2016	4	0.060759	0.060759	+	-
12	2016	3	0.090433	0.090433	+	-