

Calculation and Distribution of STIP at UCSF

This job aid will explain:

- What STIP is
- How STIP is calculated and distributed
- Chartstrings used for STIP income and expense

STIP Definition

- ▶ **Short Term Investment Pool (STIP)**
An investment pool consisting of assets remaining in The Regents' central bank accounts after disbursements, which are invested by the Chief Investment Officer of The Regents in short-term securities.
- ▶ STIP income is the interest earned on the average daily balance held in the bank at the system-wide level. It is distributed from UCOP to each of the campuses as a lump sum at the end of every month. Each campus must then distribute the STIP received according to campus policy. (See [Campus Administrative Policy 300-35](#))

Calculation of STIP

- 1) The monthly STIP rate is calculated by taking the total STIP income received from UCOP and dividing it by the campus-wide Net Position for that month.
 - See the “STIP Analysis and Management” job aid for how to find the STIP rate in PeopleSoft.
- 2) To determine the STIP earned by a given Fund-DeptID combination, the Net Position for that Fund-DeptID is multiplied by the monthly STIP rate.
 - If the Net Position is a credit balance, the Fund-DeptID will earn STIP income (positive STIP), which is recorded in a revenue account.
 - If the Net Position is in deficit, the Fund-DeptID will earn STIP expense (negative STIP), which is recorded in an expense account.
 - If the Net Position in a given Fund-DeptID combination is between \$1,000 and -\$1,000, then no STIP will be distributed to that Fund-DeptID.
 - As of July 2016, positive STIP is capped at a 1% annual rate. Negative STIP is not capped. If a sponsor requires all STIP to be credited to the award (a Sponsor STIP Restricted Award), then positive STIP is not capped, either.

Distribution of STIP

- ▶ STIP is usually distributed to an aggregated chartstring rather than the Fund-DeptID where the STIP was earned. STIP distribution is determined primarily by the original Fund type. STIP earnings are directed to the Core Financial Plan in the case of centrally managed funds and where regulations or policies require it. Otherwise, STIP is distributed to departments.
 - See the “STIP Fund Rules” table below.

- 1) Non-university funds and sponsor-directed funds follow special distribution rules.

- a) STIP on Agency Funds is distributed to the original Fund and original DeptID.
- b) STIP earnings on Sponsor STIP Restricted Awards are distributed to the original Fund, original DeptID, and original Project, and original Activity Period. Sponsor STIP Restricted Awards are identified in the Research Administration System. Contact Contract and Grants Accounting with any questions.
- c) Chartfields not specified in (a) and (b) are determined by the rules below.

- 2) Fund: All other STIP is posted to Fund 5018.

- 3) DeptID: The Core Financial Plan receives STIP in the case of centrally managed funds and where regulations or policies require it.

If the fund rule gives the STIP back to the department, the STIP process distributes the income or expense to the DeptID designated by the department, which is stored in the STIP Attribute on DeptID. The default value is the original DeptID.

- See the “STIP Source and Target DeptIDs” job aid for how to find the value of the STIP Attribute for a given DeptID.

- 4) Project: The Project used for STIP distribution is 1111111, General Unspecific. Account: The Account used for STIP distribution is chosen based on the original Fund type and whether the STIP is positive or negative, as follows:

Account Type	Account	Account Name
Revenue	49140	STIP invest income-current
	49141	STIP invest income-loan
	49142	STIP invest income-plant
	49143	STIP invest income-roi
	49144	STIP invest income-rrpl
Expense	59140	STIP invest expense-current
	59141	STIP invest expense-loan
	59142	STIP invest expense-plant
	59143	STIP invest expense-roi
	59144	STIP invest expense-rrpl

- 5) Function: To ensure valid DeptID-Function combinations, the Function is chosen based on the Control Point receiving the STIP, as follows:

Control Point	Function	Function Name
Schools & EVCP	43	Academic Support
FAS, Campuswide	72	Institutional Support & General Admin

STIP Fund Rules

► The following table shows which Fund and DeptID will receive STIP, based on the Fund number and whether positive or negative STIP has been earned:

Source of STIP		Target of STIP			
Fund Number	Fund Type	Fund	DeptID		Project
			Positive STIP (Revenue)	Negative STIP (Expense)	
1xxx	State Funds, UC General Fund, UC Programs	5018	Core Financial Plan	Core Financial Plan	1111111
2xxx	Agency Funds	Original Fund	Original Dept ID	Original Dept ID	1111111
3000	Tuition	5018	Core Financial Plan	Core Financial Plan	1111111
3010	Non-Resident Tuition	5018	Core Financial Plan	Core Financial Plan	1111111
3xxx All Other	Tuition and Fees, All Other	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
43xx	Prepaid Private Contracts & Grants <i>with Fixed Price Payment Method 60 or 80</i>	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
43xx	Prepaid Private Contracts & Grants - Sponsor STIP <i>Restricted with Fixed Price Payment Method 60 or 80</i>	Original Fund	Original Dept ID	Original Dept ID	Original Project
44xx	Clinical Drug Trials	5018	STIP Attribute on Dept ID	Core Financial Plan	1111111
49xx	Cost Sharing	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
4xxx All Other	All other Sponsored Contracts & Grants (including 43xx with other payment methods)	5018	Core Financial Plan	Core Financial Plan	1111111
5000	Campus Core	5018	Core Financial Plan	Core Financial Plan	1111111
50xx	Sales and Service	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
51xx	Other Sources-Other	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
55xx	Renewal and Replacement Reserves	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
6xxx	Loans	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
76xx	Other Sources Foundation	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
7xxx All Other	Gifts and Endowments	5018	Core Financial Plan	STIP Attribute on Dept ID	1111111
8xxx	Balancing Fund, Invalid Fund	5018	Core Financial Plan	Core Financial Plan	1111111
9105	Plant University Funds	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
96xx	Plant Borrowing	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
98xx	Plant Debt Service	5018	STIP Attribute on Dept ID	STIP Attribute on Dept ID	1111111
9xxx All Other	Plant All Other	5018	Core Financial Plan	Core Financial Plan	1111111

1. At year-end, Contracts & Grants Accounting will review the net annual STIP on federal sources, and any net positive STIP will be credited to the award that earned it.
2. Funds specific to the Medical Center (5020) and the Foundation (5160) are used within those business units and do not receive STIP from the campus-wide process.
3. 92XX Funds are excluded from the STIP distribution process.