

Topic

Financial Administration [1]

Policy Number

300-35

Reviewed Date

July 10, 2018

Responsible Office

- Office of the Senior Vice Chancellor, Finance and Administration [2]

Purpose

This policy governs the distribution of Short Term Investment Pool (STIP) earnings at the UCSF campus. STIP earnings are the interest generated on the average daily balance held in the central bank account at the system-wide level. UCOP distributes the earnings to each of the campuses as a lump sum on a monthly basis. All campuses participate in the distribution of STIP earnings. Each campus then distributes the STIP earnings received according to campus policy. This policy governs STIP distribution to the UCSF Campus and Medical Center Business units. The Medical Center receives STIP earnings according to system-wide rules. STIP management policy will be developed for additional business units as they are created.

Definitions

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.

Policy

STIP earnings are distributed in the month after they are earned based on the month-end net position at the Fund-DeptID level.

A. STIP earnings allocations are equal to the net position multiplied by the monthly STIP rate.

- A positive net position will result in the distribution of STIP revenue.
- A negative net position will result in the distribution of STIP expense.
- STIP earnings are not allocated on balances between -\$1,000 and \$1,000.

B. The monthly STIP rate is calculated by taking the total STIP earnings and dividing by the campus-wide net position at month end.

C. STIP revenue distributed to campus units is capped at 1% effective July 1, 2016. Exceptions are sponsored awards with sponsor requirements requiring the allocation of interest¹, hereafter referred to as Sponsor STIP Restricted Awards, which will accrue STIP at

the full rate. The earnings rate cap also does not apply to UCSF Health financial balances.

D. STIP expense is not capped and is distributed to campus units calculated at the full STIP rate.

E. STIP earnings are an unrestricted fund source, therefore earnings are received and distributed in Fund 5018-Sales & Services, Other, regardless of the fund where the original balance was held.

- i. STIP earnings on Agency funds, which are held by the Regents but do not belong to the University, are distributed to the original Agency Fund (2xxx).
- ii. STIP earnings on Sponsor STIP Restricted Awards are distributed to the original fund (43xx).
- iii. Balances Invested in Plant (Fund 92xx) are excluded from the STIP earnings allocation process.

F. STIP earnings are distributed to departments or held centrally based on regulation, policy, and the degree to which the department has control over the balance in the fund.

- i. STIP earnings are held centrally on:
 - Centrally managed funds, such as State Funds, Facilities and Administration (F&A) Cost Recovery, Tuition and Fees, Campus Core Funds, and Balancing Funds
 - Gift and endowment income funds with positive net position values
 - Federal, State, and local contracts and grants, private contracts and grants that are not pre-paid, and clinical drug trials with negative net position values.
- ii. STIP earnings are distributed to departments on all other funds, using the DeptID designated by the department, which is stored in the STIP attribute on DeptID.
- iii. STIP earnings on the Sponsor STIP Restricted Awards are distributed to the original DeptID and original Project.
- iv. Departments should not transfer STIP earnings from the Core Financial Plan or any other Department other than their own.
- v. STIP transfer Account 78005 must be used (not the original STIP expense or revenue Accounts) when moving STIP.

Responsibilities

Controller's Office is responsible for directing the monthly lump sum disbursement from UCOP to the Campus Clearing Account.

Budget and Resource Management (BRM) is responsible for the campus-wide STIP earnings allocation process and the posting of STIP earnings, per the above rules.

Departmental Budget and Accounting Officers are responsible for monitoring STIP earnings.

References

- UCSF Budget and Resource Management Website ^[3]
- STIP Job Aids ^[4] ? Guidance on STIP Distribution, Management
- Moving Money Quick Reference Guide ^[5]
- UCOP Policy A-60, Short-Term Investment Pool (STIP) ? Distribution of Income ^[6]

¹ The Contracts and Grants Accounting Unit of the Controller's Office identifies all Sponsor STIP Restricted Awards in the Research Administration System.

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Links

[1] <https://policies.ucsf.edu/policy/300>

[2] <mailto:SVCPOLICIES@ucsf.edu>

[3] <http://brm.ucsf.edu/>

[4] <http://brm.ucsf.edu/stip>

[5] http://controller.ucsf.edu/accounts/files/COA_Moving_Money_Quick_Reference.pdf

[6] <http://policy.ucop.edu/doc/3420331/BFB-A-60>