

MANAGEMENT OF FABRICATION PTAs

PROPERTY SERVICES (PS), SPONSORED RESEARCH (OSR) AND PROJECT ACCOUNTING (PA)
Version: July 16, 2010

The information below is provided as guidance for the management of extramurally funded expense accounts associated with efforts that qualify as Fabrications under the Caltech Fabrication Policy.

Approval and Activation of a Fabrication PTA

The initial request for a Fabrication PTA is generated by the Principal Investigator's (PI's) administrative staff (delegate/preparer) using Oracle OGM PTA Setup – CIT. During the set-up process, when the PTA is designated as a Fabrication PTA, the preparer also completes the electronic Fabrication Request form imbedded in the PTA set-up (see screen samples below).

A Fabrication PTA cannot share a project # or an award # with a research PTA, even when they are associated with the same sponsor (funding source) award. It can only be linked with other Fabrication projects or awards under the same funding source award number. The expense allowability schedule assigned to a Fabrication PTA must be Fabrication Allowability; non-fabrication research expenses are managed under the Research Allowability Schedule. Only one allowability schedule can be assigned to a PTA, thus the need for two discrete PTA numbers.

OSR will activate a new Fabrication PTA **only after it has received** the electronic approval from Property Services **and** the signed/approved hard copy of the electronic Equipment Fabrication Setup Form.

Active fabrication PTAs will only be extended after a revised Fabrication Request form or email is received from Property Services approving the changes being requested, i.e. change in placed of service date, or an increase in the original fabrication budget of more than 20%-25%.

The OGM (PTA) Period of Performance for the fabrication is as follows:

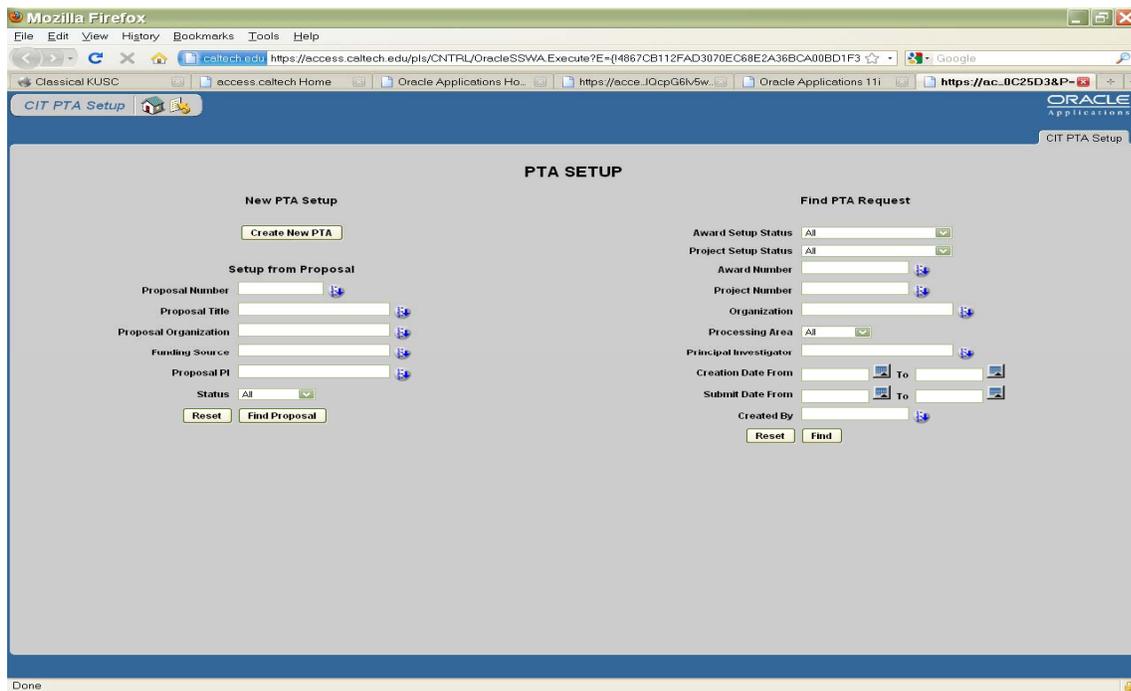
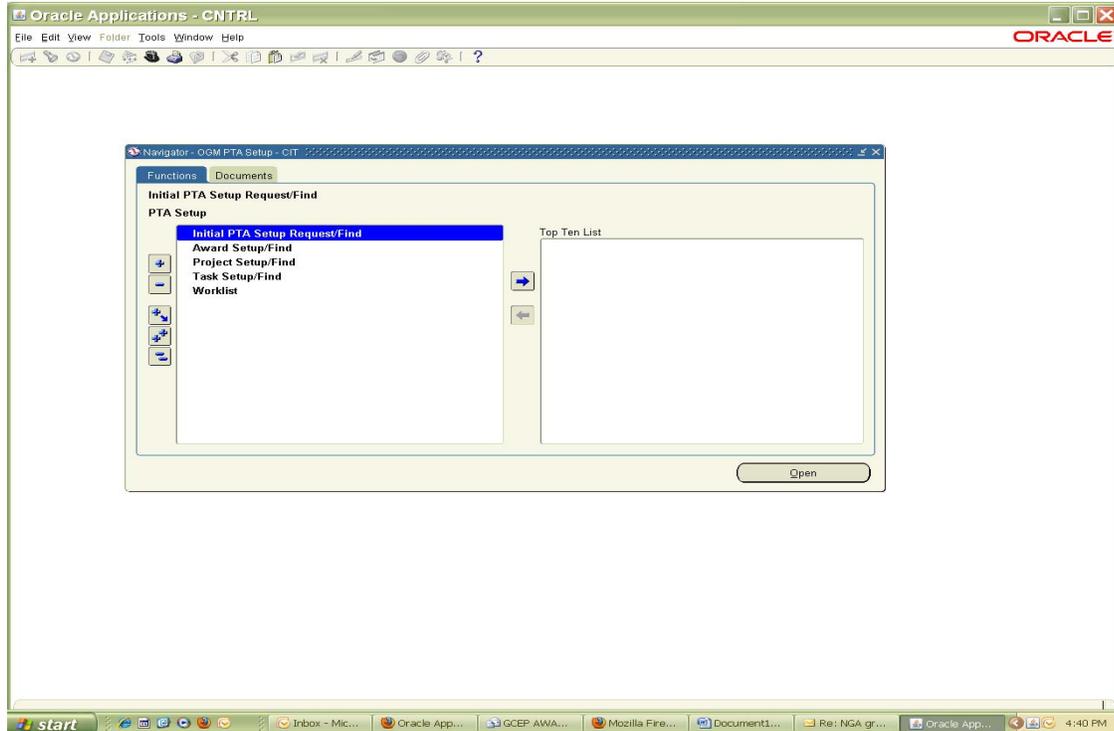
Project Begin Date = the Begin Date in the setup request.

End Date = the Placed-in-Service date on the Fabrication Request Form, even if the end date in the Project setup is different.

Close Date = should reflect the Close Date assigned to the award, 90 days after the End Date.

If the Fabrication is linked to a larger sponsored project, that has a research PTA, the Close Date should be the Close Date of the main award PTA, so that Project Accounting closes the fab PTA at the same time it closes the main award PTA. However, the End Date for the fab PTA should be the Placed-in-Service Date, NOT the main award End Date.

The electronic request via Oracle starts at the location shown below. The division delegate/preparer completes the information required in the Initial PTA Setup Request.



Because the PTA is designated as a Fabrication (see screen below), an Equipment Fabrication Form must be completed. The preparer clicks on the Equipment Fab button, and completes the form (a sample is attached to the end of this document). Also, when the "Fabrication Type" is "Equipment" the electronic request is forwarded to Property Services for review and approval prior to forwarding to OSR for final approval and activation.

INITIAL PTA SETUP REQUEST FORM

* Indicates required field

Tracking Status and Changes

Save WIP Submit Delete Return Print Copy To Back to Find Page

Processing Area* GB AUXI GIFT ENDOW SPONSORED PLANT FUND

PTA Start Date* (DD-MON-YYYY) PTA End Date* (DD-MON-YYYY)

Fabrication* Yes No Fabrication Type* Building Land Improvement Equipment

Funding Source Name* New Customer Funding Source Award Number

Title of Proposal or Purpose of Contribution Proposal Number

PI Name* Organization*

Project Number* Task Number*

Award Number* Pre-Award Next sequential number

Project Name* Project Description

Task Name* Task Description

Award Short Name* Award Full Name* Or, please use Title of Proposal

Payroll Certification Coordinator (required if federally sponsored award)

For Type of GIFT/ENDOWMENT Account ONLY Select one of the following
 Individual Discretionary Individual Restricted Division Restricted Division Discretionary

Comments (Maximum 250 characters)

Administrative Contact

Property Services confirms that the proposed fabrication qualifies as a Fabrication under Caltech policy, and that the expenses budgeted under the Fabrication are appropriate fabrication expenses.

In addition, Property Services reviews the following data fields and information:

- a) Main PTA – is the request approved by the PI of the main PTA, even when there are multiple PIs or Co-PIs.
- b) Did the project budget, as approved by the sponsor, include the Fabrication? If not, contact OSR.
- c) Project Type and Ownership (specified in the Temporary Project-Task Setup) agree with the OGM Award Management screen, Terms/Conditions tab, Property/Equipment category. Per the Equipment Fabrication Matrix developed by Property Services (attached). As an example, Project Type in OGM should be:

CAPITAL – for a Caltech Owned Fab

NON-CAPITAL - for a Gov't Owned Fab

- d) The Allowability Schedule - Fabrication Allowability only.
- e) Placed in Service date – does it fall within the sponsor approved period of performance. Most often it would occur 30+ days prior to the end of the award allowing it to be used to complete the scope of work.

OSR focuses on:

- f) Whether or not the sponsor approved budget included the Fabrication, and /or the sponsor allows for the fabrication of equipment in the award terms,
- g) The request falls within the approved scope of work,
- h) Cost of fabrication in comparison to the amount in the awarded budget, is the cost high enough to question if there is a change in the scope of work
- i) Period of performance – will the fab be placed in service prior to the end of the award; should occur at least 30-60 days prior to the End Date of the full project.

Fab PTAs should not deviate from the criteria detailed in the Equipment Fabrication Matrix (see attached below). Any questions or inconsistencies should be addressed by Property Services.

Continuations/Modifications

When the sponsor modifies the award or the PI/delegate requests a change in the Fabrication PTA, ALL changes impacting the Fabrication PTA must have prior approval from Property Services. This is usually accomplished by the delegate submitting a marked-up copy of the original Equipment Fabrication Setup Form and a short memo/email justifying the requested changes. Changes might include:

- a. Realignments adding funds to the PTA that were not in the original PTA Setup request*
- b. Delayed deliveries - Changes in the Placed in Service date*
- c. Change in scope - addition of new items/components to the fabrication*

Monitoring and Close Out of the Fabrication PTA

The following process is used by Property Services and Project Accounting immediately prior to placing a fabricated asset in service.

Assets being fabricated on Federal awards are often placed in service well before the end of the period of performance of the main funding award. Waiting until award close out to review allowability of fabrication costs can create reconciliation and reporting challenges. Therefore, PS and PA have agreed to a process that involves proactive reviews of fabrication costs prior to the fabrication being placed in service.

On a monthly basis, PS reviews a listing of all assets with estimated placed in service dates coming due that month. PS contacts the PI or delegate to determine if the asset is indeed ready to be placed in service.

1. If the PI (or delegate) confirms that the asset should now be placed in service, PS will contact the PA Lead Project Accountant supporting the division and request a review of the allowability of costs charged to the fabrication account.
2. A will perform an expenditure type review of the costs charged, drilling down to the transaction level and involving the appropriate divisional contact, if additional information is required
3. PA will respond to PS within five business days. PA will approve costs in the fabrication PTA following which PS will confirm the placed in service dates for the assets. In an event that PA finds questionable costs, PA will work with the division to move costs out of the fabrication PTA. The final cost of asset will be determined by PA in coordination with the division and conveyed to PS in situations where cost transfers cannot be processed within the ten day period because of pending cost transfers.

Every effort will be made to resolve issues of cost allowability as soon as possible so that Caltech can comply with accounting regulations requiring assets to be placed in service (i.e. reflected on the Institute's Balance Sheet and depreciation calculated) as soon as they are being used for their intended purpose.

EQUIPMENT FABRICATION SETUP FORM

Please complete the form, save, print and submit the PTA setup online. If you need assistance completing this form, contact Property Services at ext.4181.

Obtain the PI signature on the print-out form. Send the signed print-out form to Property Services - Mail Code 103-6.

Routing: 1) Fabrications under sponsored awards - Final approval by OSR.

Routing: 2) Fabrications under non-sponsored awards - Final approval by Gift Accounting.

Equipment Fabrication PTA:

RMS.NIRDEWAR-1-LBNL.CRYOFAB

(Main PTA is required if you are requesting an equipment fabrication PTA for a current award. Leave blank if for a new award)

Main PTA :

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Funding Source Award Number:

Fabrication Name:

NIR test dewar

Description of Fabricated Equipment:

A cryogenic, vacuum, dewar system for characterization of NIR detectors.

Was the fabrication included in the proposal budget/narrative?

Yes No

Budgeted ALLOWABLE Costs for the Fabrication:

\$150077

Salaries(\$): 62,677.00

Materials and Supplies(\$):
87,400.00

Travel(\$): .00

Other(\$): .00

Is an exception to Caltech's Fabrication Policy being Requested?

Yes No

Ownership (Upon completion):

CALTECH GOVERNMENT OTHER

If Govt or Other owned, please answer the following questions a, b and c; if Caltech owned, skip questions a, b, and c:

If GOVERNMENT or OTHER owned:

(a) Will the asset be located at a Caltech site?

Yes No

(If No is selected, please answer questions b and c; If Yes, skip questions b and c)

(b) If no will Caltech researchers have continued access to the asset for future research?

Yes No

(c) Is the item being fabricated space hardware?

Yes No

Ultimate Location when placed in service:

(a) On-Campus

Building #:

Room #:

(b) Off-Campus

Site: Lawrence Berkeley Labs

Estimated Placed-In-Service Date:

28-FEB-2011

Can the Fabricated Asset be Tagged? Yes No

Will the fabrication be affixed to a building or structure? Yes No

Will the Fabricated Asset Have a Useful Life of 2 Years or More? Yes No

Division: Palomar Observatory

Fabrication Contact: Brown, Marcia J

Requestor: Brown, Marcia J

PI: Smith, Roger Montague

APPROVALS

PI: _____

Date: _____

Property Services: _____

Date: _____

OSR: _____

Date: _____

CAMPUS : Please return this completed form to Property Services - Mail Code 103-6.

If you need assistance completing this form, contact Property Services at ext.4181

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Equipment Fabrication Matrix

April 2009

	Overhead?	Project Type	Allowability Schedule	Project Classification	Task DFF	Place In Service Date	Integration to FA
Caltech Owned Fabrication	No	Capital	Fabrication	CH Owned Fab	Equipment Fab	Yes	Yes
Gov't Owned Fab (will be held at Caltech site)	No	Non-Capital	Fabrication	Gov't Owned Fab	N/A	not available; track in DFF	Manual
Other Owned Fab (will be held at Caltech site)	No	Non-Capital	Fabrication	Other Owned Fab	N/A	not available; track in DFF	Manual
Govt Owned Deliverable: continued access / space hardware	No	Non-Capital	Fabrication	Fab: Govt Deliverable	N/A	not available; track in DOFF	No
Other Owned Deliverable: continued access / Space hardware	No	Non-Capital	Fabrication	Fab: Other Deliverable	N/A	not available; track in DFF	No
Govt Owned Deliverable: no access	Yes	Non-Capital	Research	Fab: Govt Deliverable	N/A	not available; track in DFF	No
Other Owned Deliverable: no access	Yes	Non-Capital	Research	Fab: Other Deliverable	N/A	not available; track in DFF	No

Notes

Difference between Govt / Other owned fabrication and Govt or other owned deliverable

Government or Other owned fabrications will remain at a Caltech site when placed in service; Deliverables will not remain at Caltech.

Renovations to fixtures and fittings / facility Improvements

A different threshold (\$100, 000) applies to fabrication of equipment that is permanently affixed to a building and facility improvements or rehabs. Institute Finance should be consulted in the set up of such fabrications.

Capital vs. Non-Capital

A fabrication should be classified as capital if it will belong to Caltech and included in Caltech's Financial Statements upon being placed in service. Costs are held in a work in process account until the item is placed in service. Thereafter the item is included as an asset on Caltech's balance sheet and annual depreciation is included in the Operating Statement.

When Caltech does not hold title, equipment may not be included in Caltech's balance sheet. Instead, costs are expensed as they are incurred. Depending on the circumstances overhead may be applicable.