

Expense Transfers

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Scope

Every effort should be made to charge expenses directly to the correct grant or contract WBS Element. If a transfer (journal entry or payroll transfer) is necessary, it must include detailed documentation.

Please avoid:

- Transfers between federal projects
- Transfers made more than 90 days after the original expense
- Transfers occurring at the end of a project
- Transfers with inadequate explanation
- Transfers made to a federal project from an overspent project
- Payroll transfers not made through the payroll system (transfers made via payroll expensetransfer forms)

Policy Statement

Restricted funds are to be managed according to the funders guidelines as well as [Uniform Guidance](#).

Reason for Policy

Federally funded projects must be managed in accordance to Uniform Guidance. Uniform Guidance requires all restricted funds to be managed in a similar manner.

Procedures

Explanation of Journal Entry

The explanation on a journal entry or payroll transfer involving a WBS Element must include:

1. Why the expense was originally posted to the wrong Cost Object.
2. Why the expense is a necessary direct cost for the WBS Element to which it is being transferred.

“To correct an error” or “to move expenses” are not sufficient explanations.

Journal Entries in SAP

Explanations for journal entries should be entered into SAP via the following path: Extras, Texts, Correspondence.

Transfer Entries

The transfer entries should also include reference information so that the source document for the entries can be easily tracked in SAP. Departments making the transfers are required to produce the source documentation for all of their entries.

For instance, if an invoice is charged to a cost center and then transferred to a WBS Element, the posting date, document number, and vendor name for the previously paid invoice should be referenced on the journal entry, because the invoice is the source document for the expense on the WBS Element.

Explanations for retroactive payroll adjustments should be written in the Additional Comments section of the PAF. Explanations for payroll expense transfers should be written in the Reason for Transfer section of the Payroll Transfer form.

A completed Retroactive Payroll Adjustment form must be included if salary is being moved to a federally funded WBS Element. Expense (cost) transfers on grants and contracts should be made within 90 days of the original expense.

History

This policy was developed and approved prior to the implementation of the campus policy development and approval process approved by the Chancellor's Cabinet in October 2015.

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