Expenditure Transfers Between Funding Sources

REQUESTING TRANSFERS
To help assure proper documentation and certification of expenditures, faculty and staff are to apply the following procedures when requesting transfers:

- Department chairs, principal investigators, and account administrators are responsible for monitoring expenditures and account balances.

- Account administrators and principal investigators correct errors or clear overdrafts by requesting transfer of direct charges between funding sources. The following procedures require prompt correction of the errors or overdrafts. See also BPPM 30.21.

Forms

Expenditure Transfer Request
Use an Expenditure Transfer Request form to make an expenditure transfer that does not involve salaries.

Expense Assignment Action
Use an Expense Assignment Action (see BPPM 58.03) or a Position Action (see BPPM 58.02) to make a salary transfer.

STATE ACCOUNTS
Transferring charges from or to state accounts.

Programs
State accounts include accounts in programs 01 through 10 and programs 15 and above. (For a definition of program see BPPM 30.05.)

Deadlines
Initiate a nonpayroll transfer request within 90 days of the original charge's date as shown in the online Account Balances/Detail Application. Expenditures incurred in a given fiscal year cannot be transferred after the July cutoff date following year-end.

Payroll must receive a wage transfer request within 30 working days of the charge's date as shown in the online Account Balances/Detail Application. NOTE: This time limit applies to transfers involving state accounts in programs 01 through 10 only.

SPONSORED ACCOUNTS
Transferring charges from or to sponsored accounts.

Programs
Sponsored accounts include accounts in programs 11 through 14.
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Requirements

Departments should avoid frequent, late, or inadequately explained transfers to sponsored projects. Personnel are to ensure that expenditures are initially assigned to the correct account. On an exception basis, Sponsored Programs Services may transfer a given expenditure more than once.

Do not transfer expenditures from one sponsored account to another for any of the following reasons:

- Clearing an overdraft. (NOTE: A transfer between a home account and a subaccount may be acceptable.)
- Avoiding restrictions imposed by law.
- Avoiding restrictions in a sponsored agreement.
- Convenience

Such expenditures may only be transferred to a state-supported account in programs 01-10 or to other appropriate nonfederal funding sources.

NOTE: The above requirements are from Office of Management and Budget (OMB) Circular A-21, Section C.4.

Allowable Transfers

Expenditure transfers are allowable between closely related projects when the transfer meets all of the conditions specified in the sponsor's policies or guidelines or award terms and conditions. The following conditions are typical for an allowable transfer:

- The projects are scientifically and technically related
- The projects are under the direction of the same principal investigator
- There is no change in the scope of the individual projects involved
- The transfer is not detrimental to each individual project
- The transfer is not used to circumvent the terms and conditions of an individual award

Overdrafts

On occasion, one of the following situations occurs, causing a sponsored account to be exceeded. Overdrafts happen while awaiting supplemental funding, awaiting expenditure transfers to
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Overdrafts (cont.) nonfederal funding sources at account closeout, and/or awaiting expenditure transfers from subaccounts to home accounts or home accounts to subaccounts. Refer to overdraft procedures in BPPM 30.21 for additional information.

Terminated Accounts Departments may transfer overdrafts from terminated sponsored accounts to state accounts or other appropriate nonsponsored accounts by using object-subobject 03-WV.

When using this object/subobject, it is not necessary to itemize each direct cost transaction. Under Justification enter explanation #1 (see Justification/Explanation). In such cases, Sponsored Programs Services (SPS) should be contacted prior to coding the account since a transfer may impact sponsor billings.

Deadlines

90 Days Sponsored Programs Services must receive the request within 90 days of the transaction date of the original charge as shown in the online Account Balances/Detail Application.

Exceptions Route deadline exception requests to the SPS Officer for approval. Explain why the transfer was not initiated in time to meet the 90-day deadline and what internal control procedures have been implemented to reduce the risk of reoccurrence.

Expenditure Reports If a sponsor's final expenditure report is upcoming, submit a transfer request in time for the transfer to be posted at least 30 days prior to the due date. See also BPPM 40.03 for expenditure deadlines.

EXPENDITURE TRANSFER REQUEST

Obtaining Forms Obtain supplies of the paper form from University Stores (US item #49882), complete and/or print the PDF form, or obtain an approved electronic form template from Procedures, Records, and Forms.

Preparation Instruction numbers correspond to numbers on the samples. Sections without numbers are considered self-explanatory.
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To: (1) Indicate the request's destination. Check only one block.

- **Sponsored Accounts**: Send all requests involving accounts in programs 11 through 14 to SPS.
- **Payroll**: Send requests to transfer wages (object 01) to Payroll Services.
  
  EXCEPTION: Send transfer requests involving wages in programs 11 - 14 to SPS.
- **Travel**: Send requests to transfer travel expenditures (object 04) to Travel Services.
  
  EXCEPTION: Send travel transfer requests involving accounts in programs 11 - 14 to SPS.
- **IRI Desk**: Send requests to transfer interdepartmental expenditures to the IRI Desk of the Controller's Office Revenue Section.
  
  EXCEPTION: Send interdepartmental transfer requests involving accounts in programs 11 - 14 to SPS.
- **Other**: Send other requests to Accounts Payable.

Questions Direct questions regarding the request to the indicated office.

Transfer From: (2) Enter the coding for account(s) that originally incurred the expenditure. Account coding includes: program, budget, project, object, and subobject. Also enter other requested information regarding the transaction, i.e., document and reference numbers, the amount, vendor number, and vendor name. This information is available from the online Account Balances/Detail Application or the Budget Statement.

Amount for Wages Enter gross pay under Amount when making wage transfers. Refer to the Budget Statement, the online Account Balances/Detail Application, or the Payroll Expenditure Audit Report (PEAR), or Query Payroll Expense in DEPPS for gross pay. (See BPPM 55.22 for a description of the PEAR and DEPPS.)

When requesting a partial transfer of wages, enter the partial gross pay under Amount.
Expenditure Transfers Between Funding Sources

Amount for Wages (cont.) When transferring wages from multiple funding sources, enter the applicable gross pay amounts on individual lines in **Amount**.

For work study transfers, enter only the departmental charge in **Amount**.

Do not include charges for benefits in **Amount**. Benefits are automatically calculated and included by Payroll.

![EXPENDITURE TRANSFER REQUEST]

Transfer To: (3) Enter the coding for account(s) that will assume the expenditure and enter the amount to be transferred to each account. *The remaining fields on this line need not be completed.*

Wage Transfers (4) Enter the requested information for the employee. *Transfer wages for only one employee per form.* Transfers involving multiple employees require multiple forms.

**Payroll Dates** Enter the dates (begin and end) of the work period(s) to which the transfer corresponds, or enter the end date(s) of the pay cycle(s) in which the expenses were earned.

NOTE: Pay cycle earned dates are different than the payment expensed dates listed in BALANCES.
Expenditure Transfers Between Funding Sources

**Payroll Dates (cont.)**
Separate the entry for each work period or pay cycle with a comma.

**Hours Worked**
Enter the number of hours worked for each transfer line, separated by a comma.

**Attachments**
To assist in processing large wage transfers for the same employee, a department may attach supporting documents (e.g., Excel spreadsheets) that adequately indicate the following:

- Existing funding source (account coding) line for each transfer.
- Associated work period or pay cycle for each transfer line.
- Associated gross amount for each transfer line.

NOTE: The department must attach the supporting documents to a completed Expenditure Transfer Request. The department enters a summary of the wage transfer request on the form, including:

- Account coding.
- Total gross pay in **Amount**.
- Begin and end dates of the period(s) worked by the employee.

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<table>
<thead>
<tr>
<th>4</th>
<th>Complete for wage transfers.</th>
<th>5</th>
<th>Complete for all transfers.</th>
</tr>
</thead>
</table>

**Justification/Explanation**

I certify these expenditures to be appropriate charges to the above recipient account(s), meet approved budgetary guidelines, and directly support program/project objectives.

<table>
<thead>
<tr>
<th>Name of Principal Investigator (recipient account)</th>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Administrator (recipient account)</td>
<td>Signature</td>
<td>Title</td>
<td>Date</td>
</tr>
</tbody>
</table>

**Effort Certification Statement**
(Wage transfers only)—After personal review of this transfer and having firsthand knowledge of the effort expended, I certify that the time indicated is a reasonable estimate of effort expended.

<table>
<thead>
<tr>
<th>Name of Administrator/Supervisor</th>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
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</table>

**Routing:** The department transferring the expenditure retains a copy and routes the original form to the department assuming the expenditure. After approving the transfer, the department assuming the expenditure retains a copy and routes the original to the Controller’s Office.

<table>
<thead>
<tr>
<th>Controller’s Office Review</th>
<th>Date</th>
</tr>
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</table>

Sponsored Projects Finance Office Use Only

<table>
<thead>
<tr>
<th>Budget Project</th>
<th>LEAD Date</th>
<th>Checked Initials</th>
</tr>
</thead>
</table>

**Exact Amount (including benefits)?** Yes ☐ No ☐

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Figure 2
Expenditure Transfers Between Funding Sources

Justification/Explanation (5) Enter the number of the explanation that best describes the reason for the expenditure transfer. The transferred expenditure must be an allowable, allocable and reasonable expense for the account receiving the expenditure.

NOTE: The originating department must retain sufficient documentation to support transfer allowability to future auditors.

The purpose of the expenditure transfer is one of the following:

1) To remove an overdraft of a terminated sponsored project by transferring expense(s) to a state or local project. (Use object-subobject 03-WV.)

2) To move an expense from one state or local project to another state or local project. Example: To equipment replacement funds or a gift account. Additional justification is not required.

3) To correct a typographical error. Example: A data entry error caused the wrong account code to be entered. The error was found when the principal investigator reviewed periodic accounting reports.

4) To correct an account coding error. Example: A principal investigator has multiple awards and the wrong project number or object code for this expense was given to the account administrator. The error was found when the principal investigator reviewed periodic accounting reports.

5) To redistribute a high number of low cost individual or minor charges. Example: Copy machine rental, paper costs, telephone charges, mailing charges, or office supplies were billed to departmental accounts, but a portion of the total applies to a sponsored project. (NOTE: Telephone, mailing, and office supply costs must be in the proposal budget as approved by the sponsor.)

If an expenditure is identifiable as an entry in Account Balances/Detail, a reference is required. If not identifiable, departments must maintain internal records/logs of such usage to support the adjustment. Provide details on the Expenditure Transfer Request.
Expenditure Transfers Between Funding Sources

Justification/Explanation (cont.)

6) To record a change in the original decision as to the use of the goods or services. Example: A case of beakers originally charged to a teaching program is subsequently transferred to a research project. The requestor is certifying that the expenditures are appropriate charges to the recipient account.

7) To record a transfer between interrelated accounts. These expenditures are being transferred between interrelated accounts. Sponsor guidelines and procedures have been followed in determining interrelatedness. (NOTE: The process for establishing interrelatedness varies among sponsors.)

8) Other reasons. Explain how the error occurred, and how the costs will benefit the funding source.

The above explanations are not all inclusive. If the reason for the transfer is not adequately described in the first seven explanations, include a detailed explanation indicating how the error occurred and how the costs will benefit the funding source receiving the expense. An explanation, which merely states that the transfer is being made to "correct an error," or to "transfer to the correct account," or "to correct costs that were inadvertently charged to an incorrect account" is not sufficient.

Principal Investigator (6) The principal investigator responsible for the sponsored project which will receive the expenditure signs the request. This line is usually left blank when transferring expenditures to state accounts.

Administrator (7) An authorized departmental or administrative representative from the department which assumes the expenditure signs the request. This representative must have been delegated expenditure authority for the supporting account. See BPPM 70.02 for an explanation of expenditure authority.

Effort Certification (8) Complete this section when transferring a temporary employee's wages to an account in programs 06-14.

A supervisor or administrator who signed the employee's Daily Activity Report and who has firsthand knowledge of the expended effort signs the certification statement.

See BPPM 40.34 for a description of Effort Certification.
Expenditure Transfers Between Funding Sources

Routing

The department from which the expenditure is transferred retains a copy and routes the original to the department which will assume the expenditure.

After approving the request, the recipient account's department retains a copy and routes the original to the designated administrative section in the Controller's Office.

Records Retention

Refer to BPPM 90.01 for records retention requirements.

Departments are to retain sufficient documentation to adequately explain and justify expenditure transfers to auditors.