Sponsored Research Services Procedure Manual

Area:	Sponsored Research Services Accounting Division (SRSAD)	Number:	AD05-C0
Subject:	Cost Transfer & Reallocation Procedure	Effective Date:	1/14/2022 (Changes in Red)
Applies To:	All SRSAD Grant Administrators	Prior Effective Dates:	4/1/1998, 3/20/17
Sources:	University of Cincinnati Cost Transfers on Sponsored Projects Policy No. 2.1.23	Page 1 of 19	

PURPOSE: The purpose of this document is to provide detailed procedures to effectively carry out the University of Cincinnati's *Cost Transfers on Sponsored Projects Policy No. 2.1.23.* Sponsored Research Services (SRS) Accounting Division (AD) will apply these procedures to all Sponsored Awards to achieve uniformity and consistency in accounting practices for all awards regardless of the funding source as prescribed in A21 and Uniform Guidance.

DEFINITIONS:

BA: BA is the acronym for Business Administrator. This person is often the employee listed on the Grant Master Contact Tab as the "Dept. Admin:" but also refers to the department employees delegated the task of managing the sponsored award at the department level. Only BA's (or designated department employees) who have successfully completed the Cost Transfer Training may submit CTR emails to the PIs and Reallocation emails to the SRSAD Grant Administrator.

COST TRANSFER: A cost transfer is the reassignment of an expense to or from a sponsored project after the expense was initially charged elsewhere. Cost transfers include reassignments of salary, wages and other direct costs.

COST TRANSFER TRAINING: Required training for all department employees delegated the task of preparing and submitting cost transfer and reallocation requests.

CTR FORM: CTR is the acronym for Cost Transfer Request. The CTR Form is used to identify, explain, and justify cost transfers. CTRs are divided into two categories. Salary Cost Transfers and Non-Salary Cost Transfers. Departments may access these forms from the SRS Web Site.

http://srs.uc.edu/awards/AwardForms.aspx

GRANT: For this procedure, the term grant is used to refer to all types of sponsored awards. This includes grants, cooperative agreements, contracts, sub-contracts and any other type of sponsored award that is established in the Grants Module of the SAP system (UC Flex).

PCR: Personnel Change Request. For this procedure, the term PCR is used to refer to the document entered into the HR system to effect a retroactive change in an employee's salary distribution in the accounting system when cost distribution or recurring payment information types are used to control account distributions.

PI: The Primary or Principal Investigator responsible for the budget and work performed on a sponsored award. Usually the Primary and Principal Investigator is the same person unless the Primary Investigator had authorized a separate grant in SAP for the collaborating investigator.

REALLOCATION: A movement of expenditures between sponsored classes, between general ledger codes, or between grant numbers within the same sponsored project.

SPONSORED
PROJECT: A sponsored project is defined as an award given to the university from an outside funding source. This award could have a single or multiple SAP grant numbers depending on the need of the project. Grant numbers will always have a G fund number for the outside funding source (external fund.)

PROCEDURE:

1. **GRANT STEWARDSHIP:** It is the responsibility of the university and the PI to exercise stewardship of the sponsor's funds and to administer sponsored projects effectively, in accordance with the policies and regulations that govern the sponsored projects, including those relating to regular monitoring of expenditures and timely correction of errors and reallocation of expenses. Please keep in mind A21 and Uniform Guidance as it relates to allowable costs. (Uniform Guidance relevant to awards issued after December 26, 2014.)

> **Highlights from UG Subpart E – Cost Principles §200.403:**
> (a) **Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.**
> (b) **Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amounts of cost items.**
> (c) **Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.**
> (d) **Be accorded consistent treatment.**

Maintaining a grant filing system and timely review of grant ledgers are essential to avoiding cost transfers. In order to properly manage sponsored awards, departments need to review the grant ledgers monthly.

At no time should other sponsored awards be used as holding accounts for expenses which benefit another award. For pending awards: Obtain the necessary approvals to establish the pending award in SAP (UC Flex) under a Letter of Guarantee (LOG), thus avoiding cost transfers entirely. For areas where LOGs are not allowed, request a grant shell be established in order to code the expense as cost sharing until the award is received.

2. **COST TRANSFER EXAMPLES**: The movement of an identified expense recorded on the University of Cincinnati's accounting system onto or off a sponsored project G fund constitutes a cost transfer. Examples:

- Expenditures recorded on a department account until the sponsored award is received and established in SAP (UC Flex).

- Expenditures recorded to the incorrect account due to a clerical error. (See No. 4 and No. 6 below for additional information regarding this type of request.)

- Expenditures recorded to the incorrect account when a cutoff date was missed. (Examples: Personnel Change Requests, P-Card allocation.)

- Re-allocating salary and fringe to reflect actual effort.

3. **CTR FORM – WHEN IS ONE REQUIRED:** A CTR form is required for the majority of the cost transfer requests; however, the following types of transfers currently <u>DO NOT</u> require a CTR form:

- Federal Work Study Student payroll transfers <u>to or from departmental funds</u>. Due to the unique nature of the Work Study project, the Work Study Principal Investigator and primary business manager are not directly involved with each student worker charged to the Work Study project. Therefore, Government Cost Compliance and the Controller's Office have agreed to eliminate the need for a CTR form for work study assignments. The

individual departments who appoint students and access the Federal Work Study pool of funding are still responsible for making timely corrections. **IMPORTANT NOTE**: A CTR form is still required if a non work study grant is involved in the transfer.

- Reallocation of expenditures between sponsored classes, between general ledger codes, or between grant numbers within the same sponsored project. To reallocate these costs, send an email directly to the appropriate SRSAD Grant Administrator. *(**Do not** use the ctr@uc.edu email address.)* This email can only be submitted by a department employee who has attended Cost Transfer Training. The email must be descriptive and include pertinent information such as expense description, effort period (payroll) or original document number and date (non-payroll), amount, account numbers involved, parked FV50 or pending PCR document number, and ledgers or labor history attached as backup. PI approval is not required unless reallocating expenditures on multi-grant number sponsored projects with more than one PI. In these instances, the email must also contain the approval of each PI involved. These reallocation requests still need to be done in a timely manner and if they are excessive, a review of internal department procedures may be required. Please see Appendix A for examples of when an email or a CTR from is appropriate and use the templates in Appendix B when completing the email to minimize revisions.

- Training Grant and Fellowship Awards: A new streamlined process for reallocating effort for postdoctoral trainees and fellows appointed on T32 and F32 DHHS awards was implemented on March 20, 2017. To reallocate these costs, send an email directly to the appropriate SRSAD Grant Administrator. *(**Do not** use the ctr@uc.edu email address.)* This email can only be submitted by a department employee who has attended Cost Transfer Training. The email must be descriptive as to the change requested, include the effort period being reallocated, and the pending PCR document number. The approved Statement of Appointment and labor history must be attached as backup. Please see Appendix B for details on this streamlined process.

- Movement of expenditures as a result of SRS Accounting Divisions cancellation of an existing grant due to coding changes that can only be fixed by creating a new grant in SAP. All non-salary expenditures will be moved to the new grant by SRS AD Grant Administrator. Non-salary entries may be summarized by GL code. Salary expenditures will require the department to enter a PCR and send a reallocation email request. This email can only be submitted by a department employee who has attended Cost Transfer Training. PI approval is not required. Please see Appendix A and B for specific PCR and email verbiage for salary reallocations due to new grants setup by SRS AD to fix coding.

- Non-Salary Expenditures after the end date being reviewed by the SRSAD Grant Administrator and the designated Business Administrator for the award, as part of the closeout process, may be moved to the new year of a project, if applicable, or a department account by the SRSAD Grant Administrator at their discretion without requesting a CTR Form. If the charge is to be moved to a different sponsored project, a CTR form is still required.

- Overdraft Transfers to a department fund will be processed directly by the SRSAD Grant Administrator without requesting a CTR form. The SRSAD Grant Administrator will email the designated Business Administrator for the accounting string for the overdraft. In accordance with Administrative Memorandum 105, the SRSAD Grant Administrator will

use the department's RIA Fund if a response from the department is not received in 30 days or by the designated due date in the email request if required sooner than 30 days.

- Effort on Federal Clinical Trials (ACOSOG, RTOG, SWOG, NASBP, and TIND): A new streamlined process for allocating effort on clinical trial grants was implemented on November 24, 2010. Please see Appendix C for details on this streamlined process. This streamlined procedure covers salary allocations only. Non-salary transfers still require a CTR unless it falls under one of the exceptions noted in this section.

- Effort on sponsored projects requiring <u>ACTUAL</u> hours worked by salaried employees: A few sponsors require the University to report actual hours worked for salaried employees. A new streamlined process for allocating effort in these unusual circumstances was implemented on February 12, 2014. Please see Appendix C for details on this streamlined process. This streamlined procedure covers salary allocations only. Non-salary transfers still require a CTR unless it falls under one of the exceptions noted in this section.

- Moving an expense from non-G funds to G5xxxxx-Industry Clinical Trials (ICT), G7xxxxx-UCRI Accounts or G8xxxxx- Internal Office of Research (OoR) Awards or between these fund ranges are also except from the CTR process.

    - Non-Salary Reallocation: Complete a FV50 GT document. Use original document numbers in the text field for each item moved. Email the responsible SRS Accountant the document number and request posting of your parked document.
    - Salary Reallocation: Include one of the following in the PCR Comment Box:
        - Reallocation of effort to a ICT G5 Fund. No CTR/SRS approval required.
        - Reallocation of effort to a UCRI G7 Fund. No CTR/SRS approval required.
        - Reallocation of effort to a OoR G8 Fund. No CTR/SRS approval required.

The CTR Guide Matrix chart and 10 scenarios in Appendix A will provide additional assistance in determining when a formal CTR is required and when a reallocation email request can be processed.

4. **JUSTIFICATIONS AND SUPPORTING DOCUMENTATION**: All cost transfer requests that require a CTR form must have the form completed in its entirety and provide adequate documentation to support the request. Any incomplete forms or requests lacking proper documentation will be returned without processing. The CTR forms contain six questions; the first four questions must be answered for ALL requests. Limited explanations such as "to correct an error", "to transfer to correct project", or "lack of time to review ledgers" are not sufficient. The last two questions are additional justification for late CTRs (see section 6 below.) The questions need to be answered in detail. The original supporting documentation must be electronically attached to the cost transfer email and all original receipts must be maintained by the originating office and made available for audit or other review. Examples of adequate documentation are:

> ### SALARY CTR:
>
> - Labor History Report for the time period corrected. (See Appendix D for tips on date selection criteria for Business Warehouse Labor History Reports.)
> - Any other documentation that supports the request.
>
> ### NON-SALARY CTR:
>
> - Ledger showing where the original expense was charged.
> - Documentation for the expense including but not limited to vendor invoices, detailed itemized receipts, purchase requisitions, purchase orders, travel expense reports, etc.
> - Any other documentation that supports the request.

5. **PRINCIPAL INVESTIGATOR / PRIMARY INVESTIGATOR APPROVAL**: Before a CTR can be reviewed and processed by SRSAD, the appropriate Principal Investigator must approve the request. The Primary Investigator may also approve requests (in lieu of the Principal Investigator) for sponsored projects being conducted in their department. The majority of the cost transfers only require one Principal Investigator to approve the request. However, when there are multiple grants identified on the CTR form, the request may need to be approved by multiple Principal Investigators. Each Principal Investigator (or Primary Investigator) identified must approve the CTR that is submitted via email. NOTE: PI approval is not necessary for Federal Work Study (FWS) lines.

6. **PROCESSING TIMELINE**: All CTRs should be made promptly but no later than 90 days after the close of the month in which the transaction occurred. Timeliness and completeness of transfer explanations are important factors in supporting a charge as allowable and allocable. Transfers of costs to or from sponsored awards that represent corrections of clerical or bookkeeping errors must be made promptly after the error is discovered. Frequent and/or recurring errors in recording costs may indicate needed improvements in institutional controls and/or the University's accounting system. Therefore, where such errors occur at the department level, grantees (departments) may be required to make the improvements to internal department policies to reduce and/or eliminate the clerical errors or risk having future transfer requests denied if department policies are not being followed consistently.

In order to ensure that departments are able to use closed ledgers from the University's accounting system to perform their reviews, day one of the Cost Transfer clock for determining if a CTR is within 90 days is the 15th of the month following the month in which the expense was originally charged. The matrix below should be used to determine if the request being prepared is within 90 days or is late. CTRs that are considered late require additional justification and the department will need to complete questions 5 and 6 on the CTR form to explain why the request was not made within the appropriate time frame and what steps are being taken to avoid the situation in the future. Any additional supporting documentation appropriate for the lateness of the cost transfer (e.g. award notice, correspondence between departments, etc.) should also be attached to the email. _**CTR emails with all appropriate explanations, documentation, and approvals must be received into the ctr@uc.edu email address within the date ranges listed under the ≤90 Days column in order to be considered on time. Any requests received after those date ranges are considered late cost transfers and are subject to scrutiny by the Associate VP for Research.**_

COST TRANSFER TIMELINE MATRIX

Month in Which Transaction Occurred:	Date When 90 Day Clock Starts:	Dates CTR Email is Considered on Time (≤90 Days):	Date CTR Email is Considered Late (>90 Days):
July	August 15	8/15 through 11/12	November 13
August	September 15	9/15 through 12/13	December 14
September	October 15	10/15 through 1/12	January 13
October	November 15	11/15 through 2/12	February 13
November	December 15	12/15 through 3/14	March 15
December	January 15	1/15 through 4/14	April 15
January	February 15	2/15 through 5/15	May 16
February	March 15	3/15 through 6/12	June 13
March	April 15	4/15 through 7/13	July 14
April	May 15	5/15 through 8/12	August 13
May	June 15	6/15 through 9/12	September 13
June	July 15	7/15 through 10/12	October 13

7. **LATE COST TRANSFER POLICY**: Late cost transfers moving a charge to a grant fund (Gxxxxxx) must be approved by the Vice President and/or Associate Vice President for Research or assigned designee and ***will only be granted in extenuating circumstances***. Extenuating circumstances **DO NOT** include limited responses such as:

- **Absences of PI or responsible administrator**
- **Shortage or lack of experience of staff**

Late cost transfers that require late justification but do not require VP or AVP approval are:

- Cost transfers that are moving a charge off the grant fund to a department fund.

These types of late cost transfers will be processed directly by the Grant Administrators.

8. **OVERRUN / OVERDRAFT TRANSFER POLICY:** SRSAD will follow individual agency guidelines as they relate to cost overruns. However, please note that the NIH Grants Policy Statement states,

> **Transfers of cost from one project to another or from one competitive segment to the next solely to cover cost overruns are not allowable. (NIH Grants Policy Statement, Part II: Terms and Conditions of NIH Grant Awards, Subpart A: General, Cost Considerations, Cost Transfers, Overruns, and Accelerated and Delayed Expenditures)**

In addition, transferring costs from one grant to another simply to use up unexpended grant funds is unallowable. Uniform Guidance states, (OMB Circular A-21 for award issued prior to December 26, 2014)

> **Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal award, or for other reasons. (Uniform Guidance Subpart E – Cost Principles General Provisions §200.405 Allocable Costs)**

9. **DENIED COST TRANSFER REQUESTS**: Costs identified on the CTR that are denied must be coded as cost sharing for the grant identified. In addition, if the transfer requests a credit to another grant, the charge must be moved off the grant that was originally charged and moved to a department account and coded as cost sharing for the grant the department indicated should have received the charge. CTRs for a closed grant that will require a revised final report will be processed only if the CTR is removing a charge from the grant. How denials are handled will depend on the circumstances of the request. See section 11 for more information.

10. **CTR FORM DEPARTMENTAL PROCEDURE:** Please refer any questions regarding these instructions to the appropriate SRSAD Grant Administrator using the agency assignment list linked on the CTR Form EXCEL file on the Policy, Procedure & Agency Assignment Tab or in SAP using transaction GMGRANTD (Contacts Tab). ***If the subject line of the email differs from the format outlined below, the CTR may not be received or processed***.

SALARY CTR FORM:

A. **BA:** If reducing effort by **25% or more** for an employee identified as key personnel in the award document and the grantor requires prior approval for the reduction, please attach agency approval to the CTR request. For example, changing a key personnel's effort from 20% to 15% is a 25% reduction in effort.
B. **BA:** Complete PCR for active employee. (If employee is terminated, check the terminated box on the CTR form.) Please include grant number in comment section of PCR. (Example: PCR to identify effort on grant 10xxxxx. A CTR will follow.)
C. **BA:** Download the Salary CTR workbook from the SRS website (link in definitions above) and save to local drive. Complete CTR form. (Questions 1-4 mandatory. Questions 5-6 conditional. Answer N/A for question 4 if it doesn't apply.)
D. **BA:** Email the completed CTR form, a copy of the Labor History, and if applicable, agency approval, to the PI(s) for approval. This email can only be submitted by a department employee who has attended Cost Transfer Training. All PIs for all grants listed on the CTR form must approve the transfer. ***The subject line MUST read*** "Department(s) Cost Center(s)/Employee's Last Name/SRSAD GA#(s)/Effort Time Period(s)." (Example: 1234500000/Smith/250/July 2015). Last name is not the PI last name but the name of the employee whose effort is being changed. The SRSAD GA numbers can be found using the link on the Policy, Procedure & Agency Assignment Tab in the CTR workbook, or in SAP (UC Flex) using transaction GMGRANTD (Contacts tab).
E. **PI:** ***Forward*** the attached CTR form and supporting documentation with the subject line intact with a statement of approval to CTR@uc.edu for review and processing.

NON-SALARY CTR FORM:

BA: Assemble supporting documentation for the cost transfer, including detailed itemized receipts/invoices and ledgers reflecting the original location of the expenses.
A. **BA:** Download the Non-Salary CTR workbook from the SRS website (link in definitions above) and save to local drive. Complete CTR form. (Questions 1-4 mandatory. Questions 5-6 conditional.)
B. **BA:** If the transaction does not involve an asset: Using transaction code FV50 and document type GT, enter and park the transaction in SAP (UC Flex) and enter the document number on the CTR form. If the transaction does involve an asset: Enter the asset number and sub number on the CTR form.

C. **BA:** Email the completed CTR form and all supporting documentation, as attachments, to the PI(s) for approval. This email can only be submitted by a department employee who has attended Cost Transfer Training. (All PIs for all grants listed on the CTR form must approve the transfer.) *__The subject line MUST read__* "Department(s) Cost Center(s)/Grant Number(s)/ SRSAD GA#(s)." (Example: 1234500000/1005621/250). The SRSAD GA numbers can be found using the link on the Policy, Procedure & Agency Assignment Tab in the CTR workbook, or in SAP (UC Flex) using transaction GMGRANTD (Contacts tab).

D. **PI:** Forward the attached CTR form and supporting documentation with the subject line intact with a statement of approval to CTR@uc.edu for review and processing.

11. CTR FORM SPONSORED RESEARCH SERVICES ACCOUNTING DIVISION PROCEDURE:

SRSAD will review all cost transfer requests that have all necessary explanations, documentation, and approvals within 7 business days of receipt at the CTR email address.

APPROVED SALARY COST TRANSFERS:

SALARY COST TRANSFERS USING PCR DOCUMENTS: The SRSAD Grant Administrator will email approval of salary cost transfer requests to Government Cost Compliance (GCC) and the department business administrator. GCC is responsible for completing the PCR process in the system.

SALARY COST TRANSFERS FOR TERMINATED EMPLOYEES: The SRSAD Grant Administrator will email approval of salary cost transfer requests for terminated employees to HR Data Ops.

If the CTR is over 90 days, is charging a grant, and the Grant Administrator has approved the request, the CTR will be forwarded to the Director of SRSAD for review. If approved, the Director will submit the request to the Vice President and/or Associate Vice President for Research or approve it as his/her designee. The department and GCC will be copied on this email to the Director. The Director will email decisions for salary cost transfer requests over 90 days to GCC, the department business administrator and the SRSAD Grant Administrator.

DENIED SALARY COST TRANSFERS: Actual circumstances may dictate alternate actions but denials will generally be handled as follows: (*Re-approval or re-submission of the CTR by the PI is not required for denied CTR actions by SRS Accounting.)*

- **ORIGINAL CHARGE WAS A DEPARTMENT FUND:** The SRSAD Grant Administrator will email denial of salary cost transfer requests to Government Cost Compliance (GCC) and the department business administrator and indicate if the charge can be applied to the grant as cost sharing. GCC will route the PCR back to the department. If allowable as cost sharing, the department business administrator will edit PCR to change the G fund back to the original department fund, leaving the grant in place for cost sharing, and route the PCR back through workflow. If unallowable as cost sharing, the department business administrator will delete PCR.

- **ORIGINAL CHARGE WAS AN UNRELATED GRANT FUND:** The SRSAD Grant Administrator will email denial of salary cost transfer requests to Government Cost Compliance (GCC) and the department business administrator and indicate if the charge can be applied to the grant as cost sharing.
  - Allowable as Cost Sharing: The SRSAD Grant Administrator will recode the CTR form for cost sharing and attach the form to the email. GCC will route the PCR back to the department. The department business administrator will recode the PCR for cost sharing and route the PCR back through workflow. SRSAD GA will process an overdraft entry on the original grant

charged for the value of the salary and related fringe until the PCR is modified, accepted through workflow, and applied during the next payroll cycle. Department BA must notify SRSAD GA when payroll correction has posted and SRS will reverse the overdraft entry.

- Unallowable as Cost Sharing: GCC will route the PCR back to the department. The department business administrator will recode the PCR to a department funding source and route the PCR back through workflow. SRSAD GA will process an overdraft entry on the original grant charged for the value of the salary and related fringe until the PCR is modified, accepted through workflow, and applied during the next payroll cycle. Department BA must notify SRSAD GA when payroll correction has posted and SRS will reverse the overdraft entry.

APPROVED NON-SALARY COST TRANSFERS:

The SRSAD Grant Administrator will email approval of the non-salary cost transfer request to the department business administrator. If the request does not involve an asset, the SRSAD Grant Administrator will post the parked document in SAP. If the request involves an asset, the Asset Management Department will be included in the approval email. The Asset Management department will enter all necessary documents into the accounting system to affect the change for the recorded asset.

If the CTR is over 90 days, is charging a grant, and the Grant Administrator has approved the request, the CTR will be forwarded to the Director of SRS AD for review. If approved, the Director will submit the request to the Vice President and/or Associate Vice President for Research or approve it as his/her designee. The department will be copied on this email to the Director. The Director will email decisions for non-salary cost transfer requests over 90 days to the department business administrator and the SRSAD Grant Administrator and the SRSAD GA will post the document as directed.

DENIED NON-SALARY COST TRANSFERS: Actual circumstances may dictate alternate actions but denials will generally be handled as follows: (*Re-approval or re-submission of the CTR by the PI is not required for denied CTR actions by SRS Accounting.)*

- **ORIGINAL CHARGE WAS A DEPARTMENT FUND:** The SRSAD Grant Administrator will email denial of non-salary cost transfer requests to the department business administrator and indicate if the charge can be applied to the grant as cost sharing. If unallowable as cost sharing, the SRSAD Grant Administrator will delete the parked document. If allowable as cost sharing the SRSAD Grant Administrator will re-code the CTR form as cost sharing and attach the form to the email. If the request does not involve an asset, the Grant Administrator will re-code the parked document for cost sharing and post the document in SAP. If the request involves an asset, the Asset Management Department will be included in the approval email. The Asset Management department will enter all necessary documents into the accounting system to affect the change for recorded assets.

- **ORIGINAL CHARGE WAS AN UNRELATED GRANT FUND:** The SRSAD Grant Administrator will email denial of non-salary cost transfer requests to the department business administrator and indicate if the charge can be applied to the grant as cost sharing. The SRSAD Grant Administrator will re-code the CTR form as appropriate (with or without grant number for cost sharing) and attach the form to the email. If the request does not involve an asset, the Grant Administrator will re-code the parked document as appropriate (with or without grant number for

cost sharing) and post the document in SAP. If the request involves an asset, the Asset Management Department will be included in the approval email. The Asset Management department will enter all necessary documents into the accounting system to affect the change for recorded assets.

12. **REALLOCATION REQUEST DEPARTMENTAL PROCEDURE:** Reallocation email requests should be sent directly to the appropriate SRSAD Grant Administrator. *(**Do not** use the ctr@uc.edu email address.)* This email can only be submitted by a department employee who has attended Cost Transfer Training. The SRSAD Grant Administrator may request a revision of the request or additional supporting documentation at his/her discretion. Copies of invoices are usually not required but may be requested at the GA's discretion. Please refer to Appendix B for additional guidelines regarding email subject lines and templates to use when submitting reallocation requests. Refer any questions to the appropriate SRSAD Grant Administrator identified in SAP using transaction GMGRANTD (Contacts Tab).

13. **REALLOCATION REQUEST SPONSORED RESEARCH SERVICES ACCOUNTING DIVISION PROCEDURE:** SRSAD will review all reallocation requests within 7 business days of receipt. The SRSAD Grant Administrator may request a revision of the request or additional supporting documentation at his/her discretion.

    SALARY REALLOCATIONS: The SRSAD Grant Administrator will email approval of salary reallocation requests to Government Cost Compliance (GCC) and the department business administrator. GCC is responsible for completing the PCR process in the system.

    NON-SALARY REALLOCATIONS: The SRSAD Grant Administrator will email approval of non-salary reallocation requests to the department business administrator and post the parked document in SAP.

APPENDIX A – PART 1: CTR Guide Matrix

The following chart lists situations where a formal CTR is required:

As they relate to sponsored projects, expenses can fall into one of three broad categories, which can be identified by the Fund number and Grant number fields as follows:

Category	Fund Designation	Grant number
Direct Charge to a Sponsored Project	Begins with "G1xxxxx, G2xxxxx, G3xxxxx, G4xxxxx, G6xxxxx or P5xxxxx"	Has a grant number
Cost Share to a Sponsored Project	Does not begin with "G"	Has a grant number
Not Assigned to a Sponsored Project	Does not begin with "G"	Does not have a grant number

Original Expense Location	New Expense Location	CTR required?
Cost Share	Not Assigned to Sponsored Project	**NO**
Cost Share	Direct Charge (ANY Sponsored Project)	**YES**
Cost Share	Cost Share to DIFFERENT Sponsored Project	**NO**
Direct Charge	Not Assigned to Sponsored Project	**YES**
Direct Charge	Cost Share (Any Sponsored Project)	**YES**
Direct Charge	Direct Charge to DIFFERENT Sponsored Project	**YES**
Not Assigned	Direct Charge	**YES**
Not Assigned	Cost Share	**NO**

APPENDIX A – Part 2: Examples of when a reallocation email or a CTR form are appropriate.

Scenario 1: I used the wrong GL (general ledger) code for the supply purchase on the grant (Direct Charge).

Action to Take: Correct the GL coding by sending a reallocation email to the appropriate Grant Administrator. (Please be sure to include in your email all of the information requested in section 3 above.)

Scenario 2: I have a program grant with four grant numbers and found a supply item on Dr. A's grant number (Direct Charge) that belongs on Dr. B's grant number (Direct Charge).

Action to Take: Correct the grant coding by sending a reallocation email to the appropriate Grant Administrator. (Please be sure to include in your email all of the information requested in section 3 above.)

Scenario 3: Dr. C has two grants and I found a travel charge on grant 1 (Direct Charge) that belongs on grant 2 (Direct Charge).

Action to Take: Correct the grant coding by completing a Cost Transfer Request Form according to the procedures outlined above.

Scenario 4: Dr. D has a program income account tied to his grant and there is a supply on the grant (Direct Charge) that belongs on the program income account. (Or there is a supply on the program income account (Direct Charge) that belongs on the grant.)

Action to Take: Correct the grant coding by sending a reallocation email to the appropriate Grant Administrator. (Please be sure to include in your email all of the information requested in section 3 above.)

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Scenario 5: There is a charge on Dr. E's grant (Direct Charge) that does not belong on the grant and needs to be moved to the department account.

Action to Take: Correct the grant coding by completing a Cost Transfer Request Form according to the procedures outlined above.

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Scenario 6: There is a charge on Dr. F's grant (Direct Charge) that is for the grant but belongs on the department fund as cost sharing.

Action to Take: Correct the grant coding by completing a Cost Transfer Request Form according to the procedures outlined above.

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Scenario 7: There is a charge on Dr. G's department account that belongs on a grant (Direct Charge).

Action to Take: Correct the grant coding by completing a Cost Transfer Request Form according to the procedures outlined above.

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Scenario 8: There is a charge on Dr. H's department account coded as cost sharing for grant A that belongs on grant A as a direct charge.

Action to Take: Correct the grant coding by completing a Cost Transfer Request Form according to the procedures outlined above.

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Scenario 9: There is a charge on Dr. J's department account that isn't coded as cost sharing but should be coded as cost sharing for grant A. (Or there is a charge on Dr. J's department account coded as cost sharing for grant A that should be coded as cost sharing on grant B.)

Action to Take: Correct the grant coding by performing one of the following actions:

Salary Charge: Prepare a PCR to correct grant number reference. Comment section of PCR should include: *PCR to add (change) grant number on Dxxxxxx for cost sharing. CTR not required.*

Non-Salary Charge: Enter and park a journal entry in SAP with document type JE to add/change a grant number reference on the department funded expenditure.

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Scenario 10: SRS Accounting canceled the original grant and created a new grant. How do I get existing charges to the new grant?

Action to Take: SRS Accounting will transfer all non-salary expenditures. Salary effort should be corrected by preparing a PCR and sending a reallocation email with labor history attached. PCR comments should include: *Change effort on grant 10xxxxx to grant 10xxxxx per SRSAD instructions due to setup coding issues. Reallocation email will follow*. See Appendix B for reallocation email verbiage.

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APPENDIX B: Reallocation of Expense Emails – Subject Lines and Description Templates

Subject Lines of Emails:

Non-Salary: Reallocation of Expense / Grant Number(s) / Sponsored Project Name

Salary: Reallocation of Expense / Employee Last Name / Grant Number(s) / Sponsored Project Name

This email can only be submitted by a department employee who has attended Cost Transfer Training.

Please remember to attach ledgers or labor history to support the original charge. The SRS Accounting GA's will request additional information if needed. Please provide this information when requested.

Description Templates: Referring back to the second, third, and fourth bullet of section 3, the email must be descriptive and include pertinent information such as expense description, effort period (payroll) or original document number and date (non-payroll), amount, account numbers involved, and parked FV50 or pending PCR document number. In order to promote consistency among the university community, *please* use one of the following templates in the body of the email requesting the reallocation:

Non-Salary Reallocation Email Templates:

1) **(Use when reallocating only one transaction between two grant numbers.)**
   For the (sponsored project name) sponsored project, FV50 document xxxxxxxxx has been entered to reallocate $xxx.xx from grant 100xxxx to grant 100xxxx. The expenditure is for (provide a description of the expense and vendor name). The original document number is xxxxxxxxx and posted on xx/xx/xxxx.

   Example: For the DK55555-05 sponsored project, document 101205609 has been entered to reallocate $1,025.69 from grant 1008523 to 1008530. The expenditure is for chemicals purchased from Fisher Scientific. The original document number is 101206705 and posted on 8/15/2015.

2) **(Use when reallocation more than one transaction between two grant numbers.)**
   For the (sponsored project name) sponsored project, FV50 document xxxxxxxxx has been entered to reallocate $xxx.xx from grant 100xxxx to grant 100xxxx. The expenditures are for (provide a description of the expense and vendor name). Please see the attached ledger detail for the original document numbers and posting dates.

   Example: For the DK55555-05 sponsored project, document 101205609 has been entered to reallocate $1,025.69 from grant 1008523 to 1008530. The expenditures are for various lab supplies purchased from Fisher Scientific and Wright Brothers. Please see the attached ledger detail for the original document numbers and posting dates.

3) **(Use when reallocating an expense between sponsored classes or general ledger codes on the same grant number.)**
   For grant 100xxxx, FV50 document xxxxxxxxx has been entered to reallocate $xxx.xx from (Sponsored Class Name) sponsored class to (Sponsored Class Name) sponsored class. The expenditure is for (provide a description of the expense and vendor name). The original document number is xxxxxxxxx and posted on xx/xx/xxxx.

Example: For 1008523, document 101205609 has been entered to reallocate $400.00 from Lab Expense sponsored class to Travel sponsored class. The expenditure is for a conference registration to ACS for the annual conference in September. The original document number is 101206705 and posted on 8/15/2015.

Salary Reallocation Email Templates: (Only one employee per email!)

1) **(Use when reallocating effort between two grant numbers.)**
   For the (sponsored project name) sponsored project, PCR document xxxxxxxx has been entered to reallocate $xxx.xx from grant 100xxxx to grant 100xxxx. (Employee name) shifted his/her effort to this portion of the sponsored project for the effort period of xx/xx/xxxx to xx/xx/xxxx.

   Example: For the DK55555-05 sponsored project, PCR document 600256563 has been entered to reallocate $4,500 from grant 1008523 to 1008530. Joe Researcher shifted his effort to this portion of the sponsored project for the effort period of 8/1/2015 to 8/31/2015.

   Suggested PCR Comment: Reallocation of effort from grant 10xxxxx to 10xxxxx. Reallocation email to follow.

2) **(Use when reallocating effort from cancelled grant to new grant per instructions from SRSAD.)**
   For the (sponsored project name) sponsored project, PCR document xxxxxxxx has been entered to reallocate $xxx.xx from grant 100xxxx to grant 100xxxx for the effort period of xx/xx/xxxx to xx/xx/xxxx due to a grant setup change by SRS Accounting.

   Example: For the CCHMC Sub HL123456 sponsored project, PCR document 600256563 has been entered to reallocate $4,500 from grant 1008523 to 1008530 for the effort period of 8/1/2015 to 8/31/2015 due to a grant setup change by SRS Accounting.

   Suggested PCR Comment: Change effort on grant 10xxxxx to grant 10xxxxx per SRSAD instructions due to setup coding issues. Reallocation email will follow.

3) **(Use when reallocating effort for a trainee or fellow appointed on T32 and F32 DHHS award. These trainees and fellows should be devoting 100% of their effort to their training or fellowship. UC must pay the trainee or fellow the amount identified on the statement of appointment. Payment by UC in excess of the statement of appointment amount is covered by department funds as cost sharing to maintain 100% effort on the grant number.)**
   For the (sponsored project name) training/fellowship award, PCR document xxxxxxxx has been entered to reallocate $x,xxx.xx from department fund Xxxxxxx to grant 101xxxx for the effort period of xx/xx/xxxx to xx/xx/xxxx to comply with the approved Statement of Appointment. The SOA is attached for reference.

   Or

   For the (sponsored project name) training/fellowship award, PCR document xxxxxxxx has been entered to reallocate $x,xxx.xx from grant 101xxxx to department fund Xxxxxxx as cost share for

the effort period of xx/xx/xxxx to xx/xx/xxxx to comply with the approved Statement of Appointment. The SOA is attached for reference.

Example 1: For the T32 NS123456 training award, PCR document 600256563 has been entered to reallocate $4,180 from D700000 to grant 1019999 for the effort period of 7/1/2016 to 7/31/2016 to comply with the approved Statement of Appointment.

Example 2: For the T32 NS123456 training award, PCR document 600256563 has been entered to reallocate $4,180 from grant 1019999 to D700000 as cost share for the effort period of 7/1/2016 to 7/31/2016 to comply with the approved Statement of Appointment.

Suggested PCR Comments:
- Change effort on D700000 to grant 1019999 to comply with the approved Statement of Appointment. Reallocation email will follow.
- Change effort on grant 1019999 to D700000 as cost sharing to comply with the approved Statement of Appointment. Reallocation email will follow.

APPENDIX C: Streamlined Procedures for Clinical Trial Effort, Direct Charging Salaried Employee by the Hour, and Training and Fellowship Award Effort Correction

Streamlined Clinical Trial Effort (Payroll) Allocation Policy/Procedures

The following policy and streamlined process for allocating effort on clinical trials has been implemented as of November 24, 2010.

1. Since these awards are not cost reimbursement, a CTR and PI approval will not be required for these "after the fact" adjustments since they are being based on actual time worked. The PI will approve the LVS when received as they do with any other award attesting to the accuracy of the effort.

2. The PCR comment section for the individuals being adjusted must read the following: "This is clinical trial effort being moved on to the award. The effort is initially placed on a department account and then moved over to the grant based on actual percent of effort worked in a given period". (If effort being moved to clinical trial award is initially on any other "G" fund, a CTR is required.)

3. The department will then send a copy of the excel file as back-up to GCC showing the hours worked/moved per employee for the period being adjusted.

4. These adjustments must be done in a timely fashion. SRS AD / GCC requests that they be completed the month after the effort was performed but no later than the following month or this process may be rescinded! For example, July time should be corrected by the August PCR cut-off if at all possible but no later than September.

Streamlined Process for Charging a Salaried Employee by the Hour:

The following policy and process for allocating effort of a salaried employee by the hour has been implemented as of February 12, 2014.

1. Since the sponsor requires the salaries on the grant to be charged by actual hours worked, it would be inappropriate to allocate a percent of effort on the award at the beginning of the month.

2. The department will be required to track the hours being charged to the award since this is outside system functionality. The department is responsible for all calculations related to these adjustments.

3. A CTR and PI approval will not be required for these adjustments since they are being based on actual time worked. The PI will approve the LVS when received as they do with any other award attesting to the accuracy of the effort.

4. GCC will verify with SRS AD that the grant in question does have the hourly rate requirement in the grant agreement.

5. The PCR comment section for the individuals being adjusted must read the following: "**Percent of effort being directly charged for a salaried employee. The effort is initially placed on a department account and then moved over to the grant based on actual percent of effort**

worked in this period". (If effort being moved is initially on any other "G" fund, a CTR is required.)

6. The department will then send a copy of an excel file as back-up to GCC showing the hours worked per employee for the period being adjusted.

7. These adjustments must be done in a timely fashion. SRS AD / GCC requests that they be completed the month after the effort was performed but no later than the following month or this process may be rescinded! For example, July time should be corrected by the August PCR cut-off if at all possible but no later than September.

APPENDIX D: Tips on Date Selections for Business Warehouse Labor History Report

When running your labor history, please use the Business Warehouse LH100E, Labor History Detail by Employee. Only run labor for the pay periods being adjusted but include all posting dates since that pay period in order to capture all entries relevant to the pay period. Please see the monthly and bi-weekly date selection criteria examples below:

Monthly Paid Employee Date Selection Criteria

Example: I need to adjust December monthly payroll, today is March 16, 2017, and payroll is complete through February. The Business Warehouse LH100E posting date selection should start with the first pay date to be adjusted and end with the most recently completed monthly payroll cycle. In this example the date selections would be:

General Variables		
Variable⬆⬇	Current Selection	Description
* Posting Date	12/01/2016 - 02/28/2017 🗖	12/01/2016 - 02/28/2017
Pay Date	12/01/2016 - 12/31/2016 🗖	12/01/2016 - 12/31/2016

Always use the month end date of the most recently completed payroll. For example, if today's date was March 24, 2017, the posting dates would be entered as 12/01/2016 – 03/31/2017 since March monthly payroll would have been completed on March 23, 2017.

Bi-Weekly Paid Employee Date Selection Criteria

Example: An employee started working on a grant 02/01/2017, today is March 10, 2017 and only the first pay period needs to be adjusted. The 2/21/2017 pay date covers the effort period of 1/29/2017 – 2/11/2017. Effort period on the CTR form should only be the working days you are adjusting. In this example the effort period to enter on the CTR form is 2/1/2017 – 2/11/2017. The Business Warehouse LH100E selection should start with the first pay date to be adjusted and end with the most recently completed bi-weekly payroll cycle. In this example the date selections would be:

General Variables		
Variable⬆⬇	Current Selection	Description
* Posting Date	02/21/2017 - 03/07/2017 🗖	02/21/2017 - 03/07/2017
Pay Date	02/21/2017 🗖	02/21/2017

Always use the most recently completed bi-weekly payroll pay date. For example, if today's date was March 17, 2017, the posting dates would be entered as 02/21/2017 – 03/21/2017 since the March 21, 2017 pay date would have been completed by March 16, 2017.

Note Regarding Effort for bi-weekly Recurring Payment Adjustments: If an accounting string is tied to a recurring payment then effort is 100% on the CTR form. If the recurring payment is using cost distribution to allocate salary, then use the appropriate percentage on the CTR form. Most recurring payments use an assigned accounting string.