

**On-Line Journal Tips and Refreshers  
Regular and Exception Cost Transfers  
November 2005**

**Regular and Exception Cost Transfers-Source Code 545 and 547**

**Purpose**

Regular Cost Transfer SC 545	Exception Cost Transfers SC 547
Transfer cost/expenses from current (source) fund to the (target) fund where either the source and/or target involve a sponsored project fund.	Exception cost transfer journals should rarely be used. The current (source) or target fund (must involve a sponsored project fund).
Transfer pre-award costs.	Transfer exceptional payroll cost/expense, including vacation accrual, between fund years within the same DPA and Fund. <b>NCA 411300 (Academic) and NCA 412300 (Non-Academic) maybe used for lump sum transfer of Payroll Benefits.</b>
Correct errors or changes in use involving sponsored project funds.	Transfer from a sponsored project fund to a related program income fund for the purpose of liquidating program income.
Transfer cost overruns in sponsored projects funds to a departmental unrestricted fund-see also 547 Cost Transfer Exception.	True cost overruns (for example one-time closing of an expired DPA and Fund with an overdraft using a lump sum transfer to a departmental unrestricted fund). <b>Use NCA 437691 for both the debit and credit.</b>
	When the cost transfer involves an open item NCA for equipment only.

**What are the Do's and Don'ts?**

**DO'S**

Description	SC 545	SC 547
1. Journal Date is Correct-reflects an open period date the transaction is to be posted.	✓	✓
2. Long Description is adequate to describe the purpose of the journal for the reader and matches the source code.	✓	✓
3. Ledger Group and Source are correct according to the description.	✓	✓
4. For any transfer involving federal funds, the transfer must be recorded in the general ledger with 120 days of the original charge appearing in the ledger per UCSF Policy 300-22.	✓	✓
5. Must use salary NCA shown on GL Transaction Detail or GL Payroll Detail Report for both the debit and credit when doing a lump sum transfer for non payroll related expenses. NCA 411300 (Academic) and NCA 412300 (Non-Academic) can be used for lump sum transfer of payroll benefits.		✓

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### DO's continued

Description	SC 545	SC 547
6. Use NCA 437691 for both the debit and credit when doing a lump sum transfer (one-time) of true cost overruns from an expired sponsored fund to departmental unrestricted fund.		✓
7. Use NCA 437975 for both the debit and credit when doing a lump sum transfer from a sponsored project fund to a related program income fund for the purpose of liquidating program income.		✓
8. Should only be used to transfer cost/expenses for sponsored project funds.	✓	✓

### DON'TS

Description	SC 545	SC 547
1. Cannot be used to transfer payroll expenses. (Except as notes for SC 547 lump sum transfer above.)	✓	✓
2. Cannot be used to transfer expenses containing open item NCA's (equipment).	✓	
3. Cannot be used to transfer Indirect Cost Recovery expenses (NCA's 490030 and 490040). Contact EMF to do the adjustment.	✓	✓
4. Cannot be used to transfer Revenue. Contact EMF.	✓	✓
5. Cannot be used with Balance Sheet or Budget NCA's, for example Unexpended Balance 119800, 119850 and Budget 438888). Contact EMF.	✓	✓
6. Cannot be used to transfer recharge credits in NCA range 49XXXX, only recharge departments should use this NCA range in non-sponsored project funds.	✓	✓

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### *What are the Attachment E Requirements?*

Description	SC 545	SC 547
1. Attachment E must always be completed for government funds or sponsored projects with federal flow-through.	✓	✓
2. For source transactions that are <b>less</b> than 90 days old (from posting date), only questions 1 and 2 need to be completed on Attachment E.	✓	✓
3. For source transactions that are <b>more</b> than 90 days old (from posting date), all three questions must be completed on Attachment E.	✓	✓
4. Provide a reasonable and understandable explanation that justifies the transfer of meeting the criteria of direct benefit, necessity, and relatedness.	✓	✓
5. All pieces of the transfer must conform to federal costing guidelines under OMB Circular A-21 and the University policies.	✓	✓
6. For partial cost transfers, there should be a full explanation of why only a partial cost is being transferred.	✓	✓

### *Besides a completed Attachment E, what other documents should be attached?*

Description	SC 545	SC 547
1. All attachments should be PDF and support the line detail for Approver, Controller's Office and Audit review at time of submission or in the future. <b>Number and size of document should be limited to what is required to substantiate the cost transfer and should always be a PDF document.</b>	✓	✓
2. If an expense is being allocated to more than one sponsored fund, an attachment showing the methodology for determining the allocation is required. Federal guidelines require that the methodology be "proportionate to the benefit derived."	✓	✓
3. For lump sum transfers, a WebLinks Fund Summary (detailing the transactions being transferred) is required.		✓

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### *What are the PI Certification requirements?*

For both SC 545 and 547 the PI Certification requirements are the same.

- ❖ Primary Principle Investigator of a federal or flow-through fund receiving charges may be required to review/certify the statement on Attachment E. The PI's approval can be maintained in any of the following ways:
  1. PI signs Attachment E. Scan as PDF file and attach it to the Cost Transfer Journal in PeopleSoft at the time of submission.
  2. PI signs Attachment E, but it is not scanned as PDF file and attached to the journals. Instead it is stored in a department file.
  3. Obtain PI electronic approval by email and attach it to the Cost Transfer Journal in PeopleSoft at the time of submission.

### *Once a cost transfer journal has been posted can it be reversed?*

Yes. If you are trying to correct a cost transfer due to a mistake, you can create a new Regular cost transfer to move transactions from an incorrect chartfield as follows:

- ❖ Create a new cost transfer journal  
On Source of Transfer: specify the chartfield information (DPA, Fund, NCA, Fund Year) from the posted JE and enter the posted journal's ID number in the "Journal ID\*\*" field  
After selecting the lines to be transferred and returning to the lines page enter correct chartfield information (DPA, Fund, NCA, Fund Year) on the new lines.
- ❖ Note: Cost Transfers cannot be copied.
- ❖ **Audit risk: Cost transfer must be completed carefully, timely and with adequate supporting documentation. All Cost Transfers are subject to audit.**

### *Can a Cost Transfer be used for transferring equipment cost?*

Yes. July 1, 2004 the equipment threshold was changed to \$5,000. Purchases recorded in the NCA range of 440000-449999 can be done using **Source Code 547 only for Sponsored Project Funds**. Two key pieces of information are required as follows:

1. PO Number in the Reference Field
2. Reason for making the transfer.

**Note: For Non-Sponsored Project Funds such as 19900, 6xxxx funds, SC 535 Financial Journals can be used to transfer equipment purchase expenditures.**

Reference: [http://acctg.ucsf.edu/capital\\_accounting/policy/Capitalized%20Assets%20Process%20-%20July%201%202004.pdf](http://acctg.ucsf.edu/capital_accounting/policy/Capitalized%20Assets%20Process%20-%20July%201%202004.pdf)

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***Where can I find more detailed information on Cost Transfers?***

**Controller's Office web at <http://www.acctg.ucsf.edu/>**

**PeopleSoft-OLFS Journals-Communications**

Campus Communication 3-22-04 – Cost Transfer Reviewer Policy  
Campus Communication 5-13-04 – Job Aids, Tips, Cost Transfers  
Campus Communication 5-21-04 - Use of Attachment E

**PeopleSoft-OLFS Journals-Training and Reference Materials**

8\_Preparing a 545 Cost Transfer Journal  
Journal Entry Guidelines

**Policies**

OMB Circular A-21 [http://www.whitehouse.gov/omb/circulars/a021/a21\\_2004.html](http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html)  
UCSF Administrative Policy 300-22 <http://policies.ucsf.edu/300/30022.htm>  
NIH Grants Policy Statement (12/03) [http://grants.nih.gov/grants/policy/nihgps\\_2003/](http://grants.nih.gov/grants/policy/nihgps_2003/)