

Salary and Wage Cost Transfers

Purpose

This document provides guidance for doing cost transfers for salary and wage expenditures in a timely manner, states the operating location responsibilities, lists documentation required to support the cost transfer and the additional approval authorization required when a cost transfer is not performed timely.

Background

When an employee is entered on the payroll, salary and wage charges are posted to a project, task, award, organization and expenditure type (PTAOE). This is done by either entering a labor schedule for salaried charges or entering charging instructions when entering hourly charges to be paid. Cost transfers are performed to redistribute incorrect salary or wage charges from one award to another. Moving salary and wage expenditures from one project, task, or expenditure type to another under the same award, and transfers from the suspense account, do not constitute a cost transfer. Listed below are compliance risks that operating locations should be aware of when transferring payroll expenditures.

- Excessive cost transfers
- Lack of monitoring of cost transfers
- Lack of quality documentation supporting the cost transfer
- Cost transfers made near to, at the end of a project, or after a project has ended
- A cost transfer that appears to be performed for the sole purpose of moving a deficit
- Cost transfers that appear to be utilizing unspent funds
- Cost transfers after Effort has already been certified
- Cost transfers performed beyond 90 days after need is identified

Why to Make an Adjustment

A cost transfer may be required for several reasons. Please see the [Transfer of Costs Policy](#) for a list of acceptable reasons for salary cost transfers. Salary and wage expenditure adjustments can be made only if the employee has charges posted to a particular award. Changes to the total distribution amounts are not allowed, which means that if the total value of a charge is incorrect, payroll must be adjusted. There must be sufficient funds available in the award that the charge is being moved to and the charge must be allowed by sponsor terms and conditions as well as RF guidelines.

Timeliness of Salary and Wage Cost Transfers

Cost Transfers should be requested, authorized and input promptly. Cost transfers that are performed after effort reports have been certified are strongly discouraged, however if they are necessary, they must be clearly documented (see table below for required authorization

and documentation) and corrected effort reports must be generated. In general, cost transfers should be input no later than 90 days after the need is identified. As noted below, any cost transfers done past this 90 day period will need to have clear documentation with additional authorization as noted in the table below.

Treatment of Suspense

As a matter of practice, this cost transfer procedure does not apply to transfers from the payroll suspense account to a sponsored award. Payroll transactions default to suspense when there are no charging instructions or an invalid account number is entered. Documentation required for moving these transactions to the appropriate award would be the appointment form or labor distribution form signed by the project director.

Required Documentation and Approvals

A completed salary and wages cost transfer form or campus form with the same elements must be completed for all cost transfers. Additional documentation may include the Oracle Change form or detailed explanations by the Project Director. The person reviewing and performing the adjustment may not approve the adjustment.

Type of Transfer	Level of Approval and Authorization Required	Level of Documentation Required
Correction of a Clerical Error	Someone other than the person completing the transfer needs to approve the adjustment (i.e. person's supervisor).	Salary and Wages Cost Transfer form Original documentation and/or detailed explanation of error.
Reallocation of expenses where multiple projects benefit	Project Director or designee must authorize the transfer. Operations Manager or designee must also authorize for reallocation of expense.	Salary and Wages Cost Transfer form Attach a signed copy of a change form if it is being used as documentation for Project Director/Operations Manager authorization.
Transfer of pre-award costs to a sponsored project	Project Director or designee must authorize the transfer. Operations Manager or designee must also authorize for reallocation of expense.	Salary and Wages Cost Transfer form Attach a signed copy of a change form if it is being used as documentation for Project Director/Operations Manager authorization.
Beyond 90 days after need is identified for any of the reasons above	In addition to the approval appropriate for the reason for the cost transfer, the Operations Manager (OM) or designee* must authorize transfers beyond 90 days of when need was first identified. *Note: Campuses should ensure that the OM's designee has the appropriate level of authorization for these types of cost transfers (i.e. grants manager). The designee should fully understand the implications and risks associated with these types of transfers before authorizing.	In addition to the documentation appropriate for the reason for the cost transfer, a detailed explanation for why the cost transfer is occurring past the 90 day period is required.
Effort Report has already been certified	In addition to the approval appropriate for the reason for the cost transfer, the Operations Manager (OM) or designee* must always	In addition to the documentation appropriate for the reason for the cost transfer, a detailed explanation for why the certification is no

authorize transfers after effort has been certified.
 *Note: Campuses should ensure that the OM's designee has the appropriate level of authorization for these types of cost transfers (i.e. grants manager). The designee should fully understand the implications and risks associated with these types of transfers before authorizing.

longer valid is required.
 A new effort report must be generated.

How to Make an Adjustment

The following table describes the steps to take when doing a cost transfer:

Step	Action
Employees (including hourly) requiring a transfer with no date changes	Complete the Salary and Wages Cost Transfer form (PDF or Word) and any other required forms. Receive the required approvals. Perform a distribution adjustment in the labor distribution module based on the information on the form.
Employees (including hourly) requiring a transfer with date changes	Complete the Salary and Wages Cost Transfer form (PDF or Word) and any other required forms. Receive the required approvals. Complete the appropriate pregenerated distribution form and send to central office for processing. Pregenerated Distribution Line - Award to Award Request Form (Instructions) Pregenerated Distribution Line – Award to Award Request Form Pregenerated Distribution Line - Suspense-OIA to Award Request Form (Instructions) Pregenerated Distribution Line - Suspense-OIA to Award Request Form
Hourly or Overtime Charges Posted Prior to 8/1/10	Complete the Salary and Wages Cost Transfer form (PDF or Word) and any other required forms. Receive the required approvals. Enter a net-zero expenditure batch in grants and contact central office to release the batch. See Transfer Hourly Payroll Expenditures process help.

The Importance of Monitoring the Cost Transfers for Compliance

Operating locations should have a process in place to perform and monitor cost transfers, including performing a review to ensure all cost transfers have been appropriately processed and posted. The [RF Cost Transfer Register](#) can be used for this purpose.

Change History

- **June 16, 2011** - Minor edits; added Treatment of Suspense section.
- **June 18, 2008** - New document.

Feedback

Was this document clear and easy to follow? Please send your feedback to webfeedback@rfsuny.org.

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