Cost Transfer Guidance

Payroll Accounting Adjustments (PAAs)

For adjusting payroll

Change Reasons
- Adjustment based on time spent on activities
- Adjustment due to budget change
- Adjustment moving salaries off a sponsored Grant
- Adjustment of salary/wage to different Grant under same Award
- Adjustment to correct non-grant funding
- Administrative Exception
- Costing Allocation schedule not established
- Other - comment required

> **The Retro Questionnaire and PI approval are *not required* when the following Change Reasons are used. We recommend using these Change Reasons if appropriate for your cost transfer:**
> - Adjustment moving salaries off a sponsored Grant
> - Adjustment of salary/wage to different Grant under same Award
> - Adjustment to correct non-grant funding
> - Administrative Exception

Frequently Misused Change Reasons

Adjustment moving salaries off a sponsored Grant – must be used if salary/wage is moving from a sponsored grant to a non-sponsored funding source.

Adjustment of salary/wage to different Grant under same Award – must be used if salary/wage is moving from one grant to another grant under the same award number (Workday award number must be the same for both grants).

Adjustment to correct non-grant funding – must be used in cases where only non-sponsored fund sources are impacted. Can be used for cost share and Salary-Over-the-Cap adjustments.

> **Administrative Exception** – should only be used if all of the following are true:
> - Receiving grant was not available to use until it was set up or extended.
> - Receiving grant was set up or extended within the last 90 days.
> - Expenses were held on a non-sponsored account while waiting for the grant worktag to become available.

Other - comment required – must be used if none of the other Change Reasons apply and if an adequate explanation for the adjustment is provided in the comments.

If a Change Reason is used incorrectly, the adjustment will be returned to the submitter, and once corrected/resubmitted, must go through the approval process again.

If the receiving grant is in deficit

It's ok to move costs to a grant that's currently in deficit if one of the following is true:
- The grant is a clinical trial
- The grant is "At Risk" or "Pending Sponsor Extension" awaiting additional funding

Tip: If the receiving grant is in deficit and is not a clinical trial or "at risk," indicate in comments whether additional funds are expected, without which the PAA will be sent back.

Reasons a PAA may be sent back
- Receiving grant is in deficit, or will be in deficit if adjustment is approved
- Change Reason is used incorrectly
- "Other" Change Reason is used without enough explanation provided in the comments
- SOC or cost share uses incorrect Function – Function needs to match allowed Function worktag for the grant (usually FN009)
- Budget Date is being changed without sufficient reason
- Temp Service Fee is being charged to a federal grant
- Bonus is being charged to a federal grant (and is not an approved exception)
- Sponsored grant is being used to clear a deficit
- Adjustment is requested to spend down the remaining balance, and not because the costs are appropriate for the grant
- Retro questionnaire responses are inadequate (see "Retro Questionnaire" guidance below)

Retro Questionnaire

Retro Questionnaire
- All four questions must be answered fully and completely with adequate details. Clear and detailed responses are needed in case your retro cost transfer is pulled in an audit.
- Responses must be clear enough that they would make sense to an external reviewer (i.e. a person not working in research administration at UVA).

Other Guidance for PAAs
- Payroll lines that are not being adjusted must be removed so that fewer approvals are required and reviewers can easily identify the allocation lines that are being adjusted.
- Use "Optional Parameters" when adjusting multiple pay periods to the same worktags to auto-populate worktags to all proposed lines.
- For adjustments involving payroll for self (initiator), Medical Center, UPG, or Terminated/Transferred employee, the PAA must be created using the "Create Request" task in Workday.
- If adjusting GRA wages, tuition and health fees must be adjusted via journal entries.
- Editing a Retro Questionnaire on a sent back (or returned) PAA can be done by clicking on the "Submit" button, when a window will appear within Workday with a link to the retro form.

Accounting Adjustments (AAs)

For adjusting Supplier Invoices and Expense Reports

Change Reasons
- Adjustment due to budget change
- Adjustment moving costs off a Grant
- Adjustment Other - Explanation Required
- Adjustment to change Spend Category
- Adjustment to correct Grant under same Award
- Administrative Exception - Grants
- Worktags in Error

> **The Retro Questionnaire and PI approval are *not required* when the following Change Reasons are used. We recommend using these Change Reasons if appropriate for your cost transfer:**
> - Adjustment moving costs off a Grant
> - Adjustment to change Spend Category
> - Adjustment to correct Grant under same Award
> - Administrative Exception – Grants

Frequently Misused Change Reasons

Adjustment to change Spend Category – must be used if the Spend Category and nothing else is changing.

See "Frequently Misused Change Reasons" under "Payroll Accounting Adjustments" for other misused Change Reasons.

Retro Questionnaire

See "Retro Questionnaire" under "Payroll Accounting Adjustments" for guidance.

Accounting Journals

For cost transfers that can't be done via PAA or AA

Is a Journal needed?
- If adjusting a Supplier Invoice or an Expense Report, submit an Accounting Adjustment instead of a Journal.
- If adjusting payroll post-conversion to Workday, submit a Payroll Accounting Adjustment instead of a Journal.

What should a Journal be used for?
- Adjusting a partial amount of a Supplier Invoice or of an expense on an Expense Report
- Adjusting expenses not on a Supplier Invoice or an Expense Report, such as ISD expenses
- Changing the Spend Category on an Expense Report, which can't be done via AA
- Adjusting legacy expenses (expenses that originally posted in Oracle)

Types of Journals
- **Grant Cost Transfer** – for cost transfers within 90 days, and cost transfers over 90 days that don't require a retro form (see "Retro Form Exceptions" below)
- **Grant Retro Cost Transfer** – for cost transfers over 90 days that require a retro form
- **Payroll Accounting Adjustment - Historical** – for adjusting legacy payroll (payroll that originally posted in Oracle)

Attachments

Required Attachments

Grant Cost Transfer
- Expenditure detail

Grant Retro Cost Transfer
- Expenditure detail
- Retro Cost Transfer Form

Payroll Accounting Adjustment - Historical
- Expenditure detail
- Retro Cost Transfer Form
- Recertified effort report

Expenditure detail – can be generated from Workday or UBI.
- Must show current worktags, Spend Category, Budget Date, etc. for the expenses being moved. Examples:
    - "Grants Expenses Reconciliation" report in Workday for expenses on grants
    - "Spend Detail Report" in Workday for expenses on non-sponsored accounts
    - "GA Analysis Actuals" in UBI for legacy expenses
- Budget Dates on your Journal must match the Budget Dates/Expenditure Item Dates on your expenditure detail.

- Credits on your Journal must match the original expenses from the expenditure detail.

> **Retro Cost Transfer Form –** PDF form can be found on the OSP website.
> - All four questions must be answered fully and completely with adequate details. Clear and detailed responses are needed in case your retro cost transfer is pulled in an audit.
> - Responses must be clear enough that they would make sense to an external reviewer (i.e. a person not working in research administration at UVA).

Recertified effort report – can be found in legacy ResearchUVA.
- Must be corrected and signed by the PI
- Needed for every effort reporting period impacted by a historical payroll adjustment

If a Journal is missing the required attachments, it will be returned to the submitter, and once resubmitted, will need to go through the approval process again.

Retro Form Exceptions

> A retro form is *not required* if any of the following is true, even if the expense is over 90 days:
> - Costs are moving off a sponsored grant to a non-sponsored account
> - Costs are moving from one grant to another grant under the same Workday award number
> - Costs are staying on the grant but the Spend Category is changing
> - Only cost share or Salary-Over-the-Cap is being adjusted (costs on the sponsored fund are not changing)
> - Cost transfer qualifies for Administrative Exception, which means the grant worktag became available to use within the last 90 days (see "Administrative Exception" criteria above)

Tip: If a retro form is not required, you can use the Journal Source "Grant Cost Transfer" instead of "Grant Retro Cost Transfer," even if the expense is over 90 days. If you use "Grant Cost Transfer," PI approval will not be required for your Journal.

Other Guidance for Journals
- Use the correct Balancing Fund – should be FD002.
- Use the correct Journal Source: Grant Cost Transfer, Grant Retro Cost Transfer, or Payroll Accounting Adjustment - Historical.
- Ensure that information included in the Memo fields are correct.
- Do not submit adjustments using Spend Categories "Interest Earned - OSP (SC0744)" or "Internal Investment Income-OSP Pool 1 (SC0825)." If an adjustment is needed to investment income, please contact the OSP Cash Team.

For questions, please email OSP Post-Award Compliance at osp-postawardcompliance@virginia.edu.