

Transfer Policy

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I. Policy Statement

This policy provides guidelines for the preparation and processing of transfers (journal entries) for all CSE/UF accounts and sponsored projects. The purpose of this policy is to ensure adherence to generally accepted accounting principles and compliance with sponsor regulations governing transfers.

CSE/UF have policies, procedures and internal controls in place to ensure costs are accurately recorded; however, in certain cases, transfers may be necessary.

Transfers are normally used to allocate reasonable, allowable and allocable expenses to a specific account or funded projects. Project Directors are responsible for reviewing expenses charged to their accounts or funded projects on a monthly basis and requesting transfers to correct keypunch or other distribution errors. Requests for transfers from project personnel should be submitted as soon as possible following the review of monthly transactions. Requests over 90 days after the posting date of the original transaction will require an explanation of why the transfer was not initiated sooner; in some cases, the transfer may not be approved.

Definition: A transfer (journal entry) is used to allocate an expense or revenue from one account or sponsored project to another, or to transfer funds between object codes within an account or sponsored project.

Documentation: Transfers (journal entries) MUST include a description of the item(s) and explanation of why the transfer is necessary. Requests for transfers that lack adequate documentation and/or approval signatures will be returned to the originator.

See Section I below for detailed procedures related to Non-Grant and Contract accounts and Section II for detailed procedures related to Grants and Contracts-Sponsored Projects.

II. Procedures

Section I – Non-Grant and Contract Accounts (number series 30000-57999, 80000-89999):

An explanation of why the transfer is needed and a description of the item are required before a transfer (journal entry) can be processed. The description should be stated in such a way that CSE/UF staff and outside auditors are able to understand why the transfer is necessary.

Exception: If the transfer is due to a CSE/UF data input error, the description and explanation are not required.

Employees may be required to recertify their effort if the cost transfer involves payroll or reimbursed time. Recertification may be required if a grant or contract account is involved in the transfer.

Usually transfer requests pertain to expenses. In some cases, however, revenue may be transferred from one account to another.

A CSE/UF [Transfer Form](#) is available that addresses the required information. However, an e-mail may be used if it contains all the information included on the transfer form.

The transfer form or email request should be submitted to the appropriate office managing the account(s) from which the transfer is being made (Chico State Enterprises).

Section II – Grant and Contracts-Sponsored Projects (number series 58000-79999): To be acceptable under a sponsored project, transfers must be timely, properly documented, allowable and allocable to the proper budget categories or object codes approved by the funding agency. Employees may be required to recertify their effort if the cost transfer involves payroll or reimbursed time. Recertification will be determined by CSE based on the accounts included in the transfer. The expense must comply with the sponsor regulations, CSE/UF policies and 2 CFR Part 220. All transfers become part of the official project file and are subject to audit.

The description and explanation should be stated in such a way that CSE/UF staff and outside auditors are able to understand why the transfer is necessary. **Exception:** If the transfer is due to a CSE/UF data input error the description and explanation are not required.

Unallowable transfers typically include:

1. Transfer of expenses between sponsored projects in order to remove a deficit.
2. Transfer of expenses to spend the balance of an award.
3. Transfers requested more than 90 days after the end date of a sponsored project.
4. Transfers to adjust reimbursed time transactions which are not accompanied by a corrected effort certification.
5. Transfer of labor costs for an individual where the project number is not listed on an individual's Personnel Action Form (PAF) and not accompanied by a corrected timesheet.

Extenuating circumstances will be reviewed on a case-by-case basis and approved by Chico State Enterprises.

NOTE: Transfers made over 90 days after the end date of a grant or contract are generally not allowable. If you wish to make such a transfer, you must provide an explanation of why the transfer is being requested beyond the 90-day limit the transfer request may not be approved.

A CSE [Transfer Form](#) is available that addresses the required information. However, an e-mail may be used if it contains all the information included on the transfer form.

The transfer form or email request should be submitted to the **CSE Grant/Contract Analyst** assigned to managing the project from which the transfer is being made.