<u>Appendix: Cost Transfer Procedures</u>

Completing the Cost Transfer Request/Justification Form

Please complete the Cost Transfer Request/Justification form with all available information, recognizing that it may be reviewed by federal and other auditors. Include comprehensive details supporting the expense so the request can stand alone during an audit and provide sufficient supporting documentation. *Explanations such as "to correct a clerical error" or "to transfer to a correct project" are not adequate and will be rejected.*

Completed forms should be sent to grantaccounting@wpi.edu.

Please see below for information on where to locate expenditure details in Workday as well as samples of questionable justifications and ways to consider re-wording them.

Locating your expenditure details

There are multiple ways to locate transactional detail information. Please refer to our Workday Grant Report Instructions for detailed instructions on running your grant reports.

Example: If using "Grant Budget vs Actual (Sponsor Funded)" report, under the "Grant Actuals LTD" column you can click on any of the blue numbers and an additional screen will appear which will provide the expenditure accounting details.

<u>Payroll Expenditure Information:</u>

Ledger Account	Accounting Date	Transaction Amount	Operational Transaction for Journal	Spend Category	Expense Item	Memo	Line Memo	Employee as Worktag	Supplier as Worktag	Journal Number	Grant
61130:Salary - Non-Faculty Research	12/31/2024	2,750.00		Staff - Research				John Doe			Grant 12345-GR: Research Project

Note: Please refer to the T&I Biweekly Payroll Calendar if multiple pay periods need to be reallocated, otherwise please just enter the accounting date in the "Biweekly pay period(s) to be reallocated" section

Note: if moving a Research Assistant and corresponding tuition and health insurance has been posted for that term, please complete the Non-Payroll Expenditure Information box as well requesting those expenditures are also reallocated.

<u>Non-Payroll Expenditure Information:</u>

Ledger Account	Accounting Date	Transaction Amount	Operational Transaction for Journal	Spend Category	Expense Item	Memo	Line Memo	Employee as Worktag	Supplier as Worktag	Journal Number	Grant
71100:Supplies	01/07/2025	316.46	Supplier Invoice: 19000000-SINV	Supplies - Laboratory					VWR International Inc		Grant 12345-GR: Research Project

Completing the Cost Transfer Justification Section

<u>Unacceptable</u> Technical/Scientific Justification Example

The floral arrangement was originally charged to the wrong fund due to a clerical error and is being transferred to the sponsored award to correct the posting. As such, the expense is being moved to the grant to properly reflect research-related costs.

Why this is unacceptable:

- “Clerical error” is asserted without sufficient detail or documentation of the error
- Flowers are not typically considered a necessary or justifiable direct research expense
- Lacks a clear connection to the project’s approved scope of work or scientific objectives
- Appears to retroactively justify an unallowable or unrelated expense on a sponsored fund

<u>Acceptable</u> Technical/Scientific Justification Example (< 90 days)

The floral arrangement expense was originally charged to an incorrect funding source due to an administrative error and is being transferred to the sponsored award. The cost is allocable and allowable to the award, as the materials were directly used in a project-related study involving the extraction of pigments (e.g., anthocyanins) from flower petals for chemical analysis. This activity is explicitly included in the project’s approved scope of work and is necessary to meet the technical objectives of the award.

<u>Acceptable</u> Technical/Scientific Justification Example (> 90 days)

The floral arrangement expense was originally charged to an incorrect funding source due to an administrative oversight at the time of transaction processing. Upon subsequent review during monthly reconciliation, the error was identified; however, due to timing of the review cycle and competing closeout priorities, the correction was not processed within 90 days. The expense is now being transferred to the sponsored award to properly reflect the benefiting project.
The cost is allocable and allowable to the award, as the materials were directly used in a project-related study involving the extraction of pigments (e.g., anthocyanins) from flower petals for chemical analysis. This activity is explicitly included in the project’s approved scope of work and is necessary to meet the technical objectives of the award.
To mitigate the occurrence of late cost transfers, the department has implemented the following corrective measures:

- Established enhanced monthly reconciliation procedures with documented review and sign-off to ensure timely identification of errors
- Implemented internal departmental deadlines requiring all cost corrections to be initiated within 60 days of the original transaction
- Required departmental staff to take additional training on allowability, allocability, and timely cost transfer requirements under federal regulations

These measures are intended to strengthen internal controls, improve timeliness, and reduce the likelihood of future late cost transfers.