Additional Guidance – Departmentally Approved Cost Transfers

Ongoing monthly reviews of departmentally approved cost transfers indicate that a large percentage of batches do not have documentation attached in Oracle. Documentation should be attached into Oracle for all transfers (e.g., GCFA/Departmentally Approved, Credit to the Sponsor and Reclassifications).

Following the procedural guidelines will not only assist departments in retaining transfer documentation but also help alleviate the need for central departments to make departmental requests for documentation during reviews and/or audits. It is important to note that both internal and external reviews are performed frequently on cost transfer batches that are department and GCFA approved; any cost transfer must be able to stand on its own via the explanation, justification and supporting information attached to the transfer.

Policy 1305 Cost Transfers Involving Sponsored Projects states “the department business office is responsible for ensuring that requested transfers are made promptly and required documentation is on file”. In addition, the related Procedure 1305 PR.02 Cost Transfers Involving Sponsored Projects indicates that attaching all assembled documentation to the transaction initiated in Oracle is an essential part of preparing the entry/adjustment.

The current Section D – Defining the Cost Transfer in Oracle, step 7 of Procedure 1305 PR.02 suggests that in addition to reviewing all of the gathered documentation the Preparer should also, “…attach all transaction documents…” The procedure goes on to explain,

“…he or she may scan and upload these documents to the Cost Transfer Server. The documentation will automatically be matched to the JSA or LDA transaction directly in the Oracle application. Alternatively, the Preparer may use the “Paperclip” icon…”

During the approval process of the prepared entry/adjustment, the department approver should be reviewing the information entered into Oracle by the preparer to ensure the transfer is well-explained, justified and documented (i.e., the cost transfer justification form should be fully completed); the approver should also ensure supporting documentation is attached regardless of whether the batch is being reviewed by GCFA.

Cost transfers should always identify the original transaction, expenditure item date, and fiscal period during which the transaction posted. Consolidating corrections (e.g., grouping journal entry lines that contain the same expenditure type number) makes it difficult to properly explain the reason for the transfer and the charge’s benefit to a sponsored award. Consolidating also makes it difficult, if not impossible, to associate the entry back to the original transaction.

Helpful Hint: Completing the Cost Transfer Posting Process

Over the last several months, as a month-end activity, GCFA has noticed and followed up on JSA cost transfers with a batch status of Approved by Dept. that were not actually posted to the General Ledger. It is important to remember that Department approval of a cost transfer (i.e., a JSA that contains a sponsored award) is a two-step process. The first step is to set the batch status to Approved by Dept. The second step is to select the Post button that appears in the bottom left-hand corner of the journal entry screen after the batch status is set.

<table>
<thead>
<tr>
<th>Step 1 – Set the Batch Status for Department approval</th>
<th>Batch Status Approved by Dept.</th>
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<td>Step 2 – Select the Post button</td>
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The batch status for cost transfers that cannot be approved by the department should be set to Ready for GCFA Approval.

Confirmation of the cost transfer’s posting can be obtained by viewing the concurrent manager job that runs as part of the posting process. To view the Posting Execution Report, select Requests from the View menu located in the Oracle navigation bar. For further instruction on viewing the Posting Execution Report, please refer to the JSA training manual, beginning on page 42. URL: