**Michigan State University**

**Cost Transfer Form FAQ’s**

*How do I know if the transaction is more than 90 calendar days old?*

For personnel expenses, the start date of the calculation would be the first working day of the time period being transferred. For non-personnel expenses, the date the expense appeared on a MSU Operating Statement (FIN049) would be the start date of the calculation. The date that the transfer request gets to CGA for review would be the end date of the calculation for both personnel and non-personnel expenses. There may be situations where the cost transfer was initiated before the expense was 90 calendar days old but by the time it arrives to CGA, it is more than 90 days old. In those cases, you will be notified by CGA that the form is required. You can then attach the form to the General Error Correction for non-personnel expenses, or email the completed form to CGA for personnel expenses. CGA will hold transactions that require additional information for up to five business days.

CGA uses the following website as a helpful tool for calculations: <http://www.onlineconversion.com/days_between.htm>.

Examples:

* A supply was purchased by a PI on December 1, 2014. The Disbursement Voucher that reimbursed the PI for the expense was finalized and posted to the department’s General Fund account on February 15, 2015. CGA received a General Error Correction on March 30, 2015 to transfer the supply from the General Fund account to an RC account.
  + Start date of calculation: February 15, 2015. End date of calculation: March 30, 2015. The expense is 43 calendar days old and does NOT require the Cost Transfer Form.
* 20% of a Research Associate’s pay is being transferred from a RG account to a RC account starting January 5, 2015. The cost redistribution was initiated in SAP by the department administrator on March 10, 2015. It arrives to CGA for review on April 20, 2015.
  + Start date of calculation: January 5, 2015. End date of calculation: April 20, 2015. The expense is 105 days old and requires the Cost Transfer Form.

*What do I enter for the dollar amount on the Cost Transfer Form for a personnel expense that covers both a previous pay period and future pay period?*

If you are transferring pay for both a past and future time period, the amount recorded on the Cost Transfer Form should be the cumulative amount of the previous pay being transferred.

Example:

* A cost redistribution in SAP was initiated on April 15, 2015 to transfer a portion of a PI’s salary from the department’s General Fund account to an RC account. The transfer will charge the RC account $500 of the PI’s salary for each month starting January 1, 2015 through August 31, 2015. The amount entered on the Cost Transfer Form should be $1,500, which represents the $500 portion that was incurred by the General Fund for the PI’s salary but is being transferred to the RC account for January, February, and March.

*What if there is not enough space on the form for my response?*

If the text boxes provided on the form are not sufficient for your response, please indicate in the text box that a supplemental sheet is attached and complete your response on a second page (not another Cost Transfer Form, but a blank Word document).

*Is the form required for cost transfers to non-federally funded RC accounts?*

Standard information such as business purpose and supporting documentation are necessary on cost transfers regardless of the funding source. However, the Cost Transfer Form is only required for cost transfers where expenses are being transferred to RC accounts that are funded by a federal agency or the State of Michigan. Please note that if MSU received an award directly from a non-federal entity, who was funded initially by a federal agency (considered a flow through agreement), the funding is considered federal in nature.

*Is the form required for cost transfers to RC accounts funded by fixed price agreements?*

The Cost Transfer Form is **NOT** required for transfers to RC accounts funded by fixed price agreements.

*How do I attach or include the form on the cost transfer request?*

Cost transfers of non-personnel expenses are processed in KFS using a General Error Correction. The Cost Transfer form can be attached in the Notes and Attachments tab of the transaction.

Personnel cost transfers can be processed in two ways. If the cost transfer is for salaried employees and is processed as an SAP cost redistribution, the Cost Transfer Form should be attached to the SAP transaction. If the cost transfer is to transfer pay of hourly paid employees or has to go through the Payroll Office as an email request, the form should be attached to the emailed request.

*Who can sign/approve for the PI on the form? Would you accept an email approval instead of signature?*

The PI signature requirement can be fulfilled in multiple ways.

* The PI can sign the form directly.
* For non-personnel cost transfers, the form can be attached to the General Error Correction and then the General Error Correction can be ad hoc routed to the PI as an approver. Please note that if the ad hoc is routed as an Acknowledge or FYI, it will need to be redone so that the PI is routed as an approver.
* The PI can be emailed the Cost Transfer Form for approval. In these situations, the PI should respond with their approval, keeping the Cost Transfer Form attached to the response. The email can then be forwarded to CGA in cases of personnel cost transfers or attached to the General Error Correction for non-personnel cost transfers. Please note that if the email is attached to the General Error Correction, the form must be accessible or attached separately.

If the RC account has multiple PI’s listed on the account, any one of them can sign/approve the form. If a PI is unavailable for an extended period, the Chair, Associate Dean, or Dean can serve as an alternate approver. In those cases, a note can be added to the Cost Transfer Form to indicate the circumstance.

*If the form is complete, does that guarantee CGA approval of the cost transfer?*

No. The form is required as part of the request, but CGA will still review cost transfers on a case by case basis. The information on the form will be part of CGA’s review, but depending on the request (timeliness, risk level, supporting documentation, etc.), the request may be approved without further information/documentation necessary, disapproved based on the information provided, or CGA may request additional information prior to making a determination.

*Will additional documentation be required outside of the Cost Transfer Form?*

Maybe. As indicated above, additional documentation may be necessary depending on the cost transfer request. In addition, if the source transaction listed on the reference number is inaccessible to CGA or lacks supporting documentation, CGA may request more information.

Examples:

* If the cost transfer request is to transfer an expense charged to a Pcard, but no receipt is attached to the initial PDCO transaction, CGA will request a copy of the receipt.
* If the cost transfer is a SAP cost redistribution that affects an effort reporting period that is being certified or has been certified, a completed Effort Report may be required.

*If the PI has signed the form, do I still need to ad hoc the PI as approver on the General Error Correction?*

No. If they sign the form, it is not required by CGA that they also be ad hoc’d as an approver. However, if the department’s internal procedure is to ad hoc the PI on the transaction, then please feel free to do so. It is just not a requirement of CGA. This Cost Transfer Form is replacing the previous requirement that PIs be ad hoc’d on General Error Corrections that are charging a RC account more than $500.

*Do I need to complete the Cost Transfer Form if my RC account was recently set up?*

Yes. If you are transferring expenses to the new account that are more than 90 calendar days old, the Cost Transfer Form is required.

If the transfer request is received by CGA within 60 calendar days of the time the email notification was sent by CGA of the new account, then the last two questions on the form can be left blank.

*What needs to be completed on the General Error Correction if the Cost Transfer Form is attached?*

All required transaction fields in KFS needs to be completed on the General Error Correction, including the full Accounting Lines with Reference Numbers. The Explanation box at the top of the General Error Correction should include a brief description of the transaction. The form should be attached in the Notes and Attachments tab.

*I’m not sure I completed the form correctly. Can I send it to CGA to pre-review before I ask the PI to review and sign it?*

Yes! We would be happy to review the form while it is being drafted and offer feedback. You can send the partially completed form to [transactions@cga.msu.edu](mailto:transactions@cga.msu.edu) for CGA’s pre-review. CGA’s response may not provide an answer about whether the cost transfer will be approved when processed, but will assist you in the completion of the form itself.