**Michigan State University**

**Cost Transfer Form Instructions**

***When is this form required?***

Beginning July 1, 2015, the Cost Transfer Form must be attached to/included with all cost transfers that meet the following criteria.

* Includes a transfer to an RC account that is funded by a federal or State of Michigan entity. **AND**
* Is requesting the transfer of an expense(s) that was incurred *more than 90 calendar days* from the date CGA receives the request.

A cost transfer is defined as an expense that was previously incurred on one account and is being moved to a different account. The form is not required for transfers between parent and sub accounts under the same award number, nor for transfers that are only crediting an RC account (and transferring the expense(s) to an unrestricted account).

The form should be included with the transaction as an attachment in the General Error Correction or the SAP cost redistribution, or in the email request to Payroll. *Please note that additional information may be requested by CGA upon review of the transaction.*

***How is each section completed?***

*Expense Type*

Personnel: Check this box for transfers of MSU employee pay, including redistributions in SAP and hourly payroll transfer requests made directly to Payroll.

Non-personnel: Check this box if the cost transfer request represents non pay related transactions (i.e. everything other than MSU employee pay).

If the form is requesting the transfer of both personnel and non-personnel expenses, both boxes should be checked.

 *Transfer Information*

*Date of Expense*: For non-personnel expenses, this will be the date that the expense was first recorded on an MSU Operating Statement. For personnel expenses, this will be the first working day of the pay period being transferred. If the row represents more than one expense, more than one date can be entered.

*Reference Number*: The reference number of the expense being transferred (i.e. a KFS document number, direct bill number, SAP transaction number, etc). If the row represents more than one expense, more than one reference number can be entered.

*Account From*: The account(s) that were initially charged for the expense(s).

*Account To:* The account(s) that the expense(s) are being transferred to.

*Transfer Amount*: The amount that is being transferred in the request. If the row represents more than one expense, this amount should represent a cumulative amount being transferred.

*Business Purpose*

Please provide an explanation of how the expense(s) benefits the project’s scope of work represented by the RC account being charged. If only a portion of an expense is being transferred, provide an explanation of how that amount was calculated and why that allocation was determined to be appropriate.

 *Reason for Cost Transfer*

 More than one option may be chosen.

*RC account number recently assigned or modified*: Check this option if the expense was incurred on an unrestricted (non-RC) account because the RC account was pending set-up or modification **AND** the transfer is occurring within 60 calendar days from the time the department was notified by CGA via email of the new account or modification. Please note that if the expense was incurred initially on a RC account and is being transferred to a recently set up or modified RC account, the additional questions must be completed regardless of timeframe. ***If this option is checked, no further questions need to be answered on the form.***

*Incorrect account number charged initially:* Check this option if the transfer represents a situation in which the account number that was charged was done so in error.

*Other extenuating circumstance*: Check this option if the reason for the cost transfer is something other than the previous two options. Include a short description of the circumstance in the text box provided.

 *Explanation for the delay*

Provide a short explanation for why the expense was not transferred within 90 calendar days of the time it was first incurred. **This information is not required when the reason for the cost transfer is that the RC account number was assigned or modified within 60 calendar days from the time the department was notified by CGA via email of the new account or modification.**

*Corrective action the department has taken*

Provide a short description of the actions the department has taken to prevent late cost transfers in the future. **This information is not required when the reason for the cost transfer is that the RC account number was assigned or modified within 60 calendar days from the time the department was notified by CGA via email of the new account or modification.**

***Who needs to sign the form?***

A Principal Investigator from the RC account being charged must sign the form. In the event that multiple RC accounts are being charged, one Principal Investigator from each must sign. If the amount being transferred to any one RC account is greater than $10,000, the form must also be signed by that department’s Chair.

 For cost transfers processed on General Error Corrections, the PI and/or Chair may be ad hoc’d as an approver instead of signing the form.

***Who can be contacted for help?***

Questions related to cost transfers or the use of this form can be directed to CGA’s Audit and Compliance Group at audit.compliance@cga.msu.edu or 517-355-5040.
 [Cost Transfer Form](https://www.cga.msu.edu/PL/SiteFiles/GetFile.aspx?id=390)
 [Cost Transfer Form FAQ’s](https://www.cga.msu.edu/PL/Portal/329/CostTransferFormFAQs)