

February 18th, 2021

Announcement

Subject: Principal Investigator &
Project Manager Cost Transfer Notifications

To comply with UC policy requirements for cost transfers involving federal funds, PI's and Project Managers must be informed of financial activity, including cost transfers, on their awards/projects.

To meet policy requirements as referenced below, starting on the evening of **Friday, February 19**, PIs and Project Managers with Oracle Financials Cloud (OFC) cost transfers processed between December 10 - February 19 will receive a 'catch-up' report of all transfers completed on their awards/projects. The catch-up report will be a one-time batch notification, after which email notifications will be sent daily when a cost transfer is completed.

We extend our sincere appreciation and gratitude to the many faculty and staff working with us to meet UC policy requirements and enhance the cost transfer process, reports, and notifications.

Common Questions & Answers

Q: Will I receive daily notifications?
A: PIs and Project Managers will only receive a notification when a cost transfer has been completed on their award/project before the 10 pm job runs. It is possible that PI/PMs will not receive an email notification for an extended period of time.

Q: Can I request to turn off daily notifications?
A: No, it is an audit requirement that the PI's are aware of their cost transfers/financials on their awards. As part of an enhancement to the report, and in collaboration with AMAS, we are exploring notification schedule options, such as weekly, monthly, or quarterly.

Q: Can the notifications be routed to Fund Managers?
A: Fund Managers will be included in the same email notification.

Q: Where can I go to pull a report to monitor cost transfer activity on my awards/projects?
A: Visit reports.ucsd.edu > Budget & Finance > **UCSD-DSH Project Cost Transfer Panorama**. For more information on the cost transfer reports watch the BI & Financial Reporting Cost Transfer Panorama webinar.

To access reports certain system roles are required. For information on how to request Oracle roles for report access, read Oracle & Concur standard roles and How to Request the GL Inquiry and Reporting Role and use the Oracle and Concur Role Request form to request the appropriate role(s).

Q: Who may I contact with questions?
A: For questions or inquiries related to Oracle Cost Transfers, our team may be reached by submitting a ticket, then selecting Post Award Financials > Post Award General Support > Post Award General Inquiry.

Q: Which policy requires that I receive notification?
A: The most specific guidance from the federal government on cost transfers appears in the NIH Grants Policy Manual under section 7.5 (Cost Transfers, Overruns, and Accelerated and Delayed Expenditures), which states:

Cost transfers to NIH grants by recipients, consortium participants, or contractors under grants that represent corrections of clerical or bookkeeping errors should be accomplished within 90 days of when the error was discovered. The transfers must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by a responsible organizational official of the recipient, consortium participant, or contractor. An explanation merely stating that the transfer was made "to correct error" or "to transfer to correct project" is not sufficient. Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overruns are not allowable. [emphasis added]

Recipients must maintain documentation of cost transfers, pursuant to 45 CFR 75.364, and must make it available for audit or other review (see Administrative Requirements-Monitoring-Record Retention and Access). The recipient should

have systems in place to detect such errors within a reasonable time frame; untimely discovery of errors could be an indication of poor internal controls. Frequent errors in recording costs may indicate the need for accounting system improvements, enhanced internal controls, or both. If such errors occur, recipients are encouraged to evaluate the need for improvements and to make whatever improvements are deemed necessary to prevent reoccurrence.

In addition to the above, University of California policy BFB A-47: Direct Costing Procedures, section 3 (Expenditure Adjustments) sets forth limitations and criteria for making expenditure adjustments. Section 3.B.4 of this policy states that cost transfers:

...must be fully explained, justified, and approved by the unit administrator(s) involved in the transaction. (an explanation which merely states that the adjustment being made is "to correct an error," "to transfer to correct project," or "expenditure inadvertently charged to incorrect account/fund" is not sufficient). In the case of adjustments which involve Federal grants and contracts, the certification and approval signatures must include that of the principal investigator, department head, or other academic official. For transfers processed electronically or using on-line systems, the certification and approval of the department head, principal investigator or other academic official must be maintained by the department in accordance with local campus requirements.

AMAS clarification: *In order to comply with UC policy requirements for cost transfers involving federal funds, any cost transfer that is not electronically approved by the PI should be supported by other documentary evidence that the transfer was certified and approved by the PI, department head (Chair), or other academic delegates with knowledge of the transactions. For this purpose, documentary evidence could include any offline documentation demonstrating that the PI was aware and approved of the transactions, which could include emails from the PI approving of the transfer or hardcopy forms with the PI's wet signature.*



Contact us

Have questions about this edition? The best way to contact our team is via Services & Support.

You are receiving this notice because our records indicate that you are named the PI or Project Manager on an Oracle Financials Cloud Award/Project.

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