Cost and Revenue Transfer Policy

Responsible University Official(s): Vice Chancellor for Administrative Services
Policy Owner: Financial Services
Policy Contact: Director of Financial Services

REASON FOR POLICY

The purpose of this policy is to define the appropriate uses of a transfer, define the roles and responsibilities of the account manager and the authorized signer, and achieve a timeline for transfers between accounts to be accomplished.

SCOPE

Any university department that has financial transactions.

BACKGROUND

Account Managers need to have an understanding of the status of their accounts so proper management of funds occur and to uphold fiduciary responsibilities of the University and the Board of Regents (BOR). External requirements concerning the management of awards made to institutions limit the circumstances under which transfers are allowed.

DEFINITIONS

See the Terms and Definitions resource listed on the Financial Services Resource web page.

POLICY STATEMENT

There are circumstances in which it may be necessary to transfer expenditures/revenue to a fund after the initial recording of the charge. A Cost/Revenue Transfer Request is an after-the-fact reallocation of costs/revenues. The Cost/Revenue Transfer Request is used to transfer funds/move expenditures from one fund, department, project, account, amount, etc. to another to assure the accuracy of the general ledger and data integrity and compliance. Here are some examples of typical circumstances in which cost/revenue transfers are allowed:

• Correction of a clerical error
- Reallocation of expenses where multiple accounts benefited and could not be split on original transaction
- Reallocation of shared resource costs/revenues
- Transfer of costs/revenues from divisional or discretionary funds to another department
- PCard Transactions
- Salary

For Grant Transfers (in addition to the policy as stated) see Appendix A.

A transfer should be submitted to the General Ledger Office within 90 days of the journal date posted in WISDM. Year End transfer deadline supersedes the 90 days as a required time frame due to reporting deadlines. This is typically the third Friday in June. The Financial Services Resources page has specific dates. Timeliness of general ledger, grant or Foundation transfers are necessary so current account balance information is available in WISDM.

For late transfers (in addition to the policy as stated) see Appendix B.

PROCEDURES

Transfer requests must be supported by documentation that justifies the need for a transfer. If the transfer is a result of an error, documentation supporting why the error occurred and how it was discovered must accompany the transfer. Frequent transfers in the recording of revenue or expenses may indicate a need for evaluating the internal accounting control systems.

Requester:

**Expenses (other than salary)/Revenues:**

Submit a General Ledger Transfer form with:

- Documentation to support the transfer
- Appropriate approval from account manager/authorized signers*

**Salary transfers:**

Submit a Direct Retro form with:

- Documentation to support the transfer
- Appropriate approval from account managers/authorized signers*

General Ledger Office:

- Review transfers for complete documentation and review against WISDM
- Process transfer within 21 days of submission if allowable
- Communicate back to requestor(s) the dates posted with Journal ID

*Listed on the Chart of Accounts
RESPONSIBILITIES

Position/Office: Financial Services
Responsibilities: Financial Services is responsible for maintaining and updating this document as well as providing training to those impacted by this policy.

The following roles & responsibilities are limited in scope as they pertain to Transfers.

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparer</td>
<td>Create GL Transfer Form and make ready for signature and emailing. Add required backup documentation.</td>
<td>All campus employees can access the GL transfer form from the forms page.</td>
</tr>
<tr>
<td>Account Manager</td>
<td>Approve and submit transfers on a timely basis to conform to transfer policy requirements. Verify WISDM account details and balances monthly. Identify need for transfers. Provide adequate instruction to preparers.</td>
<td></td>
</tr>
<tr>
<td>Additional Signers</td>
<td>Assume role of account manager in absence or in lieu of Account Manager.</td>
<td></td>
</tr>
<tr>
<td>General Ledger Coordinator</td>
<td>Manages transfers that are submitted to the General Ledger Office</td>
<td>Approves the late transfers</td>
</tr>
</tbody>
</table>

CONTACTS

Those designated to receive questions and feedback on the policy.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>Fax/Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Contact</td>
<td>Name</td>
<td>Phone</td>
<td>Fax/Email</td>
</tr>
<tr>
<td>General Ledger</td>
<td>Bobbie Post</td>
<td>608.342.1346</td>
<td><a href="mailto:postbo@uwplatt.edu">postbo@uwplatt.edu</a></td>
</tr>
<tr>
<td>Financial Services</td>
<td>Cathy Riedl-Farrey</td>
<td>608.342.1435</td>
<td><a href="mailto:riedlfac@uwplatt.edu">riedlfac@uwplatt.edu</a></td>
</tr>
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RELATED DOCUMENTS

Appendix A: Grant Transfers
Appendix B: Late Transfers
HISTORY

April 1, 2016
May 29, 2019

SCHEDULED REVIEW

May 2022
APPENDIX A: GRANT TRANSFERS

It is the policy of the University of Wisconsin Platteville that costs should be charged to the appropriate sponsored project when first incurred. There are circumstances in which it may be necessary to transfer expenditures to a sponsor project subsequent initial recording of the charge. Those transactions require monitoring for compliance with UW Platteville policy, Federal regulations, sponsor specific guidelines, and the costs principles that underlie fiscal activities on sponsored projects.

When UW Platteville accepts Federal research funding, it must comply with the allowable and allocable requirements of the Federal Cost Principles and the Uniform Guidance Requirements. To comply with the allowable and allocable requirements, it is necessary to explain and justify transfers of charges on federal and non-federal sponsored projects from other federal or non-federal projects. The cost principles prohibit use of cost transfers for the purpose of “convenience”, including a transfer largely for the purpose of using unexpended funds on an award that is ending. Timeliness and completeness of transfers and the accompanying justification for the transfers are important factors in supporting allowable, allocable and cost compliance.

In order to maintain consistency in the treatment of costs transfers, UW Platteville policy on costs transfers applies to all federal and non-federal sponsored projects. Under UW Platteville’s Cost Transfer Policy, all transfers must be submitted within 90 calendars days from the date posted in WISDM – or- the Fiscal Year End deadline whichever occurs first. When transfers are not adequately justified or are made for inappropriate reasons, the department is responsible for transferring the expenses to a non-sponsored departmental account if approved.

Reason for Policy

Federal agencies and other sponsors may regard the following activities as indicative of inadequate control systems:

- Frequent cost transfers
- Late cost transfers
- Inadequately documented or explained transfers, especially those which involved sponsored projects with overruns on unexpended balances.
- Inappropriate transfers may result in expenditures being disallowed and/or loss of existing and future grant awards
APPENDIX B: LATE TRANSFERS

A late transfer is an after the fact reallocation of revenue or expenses to an account more than 90 calendar days from the date in WISDM.

Procedures for Late Transfer submissions:

Submit a General Ledger Transfer form with:

- Documentation to support the transfer
- Reason for submission after 90 days
- Appropriate approval from account manager/authorized signers*

The General Ledger Coordinator will review the submission, approve or deny request and communicate the status of the request to the requestor.

Examples: Budget constraints or Grants overspent

*Listed on the Chart of Accounts