


PROPOSED REVISION TO: REG 10.05.14: Transfers and Adjustments

Rationale:

Paragraph 3.1.1 of the regulation states that a justification is required for transfers and adjustments over 120 days old that impact a Contract and Grant project. Request to change the regulation to reflect that a justification is needed for transfers and adjustments that are '90 days' old and impact a Contract and Grant project. This change is requested to concur with our current business practice, the current 'industry' standard (90 days) and the UNC-GA/UNC-FIT Key Performance Indicator measuring cost transfers (CG07, CG08, and CG09).

Also, I request to change the reference to 'closeout form' in Paragraph 3.2.3 to 'electronic closeout process' as this process has been streamlined into an electronic process.

Consultation Process:

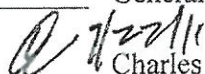
 Steve Keto, Associate Vice Chancellor for Finance and Resource Management authorizes transmittal of PRR for review – Completed 7/18/2011

_____ General Counsel preliminary review – Completed 7/18/2011

_____ Terri Lomax, Vice Chancellor for Research and Innovation and Matt Ronning, Associate Vice Chancellor for Research Administration review – Completed 7/18/2011

_____ [Relevant NCSU committee or other body] review, if applicable (N/A)

_____ General Counsel final review, if changes have been made (N/A)

 Charles Leffler, Vice Chancellor for Finance and Business, review and approve PRR

_____ University Council (recommendation/notification), if applicable (N/A)

_____ Board of Trustees (approval/notification), if applicable (N/A)

NC STATE UNIVERSITY
Policies, Regulations and Rules

Authority	Vice Chancellor for Finance and Business
Title	Sponsored Awards – Transfers and Adjustments
Classification	REG10.05.14
PRR Subject	Contracts and Grants
Contact	Assistant Director, Systems and Compliance (919) 515-8011. Office of Contracts and Grants.

History: First Issued: July 1, 2002. Last Revised: July 1, 2008. [Additional History Information.](#)

1. Introduction

Adjustments to sponsored project expenditures may be required to correct entry or coding errors. This statement provides the guidelines which Colleges/Schools/Departments/Units should follow regarding transfers and adjustments to expenditures on sponsored awards.

2. Rule

2.1. Federal, State and private sponsors do not permit the transfer of charges to other sponsored awards for the purpose of:

2.1.1. Eliminating overdrafts caused by expenditure overruns,

2.1.2. Avoiding restrictions, OR,

2.1.3. Other reasons of convenience.

3. Guidelines for completing transfers or adjustments

3.1. It is the responsibility of the colleges or persons designated the "preaudit review function" to review monthly expenditures for sponsored projects to ensure that errors are detected on a timely basis and corrected within the time period allowed.

3.1.1. Internal procedures provide ~~120~~90 days after a charge was initially incurred to transfer that charge to or from sponsored awards to its final cost objective.

3.1.2. Failure to adjust charges affecting sponsored projects within the ~~120~~90 day time frame is considered non-compliant and can result in auditors determining that a late adjustment is unallowable.

3.2. All adjustments, whether moving charges to or from a sponsored project, must be appropriate, adequately justified, and sufficiently documented. Should a Principal Investigator determine that a sponsored project requires adjustment, it is important that a complete and accurate explanation be provided.

3.2.1. If pertinent correspondence is on hand detailing the need for an adjustment, the correspondence may be attached to the ~~PeopleSoft~~ journal documentation.

3.2.2. Adjustments made to correct errors must be supported by a full explanation of how the error occurred. The adjustment must be approved by the ~~college~~College or Division office responsible for "preaudit" and compliance reviews. ~~Explanations which merely state that the adjustment is being made "to correct error" or "to transfer to correct project" are not sufficient and will not be accepted by Contracts and Grants or external auditors.~~

3.2.3. If a transfer or adjustment is necessary during sponsored project closeout, the resulting transaction should be included as a reconciling item on the ~~Notice of Closeout form~~electronic closeout process and adequately supported by backup documentation. This support documentation should be forwarded to Contracts and Grants ~~along with the Notice of Closeout at the time of closeout.~~