

Cost Transfers

E: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish a uniform procedure for the processing of cost transfers.

This HSC OP will be reviewed on July 1 of each odd-numbered year (ONY) by the Director of Accounting Services, with recommendation for revisions forwarded to the Executive Vice President of Finance and Operations by July 15.

PROCEDURE:

This policy applies only to cost transfers of **non-payroll** expenditures processed by Accounting Services. If a cost transfer of expenditures for payroll and related fringes is necessary, a request for Labor Redistribution must be submitted through the on-line Labor Redistribution system. Detailed instructions for the Labor Redistribution system are located on the WebRaider portal, F&A Work Tools tab, Labor Redistribution channel.

It is the policy of the Texas Tech University Health Sciences Center that costs should be charged to the original funding source when first incurred. There are circumstances in which it may be necessary to transfer expenditures to a different funding source subsequent to the initial recording of the charge. Those transfers require monitoring for compliance with TTUHSC policy, and in those instances involving a sponsored project, with Federal regulations, sponsor specific guidelines, and the cost principles that apply to federal fiscal activities on sponsored projects. Additionally, transactions involving E&G (state and federal) funds require monitoring for compliance with State of Texas purchasing and expenditure policies and requirements. federal projects. Timeliness and

completeness of transfers and the accompanying justification for the transfers are important. Supporting allowability, allocability and cost compliance.

In order to maintain consistency in the treatment of cost transfers and to utilize available personnel resources as efficiently as possible, it is TTUHSC's policy on cost transfers to apply the more restrictive federal principles regarding timeliness and justification.

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- 1) If the same individual is the Fund Manager (or designated Approver

to be processed in the prior month, otherwise the transfer may be processed in the month the request is received in the Accounting Services queue. The Cost Transfer Request must be in the Accounting Services queue by the next to last business day prior to month end close, otherwise the request will be processed in the current month. Requests received on the 10th or the last business day prior to the 10th will be processed in the current accounting period.

- iii. The Cost Transfer Request, including justifications, attachments, comments, and approvals will be retained within the FITS as documentation to support the transfer.

2) Cost Transfer Requests submitted on the Cost Transfer Request form

- i. Should the cost transfer be deemed as not appropriate, the preparer will be notified of the concern(s) via email. If the preparer or applicable fund manager(s) is not able to resolve the concern within 5 business days of being notified, the request will be deleted with no further follow-up necessary by Accounting Services.
- ii. If a Cost Transfer Request is received between the 8th and the 10th day of any month (with month end close occurring on the 10th day of the subsequent month) and the transfer is requested to be processed in the previous month, such transfer, if approved, may be processed in the month received and may not be back dated to the previous month. The timing of the transfer is at the discretion of Accounting Services and will depend upon month end workload, disruption of other month end processes, and extenuating circumstances that justify the need for the transfer to be posted in the prior month.
- iii. Once approved and a journal voucher has been processed, the completed Cost Transfer Request form, the Cognos report showing the original charge, and any email approval will be attached to the journal voucher as documentation.

b. **Principal Investigator/Fund Manager**

Compliance with this TTUHSC policy is the responsibility of Fund Managers for all funds, as well as Principal I, he

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