

# UAS GM 15: Cost Transfers—Labor Reallocations

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## **APPLICABILITY**

This policy applies only to cost transfers between or to sponsored projects. Please refer to the complete [UAS 60 Day Cost Transfer Policy](#) found on the Administrative Services, Grants website.

## **POLICY**

It is the policy of the University that salary costs be charged to the appropriate sponsored project when first incurred. However, there may be circumstances in which it is necessary to transfer these expenditures subsequent to the initial recording of the charge. Such transactions require monitoring for compliance with UAS policy, Federal regulations, sponsor specific guidelines, and the cost principles that guide fiscal activities on sponsored projects. In order to maintain consistency in the treatment of cost transfers, this policy will be applied to all sponsored projects (Federal and Non-Federal) in the absence of written sponsor regulations.

It is the responsibility of the Principal Investigator to provide fiscally-sound management of project expenses. (See also GM 4: PI Responsibilities)

## **Labor Reallocations**

Labor reallocations are used for correcting salary charges. UAS labor reallocations are to be routed to the Grants Office, where they are reviewed for compliance and if approved entered in to banner.

A Labor Reallocation Form must be accompanied by a revised timesheet, signed by the employee whose time is being redistributed, and the PI.

However, if the correction is required due to the result of a clerical error, then the Labor Reallocation Form need not be signed by the employee or the PI. The Labor Reallocation Form must have attached the original timesheet as proof that the error did not happen at the time the timesheet was completed and approved.

- Examples of Exceptions
  - The fund numbers and labor distribution are correct on the original timesheet, but a Payroll data entry error caused the wrong fund number to be charged.
  - The fund numbers and labor distribution are correct on the original timesheet, but the org code was incorrectly entered on the timesheet or during data entry.
  - The LR is correcting an org code/program code mismatch.
  - The fund numbers and labor distribution are correct on the original timesheet, but the override box is not checked, so the default fund numbers and labor distribution were charged.

Note: If HR must process payroll to a default fund number because timesheets are not turned in timely by the department or job forms for an employee are not in place, this is NOT considered a clerical error. The LR form will require all employee and PI signatures as per normal policy.

If there is doubt as to whether recertification is required, Grants and Contracts will be the final authority in determining the necessity of recertification of effort. Certification of effort must be a timely process. Adherence to the Cost Transfer Policy will be considered as a determining factor.

Instructions for completing a Labor Reallocation form may be found on the Administrative Services website.