Purpose:
- To respond to questions and concerns that were raised at the recent SWRJ-CISF Cost Transfer Q&A sessions.
- To clarify the Pre-Oct 8, 2016 payroll cost transfer process for RBHS employees formerly paid in the Banner system.
- To introduce and explain the revised RBHS salary cost transfer (CISF) form.
- To improve efficiency and accuracy always obtain the online forms to ensure you have the most current version. Occasionally, we may modify our business processes to improve efficiency and accuracy.

Basic Definitions:
- What is a Cost Transfer?
  - Cost Transfer is a reassignment (transfer) of an expenditure initially posted to one project then transferred to another project. They are also referred to as “reallocations,” “redistributions,” “reclassifications,” “change in source of funds,” etc.
  - There are two (2) types of cost transfers: payroll and non-payroll. This document focuses on payroll cost transfers, which is also referred to as “salary cost transfers,” “personnel cost transfers,” “labor redistributions,” “SWRJs,” etc.
  - Cost transfers are generally used to:
    - correct clerical and data entry errors
    - make corrections to chart strings
    - allocate for pre-award costs that are specifically authorized in writing by the sponsor and university
    - allocation of costs to more than one project
    - allocate from prior year project to the continuation project
    - allocate from departmental suspense account
  - Uniform Guidance (“UG”) regulations require that cost transfers to federally funded sponsored programs be timely, accurate, and properly documented. It is critical that the cost transfer meet the cost principle rules of allowability, allocability, reasonableness, consistency, and timeliness.
  - Frequent, late (greater than 90 days old), or poorly explained transfers raise fundamental questions about propriety of the transfers, the accounting system, and internal controls.
  - Payroll cost transfers should be initiated and completed as soon as possible after the original transaction date. Generally accepted is within 90 days.
- What is “CISF”?
  - “Change in Source of Funds (“CISF”) Form is used to adjust salary for RBHS/Banner paid employees. The CISF Form has been updated to reflect the new chart string and is slightly different to the SWRJ Form. The revised/updated CISF Form is to be used to adjust salary paid in Banner, for Pre-Oct 8, 2016 only.
  - For example, if you need to adjust salary from July 1, 2016 to December 31, 2016:
    - (1) CISF Form is required for the time frame of July 1, 2016 through October 7, 2016.
    - (2) SWRJ Form is then required to adjust salary for sponsored projects from October 8, 2016 onward to 90 days of the original period end date.
- What is “SWRJ”?
  - Salary & Wage Redistribution & Justifications (“SWRJ”) is required for sponsored project adjustments over 90 days after the original pay period end date.
  - Rutgers uses the term “SWRJ” for payroll cost transfers.
  - RBHS will utilize the SWRJ Form for adjustments over 90 days the original pay period end date to Oct 8, 2016.
• What is "ECI"?
  o Employee Charging Instructions ("ECI") is also referred to as “Commitment Accounting,” Human Capital Management ("HCM")/ PeopleSoft. RBHS business units have access to adjust ECI within 90 days of original posting date for sponsored projects and up to October 8, 2016 for non-sponsored projects.

• What are Direct Costs?
  o Costs that can be specifically identified with a sponsored project, primarily research, instruction, or service, or that can be directly assigned to such activities relatively easily with a high degree of accuracy, (Uniform Guidance).

• What is the role of Grant and Contract Accounting ("GCA")?
  o Performs central financial accounting for grants and contracts. Provide post-award administration support services for the university’s sponsored programs and other restricted funds, including the coordination of effort certification processes. Our services include financial reporting, invoicing and cash management, audit and award closeout, quality assurance and compliance, effort certification, and training and development. We assist faculty and staff with Grant management as part of the award life cycle.

**New Cost Transfer Process:**

**For Sponsored Adjustments:**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Pre-10/08/16</th>
<th>Post-10/08/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid via Banner</td>
<td>Submit CISF Form</td>
<td>ECI</td>
</tr>
<tr>
<td>&lt; 90</td>
<td></td>
<td>&lt; 90</td>
</tr>
</tbody>
</table>

**For Non-Sponsored Adjustments:**

<table>
<thead>
<tr>
<th>Employee</th>
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</tr>
<tr>
<td>&lt; 90</td>
<td></td>
<td>&lt; 90</td>
</tr>
<tr>
<td>&gt; 90</td>
<td></td>
<td>&gt; 90</td>
</tr>
</tbody>
</table>

• < 90 (Indicates “less than 90” days of original pay period end date.)
• > 90 (Indicates “greater than 90” days of original pay period end date.)
• Pre-10/08/16
  o The **CISF Form** is to be used for RBHS/ Banner paid employees whose salary needs to be adjusted prior to October 8, 2016.
  o If employee charging instructions have been entered in the system, effective 10/8/16, but you need to go back to 7/1/16, please submit a CISF Form for the period 7/1/16 through 10/7/16.

**Where is the CISF Form Located?**

• To ensure you have the most current version, please use the online forms at:
  o Grant & Contract Accounting, Cost Transfers website: [http://postaward.rutgers.edu/cost-transfers](http://postaward.rutgers.edu/cost-transfers)
  o Payroll Services, Commitment Accounting website: [http://payroll.rutgers.edu/payroll-resources/commitment-accounting](http://payroll.rutgers.edu/payroll-resources/commitment-accounting)
**Where Do You Submit the CISF Form for Processing?**

- Completed CISF Forms should be emailed to: **cost-transfer@ored.rutgers.edu**

**CISF Form Guidelines:**

- **Salaried & Hourly (Non-Salaried)**
  This form can be used for hourly (non-salaried) and salaried adjustments and for non-sponsored and sponsored project adjustments.

- **RBHS Legacy Fund Source (Section 2)**
  Please include the old Banner Fund Source number for the "From Account". The Fund Source number is a six (6) digit number, which includes two (2) alpha prefixes, (e.g. RA1234,) and is utilized to verify that employee was paid in Banner.

- **Formulas within the Excel Form**
  - A formula has been entered that will calculate "Estimated Days Late" once "Adjustment Start Date" (Section 2) and "Authorized Approver Date" (Section 5) has been entered.
  - Also, do not fill in the "Expenditure UDO" in Section 4. Once you type in “Unit, Division, Organization,” it will automatically populate in the "Expenditure UDO" column.

- **Justifications (Section 3)**
  Federal auditors are closely scrutinizing the allowability, allocability, and reasonableness of cost transfers to and from sponsored projects. Therefore, include a response to each question. Every transaction should be adequately supported and explained so that it can “stand alone” if selected for audit.
  - **Allowability**: It must be allowable under the terms and conditions of the award, including the authorized budget and applicable regulations.
  - **Allocability**: The goods or services must benefit the award charged. Goods or services shared by more than one project are allocable in proportions that can be approximated through actual use.
  - **Reasonableness**: A cost may be considered reasonable if the nature of the goods or service acquired, the amount paid reflect the action that a prudent person would have taken at the time the decision to incur the cost was made.
  - **Consistency**: The application of costs must be given consistent treatment within established University policies and procedures including Generally Accepted Accounting Principles and Cost Accounting Standards as issued by the Federal Cost Accounting Standards Board.

- **Chart String (Section 4)**
  The chart string on “Redistribution Detail” is the exact GL chart string layout -> “Unit, Division, Organization, Location.” Please note that the chart string on the SWRJ Form mirrors the “ChartField Detail” layout in ECI and is different to the CISF.

- **Provide Entire String (Section 4)**
  All columns should be entered for Sponsored and Non-Sponsored projects, except “Expenditure UDO” column, which has a formula.

- **Fringe (Section 4)**
  - Please refer to communication from the Office of University Controller regarding Fringe Benefits.
  - Please use separate form for different fiscal year periods when submitting a transfer that crosses fiscal periods for the same individual. Please do not combine them.
  - If fringe was charged in the Banner system, it needs to be transferred using the CISF Form at the applicable fiscal year rate.

- **“Authorized Approver” (Section 5)**
  The Department Director or Business Manager is sufficient as “Authorized Approver” for the CISF Form. If the Business or Dean’s offices require a copy of the form, please provide to them.

- **Converting Excel Form to PDF**
  - Converting the completed cost transfer form to PDF is acceptable.
  - Electronic signatures are acceptable.
Automated Confirmation Email
When a cost transfer request form is emailed to cost-transfer@ored.rutgers.edu, an automated confirmation email is sent.

GCA Approval (Section 6)
GCA Compliance reviews cost transfers to ensure the costs being transferred to a project were incurred during the award’s period of performance, Expenditure UDO is also verified, and whether the explanation of the reason for the cost transfer is sufficient.

Requested Updates/Changes to CISF Form:
- Changed Section 1, “Employee ID# (8 digit)” to “Employee ID (“A” #).”
- Added “Post Doc” to “Employee Type” drop down list in Section 2.
- Changed the formula for "Estimated Days Late" to calculate when "Adjustment Start Date" (Section 2) and "Approver Date," (Section 5) have been entered.
- Reordered Sections 3 and 4, we placed the "Redistribution Detail" after “Justifications.”
- Removed the percent column and widened the columns in Section 4.
- Enter information in all columns except the “Expenditure UDO” column, which has a formula.
- Please remember to always obtain the forms from online to ensure you have the most current version, since further changes may follow.

Status of Cost Transfer Requests:
- If the cost transfer form is rejected, GCA Compliance will email the Preparer/Requester and Authorized Approver with an explanation.
- GCA Compliance will follow up with business units if there are questions regarding the processing of their cost transfers.
- The business units will be informed when their cost transfers are processed.

GCA Processing/ Journal Entries for CISF:
- The CISF Form adjustments will be processed via journal entry by GCA. Please note, the adjustments will NOT appear on the Payroll Distribution Report, but will show up on GL Financial Reports.
- Each CISF request will be processed as a separate journal entry.

Reference# for Cost Transfer Forms:
- GCA assigns a Reference# to every cost transfer form received at cost-transfer@ored.rutgers.edu. The Reference# is the date it was emailed, “4-digit year, 2-digit month, 2-digit day” – “Employee ID#”, and if multiple is submitted on the same day for the same individual, we add “-01”, “02” etc. to the Employee ID. Therefore, if 2 cost transfer forms were submitted on March 15, 2017 for the same individual, the naming convention for the Reference numbers will be:
- Example: 20170315-A00112345-01
- Example: 20170315-A00112345-02

"CISF-Cost Transfers in Queue"
- Cost Transfers that were submitted Pre-Oct 8 were completed in Banner. If a previously submitted transfer was not completed, business units should re-submit using the new CISF Form.

Internal Controls:
- The Uniform Guidance places strong emphasis on internal controls to reduce the risk of waste, fraud, and abuse in the stewardship of federal funding.
- Internal control, as defined in accounting and auditing, is a process for assuring achievement of an organization’s objectives in:
  - Operational effectiveness and efficiency
  - Reliable internal and external reporting
  - Compliance with laws, regulations, and policies
- The University’s policies and processes help to ensure with a reasonable assurance that transactions are properly recorded and accounted for.
• Management is responsible for establishing, maintaining, and promoting sound business practices and effective internal controls.
• Stay informed about Uniform Guidance; review the key concepts, etc.
• Uniform Guidance Policy Link:  http://postaward.rutgers.edu/policies-resources/uniform-guidance-policy

Cost Transfers Best Practices:

• Ensure Good Internal Controls
  o The Sponsor expectation is that all costs are charged appropriately at the time incurred and that significant adjustments should not be required. Adequate and proactive financial management practices and policies should be designed and put into operation.

• Utilize “Advance Accounts”/“Hold Accounts” -> Establishing Accounts Prior to Receipt of Award
  o Advance Accounts should be used when possible to avoid cost transfers resulting from late notification of award by the sponsor.
  o “Advance Fund Source/Index” was formerly referred at Legacy Rutgers as a “Hold Account.”
  o Costs incurred prior to the receipt of an anticipated grant or contract should be charged to an Advance Account.
  o Advance Accounts are requested via the Institutional Prior Approval System (“IPAS”), to spend funds in support of a sponsored program in advance of receiving a notice of an award from the sponsor.
   o IPAS link: http://postaward.rutgers.edu/online-systems
   o For further details, go to: http://postaward.rutgers.edu/grant-management/award-establishment

• Review Award Terms & Conditions
  o Institutions have a responsibility to use funds in accordance with applicable law and sponsor terms and conditions.
  o Review terms and conditions of award notice to ensure understanding of allowable expenses in accordance with Cost Principles.

• Monitoring Projects
  o PIs and respective business units, should review and reconcile sponsored project reports in a timely manner.
  o Review costs/charges regularly to ensure all costs are allowable.
  o Set up or modify employee charging instructions timely.
  o Adhere to the guiding cost principles: allowability, allocability, reasonableness, consistency, and timeliness.
  o Any required cost transfers, (i.e. corrections,) should be completed within 90 days of the original transaction date.
  o Business units should have a process in place to review and ensure their submitted cost transfers have been appropriately processed and posted.

• PI Meetings
  o Timely, proactive reviews with PI’s regarding sponsored grant activity is suggested.
  o Provide PI’s with monthly financial reports and help to review them, comparing costs with budgets & investigating questionable charges.
  o Consider meeting with PI’s especially when awards begin or expire to review changes in allocation.

• 90 Days
  o Cost transfers should be prepared and submitted as soon as the need for a transfer is identified.
  o Cost transfers greater than 90 days after the original posting are considered late and require an additional delay explanation.

Other Matters from Q&A Sessions:

• Financial Management System (“FMS”):
  o The new system will support financial management needs for all University schools, departments, and units as they relate to the:
    ▪ general ledger
    ▪ sponsored grants and contracts
    ▪ non-sponsored projects (restricted funds, designated funds, real projects)
    ▪ expense reimbursement
    ▪ cash management
    ▪ accounts receivable and billing for grants and contracts
**Sponsored Projects:**
- 80XXXX -> Legacy Rutgers accounts
- 81XXXX -> Legacy UMDNJ accounts
- 82XXXX -> New Accounts after FMS implementation
- 9XXXXX -> Cost Share for new accounts after FMS implementation – in process. Cost Share accounts are linked to a Sponsored grant and subject to award terms and conditions.

**Finding New Chart String:**
- To get complete string in Oracle Cloud, use Report #13. (It was moved to Global.)
  - Go to “Tools” -> “Reports and Analytics” -> “Shared Folders” -> “Custom” -> “RU Custom” -> “Reports” -> “Global Reports” -> “RU PGM RPT-PGM-013-CERP COA Segment Listing for Projects Reports”

**Grants Ending:**
- If sponsored grant is ending June 30, 2017 and you need to transfer to and from accounts, what is the process?
  - To transfer payroll during the period of performance, is as follows:
    - For anything before 10/8/16, submit a CISF Form.
    - For anything over 90 days after the original transaction date, submit an SWRJ Form.
    - For anything within 90 days, adjust via ECI.

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**Effort Reporting:**
- Payroll cost transfers may affect Effort Reporting and must be considered when submitting cost transfers.
- Does certified effort support the requested transfers?
- Salary cost transfers should be submitted prior to effort certification deadlines or corrected during the certification process.
- The University will be using the Effort Certification & Reporting Technology ("ECRT") system beginning with the September to December 2016 effort certification.
- ECRT Training and Roadshows are currently being planned.
- ECRT Link is: [http://postaward.rutgers.edu/grant-management/effort-certification-and-reporting](http://postaward.rutgers.edu/grant-management/effort-certification-and-reporting)

**UDOs:**
- If you still require UDOs, please send an email to: gca@ored.rutgers.edu
- If salary was rolled over to an incorrect UDO, please complete a CISF or SWRJ form using the “From” field as the incorrect UDO and the “To” with the corrected UDO.

**Salary Caps:**
- The business units are responsible for monitoring their faculty and staff that are subject to salary cap limitations in accordance with sponsor terms and conditions.

**Institutional Prior Approval System “IPAS” Request Portal:**
- Please familiarize yourself with the IPAS Request Portal mentioned above in “Cost Transfers Best Practices.” Link is: [http://postaward.rutgers.edu/online-systems](http://postaward.rutgers.edu/online-systems)
o The IPAS portal is an online system used to request: advance fund source/index, continuation funding, late non-payroll cost transfer requests for sponsored programs, and pre-award spending approval.

- End Date Issues:
  o Currently, end dates in HCM are not updated because Oracle Cloud and PeopleSoft are experiencing technical issues.
  o If end date is missing in HCM, business units can enter it in the system. If there is an existing end date in HCM, the system will NOT allow you to change it.
  o Any changes to end dates must be accompanied by supporting documentation.
  o Please send email to gca@ored.rutgers.edu regarding end date issues.

- Oracle Cloud Reporting Issues:
  o Please contact Financial Management Help Desk (http://cornerstone.rutgers.edu/help-desk) for reporting concerns and issues. There is a dedicated team, including partners across the University, Deloitte, Oracle, Huron and other consultants assessing the situation and working to identify and resolve the root causes.

- Banner Data in Oracle Cloud:
  o Please inform Financial Management Help Desk (http://cornerstone.rutgers.edu/help-desk) of discrepancy issues. There is a dedicated team, including partners across the University, Deloitte, Oracle, Huron and other consultants assessing the situation and working to identify and resolve the root causes.

- Award Setup:
  o The Award Setup Team has been restructured. There are two separate teams; one for Pre-Award and Post-Award. Grant or Contract Award Set-Up email is: award-setup@ored.rutgers.edu

- Sponsors:
  o Oracle Cloud implementation issues have caused delays in financial reporting to Sponsors. GCA will communicate a formal response to any Sponsor that requires an explanation for such delays.

- Tuition Remission:
  o Please continue to use the form available on GCA website and submit to dgca1@ored.rutgers.edu.
  o Link is: http://postaward.rutgers.edu/policies-resources/forms

**ADDITIONAL RESOURCES:**

Commitment Accounting/ ECI Training (Works best with Chrome)
http://www.rci.rutgers.edu/~rias/trainingess.htm

Commitment Accounting Quick Reference Guide

Cornerstone “News You Need to Know”
http://cornerstone.rutgers.edu/

Cornerstone Training Registration
https://hrservices.rutgers.edu/CornseroneTraining/

HCM Blog Website
http://hcmblog.rutgers.edu/