Guidelines for Payroll Cost Transfers on Sponsored Funds
Sponsored Projects Accounting
Fiscal 2014 (updated)

Retroactive payroll adjustments for faculty, staff and students working on sponsored funds (see fund range chart on the SPA website) are necessary, at times, to modify the distribution on accounts/funds based upon the receipt of subsequent information on work activity and/or the discovery of administrative oversights. The University refers to this type of adjustment as a Payroll Cost Transfer (PCT). PCTs are processed and posted to the HRMS system by the Payroll Services Department based upon the data provided on the PCT form. Sponsored Projects Accounting has developed the following set of guidelines to assist academic departments in documenting and justifying retroactive payroll cost transfers.

GUIDELINES

In accordance with the NIH Grants Policy Statement (October 2013), cost transfers should be processed within 90 days of when the issue/error was discovered. Adequate documentation or a detailed explanation of why the PCT is being submitted should be included in the “Detailed Explanation” section of the PCT form (more than three words but less than a page). This section should contain a plain language description of how the error/issue occurred, the parties/projects involved and the timing of the transactions. SPA strongly recommends that the original date of discovery should be included in the explanation. Several examples of sufficient and complete explanations are provided at the end of this document.

Retroactive payroll cost transfers should be initiated and authorized by the PI or his/her designee and the related documentation should be retained according to the academic department’s policy. Subsequently, the department administrative staff should complete the required sections of the PCT form. The PCT must be signed/approved by two distinct individuals within department (“Preparer” and “Authorizer”). The “Preparer” and “Authorizer” may not be the same as the individual for whom the salary is being corrected.

- The PCT form contains a “Principal Investigator” signature/approval line to facilitate department specific processing requirements; however, the University does not require the PI’s signature/approval on the form.
- The PI’s signature/approval may also act as the “Authorizing” signature/approval provided that the cost transfer is not for corrections on his/her own salary.
- PCTs affecting funds in a second department/division must be signed/authorized by an authorized individual from that department.

Special attention should be paid to PCTs that affect expired awards. The PI or their designee should notify SPA regarding PCTs that affect payroll distributions on accounts/funds in which the final financial report or invoice has already been submitted to the sponsoring agency (generally 90 days following the project end date). Implications for cost transfers completed following the filing of the final FSR or invoice include: submission of revised final reports, payment denial or refund requirements, and carryover adjustments. The PI or their designee should discuss the implications of these PCTs with SPA in order to determine the proper course of action. Please visit http://spa.wustl.edu/ for the appropriate contact.

PCTs for individuals that are subject to the NIH Salary Cap should include the appropriate split between the grant and cost share allocations. The current salary cap rate can be found at: http://spa.wustl.edu/adminpol/salcap_0214_v1.1.pdf.

PCTs that affect the payroll distributions between allocations within an existing fund (transfer salary from 5#123a to 5#123c) should follow the above noted guidelines, however, these transactions are not considered to be a cost transfer because the net effect to the project is zero.

Special attention should be paid to cost transfers that occur between multiple departments. Both departments should communicate effectively and agree up on which party is responsible for processing the PCT. The
department that discovered the error should also, to the best of their ability, monitor that the PCT has taken place and follow up accordingly.

PCTs submitted for the sole purpose of expending the residual balance on a sponsored fund are considered unallowable.

PCTs that transfer salaries from one project to another or from one competitive segment to the next solely to cover cost overruns (deficits) are not allowable.

**PCT Requirements**

Retroactive payroll cost transfer transactions should be properly documented on the PCT form and include or meet the following requirements before it will be processed/input by Payroll Services.

**Requirements**

- Salaries/fringes cannot be transferred from an account that did not initially incur those salary/fringe charges, nor can more than what was charged to an account be transferred from that account.
- Amounts transferred should include salaries/wages/stipends and associated fringe benefits (as applicable).
- Amounts entered on a PCT should balance to zero.
- A reason for the PCT must be checked in the appropriate box
- A detailed explanation for Sponsored Funds is required
- PCT explanations should include the date of discovery.
- The PCT must be signed/approved by the preparer, authorizer. The PI’s signature/approval can also act as the authorizing signature. In addition, PCTs affecting a second division or department must be signed/approved by an authorized person from that department. Electronic authorizations/signatures/approvals are also acceptable. For questions concerning accepted forms of authorization please contact Payroll Services directly.

**Tips**

- The PCT form is available for download on the HRMS Forms page, [click here](#).
- PCTs should be submitted directly to the Payroll Office, Campus Box 1000 or fax to 935-7079 or email to payrollc@aismail.wustl.edu.

**Effective 9/5/13**

All PCTs that have an effect on sponsored funds will route electronically to SPA for approval. All departments should continue to submit PCTs for entry to Payroll.

PCTs with an insufficient explanation (see Appendix A for examples) will be routed back to the individual identified in the “prepared by” box on the PCT in HRMS and an e-mail notification will also be sent to the individual (see Appendix B). The preparer will then be able to provide the additional information requested by SPA in HRMS and subsequently route the PCT for review to SPA.

PCTs that require a change or corrections to any field other than the explanation or are deemed unallowable will be fully disapproved and require the department to resubmit the corrected PCT to Payroll, if appropriate. An automatic e-mail notification will in this case also be sent to the preparer (see Appendix C).

PCTs that have an effect on payroll distribution for periods that exceed a year from the original pay date may be subject to additional review by SPA.

SPA may perform additional PCT reviews as deemed necessary.

Appendix A
Examples of PCT Explanations

Incomplete Explanations

- Clerical Error
- Per Susan Fly, Dr. Spinkle’s patient care should be increased and her time on 559## decreased.
- Missed payroll deadline.

Complete Explanations

- Smith’s salary was sourced to 458## through 3/31/13. His sourcing should have been extended through May of this year. On May 2, 2013 I discovered that his salary had hit the default account. His current sourcing has been adjusted and this PCT will move the April 10 salary back to the grant.
- Per a review of fund 559## on 05/15/2013, it was noticed that Dr. Spinkle’s salary for patient care (1115) in Jan 2013 should have been increased by 10%, thus decreasing her salary on fund 559##. A PCT affecting Jan 2013 period is required because the mistake wasn’t caught until preparations for FY 10 closing began.
- October payroll sourcing deadline was missed due to an entry error. Sourcing end date for fund 53xxx should have been extended to 12/31/13 per instruction from Dr. Smith on 10/15/13. This cost transfer will clear the default account and correct the effort on the fund.
The Explanation for the PCT # 000001 for Testy Preparer, EMPLID 041056 Empl Rcd 0, with the Pay End Date of 2012-04-30, has been disapproved. Please update the Explanation based on the disapproval note from Sponsored Projects Accounting (SPA) provided below. You can use the link below to go to the HRMS worklist or you can click on the Worklist menu option in HRMS at the top right-hand corner.

Once the Explanation has been updated, go to the Approve tab within the Cost Transfer and press the Approve button. The PCT will be routed back to SPA for approval.

**SPA Disapproval Comments:**
Please provide additional information on how and when the error was discovered.

**Worklist URL:**
https://hrmstest.wustl.edu/psp/WPWSILT/EMPLOYEE/HRMS/c/WORKLIST.WORKLIST.GBL
Additional Resources:
• SPA’s PCT guidelines can be found at http://spa.wustl.edu/adminpol/PCTGuidelines_0211.pdf
• For additional information on the NIH Salary Cap please visit http://spa.wustl.edu/adminpol/salcap_0214_v1.1.pdf.

Please contact SPA if you have any questions about this message.
From: Reed, Carla  
Sent: July 18, 2013  
To: PCT Preparer  
Subject: PCT has been Disapproved

The PCT # 399279 for Testy Preparer, EMPLID 000001 Empl Rcd 0, with the Pay End Date of 2012-04-30, has been disapproved and requires resubmission to Payroll.

Please review the disapproval note below from Sponsored Projects Accounting (SPA) and incorporate the applicable corrections prior to resubmitting your PCT Payroll. This PCT record will be deleted from HRMS in a proximately one week’s time.

**SPA Disapproval Comments:**  
This PCT is not applying the NIH Sal Cap correctly. Please correct the amounts and resubmit
your PCT to payroll.

**Additional Resources:**
- SPA’s PCT guidelines can be found at [http://spa.wustl.edu/adminpol/PCTGuidelines_0211.pdf](http://spa.wustl.edu/adminpol/PCTGuidelines_0211.pdf)

Please contact SPA if you have any questions about this message.