

# GCA NEWS

Grants and Contracts Accounting Updates

June 2017

## Cost Transfer Justifications

Cost transfers are always a problem area for every University. We know that everyone has a lot of different things going on, staff in different buildings, staff turnover and a multitude of other situations happening every day. With that said, cost transfers are highly scrutinized every year during the single audit and during Sponsor/OIG audits, so we need to make sure that we are doing our best to minimize them. However, when a cost transfer does happen there are certain questions that must be answered within the justification section. Some of the questions are required by 2 CFR 200 and others need to be answered because we need to identify why the internal controls that we believe we have in place aren't functioning.

GCA has put together a guidance to help departments get their cost transfer justifications through the first time. If your cost transfer meets any of the 4 criteria below, then you must answer within the justification section the question(s) for each criteria met.

- 1. Every cost transfer**
  - a. How does this expenditure benefit the project?
  - b. Why was the expense not charged to the correct project originally?
- 2. Over 90 day cost transfers must include additional justification**
  - a. Why was the error not identified in a timelier manner?
  - b. Are monthly reconciliations being completed and reviewed by the PI?
- 3. If the 90 day cost transfer is due to a late setup of the project**
  - a. Why was an advance account (ECAV) not initiated?
- 4. If the cost transfer is from one federal award to another**
  - a. What internal controls will be put in place to ensure the proper charging of expenditures on federal awards?

## Staffing Changes

It is with great sadness that we announce the retirement of Donna Zlomke on June 30<sup>th</sup>. Donna has been a member of the Financial Services team for 20 years and will be deeply missed. Please take a moment to wish her well. Janetta Tesch has also joined the College of Dentistry staff, so please join us in thanking her for her valuable service over the last 13 years.

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*Fiscal year 2018 fringe benefit rates are now posted on the GCA website. We are still waiting to hear from DCA about the new F&A rate.*

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Meet Michelle Bremenkamp, the new Manager of Grants and Contracts Accounting.