
BUDGET MANAGEMENT

EXPENDITURE TRANSFERS

SUMMARY

During the course of a fiscal year, transactions may be erroneously charged to or inappropriately allocated to account numbers or object codes. In order to correct these transactions, an expenditure transfer form should be completed. In addition, non-salary cost transfers are to be used to identify cost-sharing requirements and to allocate service center and revolving account charges.

In accordance with federal regulations, cost transfers should be completed within a reasonable time from the date of the original transaction and be accompanied by an explanation that details why the adjustment transfer is appropriate. Transfers should be made within 120 days. If transfers are not completed within 120 days of the original date of transaction, an additional explanation is required to explain the tardiness. Expenditure transfers are to be made using the electronic forms EB-14 (non-salary expense transfer) and EB-15 (salary expense transfer). When the department does not process an electronic document but uses a paper form, it will be assessed an administrative fee.

INTERNAL CONTROLS

OBJECTIVES

- Expenses are charged to proper accounts on original transactions
- Expense transfers are legitimate
- Transfers comply with federal regulations and University policies
- Transfers are approved by authorized department personnel
- Transfers are processed within a reasonable time frame
- Accounts reflect accurate financial activity on a timely basis

RISKS

- Loss of sponsored funding
- Non-compliance with federal regulations
- Delay of future funding
- Disallowance of existing costs
- Inaccurate billings and reports
- Fraud
- Unfunded cost and/or unexpended funding

AUDIT CHECKLIST

	Are cost transfers and salary transfers made only for allowable purposes in accordance with University policies?
	Are original transactions charged directly to the proper accounts?
	Have transfers been processed using either an EB-14 (non-payroll) or EB-15 (payroll) form?
	Are salary cost transfers (EB-15s) computed net of vacation credits?
	Are the reasons for the transfers clearly and accurately documented on the transfer form?
	Are transfers completed in a timely manner?

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AUDIT CHECKLIST, CONTINUED

	If the transfer is over 120 days from the original transaction date, does the transfer contain an adequate explanation for its tardiness?
	Are transfers authorized with at least two signatures?
	Are payroll cost transfers done in accordance with the efforts certified on Personnel Activity Reports (PARs)?
	Is payroll distribution used to verify the accuracy of the amount of salary being transferred?

SOURCES FOR POLICY

Administrative Bulletin (http://www.controller.jhu.edu/admbull.htm) EB-14 Users Guide (http://128.220.185.18/images/EB14/EB14/frame.htm) EB-15 Users Guide (http://128.220.185.18/images/EB15/EB15/frame.htm) Object Code Guide (http://www.controller.jhu.edu/objguide.htm) OMB Circulars A-110, A-133, A-21 (http://www.whitehouse.gov/omb/circulars/index-education.html) Procedure for Salary Cost Transfers (http://www.controller.jhu.edu/payrolltrans.htm)

RESOURCES FOR ASSISTANCE

Administrative Policy Training Program Courses, 410-516-6800 Cost Analysis/Research Accounting, Office of the Controller, 410-516-8141 Payroll, Office of the Controller, 410-516-8146
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