

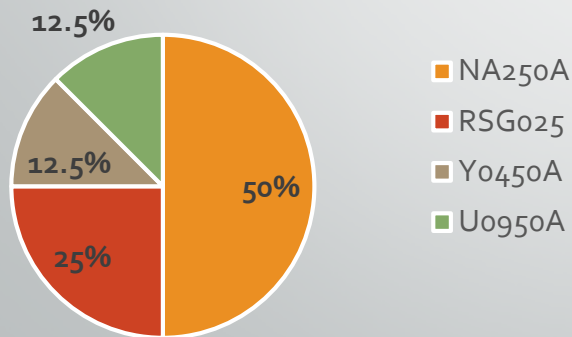


# *Payroll Cost Transfers*

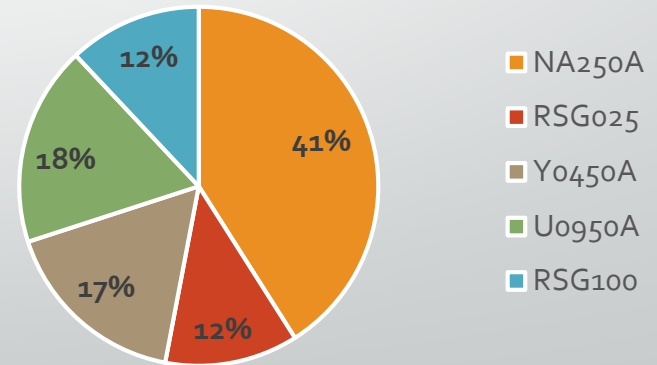
# What is a Payroll Cost Transfer?

**Definition:** An after-the-fact transfer of payroll costs to or from a sponsored award after the expense was initially charged to another sponsored award or non-sponsored index.

Original Payroll Distribution



Re-Distributed Payroll



## Allowable Reasons for Payroll Cost Transfers

- Correction of Errors
- Removing Unallowable Costs
- Moving salary encumbrance off expired award
- Allocating pay to a new award

### Payroll Cost Transfers that are NOT allowable:

- Transferring labor costs more than one time; once a transfer is made, the new source of funding is considered correct
- Labor costs allocable to a particular sponsored award may not be transferred to other sponsored awards
- To avoid restrictions imposed by law or the sponsored award
- Other reasons of convenience
  - For Example:
    - To spend out an award
    - To “Park” payroll costs until a new award arrives

# UPDATE:

## NEW Sponsored Award Labor Distribution Form

### OREGON STATE UNIVERSITY

#### LABOR DISTRIBUTION FORM- **Sponsored Awards ONLY**

(for corrections to or from grants or contracts index)

OSU ID #: \_\_\_\_\_ Name: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ Last Name \_\_\_\_\_ First Name  
 POSN #: \_\_\_\_\_ SUFFIX: \_\_\_\_\_ Prepared by: \_\_\_\_\_  
 \_\_\_\_\_ Name \_\_\_\_\_ Phone \_\_\_\_\_

#### CURRENT DISTRIBUTION

EARN CODE	HOURS	PERCENT	AMOUNT	INDEX	ACCT CODE	ACTV CODE	Payroll Use Only
	0.00		\$0.00				
	0.00		\$0.00				
	0.00		\$0.00				
	0.00		\$0.00				
	0.00		\$0.00				
<b>TOTAL</b>		<b>ERROR</b>					

NOTE: TOTAL PERCENT MUST EQUAL 100

#### REVISED DISTRIBUTION START: MONTH/YEAR \_\_\_\_\_

EARN CODE	HOURS	PERCENT	AMOUNT	INDEX	ACCT CODE	ACTV CODE	Payroll Use Only
	0.00		\$0.00				
	0.00		\$0.00				
	0.00		\$0.00				
	0.00		\$0.00				
	0.00		\$0.00				
<b>TOTAL</b>		<b>ERROR</b>					

NOTE: TOTAL PERCENT MUST EQUAL 100

**Justification:** (Explain why the index that salary is being transferred from was initially charged, and why the salary belongs on the receiving index. If over 90 days, include an explanation as to why salary was not transferred in a timely manner.)

REVIEW INSTRUCTIONS PRIOR TO COMPLETING SECTIONS BELOW

#### Principal Investigator Authorization

I certify that this redistribution of labor  will  will not reduce Key Personnel effort 25% or more on any of the above sponsored awards.

Principal Investigator Printed Name		Principal Investigator Signature		Date
Authorization	Printed Name	Signature		Date
BC or Dept.				
See Instructions: Dean, Director, Dept. Head				
OSRAA				

# Labor Distribution Justification

Documentation is needed for audit purposes and is a key element in providing support and justification. Thorough explanation and documentation is essential to avoid audit findings and possible disallowances.

Justification on the Labor Distribution form must include:

- The reason why the salary was charged incorrectly to the original index
- How the expense directly benefits the receiving project

# 25% Effort Change Discussion

The Principal Investigator (PI) must sign all Labor Distributions for sponsored awards certifying that the redistribution of labor will or will not reduce key personnel effort 25% or more on any of the sponsored awards. If key personnel effort will be reduced 25% or more, provide a detailed explanation. Attach additional page if necessary.

Example of minor change in key personnel effort (<25%):

- Proposal indicates 20% effort of key personnel
  - After the proposal is awarded, key personnel effort is reduced to 16%
- Calculation:  $(20\% - 16\%) / 20\% = 20\%$  change in effort

Example of major change in key personnel effort (>25%):

- Proposal indicates 20% effort of key personnel
  - After the proposal is awarded, key personnel effort is reduced to 10%
- Calculation:  $(20\% - 10\%) / 20\% = 50\%$  change in effort

# RCA Unit Payroll Re-distribution Checklist



Oregon State University  
Research Costing Analysis Unit  
Labor Distribution Checklist

Employee Name: \_\_\_\_\_

Approver: \_\_\_\_\_

Date of Approval: \_\_\_\_\_

### Reports

Run PHRLRAR Appworx report for each employee for the month of redistribution to determine what is changing. (If pay for that month was never moved; "Report Control Information" Report will print stating "No data selected- Check your parameters)

Run HR Data Warehouse report

### Banner Resources

FRIGTD - (Grant Inception to Date)

NYIDIST - (Employee Distribution Inquiry form)

PYIVERI - (Employee Verification form)

Month(s) & Year of pay being moved \_\_\_\_\_

			Closed	Final Billed	Over-spent
Index	Start Date	End Date			
Index	Start Date	End Date			
Index	Start Date	End Date			
Index	Start Date	End Date			

	Yes	No	N/A
Is pay within time frame of grant?			
Is there an available balance on award where pay is being moved?			
Has pay been moved prior to this labor distribution ? (Be aware of position code, account code and earn code when determining if pay has been moved)			
If there is tuition on the award, is it being redistributed at the same proportion as pay?			
Does the reason justify the redistribution?			
Is documentation sufficient to support the distribution including authorization from PI, PI Delegate, etc.			
Is LD signed?			

Notes:

# Fun Facts:



Over **21,000** labor re-distributions at OSU in FY15

Currently for FY16 OSRAA has received approximately **325** labor distribution requests

1,700 grant indexes were affected by labor re-distributions at OSU through the end of March FY16





# Effort Reporting Questions

## How can I tell if my Business Center has any missing PAR forms?

- FRR0260 - Appworx report to check for missing PAR forms use.
- Run for each quarter per Business Center
- PAR forms will show as missing if they are not indexed with the standard naming convention PAR\_YR\_QT.

## I am trying to file a PAR form for an employee but there is not a PAR folder available in Nolij. What can I do?

- FRR0330 – Appworx report to insert new PAR record for an employee in Nolij
- Use the first quarter that a PAR form will be generated for an employee to initiate the folder.

## Remember to Correct any PAR forms affected by a Payroll Cost Transfer.

- File the corrected PAR form and any backup documentation together using the standard naming convention in Nolij (PAR\_YR\_QT)

# Thoughts and Discussion

- How do we reduce the volume of Payroll Cost Transfers?
- Filing and Merging Corrected PAR forms and Labor Distribution forms.
- When routing LD's to OSRAA please include in email:
  - LD in subject line
  - Name of employee
  - Urgency (only if award is ending within next 60 days)

Questions?

Contact RCA Team:

[OSRAA@Oregonstate.edu](mailto:OSRAA@Oregonstate.edu)

Attn: RCA Team in subject line