

PURPOSE

Per [FIN 201](#), units are required to review expenses on their department accounts, including sponsored accounts, at least monthly. During this review, if an expenditure is identified that needs to be moved on or off a grant account, a cost transfer mechanism must be used. This job aid outlines the processes for preparing and submitting payroll and non-payroll cost transfers.

RESOURCES (* = process prerequisite)

- *Sponsored projects [allowability job aid](#)
- *Policy: [RSP 506-02: Cost Transfers to Sponsored Projects](#)
- *Policy: [FIN 201: Cost Center, Grant and Project Manager Fiscal Responsibilities](#)
- Financial Services: [Account reconciliation best practices](#)
 - [Payroll reconciliation best practices guide](#)
 - [Non-payroll reconciliation best practices guide](#)
- *Workday job aids:
 - [Create payroll accounting adjustment](#)
 - [Create an accounting adjustment](#)
- *Public purpose guide: [KE Financial Services Public Purpose Guide](#)
- Cost transfer form: [Cost Transfer Request \(CTR\) – ORSPA 510](#)

PROCESS – Overview

1. Select the appropriate Workday process task based on the type of transaction that needs to be transferred on or off a grant:
 - a. In rare scenarios, such as in hundreds of transactions needing to be moved between related accounts, Post Award Services may provide exceptions to the standard Workday process listed below. Contact sponsoredcompliance@asu.edu to request a meeting to discuss.

<u>Cost Transfer Category</u>	<u>Sub-Category</u>	<u>Workday Process</u>	<u>Questionnaire</u>
Payroll	January 2025 pay periods and beyond, including tuition remission	Payroll accounting adjustment	<i>Workday questionnaire generates</i>
Payroll	December 2024 pay periods and earlier	Accounting journal	Cost Transfer Form – ORSPA 510
Non-Payroll	Supplier Invoice Supplier Invoice Adjustment Expense Reports for FY19 and beyond Procurement Card Transaction Verification for FY25 and beyond	Accounting adjustment If only part of an operational transaction line needs to be transferred, an accounting journal is required.	<i>Workday questionnaire generates</i>
Non-Payroll	Scholarship expenses	See tuition.asu.edu/policies/scholarshipawarding for specialized process	Cost Transfer Form – ORSPA 510
Non-Payroll	Remaining transactions that do not fit requirements above	Accounting journal	Cost Transfer Form – ORSPA 510

2. Determine impact of transfer timing. Transfers must be prepared, submitted, and approved by the department no later than the timing listed below (also known as the “90-day rule”).
 - a. Removing an unallowable cost on a sponsored project has no time limit.
 - b. Shorter periods are necessary near the project end date to ensure a timely final financial report/invoice to the sponsor. The assigned AMT GCO will be able to answer questions relating to a project end date and/or final invoice/report submission required by the project.
 - c. Transfers submitted after the 90-day rule are subject to higher scrutiny and are not guaranteed to be approved.
 - i. Submit the transfer request following standard procedures and include additional information as needed to clarify the delay in submission.
 - d. Transfers between fiscal years are generally not allowed by the university. In order to provide accurate grant reporting, exceptions can be granted by Post Award Services after reviewing the cost transfer request.

Payroll 90-day rule: 90 days from the close of the fiscal month in which the last pay period for the associated semester posted. Workday routes transfers >90 days to a central Award Management Specialist for review based on the following thresholds:

Semester	Last payday	End of fiscal month	90-day deadline
Spring 2025	May 16 th , 2025	5/31/2025	8/29/2025
Summer 2025	Aug 8 th , 2025	8/31/2025	11/29/2025
Fall 2025	Dec 24 th , 2025	12/31/2025	3/31/2026
Spring 2026	May 15 th , 2026	5/31/2026	8/29/2026
Summer 2026	Aug 7 th , 2026	8/31/2026	11/29/2026
Fall 2026	Dec 23 rd , 2026	12/31/2026	3/31/2027

Non-Payroll 90-day rule: 90 days from the close of the fiscal month in which the transaction posted. Fiscal month is determined by the month of the accounting date of the transaction.

3. Prepare the materials required for the cost transfer type, paying close attention to the quality of the justifications.
 - a. Financial Services requires clear documentation of the public purpose served by every ASU expenditure to fulfill ASU’s fiduciary requirements outlined in [FIN 119: Public Purpose Served](#). The [KE Financial Services Public Purpose Guide](#) has been approved for university-wide use by ASU’s Financial Services (on 01/06/20) and ORSPA’s Fiscal Oversight (12/19/2019). Units are highly encouraged to adopt this guide for both sponsored and non-sponsored transactions.
 - b. Justifications must be clear, concise, and comprehensive to provide a proper audit trail.
 - c. A descriptive phrase or two can suffice if it adequately answers the questions.
 - d. Examples of poor justifications include:
 - i. I am moving this charge to place it on the correct account
 - ii. To correct an error
 - e. Transfers from one sponsored project to another sponsored project to reduce cost overruns, to spend unused balances, to avoid restrictions imposed by law or agreement terms, or for other reasons of convenience are strictly prohibited.
 - i. This does not prevent shifting costs that are allowable under two or more awards in accordance with applicable terms and conditions.
4. Review transaction using the **Appendix I** “Submission and review checklist” at the end of this job aid.
5. Submit when satisfied with the quality of the cost transfer request.

PROCESS – Payroll accounting adjustment

Using Workday’s HCM Work Instructions, [Create payroll accounting adjustment](#), follow these overall steps:

1. Launch the “Create Payroll Accounting Adjustments” task in Workday.
 - a. Enter the employee name
 - b. Determine the appropriate change reason to select:

<u>Change reason</u>	<u>Use case(s)</u>	<u>Routes to central Award Management Specialist for approval?</u>
Administrative Correction	<i>Employee name</i>	<i>Yes, IF being transferred more than 90 days after the related semester</i>
Cost Allocation not established, was allocated to Default Organization Worktags	Administrative correction for pay that posted to PG00001 GU-Payroll Expense Clearing-AGY	<i>Yes, IF being transferred more than 90 days after the related semester</i>
Cost Share Transfer	Move to a cost-share grant account	<i>no</i>
Intra-Award Transfer	Transfers between grant accounts under the same award OR consortium To correct worktags other than account	<i>no</i>
Non-Sponsored Transfer	Move payroll from a grant account to a non-grant/cost share account	<i>no</i>
Salary Cap Adjustment	Update to ensure pay rate reflected on a grant follows the sponsor’s salary or rate of pay limitation	<i>no</i>

2. For optional parameters, select the number of pay periods that need payroll and/or tuition remission changes.
 - a. To make the next step easier, click the “+” button to identify the percent of payroll/tuition remission that should be split between different accounts/worktags for selected pay components.
3. Attachments and comments are optional and not necessarily required for sponsored cost transfer compliance.
4. After updating the worktags and dollar amounts, submit the adjustment and respond to the low/high risk questionnaire in the submitter’s inbox:

<u>Question</u>	<u>Value</u>	<u>Routes to central Award Management Specialist for approval?</u>
What is the reason for the adjustment?	<p>“Charged to incorrect worktags/account”</p> <p><i>The values do not drive the business process</i></p>	no
Does the adjustment contain any of the following earnings? Honorarium Housing Allowance Instruction Supplement Intra University Consulting Moving Expense Same Day Meal Stipend	Select “yes” or “no” based on earnings involved in transfer.	Yes IF “yes” is selected
<p><i>High risk only:</i></p> <p>Describe how the tasks performed are allowable and directly benefit the</p>	<p><i>Describe one or two specific tasks the employee performed during the period of time being transferred, not a list of tasks</i></p>	yes

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sponsored project	<i>mentioned in the statement of work</i>	
<i>High risk only:</i> What corrective action will be taken to avoid this type of error in the future?	<i>One or two sentences, provide actions(s) that can be reasonably performed/committed to by the department</i>	yes
FOR DANGER PAY ALLOWANCE ONLY	Attach the appropriate Expense travel report with the airfare itinerary and daily allowance calculation	see above

5. Payroll accounting adjustment will route to grant manager for approval.
6. Grant manager: Perform Submission and review checklist.
 - a. If allowable and no errors, click “submit”
 - b. If unallowable or with errors, click “send back” to submitter.

PROCESS –Accounting adjustment

Using Workday’s FMS Work Instructions, [Create an accounting adjustment](#), follow these overall steps:

1. Locate the operational transaction record in Workday.
2. Click “related actions” > accounting > adjust accounting.
3. Update the proposed fields as needed.
4. Select the change reason:

<u>Change reason</u>	<u>Use case(s)</u>
Reclass/recode	Default selection
Sponsored disallowed	Moving an unallowable expense off a grant
Sponsored overrun	Moving an allowable expense off a grant due to being overbudget

5. Attachments and comments are optional and not required for sponsored cost transfer compliance.
6. Click “submit”
7. For adjustments that are being changed to a grant, the following questionnaire will appear in the submitters queue:

<u>Question</u>	<u>Value</u>
Is the cost being transferred between grants within the same award?	Yes/no
What is the reason for the adjustment?	<p>“Charged to incorrect worktags/account”</p> <p><i>The values do not drive the business process</i></p>
Describe in detail the spend that is (are) being transferred	Example: Dell PowerEdge T630 server

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Describe the benefit to the project(s) receiving the spend transfer	Example: To be used by the principal investigator to analyze sequencing reads produced by tissue-specific ribonucleic acid (RNA) isolation.
How did the error occur?	<i>Provide succinct one or two phrases</i>
What steps are being taken to ensure that this error will not happen again?	<i>One or two sentences, provide actions(s) that can be reasonably performed/committed to by the department</i>

8. Click “submit”
9. Grant manager: Perform Submission and review checklist.
 - a. If allowable and no errors, click “submit”
 - b. If unallowable or with errors, click “send back” to submitter.

PROCESS – Accounting journal

Each journal line must be represented in the journal by a separate debit and credit line: lump sum transfers to/from grant accounts are generally not acceptable. Contact sponsoredcompliance@asu.edu if seeking an exception for a specific use case.

Using Workday’s FMS Work Instructions, [Create accounting journal](#), follow these overall steps:

1. Download a copy of the Cost Transfer Request – ORSPA 510 form ([researchadmin.asu.edu > forms and templates](http://researchadmin.asu.edu/forms-and-templates))
2. Pull the “Detailed revenue and spend by ledger account” Workday report to identify the transaction(s) that need to be transferred.
 - a. For payroll transfers, ensure related fringe and tuition journal lines are included.
3. Copy/paste the relevant journal lines into the 510 form.
4. Answer the following questions in the form:

Question	Value
1. Provide a brief and detailed description of the expense(s) being transferred	<i>Example: Dell PowerEdge T630 server</i>
2.a Describe how the expense(s) is allowable and directly benefits the receiving sponsored project award/grant.	<i>Example: To be used by the principal investigator to analyze sequencing reads produced by tissue-specific ribonucleic acid (RNA) isolation.</i>
2.b If only a portion of the expense is being transferred, describe the allocation method used.	<i>Example: 1,000 sequencing reads are expected to be analyzed a month. 400 of them are anticipated to be used on this grant, so 40% of the charge is being transferred</i>
3. How did the error occur/why was the expense charged to a different	<i>Provide succinct one or two phrases</i>

account initially?	
4. What steps are being taken to ensure that this error will not happen again?	<i>One or two sentences, provide actions(s) that can be reasonably performed/committed to by the department</i>

5. Launch “Create journal” task in Workday and complete the following fields:

Field	Value
Ledger	Actuals
Accounting date	<i>Today’s date</i>
Journal source	For internal service delivery cost transfers: ASU ISD Corrections For all other cost transfers initiated by departments: ASU Department Initiated For journals initiated by ORSPA: ORSPA - ACP
Balancing fund	Use a fund code associated with one of the accounts for transfer
Memo	Example: Grant expense transfer [Award number]

6. Click “ok” and complete the journal entry lines:

Field	Credit (decrease expense)	Debit (increase expense)
Ledger Account	<i>Match the value of the journal line being reversed</i>	<i>Ledger account associated with spend category</i>
Debit amount		\$.\$\$ (always a positive number)

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Credit amount	\$. \$\$ (always a positive number)	ASU Department Initiated ASU ISD Corrections ORSPA - ACP
Memo	Transfer from [Acct id] to [Acct id] [original transaction ID]	Transfer from [Acct id] to [Acct id] [original transaction ID]
Budget date	Match the value of the journal line being reversed	Match the value of the journal line being reversed OR update to a more precise incurred date
Project Gift Grant	<i>Match the value of the journal line being reversed</i>	
Cost Center	<i>Match the value of the journal line being reversed</i>	
Program	<i>Match the value of the journal line being reversed</i>	
Additional Worktags		
Activity	<i>Match the value of the journal line being reversed</i>	<i>Default worktag of account being transferred to</i>
Fund	<i>Match the value of the journal line being reversed</i>	<i>Default worktag of account being transferred to</i>
Campus	<i>Match the value of the journal line being reversed</i>	<i>Default worktag of account being transferred to</i>
Spend Category	<i>Match the value of the journal line being reversed</i>	Value that best represents expense being transferred

Payroll Transfer only: Worker	<i>Match the value of the journal line being reversed</i>
Payroll transfer only: ASU Position	<i>Match the value of the journal line being reversed.</i>
Payroll transfer only: Earning code (if available/known)	<i>Match the value of the journal line being reversed.</i>

7. Attach the Cost Transfer Request form and submit.
8. Grant manager: Perform Submission and review checklist.
 - a. If allowable and no errors, click “submit”
 - b. If unallowable or with errors, click “send back” to submitter.

PROCESS – Accounting journal EIB

Follow the “process – accounting journal” section of this job aid while preparing the following fields of the accounting journal EIB. The main difference is utilizing reference IDs for values/worktags instead of names.

1. Download current version of “Journal Bulk Import - ORSPA EIB” from [researchadmin.asu.edu > forms and templates](https://researchadmin.asu.edu/forms-and-templates).
2. Populate the “Import Accounting Journal” tab:

Field	Value/Reference ID
Header Key	Enter 1 in the first cell under this column. Assign a sequential number for each journal to be uploaded in subsequent rows
Ledger Type	Actuals
Journal source	ASU Department Initiated: JS_DEPT_INITIATED ASU ISD Corrections: ASU_ISD_Corrections ORSPA – ACP: JOURNAL_SOURCE-6-155
Balancing fund	Ex: FD3000
Memo	Cost Transfer

3. Populate the “Journal Entry Line Replacement” tab, creating individual rows for debits and credits, similar to the user interface:

Field (R = Required, O = Optional)	Value/Reference ID
Header Key	Enter 1 in the first cell under this column and all lines to be included in the journal. Increase the number for each additional journal.

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Line Key	Enter 1 in the first cell under this column. Assign a sequential number to each of the lines. Restart the sequential Line Key numbering process for each new Header Key number.
Ledger Account	Actuals
Account Set	CHILD_ACCOUNT_SET
Ledger Debit Ledger Credit	#.# #
Memo	Ex: Grant expense transfer [Award number]
External reference ID (O)	
Budget Date	YYYY-MM-DD
Grant	GR12345
Cost Center	CC1234
Program	P123456
Object Class (O)	Will auto populate in WD
Spend Category	SC1234
Revenue Category	RC1234
Sponsor (O)	Leave blank
Department Reporting Roll Worktag (O)	DR01234

Department Reporting Worktag (O)	<i>D1234</i>
Employee (Payroll: R)	<i>1000123456</i>
ASU Position (Payroll: R)	<i>123456</i>
Academic Employee (O)	<i>E01234</i>
Debt (O)	<i>H1234</i>

4. Submit the file to sponsoredcompliance@asu.edu for uploading.
5. Once notification of upload is received, run “Find Journals” report.
6. Edit created journal, attach cost transfer form, review checklist, and submit.

APPENDIX I

Cost Transfer

Submission and review checklist

<u>Review Step</u>	<u>Description/reference</u>
Expense is allowable	WI-EP-60 > job aid – sponsored projects allowability
Grant is active and sponsor has not received final invoice	Assigned AMT GCO can advise on status of final billing, as needed
Confirm budget is available	Workday: Budget to Actuals – Grant Summary, <i>Current Budget minus Expenses LTD</i> Include calculation of associated ERE, tuition remission and/or F&A
Budget date represents incurred date of original transaction	Payroll: Pay period end date Non-Payroll: Related actions > view accounting
Incurred date is within the start/end date period of the grant account	
Accounting journals only: Ledger account/spend category is accurate Line memo references original transaction number being transferred	
Backup documentation is supplied/attached	
Justifications are sufficient	