

Chapter 11: Expense Transfers

This chapter covers Expense Transfers. In this chapter you will learn:

- Which expenses may be transferred using the Expense Only option of the Non-Payroll Cost Transfer application.
- How to identify expense transfers on BW reports.
- How to use document and JV numbers in ECC to drilldown on your expense transfers.

Processing Non-Payroll Cost Transfers (Expense Only)

Overview of Expense Transfers

Non-Payroll Cost Transfers are created to transfer intra-entity expenses or revenue between cost objects (i.e., from one internal order to another internal order), or within cost objects (i.e., from one G/L account to another G/L account within the same internal order). These transactions are created by using ZSGM_COST_TRANSFER in ECC. There are four different types of transfers that can be processed using this transaction:

- Expense Only
- Equipment
- Non-Recurring Cost Allocation (Intra-Entity)
- Revenue

In this chapter, we focus on reconciling Expense Only cost transfers. For an expense to be considered an expense only item, it must meet the following requirements:

1. The expense must have a G/L account, commitment item, or sponsored class that begins with a 6XXXXX.
2. The expense cannot be any type of salary, wage, stipend or fringe benefit. Specifically, the expenses that belong to G/L accounts, commitment items, or sponsored classes that start with a 61XXXX or a 62XXXX. The only exception is G/L 616003, which is for overseas salary that is not paid in

SAP. Fellowship expenses are also included in this group and show up in G/L account 654001, commitment item 654001, and sponsored class 654000.

3. Cannot be any type of capital equipment expense. These types of expenses most often are found in the G/L Accounts and commitment items 180202, 631099, 651633, and 653406. The sponsored class for capital equipment is 653400. More detailed information concerning equipment and fixed assets is in *Chapter 7: Equipment and Fixed Assets*.
4. Cannot be any type of internal service center charges. Some examples are Animal Services, the Core Store, DNA Sequencing, and Networking Offices. These types of expenses will have a G/L Account, commitment item, or sponsored class that starts with a 69XXXX. There are other expenses found that start with 69XXXX that are not service centers, but are Non-Recurring Cost Allocations. These also cannot be moved through expense only transfers. Most often these types of transactions will also have a Secondary Cost Element. Anything that shows in a CO report, or has a G/L starting with a 9XXXXX, cannot be moved using the expense only transaction. Either the source documents of the posting will need to be reversed or a Non-Recurring Cost Allocation (Intra-Entity) transfer can be initiated. For more information on secondary cost elements see *Chapter 10: Internal Cost Allocations*.

Expense Transfer

Check Submit for Approval Reset

Basic Data

Journal Transfer ID: 0 Debit Amount: 68.65
Reason Code: 03 Administrative Error Credit Amount: 68.65

G/L Account	D/C	Amount	Original SAP Document Number	SAP Doc?	Description of Original SAP Document	Original Document Date
632002	C...	68.65	100075621	<input checked="" type="checkbox"/>	Invitrogen-CC - BLACKSHAW	02/09/2007
632101	D...	68.65	100075621	<input checked="" type="checkbox"/>	Invitrogen CC - BLACKSHAW	02/09/2007

EXPLANATION (If reason code "01,03" is selected, please provide additional explanation)

This pcard charge hit the departmental default account and so it needs to be transferred to the grant it was originally intended to be charged to.

EXPLANATION FOR LATE TRANSFER (After 90 days from original transaction date)

Follow on Log

SAP Document Number
Originator ID Dept Approver ID Final Approver ID

Display 11-1. Expense Transfer Screen showing Item Text in ECC

Typical items that can be moved through the expense only Non-Payroll Cost Transfer include, but are not limited to, supplies, repairs and maintenance, contractual services, and travel expenses.

Why Transfer an Expense?

When reconciling a University account, expenses may be unallowable on that particular account, or expenses may be deemed to be more appropriately charged to another account. Expense items can also be more appropriately allocated amongst multiple cost objects or correct G/L account mistakes. Most often expense transfers are posted as a correction of an error. Regardless of the reason, it is important to provide proper documentation in the *Explanation*, *Explanation for Late Transfer*, and *Description of Original SAP Document* text fields (see Display 11-1).

The *Explanation* and *Explanation for Late Transfer* (if applicable) text fields should provide a concise but informative explanation for why expenses are being transferred. Why the transfer is being completed after the 90 day window is very important also. These fields are reviewed by first and second level approvers of these transactions. Even more importantly, these text fields may be reviewed in instances of both internal and external audits.

The screenshot shows the 'Sponsored Rev-Exp Detail' report in SAP. The interface includes a top navigation bar with 'Data Analysis', 'Graphical display', and 'Information' tabs. Below this is a toolbar with buttons for 'Toggle Nav Block', 'Variable Screen', 'Printing', 'Bookmark', 'No. of Rows', 'No. of Columns', 'EMail', 'New Window', and 'Exceptions/Conditions'. The main area is divided into a left sidebar and a central table.

The left sidebar contains sections for 'Rows' (Business Transaction, RFBU Ft. Postings, Item text, Posting date, Reference doc number, Sponsored Class), 'Columns' (Grant, Sponsored Program, Key Figures), and 'Free Characteristics' (Business area, Commitment item, Created by, Created on, FI Doc. Postng Lines, FI doc.doc.number, Fiscal year/period, Funds Center, G/L Account, GM Value Type, Spons Prgm Auth Grp, Vendor).

The central table displays the following data:

Sponsored Class	Business Transaction	Reference doc number	Posting date	Item text
630000	RFBU Ft. Postings	100150453	03/13/2007	INVITROGEN CC - BLACKSHAW 0100075621
				OFFICE DEPOT CC - BLACKSHAW 0100075619
				VWR SCIENTIFIC CC - BLACKSHAW 0100075620
		100154019	03/14/2007	AIRGAS MWB414381
				ED DAVIS CITIBANK MWE070511
		100165881	03/16/2007	INTEGRATED DNA TECHNIG 7399
		100165694	03/16/2007	IVG*INVITROGEN CORPORA 5964
		100165695	03/16/2007	IVG*INVITROGEN CORPORA 5964
		100165702	03/16/2007	BIODESIGNS INTERNATION 8099
		100181101	03/28/2007	BD BIOSCIENCES CC - BLACKSHAW 0100127053
				ELECTRON MICROSCOPY CC - BLACKSHAW 0100116824
				GOOGLE UBD.COM CC - BLACKSHAW 0100149876
				HAMILTON COMPANY CC - BLACKSHAW 0100141577
				INTEGRATED DNA CC - BLACKSHAW 0100124607
				INTEGRATED DNA CC - BLACKSHAW 0100124608
				INVITROGEN CC - BLACKSHAW 0100138427
				INVITROGEN CC - BLACKSHAW 0100145747
				INVITROGEN CC - BLACKSHAW 0100153628
				INVITROGEN CC - BLACKSHAW 0100163275

Display 11-2. Sponsored BW Report showing Expense Transfer Item Text

The *Description of Original SAP Document* field may be the most helpful in reconciling accounts, however. This is the text field that carries over to the *Sponsored Rev-Exp Detail*, and the *Non Sponsored - Financial Detail* reports. As shown

in Display 11-1 and 11-2, the Item text field was populated in this Sponsored Rev-Exp Detail report directly from the Description of Original SAP Document text field.

Notice the item text has the exact text that was input into the original cost transfer, followed by a ten digit number. This number is automatically provided by the reporting system and represents the Original SAP Document Number (as seen in the original cost transfer - Display 11-1). This number will only display if enough characters are left following the text entered in the Description of Original SAP Document field (item text allows 50 characters)

Reconciling Non-Payroll Cost Transfer Transactions

Sponsored and Non-Sponsored BW Reports

Expense Only Non-Payroll Cost Transfers display on BW detail reports with 9 digit FI document numbers beginning with a 10XXXXXXX. Users should note that there are other types of transactions that have similar FI document numbers.

As described above, providing an adequate description of an expense can make deciphering BW detail reports easier. This, along with adding the “Created by” free characteristic can make the reconciliation process more efficient. Display 11-3 shows another example of an expense only cost transfer, but this time reflected in a *Non-Sponsored - Financial Detail* report.

						Funded Program	80013641		
						Fund	1017000001		
						Funds Center	1701700000		
							JUN 2007 Revenues	2007 Commitments	
Commitment item	Doc #	Long Desc.	Vendor	Created by	Posting date	\$	Expenditures		
632002	100470271	SPEAKEASY 4814	Not assigned	FIAUTO	06/07/2007		53.46		
	100470665	JAY S RESTAURANT GROUP 5811	Not assigned	FIAUTO	06/08/2007		209.23		
	100486156	SCI STAMPS-PHOTO STAMPS 7399	Not assigned	FIAUTO	06/12/2007		6.15		
I	100486637	JAY'S RESTAURANT CC - SEARCY 0100470665	Not assigned	PCORNEL4	06/12/2007		-209.23		
	100504982	CAROLINA BIOLOGICAL SU 5047	Not assigned	FIAUTO	06/19/2007		218.50		
	100504984	NATIONAL BAND & TAG 7399	Not assigned	FIAUTO	06/19/2007		58.55		
	100504985	SURGIPATH MEDICAL INDU 5999	Not assigned	FIAUTO	06/19/2007		228.04		
	100504986	AIRGAS EAST 5169	Not assigned	FIAUTO	06/19/2007		30.00		
	Result						594.70		0.00

Display 11-3. Non-sponsored BW Report showing Expense Transfer Item Text

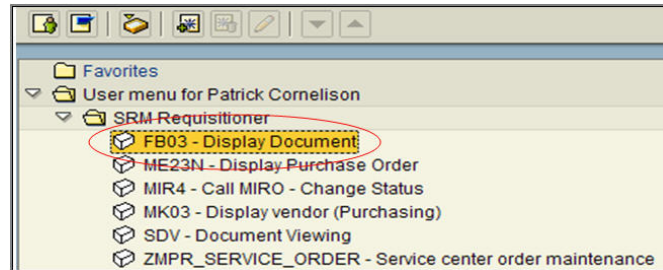
The line item circled above is a cost transfer amongst several procurement card expenses. Notice that the Created by field helps differentiate between the two different transactions. Procurement card expenses will either be created by FIAUTO or SCONV. Expense only cost transfers will be created by the JHEDID of the user who originally created the cost transfer. Also, notice that the nine digit document number of the original expense (100470665) follows the text provided by the creator.

It is conceivable at this point that this charge could be marked off as being valid and checked for reconciliation purposes. We are able to understand the description of this expense and we know the originator of the transfer. Assuming proper internal controls are in place, and knowing that this individual (PCORNEL4) is in the department and that he received approval on the front end for processing this transfer, it is acceptable to mark this as a valid transfer and continue forward with reconciling the account.

It should be noted that early in FY2010, functionality was enhanced in both Sponsored and Non-Sponsored Detail reports to add the free characteristic, *CO Header Text*. By adding this free characteristic to the BW Detail reports, users can easily see the cost transfer number as shown in Display 11-4 below. In this way, the reconciler can skip using transaction code FB03 discussed in the next section, *Further Research of Cost Transfers*. Note that the Created by Field, when it shows a divisional staff member's JHED ID (and not FIAUTO), is indicative of a non-payroll cost transfer originated by that person.

Further Research of Cost Transfers

If the creator is from another department, or the department wishes to research the transaction further, they can begin by using the ECC transaction known as FB03. To activate FB03 open up the SRM Requisitioner folder and double click on *FB03–Display Document* as shown in Display 11-4.



Display 11-4. Using the FB03 transaction to Review Expense Transfers

When the FB03 transaction is activated, enter your FI document number (Sponsored) or document number (Non-Sponsored) into the document number prompt and hit enter (see Display 11-5). The FI and reference document number can be used for Sponsored reports in this situation because they will always be the same number. FB03 requires FI document numbers, so it is important to use FI document numbers when researching other types of transactions. For this example, we are using 100150453, which is the reference doc number for the cost transfer noted in the BW report shown in Display 11-2.

Display Document: Initial Screen

Document list | First item | Editing options

Keys for Financial Accounting

Document Number	100150453
Company Code	JHEN
Fiscal Year	2007

Display 11-5. FB03 - Document Number Entry

The resulting screen, shown in Display 11-6, can have different default appearances depending on whether ECC defaults you to the standard view, or the list view. Regardless of the layout, they will both have the necessary icon needed for the next step. Click on the “Display document header” icon (top hat).

Display Document: Overview

Display currency

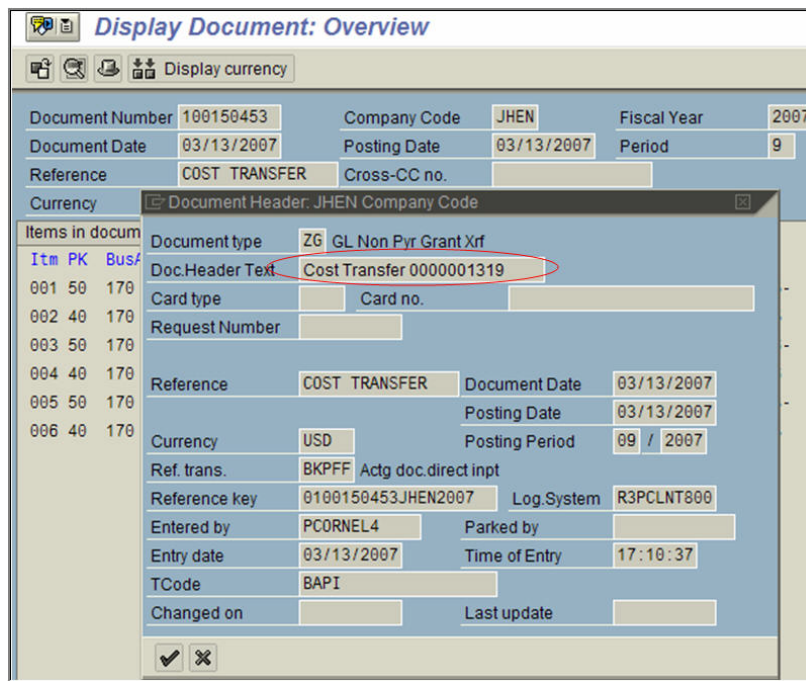
Document Number	100150453	Company Code	JHEN	Fiscal Year	2007
Document Date	03/13/2007	Posting Date	03/13/2007	Period	9
Reference	COST TRANSFER		Cross-CC no.		
Currency	USD	Texts exist	<input type="checkbox"/>		

Items in document currency

Itm	PK	BusA	Acct no.	Description	Tx	Amount in	USD
001	50	170	632002	UNALLOC PCARD EXP		68.05-	
002	40	170	632101	OTHER RESRCH SUP		68.05	
003	50	170	632002	UNALLOC PCARD EXP		358.76-	
004	40	170	632101	OTHER RESRCH SUP		358.76	
005	50	170	632002	UNALLOC PCARD EXP		43.68-	
006	40	170	632101	OTHER RESRCH SUP		43.68	

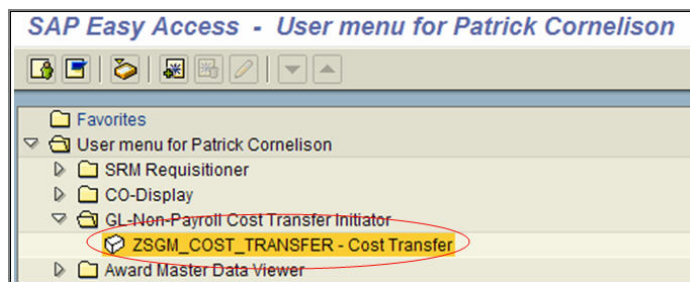
Display 11-6. Reviewing Expense Transfer in ECC

This provides you with important information about the cost transfer, including the Journal Transfer ID of the original transaction. Also, this screen verifies that the transaction in question is a cost transfer (see Display 11-7).



Display 11-7. Using FB03 to Obtain Expense Transfer JV Number

Make a note of the Journal Transfer ID (0000001319 or just 1319) that is found under the Doc. Header Text field, and go into the ZSGM_COST_TRANSFER transaction.



Display 11-8. Using ZSGM_COST_TRANSFER for more information on the expense transfer

Enter the Journal Transfer ID and click on the “Display Request” icon. This will provide the original transaction.

The screenshot shows a web-based application window titled "Journal Transfer Request". The window has a menu bar with several options: "Create Request", "Display Request" (circled in red), "Cost Transfer Header", "Cost Transfer Items", "Cost Transfer Log", "Print Cost Transfer", and "Business Workplace". Below the menu bar is a form titled "Journal Transfer Request Form". The form has two sections: "Type of Journal Transfer" and "Transfer Request". The "Type of Journal Transfer" section has four radio buttons: "Expense Only" (selected), "Equipment", "Non-Recurring Cost Allocation, Intra-Entity", and "Revenue". The "Transfer Request" section has a field for "Journal Transfer ID" with the value "1319" entered and a search icon to its right. This field is also circled in red.

Display 11-9. Drilling down using the JV Number

After entering the JV number in the cost transfer application screen, the expense transfer detail screen will be activated as shown in Display 11-10. At this point, you can print the original transaction to keep as back-up documentation for the expense (or credit) on your account, or just make note of the Journal Transfer ID and mark the expense off as checked and valid. If at this point, the expense still looks questionable, you can contact the originator of the cost transfer and receive further explanation, email justification, and/or additional back up documentation.

Expense Transfer

Basic Data

Journal Transfer ID: 1319 Document Posted

Reason Code: 03 Administrative Error

G/L Account	D/C	Amount	Cost Center	Internal Order	WBS Element	Fund	Grant
632002	C...	68.05		80013641		1017000001	
632101	D...	68.05		90023709		9100000000	905263
632002	C...	358.76		80013641		1017000001	
632101	D...	358.76		90023709		9100000000	905263

EXPLANATION (If reason code "01,03" is selected, please provide additional explanation)

In approving the procurement card statement in the previous period, 3 charges for Dr. Blackshaw were automatically charged to our default account despite attempting to approve before the deadline date. These charges

EXPLANATION FOR LATE TRANSFER (After 90 days from original transaction date)

being moved to the originally intended accounts. These are original SAP documents and can be found in the February non-sponsored report in BW.

RETURN/REJECTION EXPLANATION

Follow on Log

SAP Document Number	100150453	Dept Approver ID	SBOEKE1	Final Approver ID	YZHOU14
Originator ID	PCORNEL4	02/16/2007 14:56:23	03/13/2007 14:33:26		03/13/2007 17:10:37

Display 11-10. Drilldown ECC to the Expense Transfer Information Screen

Expense Transfers Posted to Internal Orders for Cost Sharing

Cost sharing can be broken down into 2 different categories: *Committed Cost Sharing* and *Cost Overruns*. Expenses should not be transferred off a sponsored project just because they would cause the grant to be overspent. If all of the charges on the grant are allowable and allocable to the project and the project is overspent, they should remain on the grant and a cost overrun would be processed.

Cost overruns are processed by Sponsored Projects Shared Services. A cost sharing internal order, beginning in 98, would be created with a non-sponsored funding source. SPSS will then process the cost transfer using the secondary cost element 960900. This process allows the expenses to remain on the grant while being paid from an internal funding source. Recall that a grant in SAP can have only one external funding source, but may have multiple internal funding sources.

Additional Resources

Links to additional resources you may find helpful:

Sponsored Projects Shared Services Website, Compliance Staff Contacts

http://ssc.jhmi.edu/sponsoredprojects/contact.html#Financial_Research_Compliance

Non-payroll Cost Transfer Reason Codes

ssc.jhmi.edu/sponsoredprojects/DataFiles/NonPayroll_Cost_Transfer_ReasonCodes.pdf

Training Course: Non-payroll Cost Transfer

<http://lms4.learnshare.com/l.aspx?CID=89&A=2&T=391087>