Payroll Expense Transfer (PET) Reference Guide

A PET is an after-the-fact cost transfer to reallocate payroll transactions from their original account recorded in the general ledger to a new source. All PETs moving an expense from or to a sponsored project require a detailed review prior to approval, in compliance with standards set forth in Uniform Guidance. Submission of a cost transfer signifies an error in the original allocation of the expense, therefore frequent submissions of PETs raises "red flags" in an audit review. All cost transfers, including JE’s and PETs, should be carefully analyzed prior to submission, requested sparingly, and include sufficient justification to document the need for the requested change.

A complete Payroll Expense Transfer (PET) request should explain to any auditor who, what, where, when and why in the Grants Certification tab without a need for the reviewer to request additional information from other persons or systems. To ensure you have a complete PET, please consider the following questions prior to submitting any actions.

Transaction Review:

☐ Is effort moving from one sponsored project to another?

*If yes, justification as to why the effort is being moved from one sponsored project onto another sponsored project is required (see below).*

☐ Is the effort/expense allowable on the new project I am moving it to?

*If no, do not create PET to transfer funds to this source. If the effort/expense is incorrectly charged to a sponsored project and an appropriate allowable source is not determined, the salary expense should be charged to a non-sponsored source (department or gift funds). If effort is appropriate to the new source but has insufficient funds to support the expense, effort may be cost-shared and should be clearly documented.*

☐ Is the effort allocated properly to the project(s)? Does this match the sponsor approved budget?

*If the effort requested does not match the sponsor approved budget, do not create PET without confirming the sponsor terms and conditions. Review the award notice and sponsor requirements to determine if the sponsor allows effort levels to be adjusted or if prior approval is required. If you are unclear if a prior approval request is required, please discuss with your OGC Post Award Administrator.*

☐ Is the requested PET for effort greater than 90 days old? Does the change impact effort previously certified on the project which would cause the PI to recertify their ePER?

Adjustments greater than 90 days and to previously certified effort (ePER reports) are strongly discouraged and should only be altered in unique circumstances. Effort reports containing incorrect distributions should not be certified without proper documentation of corrections in process.

Additional Resources:

PET Guide          PET Calculator          Employee Salary Template