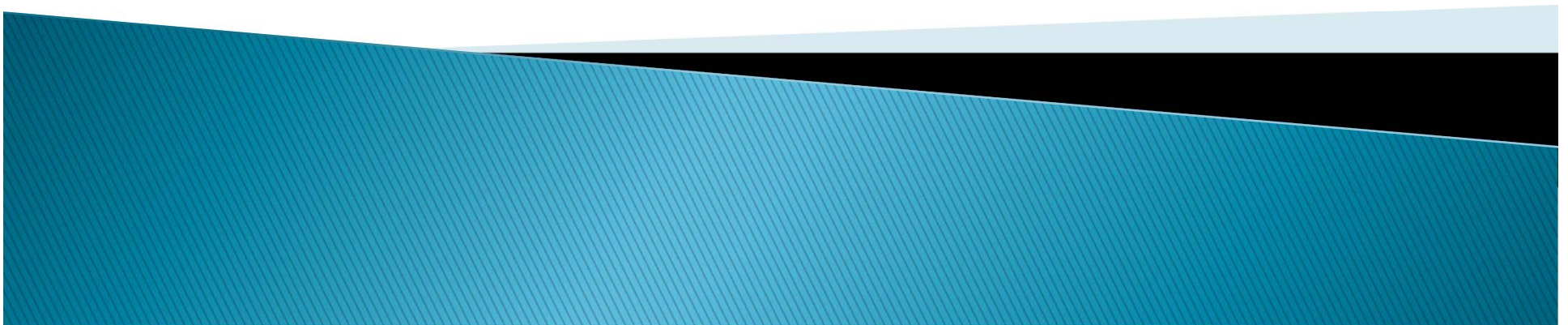


# OGC PETS Team Talks

Requirements and Best Practices for  
Payroll Expense Transfers (PETS)



# Agenda

- ▶ What is a PET?
- ▶ PET Best Practices
- ▶ Reasons for Completing a PET
- ▶ PET Reference Guide
- ▶ PET Checklist
- ▶ Grant Certification Tab and Examples
- ▶ Attachments and Examples
- ▶ Links and Resources
- ▶ Questions



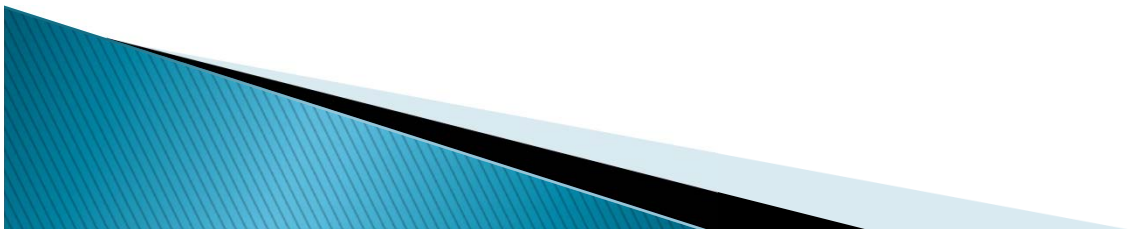
# Payroll Expense Transfer (PET)

- ▶ 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.
- ▶ PETs are financial transactions entered within the Human Capital Management (HCM) system which require a detailed review prior to approval.
- ▶ All cost transfers are subject to meeting audit requirements.
  - CU uses the Grant Certification process within PETs to meet these requirements



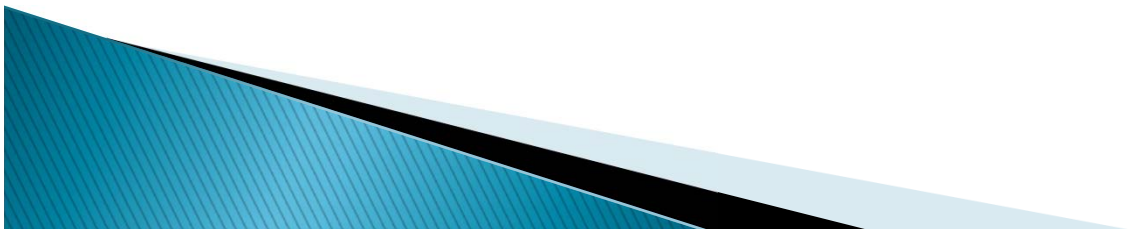
# PET Best Practices

- ▶ Update funding by the 10th of each month when possible to avoid PETs
- ▶ Coordinate with faculty, grant managers and/or other funding coordinators before processing any PETs
- ▶ Submit only one PET per paycheck
- ▶ Process PETs as soon as possible after payroll runs, or within 90 days
- ▶ Document PET with ample details and back-up



# Reasons for Completing a PET

- ▶ Award or Account (ST) was received late.
  - This PET should only move payroll out of a department fund to a sponsored project for the time period of the award.
- ▶ Funding sources do not have enough resources to cover earnings.
  - This PET should move payroll off of a sponsored project to a department fund.
- ▶ Change in effort based upon award amendment/modification
  - This should only move payroll out of a department fund to a sponsored project for the time period of the award.
- ▶ Correction due to clerical errors



# NIH Grants Policy

*“ The recipient should have systems in place to detect such errors within a reasonable time frame; untimely discovery of errors could be an indication of poor internal controls.*

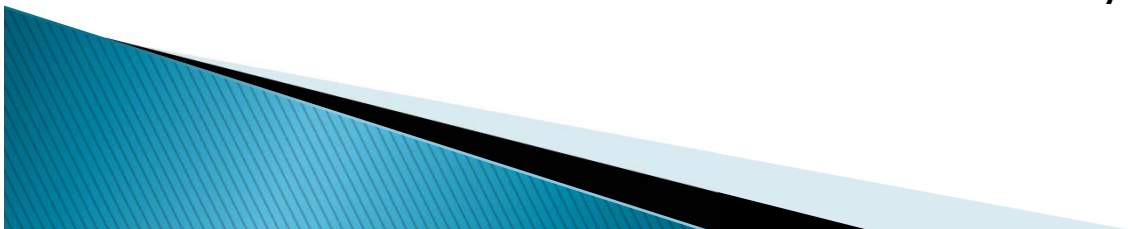
*Frequent errors in recording costs may indicate the need for accounting system improvements, enhanced internal controls, or both. If such errors occur, recipients are encouraged to evaluate the need for improvements and to make whatever improvements are deemed necessary to prevent reoccurrence.*

*NIH also may require a recipient to take corrective action by imposing additional terms and conditions on an award(s).”*

NIH Grants Policy Statement found at:  
[https://grants.nih.gov/grants/policy/nihgps/html5/section\\_7/7.5\\_cost\\_transfers\\_overruns\\_and\\_accelerated\\_and\\_delayed\\_expenditures.htm](https://grants.nih.gov/grants/policy/nihgps/html5/section_7/7.5_cost_transfers_overruns_and_accelerated_and_delayed_expenditures.htm)

# PET Reference Guide

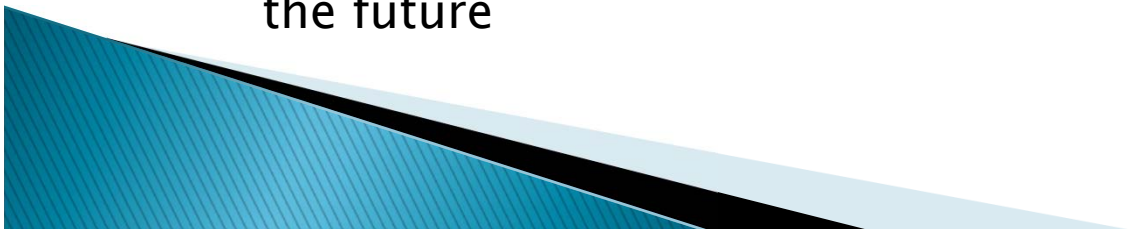
- ▶ Please consider the following questions prior to submitting any PET actions.
  - Is effort moving from one sponsored project to another?
  - Is the effort/expense allowable on the new project I am moving it to?
  - Is the effort allocated properly to the project(s)? Does this match the sponsor approved budget?
  - 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?



# PET Checklist

Use this checklist to assist in completion of the Grant Certification Tab

- ▶ Provide a detailed description explaining the need for the PET
  - Who – Include the employee name and EIN or POS number
  - What – Provide speedtypes explaining where the funds are coming from and going to.
  - Why – Reason the transfer is being requested, why was this an error?
  - When – Provide the paycheck dates or months being corrected
  - How Much – Percent of effort or total dollars being transferred between speedtypes
  
- ▶ Is this for effort more than 90 days old?
  - The reason the request was not submitted within 90 days of the transaction date
  - How requests greater than 90 days old will be prevented in the future





# Grant Certification Tab

- Paycheck Search
- Earnings
- Taxes
- Deductions
- Grant Cert < 90**
- Summary

## Payroll Expense Transfer

HRGL Request #: LOPE000615-20180216-001      Status: Searched/Draft      Originator: Lopez-Thrasher, Brittany N.

### Grants Certification Questions

Please provide sufficient reason for submitting this Payroll Expense Transfer (For example: the cause of the error, how this PET corrects the error, and reflects the actual effort the employee(s) spent on the sponsored project(s), etc.). Attach any relevant back up documentation.

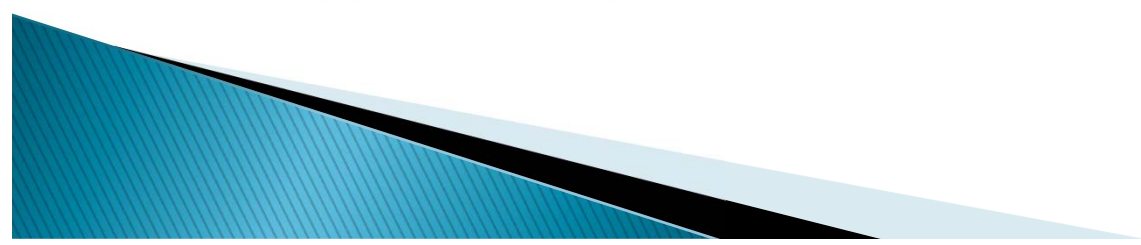


To the best of my knowledge, the charge is allowable, allocable, and provides direct benefit to the project receiving the charge.

Yes       No

- Save
- Save / Submit
- Approve
- Deny
- Recall

- Paycheck Search
- Earnings
- Taxes
- Deductions
- Grant Cert < 90**
- Summary



# Grant Certification Tab

Over 90 days

Paycheck Search | Earnings | Taxes | Deductions | **Grant Cert >= 90** | Summary

## Payroll Expense Transfer

HRGL Request #: [LOPE000615-20180216-001](#)    Status: Searched/Draft    Originator: Lopez-Thrasher, Brittany N.

### Grants Certification Questions

Please provide sufficient reason for submitting this Payroll Expense Transfer (For example: the cause of the error, how this PET corrects the error, and reflects the actual effort the employee(s) spent on the sponsored project(s), etc.). Attach any relevant back up documentation.



To the best of my knowledge, the charge is allowable, allocable, and provides direct benefit to the project receiving the charge.

Yes     No

Please explain why the submission of this Payroll Expense Transfer is occurring after 90 days.



Save    Save / Submit    Approve    Deny    Recall

Paycheck Search | Earnings | Taxes | Deductions | **Grant Cert >= 90** | Summary

# Grant Certification Example

**PET SMIT001234-20180205-002**

Correcting salary for December 2017 through January 2018 for employee, Jane Smith, Employee ID 123456. Upon review of the speedtype, Grants Manager found that due to administrative oversight, her salary was allocated incorrectly. Salary is currently charging 10% to 63001234 and 90% to 63405678 and should be charged per the below:

**December 2017**

63405678 - CU Gift Fund - 95%

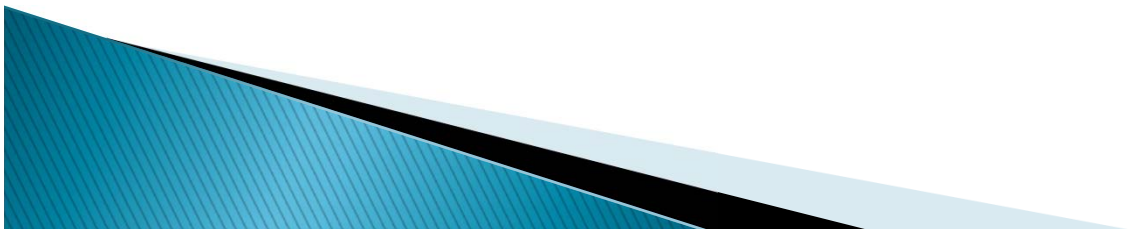
63001234 - CU Grant Fund - 5%

**January 2018**

63405678 - CU Gift Fund - 100%

**Over 90 days:**

The department of CU had turnover and this award was not reconciled since October 2017. New staff was hired December 2017 to manage this award. The correction was found in review and reconciliation with PI.



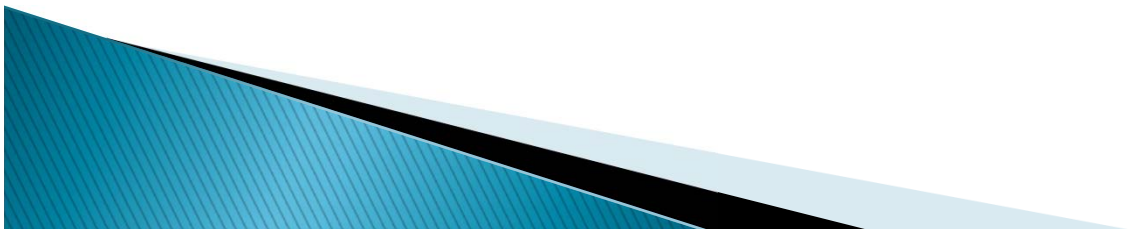
# Attachments

## Required attachments

- ▶ Salary Spreadsheet or Timesheet if employee is paid from more than one source.
- ▶ E-mail communication if transferring payroll between departments.
- ▶ E-mail communication if PET requestor is different than the creator

## Optional attachments

- ▶ M-FIN Payroll Transaction report or Financial Detail highlighting the months of payroll being moved. (Highly encouraged when you are completing a PET with more than one employee)
- ▶ Additional documentation that may assist in review or audit.



# Attachment Examples



## PAYROLL TRANSACTIONS



### COMPENSATION SUMMARY

THROUGH FISCAL YEAR ACCOUNT 2018 6 -- DEC  
 FISCAL YEAR ACCOUNT 2018 7 -- JAN  
 EMPLOYEE ID: 123456 NAME: Jane Smith HOME DEPT: 20123

#### POSITION SUMMARY

Position	From Date	To Date	To FY Period	Sal (A)	Ben (B)	Total (D=A+B)	Ben Rate (B/A)
0012345	Dec 29, 2017	Jan 31, 2018	2018 7	22,510.16	5,720.43	28,230.59	25.41%

#### SPEEDTYPE, POSITION SUMMARY

Speedtype	Pgm/Proj	Position	From Date	To Date	To FY Period	Sal (A)	Ben (B)	Total (D=A+B)	%
63001234 -- CU Grant Fund	25A1234	0012345	Dec 29, 2017	Jan 31, 2018	2018 6	1,800.81	436.55	2,237.36	10.00%
63405678 --CU Gift Fund	68123	0012345	Dec 29, 2017	Jan 31, 2018	2018 7	16,207.31	3,928.95	20,136.26	90.00%
<b>TOTAL</b>						<b>18,008.12</b>	<b>4,365.50</b>	<b>22,373.62</b>	<b>100.00%</b>

#### POSITION, SPEEDTYPE SUMMARY BY JOURNAL MONTH

Position	Speedtype	Type	PET	Dec	Jan	Total
0012345	63001234 -- CU Grant Fund	Payroll		900.41	900.41	1,800.81
		Benefits		218.28	218.28	436.55
	63405678 --CU Gift Fund	Payroll		8,103.65	8,103.65	16,207.31
		Benefits		1,964.48	1,964.48	3,928.95
<b>TOTAL</b>				<b>11,186.81</b>	<b>11,186.81</b>	<b>22,373.62</b>

63001234  
 12/17- Should be 5%  
 01/18 - Should be 0%



# Attachment Examples

<b>FY18 Department of CU</b>		NIH CAP	Main	\$ 187,000.00	
<i>Monthly Salary Sources</i>					
<i>Smith, Jane</i>		Asso. Professor			
ID# 123456		1.0 FTE			
POS# 0012345					
<i>Annual salary:</i>		\$ 108,049		\$ 9,004.06	
		<i>63001234 - CU Grant Fund</i>	<i>634005678 - CU Gift Fund</i>	<i>Monthly Salary</i>	<i>Pending</i>
July	0.00	0.00		0.00	0.00
August	0.00	0.00		0.00	0.00
September	0.00	0.00		0.00	0.00
October	0.00	0.00		0.00	0.00
November	0.00	0.00		0.00	0.00
December	450.20	8,553.86		9,004.06	0.00
January	450.20	8,553.86		9,004.06	0.00
February	450.20	8,553.86		9,004.06	0.00
March	450.20	8,553.86		9,004.06	0.00
April	450.20	8,553.86		9,004.06	0.00
May	450.20	8,553.86		9,004.06	0.00
June	450.20	8,553.86		9,004.06	0.00
Annual Total	3,151.40	59,877.02		63,028.42	0.00
% of salary support 6/30/2018	5.000%	95.000%		100.000%	#DIV/0!

Salary Spreadsheet

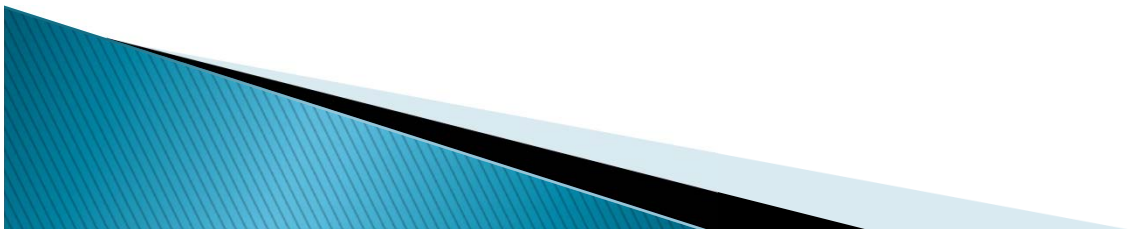
# PET Documentation Requirements

- ▶ Justification Statement in the Certification Tab must contain all the required elements for approval.
- ▶ The Attachments are backup to support the Justification Statement. They are not a replacement or alternative to putting the information into the justification statement.



# PET Approvals

- ▶ OGC Post award is responsible for review and approvals for all PETS to funds 30/31.
- ▶ Office of Grants and Contracts uses the denial as a tool to make corrections to the transaction.
  - Based on HCM functionality, the PET must be in denied status for the field to reopen for any adjustments or corrections.
  - Post award will communicate with the person who has entered the PET in these instances.
- ▶ If it is determined a PET containing future funding will need to be denied it will require re-entry.





# Links and Resources

\*University of Colorado Cost Transfer on Sponsored Projects Policy:

[http://www.ucdenver.edu/faculty\\_staff/employees/policies/Policies%20Library/GrantsContracts/CostTransfersSponsored%20Projects-FP4-12.pdf](http://www.ucdenver.edu/faculty_staff/employees/policies/Policies%20Library/GrantsContracts/CostTransfersSponsored%20Projects-FP4-12.pdf)

\*Direct Charge Policy

[http://www.ucdenver.edu/faculty\\_staff/employees/policies/Policies%20Library/GrantsContracts/fp4-07.pdf](http://www.ucdenver.edu/faculty_staff/employees/policies/Policies%20Library/GrantsContracts/fp4-07.pdf)

PET Calculator

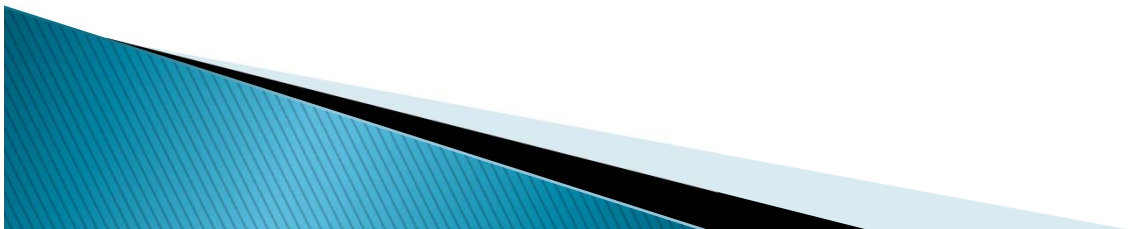
[http://www.ucdenver.edu/about/departments/finance/Pages/Tools\\_PETCalcs.aspx](http://www.ucdenver.edu/about/departments/finance/Pages/Tools_PETCalcs.aspx)

Employee Salary Template – Coming to OGC website Soon with PET Reference Guide and Checklist

HCM Community

<https://www.cu.edu/hcm-community>

\*These policies are currently under review with our new trainer, and will be updated in the future with new guidance as part of our training initiative.



# QUESTIONS

