Instructions for Expense and Revenue Correction Form

Name of Form: **Expense and Revenue Correction** (formerly Expense Transfer)

Purpose: This form is used to correct a previous revenue or expense transaction that has posted in Banner/WebApps.

Do use to: move specific expense or revenue transactions from one **F**und / **O**rganization / **A**ccount / **P**rogram / **A**ctivity / **L**ocation (FOAPAL) code to another; add an activity code to a previously completed transaction; add/correct cost sharing information in the program/location fields of a previously recorded transaction.

Do not use to: (1) bill another Rice department for services rendered (use the Interdepartmental Transfer form); (2) move a predetermined amount or transfer cash from one fund to another (use the Budget Transfer Memo form); (3) correct or change the coding on a purchase order amount (contact Payment Solutions for information on how to process a PO change order).

Coding restrictions: Do not use any payroll codes (6xxxx). Changes to payroll coding should be accomplished on a time allocation form, a graduate payroll authorization form or a payroll redistribution form; related fringe benefits and tuition remission will automatically move with the salaries and wages or stipends. Do not use transfer codes (8xxxx). Do not use indirect/F&A codes (74xxx), as these costs will automatically be adjusted when the direct costs are changed.

Supporting information required: Attach a copy of the original posting transaction detail in Banner to speed processing. This documentation is required for sponsored project funds, commonly referred to as R funds.

Expense transfers of equipment to a sponsored project require a completed equipment procurement brief for the new fund. Please attach this form (available on the Research and Cost Accounting web site) to the completed EX form.

Where to obtain forms: from the Controller's Office web site.

Format for submission: You may simply print the form from Excel and complete each section manually. The form may be completed in Excel and then printed.

Processing information: Once all signatures have been obtained, send to the Controller's Office at MS70. Electronic processing is available for transactions longer than 50 lines. Please contact Current Fund Accounting in the Controller's Office (Crystal Davis at x2478 or crystald@rice.edu,) for additional information on this option.

Copies: If you need a copy of the competed form, please make a photocopy before mailing the form

For more information on completing this form: Contact Current Fund Accounting in the Controller's Office (Crystal Davis at x2478 or crystald@rice.edu,) or Research and Cost Accounting (rchacctg@rice.edu) in the Controller's Office.

Detailed Instructions for Completing the Form:

Transaction Date: The date of the transaction determines the posting period. For example, an EX is received on June 3 before May business has been closed. If the form is dated May 31 it will be processed in May business, but if the form is dated June 3 it will be processed in June business.

Document #: This is an 8 character field that must start with EX. Banner uses the document # to identify and retrieve transactions. Departments and users may assign the last six digits in a numbering format that is meaningful to them. Possibilities include: (1) assigning the first 3 digits of the department code or a department abbreviation and then using a sequential number (e.g., EX987001, EX987002, etc. or EXADM503, EXADM504, etc.); or (2) using user initials and then assigning a sequential number (e.g., EXJD0049, EXJD0050, etc.).

Banner will not allow two documents with the same number to be entered. The departments are responsible for tracking which numbers they have used. If you have questions on assigning numbers, please contact Current Fund Accounting in the Controller's Office (Crystal Davis at x2478 or crystald@rice.edu,).

Document total: Add the debit column total and the credit column total, both as positive numbers. Don't forget the pennies! This total is used by the Banner system to check the accuracy of keypunching.

Document Ref #: This is a required field. Please list the Banner Document # of the transaction that is being re-coded. The Banner Document # can be found in the Document column of the transaction listing in WebApps for an individual fund/org/acct. Please contact the Controller's Office (Crystal Davis at x2478 or crystald@rice.edu,) if you need assistance in identifying the original Banner Document #.

Coding: The fund, organization and account fields must be completed. The use of an activity code is optional. The program and location columns should be completed if and only if the transaction listed is used for recording or correcting sponsored project cost sharing. Cost sharing is indicated by using IDR2 as the program code and the applicable R fund # as the location code.

Debit/Credit: Complete the amount of the transaction for each line. Total debits must equal total credits. Partial charges may be moved. For expenses (account code 7xxxx), use the debit column for the fund to which you are moving the expense (the correct coding) and the credit column for the fund used on the original transaction (incorrect coding). For revenues (account code 5xxxx), use the debit column for the fund used on the original transaction (incorrect coding) and the credit column for the fund to which you are moving the revenue (correct coding). Do not correct revenues for a sponsored project (Rxxxxx) fund, as the revenues will automatically be adjusted when the direct costs are changed.

For sponsored project (Rxxxxx) funds, each transaction being recoded must be listed individually. To move partial charges from/to an R fund, reverse the total amount of the original transaction and then use two or more lines to enter the revised distribution of the total.

Description: This is the description that will be entered into Banner and display in the transaction detail. The field is limited to 35 characters. Sufficient information to identify the original transaction should be provided. Examples: Coherent inv for PO499999; TV999999 s/b non-Rice Trvl; CHMSTK J Johnson; Cost share IP999885 CDW; To subfund-Apple Comp.

Reason: This area must be used to explain why this transfer is necessary. It is not an optional field. The explanation may be input into Banner. Use of "To move from default fund/org/acct" is limited to those transactions that post directly from defaults in Banner for the indicated types of vendor payments. This explanation cannot be used to move amounts that were originally coded to that fund/org/acct by the department. **Important**: list the PO number, asset number, or document number of the original transaction if this transfer involves equipment.

Approval: Please write either the name or organization code of both the department being charged and the department being credited. The document should be signed by someone in each department with signature authority for the funds used; the Principal Investigator or designee must sign if using a sponsored project (Rxxxxx) fund. Some cost transfers on sponsored projects may also require the signature of the Chair (see below).

Instructions and Guidelines for Sponsored Project (Rxxxxx) Funds:

The following guidelines and instructions are based on Research Policy 302, Cost Transfers and the procedures for cost transfers on the Research and Cost Accounting website.

Definition: A cost transfer moves charges from one University fund to another.

Background: The Principal Investigator (PI) is responsible for the management of sponsored programs that are awarded to him/her. These include federal, state, and private grants and other sponsored agreements.

In addition to technical compliance, the responsibility for budgetary compliance rests with the PI. This includes not only staying within the total program budget and project period, but also staying within specific budget limitations that may be required by the award terms and conditions. Each PI is responsible for ensuring that charges made to a particular research fund are allowed by the funding source and are directly related to the project or activity supported by that fund. The PI should carefully consider whether an expense is an allowable, allocable and reasonable cost on a given fund before the expense is incurred. In addition, the PI is responsible for reviewing monthly expenditure reports and time allocation reports on a timely basis.

Cost transfers are sometimes necessary and unavoidable; however, they should not be used as a method for routine funds management. They may be used to correct an error or to allocate expenses between closely related projects if both projects benefit directly from the expense. Cost transfers should not be requested simply to avoid over expenditure in one research fund by transferring expenses to another research fund, nor should they be used as a method to spend money because a project is nearing its end.

Cost transfers on sponsored project (Rxxxxx) funds are subject to Research Policy 302, Cost Transfers. When initiated, cost transfers must be timely, well-documented and properly approved. Unallowable or inappropriate charges that appear on a sponsored project fund must be moved to an appropriate fund promptly.

Procedures:
To request a **cost transfer for non-salary charges** involving an R fund, an Expense and Revenue Correction form must be completed and forwarded to the Controller's Office. The form must be supported by a full explanation of how the error occurred. This re-allocated charge must be allowable and directly benefit the sponsored project fund to which it is being transferred. The PI signature certifies the correctness of the new charge. (See Controller's website for a copy of the form and instructions.)

a. Timely. In accordance with the Cost Transfers policy, cost transfers submitted later than 90 days from the end of the month in which the charge first appears on the fund or submitted later than 30 days after the end date of an award are not considered timely and must include:
    (1) the approval of the department chair of each department,
    (2) additional documentation if expenses are to be charged to another research fund, and
    (3) a reason for the delay.

b. Well-documented. A cost transfer request on sponsored project funds must include:
    (1) a reason for the cost transfer request (*Note: See the Research and Cost Accounting forms section of the Controller's website for sample explanations for cost transfers.);*
    (2) the Banner document # for each initial transaction;
    (3) a copy of the actual posting in Banner for each transaction (if submitted via paper); and
    (4) for transfers other than simple corrections of account codes or movements within subfunds of the same project, a brief description of how the expenditure directly benefits the fund receiving the charge.

A generic statement such as "to correct error" is insufficient and will not be accepted.

The direct cost portion of over expenditures in sponsored project funds may be written off to a non-R fund by using account code 72835, Write Off R Fund Over Expenditures, for both the debit and credit amounts. Such a write off does not require a detailed listing of transactions being moved. Please contact Research and Cost Accounting (rchacctg@rice.edu) in the Controller's Office for additional information.

c. Properly Approved. The PI or designee must approve cost transfer requests before they are submitted. Cost transfers that are not timely also require the approval of the chair of each department affected by the cost transfer.

Cost transfers submitted later than 90 days after the end of the month of the original transaction or later than 30 days after an award ends will be reviewed on a case-by-case basis by Research and Cost Accounting. If the transfer is denied, notification will be made in writing.

RICE UNIVERSITY
EXPENSE AND REVENUE CORRECTION

Document #: **EX**
(Must be a total of 8 characters, starting with EX. See instructions for examples on assigning the last 6 characters.)

Requested Posting Month: -SELECT-

Document Total: 0
(Add debits and credits, treating both as positive numbers)

SEQ	Journal Type	Document Ref # (Original Doc #)	FUND	ORG	ACCOUNT	PROG*	ACTIVITY	LOCN*	DEBIT	CREDIT	DESCRIPTION (Max of 35 characters. Should provide brief description of original transaction. See instructions.)
2	X001										
3	X001										
4	X001										
5	X001										
6	X001										
7	X001										
8	X001										
9	X001										
10	X001										
11	X001										
12	X001										
13	X001										
14	X001										
15	X001										
16	X001										
		* Required for reporting cost sharing. See instructions.						TOTAL	0	0	Web Apps Transaction Detail will display the description field.

Reason(s) for correction or change (check all that apply):

- [ ] Correct keypunch error
- [ ] Move from default fund/org/account (e.g.OfficeMax, FedEx, original purchasing card posting (not PCRA transaction))
- [ ] Correct account code error (for changes in ACCOUNT column only)
- [ ] Correct organization code error (for changes to ORGANIZATION column only)
- [ ] Correct fund code error (for cost transfers among non-R funds ONLY)
- [ ] Move charges within subfunds of the same Sponsored Project
- [ ] **Other - requires reason for correction.** (*Note: "Cost transfers" move charges from one Univesity fund to another.*)

For Sponsored Projects, please refer to Research Policy 302, Cost Transfers, and related procedures on the Research and Cost Accounting website.

Organization Charged

Approved by and Date (PI or designee if R fund)

Printed Name

Organization Credited

Approved by and Date (PI or designee if R fund)

Printed Name

This form should be used for corrections of previous transactions, except salary and wages. Internal billing should be on an interdepartmental transfer form.
Include PO # or asset # if this transaction involves equipment (75xxx account codes).
Further instructions and procedures are available on the Controller's Office web page, forms section.

To transfer expenses: Credit the incorrect fund/organization/account used for the original transactions and debit the correct fund/organization/account.

To transfer revenue: Debit the incorrect fund/organization/account used for the original transactions and credit the correct fund/organization/account.

Additional information for Sponsored Projects (also see instructions on the Controller's website):

(1) A copy of the transaction detail showing the fund/organization/account of the transaction being corrected is required.
(2) By signing the form, the PI/designee certifies the new charge is in accordance with the form instructions.
(3) Chair signature is required for cost transfers submitted later than 90 days from the last day of the month of the original transaction or later than 30 days from the end of the award. If so needed, chair signature should be added beside the PI/designee signature. See Research Policy 302, Cost Transfers, for additional information.

10/30/08

Send original to Controller's Office MS 70. Please keep a copy for your records.