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July 15, 2008

Dear Colleagues:

Effective July 14, 2008, the Non-Payroll Expenditure Adjustment Request (NPEAR) system will be modified to reject cost transfers to sponsored funds that occur 120 days after the original transaction posting to the general ledger. This is being implemented based on external audit findings cited at UCLA for non-compliance with federal regulations due to late cost transfers. In addition, the system will provide notification if the transaction falls under the following unallowable conditions:

- If the transaction is past the 120 days and is a transfer from one sponsored fund to another sponsored fund, it will not be processed.
- If the transaction is past the 120 days and is a transfer from an unrestricted fund into a sponsored fund, it will not be processed
- If the transaction is a transfer that was previously transferred, and there is another attempt to transfer to a sponsored fund, it will not be processed.
- If the transaction is a transfer to a fund end date over 90 days, it will not be processed.

Please note that any transfer from a sponsored fund to an unrestricted will be processed even after the 120 day limitation.

If a transaction is rejected due to the 120 day limitation, the department will have an option to escalate the transaction to Steve Dolmseth, Controller for review and action. This can be done electronically within the NPEAR system. The Controller has the option to reject or override/approve the transaction. The override/approval by the Controller will only occur if there is strong justification along with the appropriate documentation. Departments should be reconciling ledgers and managing their sponsored funds on a monthly basis to avoid late cost transfers.

If you have any questions regarding this change in the NPEAR system, please contact Contract and Grant Accounting at cga@ucmerced.edu

Handwritten signature of Samuel Traina in black ink.

Samuel Traina
Vice Chancellor for Research

Handwritten signature of Steven Dolmseth in blue ink.

Steven Dolmseth
Controller