



OFFICE OF THE ASSOCIATE VICE CHANCELLOR/CONTROLLER
CORPORATE FINANCIAL SERVICES
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Dear Colleagues:

Last year, PricewaterhouseCoopers, the Regents external auditors, cited UCLA in our A-133 audit for non-compliance with federal regulations due to late cost transfers. In order to resolve this finding and close out this audit comment so that there are no repeat findings, UCLA must address the issue of late cost transfers.

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. 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 with 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 Extramural Fund Management (EFM) for review and action. This can be done electronically within the NPEAR system. EFM has the option to reject or override/approve the transaction. The override/approval by EFM 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 EFM at extension EFM@Research.Ucla.Edu.

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