

# VSC COST TRANSFERS AND ADJUSTMENTS GUIDELINES

April 18, 2005

## BACKGROUND

Animal care expenses charged by the Veterinary Service Center (VSC) to exp types (ET) 58710 and 58720 are subject to an animal care overhead (VCS F&A) rate. These overhead rates are negotiated each fiscal year and can be found on the web at [Institutional Rates at Stanford](#). Two expenditure types exist to support two different methods of charging animal care overhead.

- All charges to ET 58710 - INTERDEPT VSC NONFED ANIMAL CARE (Non federal sponsors and all other non-sponsored PTAs) include the animal care overhead. For instance, if the animal care charge for Sept 03 is \$100, the amount charged to ET 58710 is  $(\$100 * (1+.775))$  or \$177.50 where 77.50% is the VSC F&A rate for FY04.
- All charges to ET 58720 - INTERDEPT VSC FED ANIMAL CARE (federal sponsors) do *not* include the VSC F&A rate. The associated VSC F&A rate is automatically calculated by Oracle and is charged to exp type 56920 VSC FED ANIMAL CARE CHARGE.

Using the same example but assuming the animal charge was incurred by a federal sponsored project, the entries on the PTA's expenditure report would include the lines:

Federally Sponsored PTA Expenditure Statement line item reflecting direct cost:

58720 \$100.00 Animal Care

Oracle System generated indirect cost:

56920 \$77.50 Animal Care Overhead (sum of \$100.00 \* .775)

## TRANSFERS AND ADJUSTMENTS

- **The charge is in the correct expenditure type but it is charged to an incorrect award/project/ task (Use the new or historical iJournal form.)**

Generally, a department should be able to transfer the VSC charges in exp types 58710 or 58720 and nothing more needs to be done. The same expenditure type must be used on for the debit and credit.

- **The charge is not a VSC charge but it is miscoded to ET 58710 or 58720.**

The charge is completely unrelated to VSC animal care but it was coded to ET's 58710 or 58720. For instance in legacy (SUFIN) repair and maintenance charges were sometimes were miscoded as VSC federal animal care.

Central offices can only make these adjustments. E-mail the journal details to Jesse Charlton ([jessech@stanford.edu](mailto:jessech@stanford.edu)) or Christine Siu ([csiu@stanford.edu](mailto:csiu@stanford.edu)).

- The incorrect expenditure type is used on a federal or non-federal sponsored project, i.e. 58710 on a federal award or 58720 on a non-federal award.

**Example 1: Transferring VSC animal charges from exp types 58710 to 58720 (Non-federal to federal) Use iJournal ALLOCATION form for this type of entry**

					<u>Debit</u>	<u>Credit</u>
1036524	1	ATCJT	58710	VSC CHARGES 10/2003		4,635.11
1059010	101	PAGQW	58720	VSC CHARGES 10/2003	2,611.33	
1001020	100	AKAAF	48120	VSC REV ADJUST 10/2003	2,023.78	

In this example VSC animal charges totaling \$4,635.11 on a non-federal PTA (1036524-1-ATCJT) are transferred to a federal sponsored project (1059010-101-PAGQW). We reverse the charge to 1036524-1-ATCJT by crediting exp type 58710 for \$4,635.11. The charge to exp type 58710 includes the FY04 VSC F&A charge of 77.5%, whereas charges to exp type 58720 do not. Therefore we have to split out the animal care charge from the VSC F&A charge. The animal care expense is charged to the federal sponsored project in exp type 58720. To calculate this amount, divide the amount originally charged to 58710 by (1+ VSC F&A rate) or  $\$4,635.11/1.775 = \$2,611.33$ . The difference between the amount originally charged to exp type 58710 and the amount charged to 58720 ( $\$4,635.11 - \$2,611.33 = \$2,023.78$ ) is charged to 1001020-100-AKAAF (the VSC service center) using revenue object 48120.

**Example 2 Transferring VSC animal charges from exp type 58720 to exp type 58710 (federal to non-federal) Use iJournal New or Historical journal form for this type of entry**

					<u>Debit</u>	<u>Credit</u>
1001020	100	AKAAF	48120	VSC REV ADJUST 10/2003		2,023.78
1059010	101	PAGQW	58720	VSC CHARGES 10/2003		2,611.33
1036524	1	ATCJT	58710	VSC CHARGES 10/2003	4,635.11	

Here we have charged a federal award for animal care charges totaling \$2611.33 which should have been charged to a non-federal PTA. Oracle calculated a separate VSC F&A charge of \$2023.78 ( $\$2611.33 * .775 = \$2023.78$ ) using the FY04 VSC rate and posted the amount to exp type 56920 on the federal sponsored award.

To transfer the animal charge we reverse the charge of \$2,611.33 to exp type 58720 on the federal sponsored project. The amount of animal care expense we need to charge to exp type 58710 includes the VSC F&A charge. To calculate this total amount, take the amount charged to 58720 (\$2,611.33) and multiply by (1+.775) or  $(\$2,611.33 * 1.775 = \$4,635.11)$ . This is the amount charged to exp type 58710 on the non federal PTA. The difference between the amount originally charged to exp type 58720 and the amount charged to 58710 ( $\$4,635.11 - \$2,611.33 = \$2,023.78$ ) is credited to 1001020-100-AKAAF (the VSC service center) using revenue object 48120.

- There should never be a need to directly adjust amounts appearing in exp type 56920. However, it is good practice to verify the appropriate amount was charged or cleared in this expenditure type.

- All VSC iJournals should be routed to Ruth Burns in VSC for approval. If she is not listed as an approver, please add her as an approver.
- Note that Example (1) should be entered on an iJournal *allocation* form. Example (2) should be entered on an iJournal *new or historical* journal form. You may not be able to validate the journal using other iJournal forms.
- The journal may not validate if you enter multiple transfers or adjustments into a single journal.
- Questions or comments should be addressed to Jesse Charlton ([jessech@stanford.edu](mailto:jessech@stanford.edu)) or Christine Siu ([csiu@stanford.edu](mailto:csiu@stanford.edu)) in the Office of Research Administration.