

Writing a Purpose or Justification

Job Aid

This document explains what the purpose or justification field for a transaction should contain. You must provide enough detail both to inform approvers about the action(s) taken and to adequately document the transaction for auditors.

Note: The purpose/justification field does not appear on the expenditure report.

The following information is intended to assist in formulating a complete explanation or justification.

- Use these guidelines to help construct a clear, precise, complete, and succinct explanation for the transaction.
- Feel free to cut and paste what is useful, *but do not use these contents in lieu of writing out the specific circumstances surrounding your transaction.*
- Use this document as a guide, not as a substitute.

Query	Response
Who	Give the person, organization, and/or department name(s) that caused or played a role in the journal. This is a critical component in your explanation or justification.
What	Explain what event or circumstances are causing the journal.
When	Use the month of occurrence or the key date related to the cause. This can be the current month. <i>If the transaction is not timely, you must explain the reason for the lack of timeliness (be brief). (See “Cost Transfers”: Administrative Guide Memo 38 for policy regarding timeliness.)</i>
Where	Give the location of the event or occurrence, if it is significant, clarifying or applicable.
Why	Most substantial part of a Justification, but not necessarily needed in providing a Purpose statement. <ul style="list-style-type: none">• Justifications explain why a change to the General Ledger is required.• Purposes give circumstances of or context for new journals. To assist you in answering why a transaction is required, examples of three key types of transfers are represented below: <ol style="list-style-type: none">1. Labor transfers2. Transfers occurring after an Activity's end date3. Other transfers

Writing a Purpose or Justification

Job Aid

Examples for Why:

1. Labor Transfers

When adjusting labor charges (especially when they involve sponsored projects), your explanation is required to address each of the following questions.

Sample answers are provided to assist you in constructing the answers appropriate for your unique situation. It is possible to use this sample as a boilerplate, but be sure to substitute key information, especially whenever you see information in the square brackets [].

What is the purpose of the transfer?

Charges are being transferred because [the appointment paperwork] for these labor charges was late. Consequently, charges for this month were not allocated on a timely basis.

What are the benefits?

The efforts of [the individual omitted] directly benefited the scope of work supported by the [grant/contract award or gift] receiving this charge.

Are the charges allowable per the sponsor?

The charges are allowable against this award per the [agreement and/or University policy...] or [as specified in the sponsor's letter dated mm-dd-yy].

Have they been reviewed by a knowledgeable person (like the principal investigator)? Has the problem been corrected?

The [Principal Investigator (or other designated person with knowledge of the project)] has initiated and/or reviewed this correction and assessed the efforts of [the omitted individual] in relation to the project.

What has been done to prevent this from happening again?

The [appointment paperwork] has been [fully approved] so that [future charges will be applied correctly].

2. Transfers occurring after an Activity (Account) Stop Date

How is the charge still allowable against this activity?

Charges are allowable because [they occurred before the activity's end date] and are appropriate per [the funding agreement or special letter from the granting/sponsoring agency].

Writing a Purpose or Justification

Job Aid

Why was the charge delayed?

The [charges being applied were delayed because] [the entity] causing the charge [provided incorrect paperwork and corrections had to be reviewed by two different departments].

Are the charges allowable per the sponsor?

The charges are allowable against [this award] per the [grant/contract award or gift agreement] or [by the terms of the budget] or [by special dispensation from the sponsor in their letter dated mm-dd-yy].

Have they been reviewed by a knowledgeable person (like the principal investigator)? Has the problem been corrected?

The [Principal Investigator (or other designated person with knowledge of the project)] has initiated and/or reviewed this correction and [determined the transfer is appropriate and correct].

What has been done to prevent this from happening again?

There are [some remaining] outstanding charges, but [this situation] has been [cleared and will require no additional entries].

3. **Other:** This includes transfers involving expendable materials or supplies and other direct costs.

Why is the charge being transferred? (options)

A. This charge is being transferred because:

1. The incorrect activity number and/or GL code was provided when the order was placed.
2. It is an allowable charge to this award and occurred during the award's active time frame.

B. This journal is being initiated [to correct an error in the GL code only]. All other elements of the original transaction remain the same. The error was discovered during the regular reconciliation process.

C. This journal is being done to [correct a typographical error in the activity number] made at the time the order was charged. It is an allowable charge to [this award] and [occurred within project guidelines].