



UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

SUBJECT: Civilian Personnel Borrowed or Loaned by Cost Center/Payment to Employees from Different Funding Sources

JUL 25 2013

Instruction 7280

(FMG)

ABSTRACT

This instruction implements the Uniformed Services University of the Health Sciences (USUHS) procedures for civilian personnel borrowed or loaned by a University cost center. The purpose of a borrow and loan transaction is to charge the cost of an employee's work hours, for a limited period, to the cost/work center that received the benefit of those hours. The instruction describes the rules that apply to the borrow and loan process and the procedures to be followed in processing requests.

A. Purpose.

This instruction reissues USUHS Instruction 7280^a, implements DoD 7000.14-R^b, and prescribes the procedures to be followed to enable employees to be paid from different funding sources.

B. References. *See Enclosure 1.*

C. Applicability.

The provisions of this Instruction apply to all USUHS departments and activities.

D. Definitions. *See Enclosure 2.*

E. Policy.

It is USUHS policy that:

1. Civilian personnel costs of various USUHS funding sources may be transferred between USUHS projects when consistent with the following requirements:

a. Total work hours to be transferred to a funding source must not exceed the actual time an employee has spent supporting a project of that funding source.

b. The payroll expense transfers must be in accordance with the agreements under which the funds are received/allocated.

c. When there are insufficient funds the transfer cost will be denied, even if the requested transfer represents hours already worked.

d. If a department/activity is aware of an individual who will be paid from more than one funding source on a continuing basis, then it must submit a USUHS Form 7214, *see Enclosure 3*, for each funding source for that entire block of time (e.g., an employee will be paid 15% of his/her salary from funding source A, and 85% from funding source B from October 1st through March 31st). This will minimize the number of requests to be processed for each individual.

2. When an extramural project (prefix of "F," "G" or "Q") is included in the transfer request, the following additional requirements will be necessary:

a. The total amount of those funds used to support permanent employees may not exceed 10% of a department/activity's personnel budget. Any transfer requests that cause a violation of this policy will not be approved.

b. The request for transfer will be approved if the name of the transferee is listed on the active grant file of the borrowing entity and the Notice of Fund Award (NOFA), or other funding documentation allows the personnel expenses to be incurred.

c. A request to charge a particular funding source must be submitted prior to the expiration date of that funding source.

d. When 50% or more of a billeted faculty member's salary is charged to an extramural funding source - including transfers or an intramural project code (PROJECT prefix of "R" or "C"), he/she will be disqualified from receiving intramural grant funds.

3. If a department within USUHS has a need to borrow an employee from a non-federal source, a purchase request instead of a USUHS Form 7214 must be completed.

4. If an individual is to be loaned on a full-time basis from one USUHS project to another for three continuous months or more, the employee must be transferred to the project through an official personnel action utilizing a Request for Personnel Action, Standard Form (SF) 52.

5. If a personnel action is required to implement the change in a project's code, the department/activity will electronically forward a completed SF-52 to Civilian Human Resources (CHR) for a "Change in Data Element" action. CHR will forward the SF-52 to Financial and Manpower Management (FMG) for funding approval and Office of Sponsored Programs when an extramural or intramural project is involved.

F. Responsibilities.

1. Department/Activities that want to request transfer of personnel expenses for borrow/loan shall:

a. Complete a USUHS Form 7214 in accordance with the instructions provided on the back of the form.

b. Request a transfer only when an individual's total hours to be transferred are 40 or more.

c. Submit the completed USUHS Form 7214 to the Budget Division of FMG before, during, or within two weeks of the occurrence.

2. The Office of Sponsored Programs (OSP) shall:

a. Review the USUHS Form 7214 for appropriateness of expenses requested to be transferred when the project's prefix begins with a "C", "F", "G", "R" or "Q".

b. Initial and date the form before returning the request to FMG. If the transferee is a faculty member, and at least one of the funding sources is an extramural grant, OSP will note on the request form the maximum percentage effort that the transferee is allowed on that extramural project.

c. Review the Purchase Request for the USUHS department borrowing a non-federal source employee (e.g., HMJF).

3. The Budget Division, Financial and Manpower Management shall:

a. Verify that OSP has initialed the USUHS Form 7214 when applicable.

b. Verify that the requested transfer for an individual is for 40 or more hours, and that the individual listed is indeed assigned to the lending cost center.

c. Verify the validity and fund availability of cost centers before recording in the manpower system.

d. Forward the request to the Accounting Division for processing.

e. Forward a copy of the request to the requestor after it is returned by the Accounting Division.

4. The Accounting Division, Financial and Manpower Management shall:

a. Process the request in the Defense Agency Initiative (DAI) System.

b. Return the original USUHS Form 7214 to the Budget Division.

5. The Office of General Counsel shall review all purchase requests for the borrowing of non-federal employees (e.g., HMJF) by USUHS departments.

G. Procedures. *See Enclosure 4.*

A handwritten signature in black ink, appearing to read "Charles L. Rice", with a stylized flourish at the end.

Charles L. Rice, MD
President

Enclosures:

1. References
2. Definitions
3. Instructions for USUHS Form 7214
 Attachment 1: USUHS Form 7214
4. Procedures

REFERENCES

- (a) USUHS Instruction 7280, "Civilian Personnel Borrowed or Loaned by Cost Center/Payment to Employees from Different Funding Sources," dated September 13, 2006 (hereby canceled).
- (b) DoD 7000.14-R Volume 8, "Department of Defense Financial Management Regulation (Civilian Pay Policy and Procedures)," dated September 2012.

DEFINITIONS

1. The project's code "R" is defined as a Research, Development, Test, and Evaluation intramural grant.
2. The project's code "C" is defined as an Operation and Maintenance intramural grant.
3. The project's code "F" is defined as a Reimbursable Operation and Maintenance extramural grant.
4. The project's code "G" is defined as a Reimbursable Research, Development, Test, and Evaluation extramural grant.
5. The project's code "Q" is defined as a Reimbursable Royalty Funded extramural grant.

**INSTRUCTIONS FOR COMPLETING USUHS FORM 7214
“PERSONNEL LOANED OR BORROWED BY COST CENTER”**

Block: Instructions:

- A. Enter the ending pay period date of transfer in the format of month, day, and year.
- B. Provide the Project Number (Cost Center) of the borrowing entity.
- C. Provide the last name, first name, and middle initial of the person being loaned (if the borrowing Project Number (Cost Center) is extramural grant, prefix “F” or “G,” the individual being borrowed must be listed on that active grant file).
- D. Enter the total hours to be loaned for the individual listed in block D (**Must be 40 hours or more**).
- E. Enter the schedule and grade of the individual to be loaned (e.g., Sch. A, GS-9 or WG-4).
- F. Enter the Project Number (Cost Center) of the lending entity.
- G. Provide a brief reason for lending the individual.
- H. Signature and typed or printed name of the departmental chair or activity head of the transferee is required.
- I. Provide a brief reason for borrowing the individual.
- J. Signature and typed or printed name of the borrowing department chair or activity head is required.
- K. **For use by Research Administration (REA) only.**
- L. **For use by Financial & Manpower Management (FMG) only.**

As long as the lending and borrowing Project Number (Cost Center) are the same, complete one line for each person and time period to be transferred. A separate USUHS Form 7214 needs to be used when more than one Project Number is required (for either borrowing or loaning). Please complete only the upper portion of this form (Block A through J; REA and FMG will complete blocks K and L. Forward completed Form 7214 to: **Budget Division, FMG, Room A1040B**

REQUEST TO TRANSFER COST FOR CIVILIAN PERSONNEL BORROWED AND LOANED

(To be completed by the lending entity, Sections A. through I. only; one line per person)

A. PAY PERIOD END DATE	B. BORROWING PROJECT NUMBER	C. INDIVIDUAL TO BE LOANED	D.	E.	F. LENDING PROJECT NUMBER
		NAME	HOURS	GRADE	
1.					
2.	Same as above				Same as above
3.	Same as above				Same as above
4.	Same as above				Same as above
5.	Same as above				Same as above
6.	Same as above				Same as above
G. REASON FOR LENDING INDIVIDUAL			H. SIGNATURE OF ACTIVITY HEAD/CHAIRPERSON		
I. REASON FOR BORROWING INDIVIDUAL			J. SIGNATURE OF ACTIVITY HEAD/CHAIRPERSON		
K. FOR USE BY RESEARCH ADMINISTRATION ONLY				PERCENTAGE OF RESEARCH EFFORT	
DATE RECEIVED _____ APPROVED BY _____				LINE # BORROWING LENDING	
DISAPPROVED _____ DISAPPROVED BY _____				1. _____	
REASON _____				2. _____	
				3. _____	
				4. _____	
				5. _____	
				6. _____	
L. FOR USE BY FINANCIAL MANAGEMENT ONLY					
B/L Number _____		Date Recorded _____		Budget Approval (1) _____ (2) _____	
PP END DATE	HOURS	TOTAL OF ALL 11.0 LINES	TOTAL OF ALL 12.0 LINES	TOTAL TRANSFER	BORROWING (-)
1.					LENDING (+)
2.					
3.					
4.					
5.					
6.					

TOTAL _____ DATE PROCESSED _____ BY _____

DATE COPY SENT TO REQUESTOR _____ (Original return to Budget: 1-copy file, 1 copy req.)

PROCEDURES

1. When one USUHS department loans personnel to another department within USUHS, the lending department must complete USUHS Form 7214. Prior to sending the form to the Budget Division in FMG for processing, both the lending department chair and the borrowing department chair must sign the request. A separate USUHS Form 7214 must be used when more than one project is required (for either borrowing or loaning).
2. When FMG receives the request form, Budget will calculate and annotate the dollar amounts of the transfer and verify that funding is available for the balance of the borrowing organization's current active budget period. If the available funds are insufficient to cover the charge being transferred, the request will be returned to the requestor with a note stating why it is being returned.
3. If the transfer request involves an extramural or intramural project, FMG will forward it to OSP for review and coordination. Upon receipt of the form, OSP shall:
 - a. Verify that the extramural or intramural project to be charged or credited is an active project.
 - b. Verify that the name(s) of the transferee(s) to be charged to an extramural or intramural project are listed on the active grant file of that project.
 - c. Annotate on the request form the maximum allowable percentage of research effort to be devoted to the extramural project when the transferee is a faculty member. OSP will obtain such a percentage from the award records of the extramural fund.
 - d. Make all the necessary annotations on the request form, including the approve/disapprove indicator, reason for disapproval (when appropriate), and the percentage effort a faculty member spent on an extramural grant (when applicable). If approved, OSP will initial and date the request before returning it to FMG.
4. Upon receipt of USUHS Form 7214, FMG shall:
 - a. Verify OSP's concurrence when an extramural or intramural project is listed on the request.
 - b. Re-verify the fund availability of the projects to be charged.
 - c. Verify that the hours to be transferred meet the criteria of paragraphs D.1.b. and D.4. (i.e., more than 40 hours and less than three months).
 - d. Verify that the individual listed on the request form is assigned to the lending cost center as shown.
 - e. Return to requestor USUHS Form 7214 when the request does not pass the above verifications 4.a. - 4.d. with a note explaining why.

f. Record the transfer in the Manpower Costing Projection and forward USUHS Form 7214 to Accounting for processing in DAI. Budget will forward one copy of the processed USUHS Form 7214 to the requestor upon completion of the transfer.

5. If a department within USUHS has the need to borrow an employee from a non-federal source (e.g., the Henry M. Jackson Foundation for the Advancement of Military Medicine [HMJF]), the requesting department must submit a Purchase Request instead of a USUHS Form 7214, asking that an obligation be incurred to cover the salary/benefits of the person(s) being borrowed. The Requisition Document should list HMJF as the vendor and utilize the commodity code "SALARY." The description should state "for the services of (name of individual)" and it should be written for a given number of hours with one hourly rate that includes salary, fringe benefits, and overhead. Upon approval by the OSP and the Office of General Counsel (OGC) a purchase order will be issued. HMJF will invoice USUHS according to the terms of the purchase order.

6. If the request involves securing the services of an employee from a non-federal source (e.g., HMJF) the following procedure is used:

a. The Contracting Directorate (CTR) will prepare a purchase order for the salary, benefits, and indirect cost to cover the personnel services involved.

b. The payments to a non-federal source for borrowing an individual will not exceed the purchase order. Any action involving additional funds will be forwarded to CTR for prior authorization.