

SPONSORED PROGRAMS AND GRANTS MANAGEMENT

Policy and Procedures

Date: October 4, 2012

Revised: February 6, 2020

Subject: Cost Transfers on Sponsored Projects

I. Purpose:

The purpose of this policy statement is to set forth the university's policy with regard to the transfer of expenditures on and off sponsored projects.

Every effort must be made to correctly record charges to the appropriate sponsored project when the original entry is made in the accounting records. Occasionally, however, it may be necessary to transfer a cost to another project to correct posting errors, or to transfer a cost that is closely related to a sponsored project. The university is required to maintain records supporting charges to all sponsored projects in accordance with the applicable Federal regulations and in accordance with the terms and conditions of the sponsored agreement.

II. Policy:

All cost transfers to or from a sponsored project must be recorded within 90 days from the date of discovery or prior to the submission of the final expenditure report to the sponsor, or the final request for reimbursement from the sponsor, whichever occurs first.

III. Procedures:

Cost transfers to correct clerical or bookkeeping errors made in recording expenditures must be processed using the Journal Entry form. The cost transfer must contain supporting documentation for the transfer and must be approved by the assigned Post Award Administrator.

Transfers of expenditures to closely related projects occur when two or more funding sources support the same technical effort and the expenditure could be assigned to any of the supporting sources of funds. When closely related work is supported by more than one funding source, a cost transfer may be made provided the transfer meets ALL of the following conditions:

- The cost to be transferred is a necessary and allowable as a direct charge to the project.
- The cost transfer contains a full justification by the principal investigator on how it relates to the project.
- The cost transfer is reviewed and approved by the assigned Post Award Administrator.

Cost transfers to Remove Cost Overruns:

When the cost for a sponsored project exceeds its approved budget, and the principal investigator cannot justify transferring the cost to another closely related sponsored project, the amount of the cost overrun must be transferred to a research support fund in the order of: Principal Investigator's account, Departmental Chair's account, Dean's account, or other university account.

Failure of the principal investigator to identify a reasonable funding source within 10 business days of initial notice will result in immediate action taken by the Director of Sponsor Programs and Grants Management, or his/her designee, to move the overrun amount to the College or Department research support account.

No cost transfers, regardless of reason, will be made to salaried personnel after the Effort Report has been certified by the employee or the individual having firsthand knowledge of the employee's effort for the reporting period, unless authorized by the Director of Sponsored Programs and Grants Management.

IV. Definitions

None.

V. References

OMB Circular A-21, Cost Principles for Institutions of Higher Education

OMB Circular A-110, Administrative Requires for Institutions of Higher Education

OMB Uniform Guidance, 2 CFR 200

VI. Approvals and Revisions

This procedure has been approved by the Director of Sponsored Programs and Grants Management, October 4, 2012.

This procedure has been approved revised to include the new guidance issued by OMB, "Uniform Guidance."