



Policy Name	Cost Transfers
Policy Number	12000.002
Effective Date	January 5, 2016
Administrative Division	Division of Research and Federal Relations
Unit	Grants & Contracts

## 1.0 Policy Statement

The posting of entries to transfer original charges from a federally sponsored project, a non-federally sponsored project, or a university funding source to another sponsored project will only be approved for allowable transactions when reported timely, properly explained, documented and approved. Inadequate explanations and insufficient support of sponsored programs cost may result in expenditure disallowance by the sponsoring agency and the University.

## 2.0 Purpose

This policy outlines the University's policy in accordance with [Uniform Guidance § 200.405](#) under the subject of [Allocable Cost](#). It states that – "...Any costs allocable to a Federal Award may not be charged to other Federal Awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards."

## 3.0 Definitions

- 3.1 Allocable - The goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship.
- 3.2 Cost Overruns – Recorded expenditures on a sponsored project in excess of the approved budget.
- 3.3 Cost Transfer – An after-the-fact re-direction of previously allowable recorded transactions to or from another fund to correct accounting errors, re-direct pre-award costs or disallowable cost.
- 3.4 Pre-award Cost – Cost incurred prior to the effective date of the Federal award in anticipation of an executed federal award. Such cost is allowable only to the extent that it would have been allowable if incurred after the date of the executed Federal award and approved by the awarding agency.
- 3.5 Supporting Documentation – Supporting documents associated with the posting of the original transaction such as an invoice and receipt.

#### 4.0 Additional Information

- 4.1 Principal Investigators are responsible for monitoring and reviewing project expenditures on a regular basis and requests for a Cost Transfers should be processed within 90 days after the date of the original transaction.
- 4.2 A Cost Transfer requested after 90 days raises serious questions as to the validity of the transfers.
- 4.3 Supporting documentation that must be provided for all cost transfers includes, but is not limited to invoice copies and purchase orders.
- 4.4 A Cost Transfer between sponsored projects is not a means for managing budget balances to avoid cost overruns or allowability issues.
- 4.5 The University is obligated to correct any erroneous and/or unallowable charges posted on sponsored projects.
- 4.6 Transactions resulting in cost overruns must be removed from any sponsored project fund and may not be allowable to post to another sponsored project.
- 4.7 Entries should represent costs resulting from obligations incurred during the award funding period for the sponsored project, the accounting and budget period for financial reporting purposes.
- 4.8 A Cost Transfer will not be transferred more than once. Since the original Cost Transfer has already been justified, documented and approved, a second transfer will not be processed.

#### 5.0 Employee Adherence

Employees are required to adhere to these guidelines. Willful disregard of this policy shall be considered non-compliance and may result in a formal reprimand up to and including termination. The information stated in this policy pertains and applies to applicable employees, departments and funding sources of the University.