

## **80.18 Cost Transfers on Sponsored Projects**

**Approval Authority:** Cabinet  
**Responsible Executive(s):** Provost and Vice President for Academic Affairs  
CFO, Vice President for Finance and Treasurer  
**Responsible Office(s):** Office of Sponsored Programs  
Office of Sponsored Accounting and Cost Analysis  
**Effective Date:** March 20, 2018

### **I. Purpose of this Policy**

The University receives funding from federal, state and other sponsors in support of research, instruction and other activities awarded through grants, contracts and cooperative agreements (“Sponsored Projects”). The University is responsible for stewardship of all Sponsored Project funds, and proper management of Sponsored Project expenditures is essential to meet the standard of administrative capability. The University recognizes there are circumstances that may require transferring expenditures to a Sponsored Project account subsequent to the initial recording of the expense in the University’s accounting system (“Cost Transfer) to ensure expenses are charged to the appropriate account. This Policy clarifies the circumstances under which a Cost Transfer is permissible and the required procedures to effectuate the Cost Transfer.

### **II. Policy**

The principal investigator (“PI”) on a Sponsored Project, working closely with the Office of Sponsored Projects and the Office of Sponsored Accounting and Cost Analysis (“OSA”), is responsible for ensuring that only allowable, allocable, and reasonable costs are charged to a Sponsored Project. Costs should be charged to a Sponsored Project when they are first incurred. However, there are circumstances that may require transferring expenditures to a Sponsored Project subsequent to the initial recording of the expense in the University’s accounting system. OSA will review and approve all Cost Transfers in accordance with the following requirements:

- A. Direct Cost Transfers are permissible only when they are reasonable, allocable, allowable, and consistently applied<sup>1</sup> costs of the Sponsored Project (as defined by University policy and sponsor terms).
- B. Cost Transfers are necessary in order to correct errors or appropriately recognize allocable and allowable costs to Sponsored Projects.
- C. Each Cost Transfer must be supported with documentation, including a description of the expenses, how the error occurred, how the cause of the error will be corrected, and the PI’s signature indicating confirmation of the error and agreement with the transfer of expense to the appropriate Sponsored Project account or a non-sponsored account.

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<sup>1</sup> Additional information is provided in Policy 80.3 “Consistent Treatment of Costs”

- D. Cost Transfers must be processed as soon as possible after the original transaction but may not be processed later than ninety (90) calendar days after the date the expense was initially recorded in the University's accounting system.