

COST TRANSFER ESSENTIALS

DEFINITION AND PURPOSE OF COST TRANSFERS

Definition of Cost Transfers

Cost transfers involve moving expenses between funding sources after initial recording to correct allocation errors.

Compliance and Regulations

Cost transfers must comply with federal guidance, sponsor rules, and institutional policies requiring timeliness and documentation.

Risks of Misuse

Improper cost transfers can cause audit issues, disallowed costs, and damage to institutional reputation.

Best Practices

Regular review, clear documentation, and communication ensure defensible and accurate cost transfers supporting transparency.





ALLOWABLE VS. UNALLOWABLE USES OF COST TRANSFERS

Allowable Cost Transfers

Allowable transfers correct errors or reallocate costs benefitting different projects with clear justification and compliance.

Unallowable Cost Transfers

Unallowable transfers cover overruns, misuse funds, violate guidelines, increasing audit risks and financial liabilities.

Mitigating Risks

Proactive monitoring and communication ensure accurate charges and reduce audit red flags for cost transfers.

Ensuring Compliance

Responsible management of cost transfers strengthens audit readiness and maintains financial stewardship integrity.

TIMEFRAMES AND DEADLINES

STANDARD DEADLINES FOR SALARY AND NON-SALARY TRANSFERS

Non-Salary Transfer Deadline

Non-salary cost transfer requests must be submitted within 60 calendar days of the original transaction posting to ensure accuracy.

Salary Transfer Deadline

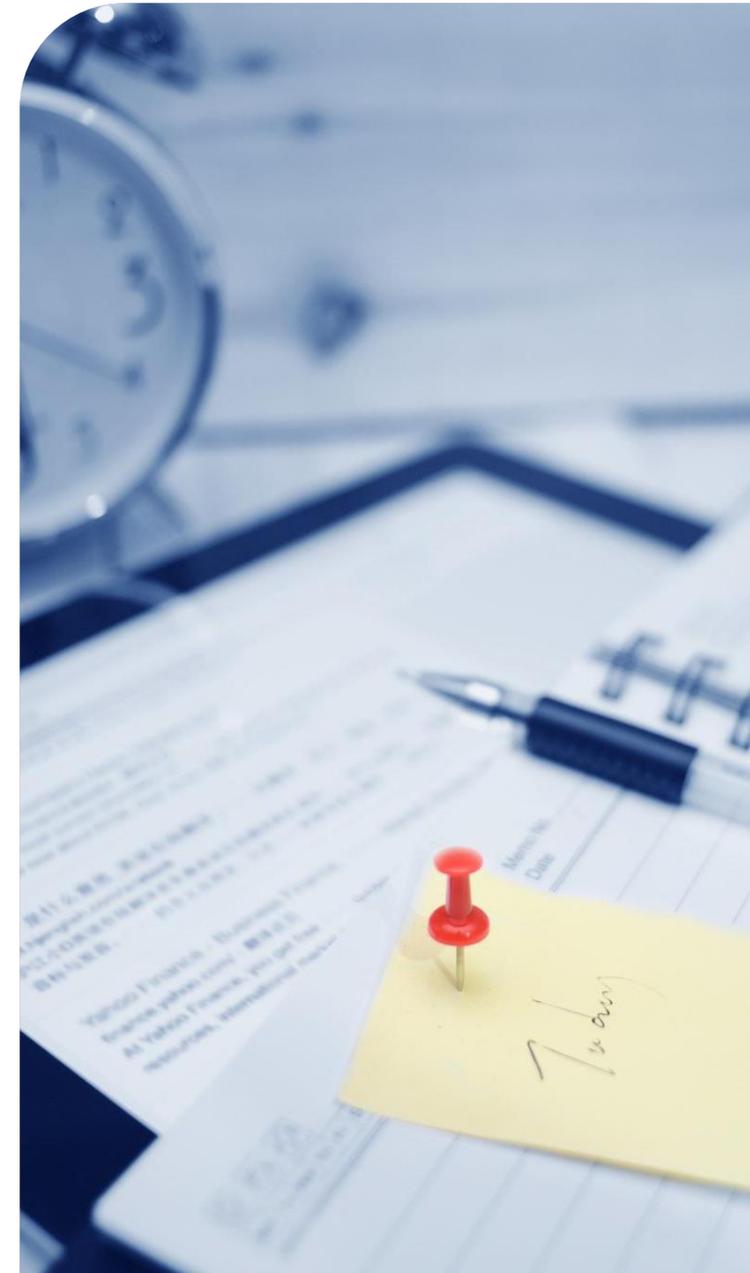
Salary cost transfers require submission within 30 days of the original transaction posting to ensure accuracy or after the effort reporting period to align payroll with certified effort.

Late Submission Protocol

Late transfers need exceptional justification and approval from the Office of Research Administration to mitigate audit risks.

Compliance and Oversight

Proactive review and strong communication help prevent errors, disallowed costs, and ensure sponsor compliance.



FISCAL YEAR-END AND GRANT CLOSEOUT DEADLINES

Fiscal Year-End Cost Transfers

Cost transfers must be submitted by June 10 of each fiscal year to allow processing before June 30 fiscal year close, preventing reporting errors.

Grant Closeout Deadlines

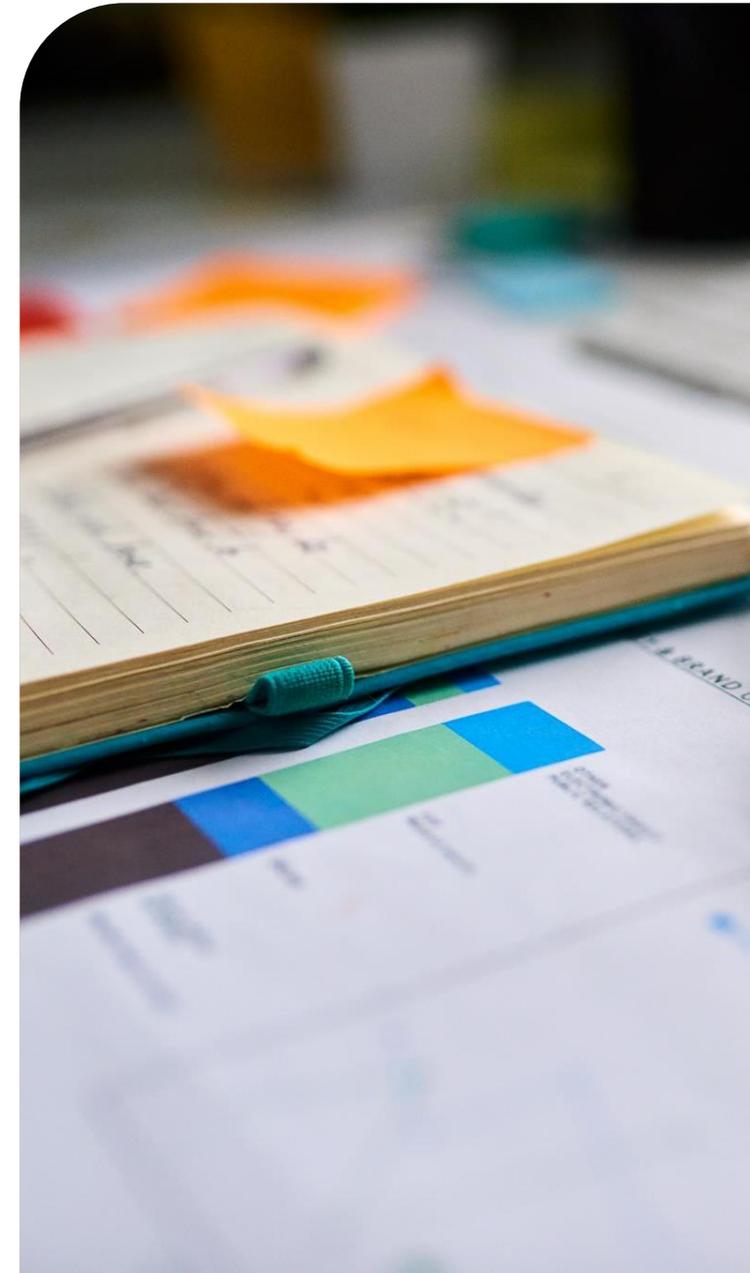
Principal Investigators have 20 days post-project end to submit cost transfers.

Compliance and Accuracy Importance

Adhering to deadlines ensures accurate financial reporting, avoids disallowed costs, and supports audit readiness.

Proactive Oversight Practices

Regular expenditure reviews and prompt communication with ORA help prevent discrepancies and ensure smooth closeout.



DOCUMENTATION AND PROCESSING

REQUIRED DOCUMENTATION FOR COST TRANSFERS

Detailed Justification

Each cost transfer requires a clear explanation of the error and why the new allocation is appropriate.

Supporting Documentation

Include original transaction details, emails, and approvals to support the transfer's validity and compliance.

Compliance and Audit Trail

Strong documentation ensures transparency, accountability, and protection for institutions during audits.

Workflow and Timely Submission

Consistent documentation workflows reduce delays and improve the defensibility of cost transfers.



ROLES AND RESPONSIBILITIES IN THE APPROVAL PROCESS

Principal Investigator Responsibilities

The PI reviews expenditures, identifies errors, and ensures transfers benefit the correct project.

ORA Post-Award Team Review

The ORA team reviews transfers for regulatory compliance and requests clarifications as needed.

Controller's Office Processing

Controller's Office processes approved transfers and posts transactions within five business days.



COMPLIANCE AND EXCEPTIONS

COMPLIANCE EXPECTATIONS AND MONITORING

Regulatory Framework

Uniform Guidance 2 CFR §200 Subpart E governs the stewardship of sponsored funds and cost transfers at the university.

Cost Transfer Risks

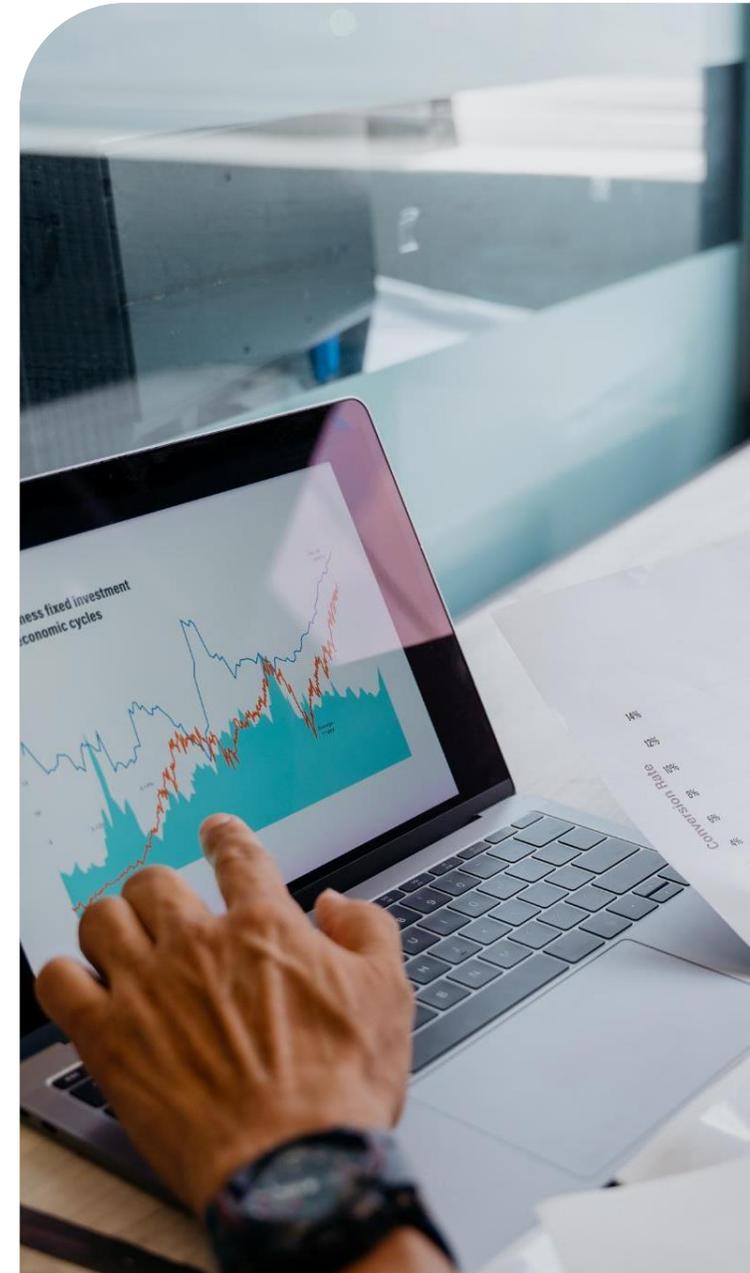
Frequent or poorly documented cost transfers raise compliance risks and trigger reviews by ORA or auditors.

Proactive Financial Oversight

PIs should regularly review expenditures and collaborate with ORA to resolve issues early and maintain compliance.

Institutional Integrity and Trust

Maintaining accurate expenditures and consistent reviews upholds institutional integrity and sponsor trust.





EXCEPTIONS AND WHEN THEY APPLY

Criteria for Exceptions

Exceptions are allowed in rare cases with strong justification for unforeseen or unique circumstances.

Approval Process

Chief Research Officer or designee reviews and approves exceptions ensuring compliance with sponsor rules.

Compliance and Accountability

Exceptions must maintain institutional compliance and audit defensibility with transparent documentation.

Encouraging Good Practices

PIs should prioritize timely management to avoid routine reliance on exceptions.