

# Non-Salary Cost Transfer Guidelines

## 1. Purpose

OUHSC receives substantial funding from the federal government and other sources in the support of sponsored programs. As a recipient of federal funding, the University is responsible for establishing policies that ensure compliance with the requirements of Office of Management and Budget (OMB) Uniform Guidance and the terms and conditions of federal sponsors.

OMB Uniform Guidance states "any cost allocable to a particular Federal award under the principles provided for in this Part 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." To meet allowability and allocability requirements of OMB Uniform Guidance, timely and complete justification is required.

The University will follow the restrictions and requirements of the Uniform Guidance and applicable federal regulations with respect to charging direct and administrative costs (F&A or indirect) to federally sponsored projects. All errors in the allocation of direct costs to sponsored agreements must be identified, corrected and documented in a timely manner.

## 2. Covered Parties

These guidelines apply to all non-payroll expenses being transferred to or from grant-supported projects.

## 3. Definitions

### a. Cost Transfers:

Cost transfers are the reassignment of expenses to or from sponsored projects after initially being charged to a separate funding source.

## 4. University Guidelines

Principal Investigators (PIs) and Department Administrators should ensure charges to sponsored projects are accurate and in accordance with direct charging practices described in OMB Uniform Guidance and university guidelines. On a monthly basis, the Department Administrator should review the Project Status n-Vision Report. The administrator should work with the PI to review these reports to assess the financial status of each project and to identify errors.

Cost transfers are allowable if they are initiated to correct such errors, made on a timely basis and include appropriate justification and supporting documentation. Moreover, the expenses being transferred must benefit the award the expenses are being transferred to.

The University's records must contain appropriate documentation supporting an adequate evaluation of the transfer. The results must be accurate and complete. Frequent, tardy, or inadequately explained transfers, especially when they involve accounts with cost overruns, raise questions about the appropriateness of the transfers themselves, as well as the overall reliability of our accounting system and internal controls. As such, all cost transfers involving sponsored projects must be reviewed and approved by Grants and Contracts Accounting.

## **A. Processing Non-Salary Adjustments**

All non-salary cost transfers must be properly documented, entered into the PeopleSoft Cost Transfer bolt-on, and abide by the following principles:

- Completed accurately and in its entirety.
- Include all necessary supporting documentation.
- Requests for transfers more than 90 days from the original transaction date require additional documentation as noted below.

### **1. Cost Transfer Timing**

The cost transfer justification must include the following:

#### **If within 90 days of the original transaction date:**

- Description of the purpose of the expenditure(s)
- Describe why items were not charged to the correct project originally.

**If over 90 days from the original transaction date:** In addition to the information listed above, the following is necessary:

- Why was the error not identified in a timely manner?
- Why was an advance account not requested?
- Are monthly reviews performed?

#### **High Risk Items:**

- Why are the items being **transferred from another sponsored project?**
- What controls are being put in place to ensure this does not occur in the future.

### **2. Additional Requirements**

- The date of the original charge must fall within the effective dates / period of performance of the sponsored project.
- If the transfer is a Service Unit charge, the supporting documentation for the charge must be submitted.
- Query showing chartfield spread and expense of original posting must be attached.

### 3. **Cost Transfer Review and Approval**

All Non Salary Cost Transfer Requests are reviewed along with all supporting documentation and may be rejected or approved by Grants and Contracts Accounting based on the submitted information and the award details.

Cost transfers made simply to “spend down” a sponsored project with available funding or to meet deficiencies caused by overruns or other fund considerations will not be approved. Transfers from sponsored program sources to unrestricted accounts (e.g.: departmental budgets) will always be allowed and should be completed in a timely manner to ensure accurate reporting to sponsors.

### **B. Related Policies and References**

[OMB Uniform Guidance](#)

[NIH Grants Policy Statement](#)