STOCKTON UNIVERSITY

PROCEDURE

Grants and Contracts Cost Transfer

Procedure Administrator: Controller
Authority: OMB Circulars A-133, A-21, A-110
Effective Date: April 2, 2014
Index Cross-References: Procedure No. 6700 – Grants and Contracts Cost Sharing (Matching)
Procedure File Number: 6701
Approved By: Herman J. Saatkamp, Jr., President

Purpose of the Procedure*:*

The purpose of this procedure is to specify means of ensuring that transfers of expenses (salary and non-salary) involving an externally funded grant or contract are in compliance with the sponsor's terms and conditions, federal and state regulations, and College policies and procedures.

Procedures:

Original expenses should be charged directly to the restricted fund specifically assigned to the grant or contract, when first incurred. Under no circumstances may costs be temporarily charged to another fund, for example the unit's operational budget. Overdrafts may not be transferred to another grant or contract as a resolution to a deficit unless the overdraft results from an expenditure that directly benefits the project that is supported by the grant or contract and the expenditure is authorized under the terms of the grant or contract.

The Project Director or Principal Investigator (PI) on a grant and/or contract, in conjunction with the Grant's Office, is responsible for: 1) ensuring the allowability, allocability, and reasonableness of costs charged to a grant, contract or other sponsored agreement under the terms of the agreement; and 2) initiating costs charged to a grant, contract or other sponsored agreement under the terms of the agreement. Project Directors and the end users in their budget units should monitor the budgets carefully and continuously to ensure that transfers required to correct errors are made in a timely fashion. To promptly identify costs that have been erroneously charged to a grant or contract fund, the PI and/or end user should review and reconcile expenses on a monthly basis.

Inappropriate expenses to a sponsored project should be identified within 30 days from the original posting of the expense. This is also the timeframe to request that expenses be reallocated to a grant or contract fund from an institutional fund. To request the transfer to/from grant and contract funds the end-user should prepare a Cost Transfer Request Form and submit it, with justification, to the Project Director/Principal Investigator for approval. For transfers to or from school funds and transfers more than 30 days after the original posting, the Dean's or Unit Director's signature will also be required. The form should be forwarded to the Controller's Office for review, approval and processing.

The approval of costs transfers will depend on the following factors:

1. Timeliness
    a. Non-salary cost transfers must be received within 30 days of the original posting date for the transaction. Any requests received after this timeframe will require additional approval, documentation and justification; including signature from Dean/Unit Director.
    b. Salary expenses charged in error must be transferred from a grant or contract to an institutional fund or to another grant or contract that permits the expense as soon as the error is discovered. For corrections of salary errors more than 30 days after the original posting, the reasons for the delay must be provided. Also, all salary expense transfers must be reviewed and approved by the Dean/Unit Director.

ALL COST TRANSFER REQUESTS MUST BE INITITATED WITHIN 60 DAYS AFTER THE ORIGINAL EXPENDITURE POSTING DATE TO ALLOW TIME FOR PROCESSING WITHIN THE FEDERALLY REQUIRED 90 DAY TIMEFRAME.

2. Explanation/Justification
    a. All costs transfer requests, including salary transfers, must have sufficient justification. This encompasses a written justification signed by the Principal Investigator included on the cost transfer request form. The reason for **each** transfer must be clearly stated and include documentation. Explanations that merely state "to correct an error" or "transfer to correct project" are not sufficient to support a cost transfer request. Transfers from one grant or contract to another to cover overruns, to spend unused balances, to avoid restrictions of laws or agreement terms, or for other reasons of convenience are strictly prohibited.

b. Each request must include:
    - Cost Transfer Request Form
        - Signed by Project Director/Principal Investigator
    - Original Transaction Number, Amount (Banner screen shots are helpful)
    - Explanation and justification of:
        - Why the expense was charged to the fund being transferred from
        - How the expense benefits or relates to the scope of work for the grant or contract being charged

c. For cost transfer requests more than 30 days after the original posting date, also known as “late cost transfers”, the following additional requirements must be fulfilled in order for the transfer to be approved and processed:
    - Cost Transfer Request Form
        - Signed by Dean/Unit Director
    - Explanation and justification of:
        - Why the request is being requested over 30 days of original posting

Approval History:

	Date
President	4/07/14