Cost Transfers on Sponsored Projects

REASON FOR POLICY
To ensure transfers of costs to a sponsored project, after the initial charge was made elsewhere in the University's accounting system, complies with federal and other sponsoring agencies policies, terms and conditions and University requirements.

APPLIES TO
All faculty, staff, students and other involved in the administration of sponsored projects.

DEFINITIONS
A Cost Transfer is defined as the transfer of a direct cost to or from a sponsored project.

Allowability of Costs – Uniform Guidance §200.403 identifies that costs and transfers must meet the following general criteria in order to be allowable:

a. Be necessary and reasonable for the performance of the Federal award and be allocable under these principles.
b. Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
c. Be consistent with policies and procedures that apply uniformly to both federal and non-federal activities at the University.
d. Be accorded consistent treatment (A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost).
e. Be determined in accordance with generally accepted accounting principles (GAAP).
f. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
g. Be adequately documented (See also §200.300 Statutory and national policy requirements through §200.309 Period of performance of this part).

POLICY STATEMENT
The Principal Investigator (PI) or his/her designee, Department Administrator and Financial Officer (FO) are responsible for ensuring that transfers of costs to or from sponsored projects are made promptly. Transfers to a sponsored project must be supported by documentation that contains a written explanation that addresses all of the following:

- How the error occurred;
- A description of the expenses being transferred including why and when the original charge(s) occurred;
- Why the charge is appropriate to the receiving account and how the expense is allocable to that account.
NOTE: An explanation merely stating the transfer was made “to correct an error”, or “to transfer to correct project” is not sufficient.

Transfers of costs to any sponsored project are allowable only when there is direct benefit to the project account being charged. The transfer of an overdraft or any direct cost item incurred in the conduct of one sponsored project may not be transferred to another sponsored account merely for the sake of resolving a deficit or being disallowed by a sponsor.

Cost transfers do not include reclassification of expenses within the same award, nor does it include the initial allocation of inter-departmental charges to allocate expense.

Cost transfer to a sponsored project are to be prepared and submitted within 90 days from the end of the calendar month in which the transaction appears on the University’s month end accounting statements, except in cases where the sponsor’s (federal or non-federal) terms and conditions are stricter (e.g. HHS Grant Policy Statement).

All cost transfer that are submitted more than 90 days after the end of the calendar month in which the transaction appears on the University's month end accounting statements must include an explanation as to the lateness of the request.

In cases where a sponsor has more restrictive requirements for a cost transfer, the University will follow the sponsor's requirements.

Cost transfers from a sponsored project to correct an error must be completed regardless of timeframe when the correction is to the benefit of the sponsor.

In the event that a cost transfer is returned and not approved, the decision may be appealed to the SPS Director or Associate Vice President of Research Administration, or designee within 30 days of the denial.

**Contact**

For additional information on this procedure, please contact: SPS@uconn.edu

**Related**

UConn Storrs Award Management Website: https://research.uconn.edu/sps-awards/financial-management/cost-transfer/

Cost Transfer Request Form: https://research.uconn.edu/sps-awards/post-award-forms/cost-transfer-request-form/

**HISTORY**

Policy created in current format 2/26/18 and approved by the Vice President for Research, Sponsored Program Services

Revised: Minor updates for publication on 4/6/18;

various dates in other formats

This policy has been approved by the Vice President for Research