

CSUCI Sponsored Programs Cost Transfer Procedure

1.0 PURPOSE

A Cost Transfer is any adjustment of expenditures to a sponsored project to align costs with the actual benefit received on the sponsored project. To provide the monitoring required by federal regulations OMB 2 CFR 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and to ensure good stewardship of sponsored projects, CSU Channel Islands (CSUCI) will review all cost transfers for allowability, allocability, reasonableness, and proper compliance. CSUCI has established this procedure to delineate when it is appropriate to request a cost transfer and to identify the allowable mechanism to do so for both personnel and non-personnel costs. **Adherence to this procedure is necessary, as inappropriate or poorly documented cost transfers can result in federal regulators denying reimbursement of these expenses or imposing other sanctions on CSUCI, such as fines or loss of certain authorities.**

2.0 SCOPE

CSUCI is responsible for ensuring that all transactions are accurately and appropriately charged to the correct project based on the benefit to the project and consistent with federal regulations including OMB 2 CFR 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Subpart E, 200.405 – Allocable Costs, Section C. 200.405c 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.”

3.0 CITATIONS, REGULATIONS, AND POLICIES

In addition to this guide, users can review the following documents related to this process:

- [CSU Channel Islands University Policies](#)
- [Section 11000 Sponsored Programs of the Integrated CSU Administrative Manual](#)
- [Office of Management and Budget 2 CFR 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards](#)

4.0 PROCEDURES

4.1 Cost Transfers

Cost transfers as outlined in 200.405c are not allowable, but CSUCI recognizes that there will be certain circumstances when cost transfers must be complete for correction purposes on sponsored projects. The Principal Investigator (PI) is ultimately responsible for ensuring that all transactions are accurately and appropriately

charged to the correct project based on the benefit to the project and are consistent with federal regulations. The PI is also responsible for ensuring that cost transfers are completed in a timely manner.

CSUCI requires cost transfers to be requested no more than 90 days from the original expenditure date. A justification and proper document must be provided to Financial Services in order to process the transaction. Transfers to move costs from a sponsored project to a non-sponsored project-funding source can be made at any time and are not subject to the 90 day restriction.

This procedure is not applicable for cost transfers initiated for the following reasons:

- Transfers made to and from projects due to central administration processing errors, e.g. payroll posting incorrectly, a data entry error, etc.
- Transfers made between expense accounts on the same sponsored project.

4.1.1 Personnel Cost Transfers Related to Time and Effort Reporting

The only acceptable reason for transferring personnel costs to and from sponsored project is to align the costs with the actual effort devoted to the project and the effort certification. During the time and effort certification process, salary charged to sponsored projects will be reviewed for accuracy. If the actual effort committed for the period differs from the report, the report should be updated and signed and a cost transfer request should be completed. Once effort has been certified and the appropriate transfers completed (if necessary), no additional cost transfers should be processed relating to the certified effort period. Any exceptions will need to be approved by Financial Services and a revised effort certification will be required. Personnel cost transfers should not be requested to cover a deficit on another sponsored project or to transfer costs to spend a remaining balance of a sponsored project.

4.1.2 Reasons for a Non-Personnel Cost Transfer

The following examples illustrate acceptable and unacceptable reasons to request a non-personnel cost transfer:

Acceptable reasons for a cost transfer:

- To correct a departmental, clerical, or bookkeeping error on the original transaction form such as an accidental transposition of chart-field numbers.
- To move expenses charged to a departmental discretionary account to a sponsored project account if a pre-award spending account was not established for that project.

Unacceptable reasons for a cost transfer:

- To transfer costs from a sponsored project in deficit to another sponsored project
- To transfer costs to a sponsored project to spend the remaining funds

Financial Services will review and approve cost transfer requests for allowability, allocability, reasonableness and adherence to the terms and conditions of the award as well as CSUCI policies and procedures. If the cost transfer is not appropriate, it will be returned to the submitter indicating the reason for rejecting the cost transfer and requesting additional information as necessary.

4.1.3 Written Justifications for Cost Transfers

As Federal regulations assume that cost transfers are exceptions, it is imperative to appropriately justify in writing on the form used to process the transfer (JET form or payroll expenditure adjustment form) the reason why the

cost was not charged to the correct project originally and how it benefits the project to be charged. This justification should be documented and will serve as an audit source document.

The following are examples of inappropriate justifications:

- Simply stating, “To correct an error” without including additional detail about the error.
- Charging a sponsored project for a bulk purchase and moving costs to the appropriate sponsored projects.
- Charging costs to another sponsored project in anticipation of future funding.
- To move costs to a sponsored project with available budget.

4.1.4 Cost Transfers after Award Termination

Financial Services must receive cost transfer requests made after an award has terminated within 45 days after the award end date. These transfers should be processed and uploaded into the financial system within 15 days and no more than 60 days after the award ends. Final financial reports and final invoices are sent to sponsors within 90 days after an award ends. Cost transfers have to be posted to the financial system before the final financial statements are submitted.

4.1.5 Unapproved Cost Transfers

If a cost transfer is not approved, the cost may be transferred to a departmental discretionary account, or another account indicated by the PI. The department and or division may be ultimately responsible for the cost of unallowable cost transfers.

5.0 CONTACTS

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REVISION TRACKING

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Review / Approval History

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