

**University of Rhode Island
Office of the Controller**

**Cost Transfers
Policy 97-04**

Issuance Date: December 1, 1998

Effective Date: July 1, 1999

Revised: 6.30.11 | 10.22.14 | 1.18.17 | 11.9.17 | 7.31.18

- I. Purpose:**
To provide policy and documentation procedures regarding the transfers of costs to or from sponsored agreements in accordance with Uniform Guidance 200.405.
- II. Applicability:**
This policy applies to all cost transfers to or from federal and non-federal sponsored agreements (grants, contracts, and other agreements).
- III. Responsibility:**
- A. The Controller's office is responsible for the administration of this policy, revisions, education of the community and timely process of adjustments.
 - B. Any person who has responsibility for the management of any research related chartfield string is responsible for correctly charging expenses to the proper chartfield string and if an error is discovered to promptly correct the error.
- IV. Policy:**
- A. Costs will be charged to the project to which they benefit. 200.405 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."
 - B. If a transfer of a cost is required, the transfer must be made promptly and no later than 90 days from the original charge. However, transfers to correct errors may be made regardless of timing however they need to conform to award close out procedures and fiscal year end procedures. See Section V. Procedure below.
 - C. The following types of transfers are not acceptable; therefore requests will not be processed:
 - 1. When the transfer appears to be for the purpose of utilizing unexpended funds of a federal award.
 - 2. When the transfer appears to be for the purpose of circumventing award restrictions.
 - 3. When the transfer appears to be for the purpose of avoiding a cost overrun by charging another grant or contract.

4. When an explanation merely states “to correct error,” “to transfer to correct project,” or other insufficient reasons.
 5. When a transfer to an unrestricted chartfield (Fund 1XX) applies to a closed fiscal year.
 6. When a transfer is not in compliance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- D. A transfer may be made when it meets all of the following conditions:
1. The cost is a proper allowable charge to the receiving department, sponsored agreement, grant and/or contract.
 2. The transfer contains an explanation and justification for the transfer by the person responsible for the project. This explanation must provide enough information to understand why the cost is being transferred. For example, an explanation that states “to correct error” is not sufficient.
 3. The transfer is reviewed and approved by a responsible financial official of the University (ie: Office of the Controller, Sponsored & Cost Accounting (S&CA), and Office of Sponsored Projects(OSP))
 4. If the transfer is being made more than 90 days after the original charge, the reason for delay and the remedy to prevent it in the future are adequately explained in a memo accompanied by the calculation and any other supporting documentation for the correction.
 5. Any transfer over 90 days must be approved by OSP, and by the University Controller and/or Payroll Office for payroll transfers and OSP and Accounts Payable Office for non-payroll transfers.
 6. In requesting expenditure transfer, the responsible person for the account is certifying that the charge to the original project is being invalidated, and that the second account/grant is the correct one to charge.

V. Procedure:

Cost transfers to correct errors or to achieve proper, consistent and equitable distribution of costs to sponsored projects will be allowed provided necessary justification and approval are provided. Such transfers should be made as soon as possible after the need for the transfer is recognized. Keep in mind the following:

- A. Sponsored projects may be inactivated as early as 45 days past the project end date, depending upon specific sponsor close-out requirements. Therefore, any cost transfers must be posted prior to the end date of the project.
- B. All chartfields other than fund 500 are closed every fiscal year end (June 30), and transfers are not permitted to a closed fiscal year, unless specifically approved by the University Controller.
- C. For payroll transfers, please refer to the University Effort Certification User Manual. All payroll transfers must be processed via the payroll office.
- D. To correct accounts payable transactions, please use an [Accounts Payable Correction form](#).
- E. To correct payroll transactions (see also [Effort Certification Manual](#)):
 - a. Internal payroll, use the In-House Payroll Adjustment Form (IP2)
 - b. State payroll, use Employee Action Form

Payroll Cost Transfers Over 90 Days

Information needed for memo to Request Greater than 90 Day Cost Transfer

To request a greater than 90 day payroll cost transfer, please submit a memo to Controller with the information requested below:

NOTE: If effort on Fund 500 has already been certified, **stop here**. No requests will be considered, and effort will be charged per certification.

NOTE: If a request for transfer/adjustment has already been submitted and recorded for this time period, **stop here**. No requests for additional adjustments will be considered.

Sample Memo:

TO: Controller
FROM: *authorized person with signature approval on chartfield string*
RE: *Request Greater Than 90 Day Cost Transfer*
DATE: *memo date*

Request: State request and provide explanation on why request is necessary in as much detail as possible to help reviewer understand. Attach spreadsheets if necessary.

Grant End Date

Background

Cause of error and how discovered: (Include reason it took greater than 90 days to discover the issue. Be as detailed as possible)

Internal control to be implemented or action taken to mitigate future errors

- State the procedures you are taking to ensure similar errors do not occur in future

Attach memo to the Employee Acton Form in Human Resources eCampus