

UT HEALTH SAN ANTONIO HANDBOOK OF OPERATING PROCEDURES

Chapter 7	Research and Sponsored Programs	Effective:	September 2007
Section 7.1	Office of Sponsored Programs	Revised:	November 2016
Policy 7.1.5	Cost Transfers to Restricted Fund Groups 41002 – 44999	Responsibility:	Vice President and Chief Financial Officer

COST TRANSFERS TO RESTRICTED FUND GROUPS 41002 – 44999

Overview

It is the responsibility of the Principal Investigator/Project Director (PI/PD) and his or her administering unit to ensure that only allowable and allocable costs are expensed against a sponsored program project ID. After-the-fact transfers of costs onto grant and contract projects should be minimized. Examples of acceptable after-the-fact cost transfers include: correction of clerical errors, reallocation of salary costs to reflect actual expended effort, and routine allocation of shared services that benefit multiple projects.

Monthly monitoring of project ID expenses should be made to assure that all charges have been applied correctly. If errors are made, they should be corrected promptly and procedures implemented that minimize future occurrences.

To comply with the cost allowability and allocability requirements of federal cost and non-federal regulations and guidelines, it is necessary to explain, justify, and document transfers of charges onto sponsored program projects from other funding sources. Timeliness and completeness of explanation of transfer are important factors in supporting allowability and allocability in accordance with federal and non-federal cost principles.

The Office of Sponsored Programs (OSP) is responsible for reviewing all cost transfers greater than sixty (60) days after the end of the month that the original charge was recorded, payroll or non-payroll, before they can be processed into the accounting records.

Policy

It is the policy of UT Health San Antonio that cost transfers onto or from the restricted fund groups 41002 – 44999 is timely, documented and explained in detail, adhere to the sponsor's standards, and have the appropriate authorizing approvals. This policy applies to all after-the-fact cost transfers onto or from project ID's in restricted fund groups 41002 – 44999, including both federal and non-federal projects.

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Salary Cost Transfers After Compensation Documentation

No salary cost transfers are permitted after compensation documentation has been submitted unless it benefits the sponsor.

Cost Transfer Prohibitions

The following cost transfers are prohibited:

- Use of cost transfers for the purpose of using unexpended funds that are ending.
- Transfer of costs from one project to another or from one competitive segment to the next solely to cover cost overruns.
- Transfer of costs allocable to activities of sponsored program by industry or other sponsors to federally sponsored projects.

Procedures

Cost transfers are processed as follows:

1. Within sixty (60) days after the month the cost was recorded: For cost transfers made within sixty (60) days after the end of the month that the original charge was recorded (e.g., charge posted in October, transfer requested by end of December), no OSP review is required for either salary or non-salary transfers. However, the following steps should be made to insure proper processing of these cost transfers:

- Salary transfers should be requested directly to the Payroll Services Office. The Payroll Services Office will then prepare the required salary journal entry.

However, when a salary cost transfer made within sixty (60) days will affect a compensation documentation that has already been certified, a [Salary Transfer Request](#) form must be reviewed and approved by OSP in the same manner as transfers greater than sixty (60) days.

- Non-Salary transfers should be requested directly to the

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Office of Accounting. The Office of Accounting will then prepare the required non-salary journal entry.

2. More than sixty (60) days but less than ninety (90) days after the month the cost was recorded: If more than sixty (60) days have passed since the month in which the original charge was recorded (e.g., charge posted in October, transfer requested in January), a further explanation for the lateness of the cost transfer is required, as well as a description of procedures implemented that will prevent the need for future transfers.

- Request for transfer is prepared by completing and signing either an OSP [Non Salary Transfer Request](#) or [Salary Transfer Request](#) form depending on the expenditure type being transferred.
- Upon review and approval, the appropriate OSP staff member will e-mail the approval to the Accounting Office and/or Payroll Services Office with a copy to the departmental contact identified on the appropriate cost transfer request form. The original documentation will be kept in the appropriate award file in OSP.
- The Accounting Office and/or Payroll Services Office will prepare the required journal entries.

3. More than ninety (90) days after the month the cost was recorded: Cost transfers submitted later than ninety (90) days are not allowed. An exception to this policy will be granted only in extenuating circumstances. Examples are provided below. Note that neither absence of the PI/PD nor the responsible administrator nor the shortage nor lack of experienced staff is appropriate reasons.

Examples of acceptable extenuating circumstances for cost transfers over ninety (90) days are:

- Late issuance of the UT Health San Antonio Project/Grant Activation Notice (PGA) for reasons beyond the control of the requestor (Note: charges must be transferred within forty-five (45) days of issuance of the PGA notice); and,

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- Failure of another department/administering unit to take action.

Should an extenuating circumstance be applicable, follow the same procedures as above for more than sixty (60) days cost transfers. Make sure to identify and justify extenuating circumstance on the appropriate cost transfer request form.

Roles and Responsibilities

It is the responsibility of the PI/PD and his or her administering unit to ensure that only allowable and allocable costs are expensed against a project ID.

It is the responsibility of the administering unit (department, institute, center, and the like) to:

- Ensure compliance with this policy.
- Ensure that all personnel engaged in the financial administration of sponsored program projects are familiar with this policy.

The OSP has review and approval responsibility for cost transfers and is available to assist in interpretation and implementation of the policy, including prior review of explanations for transfers exceeding the sixty (60) day lateness threshold, and training in the application of the policy.

Keys to Policy Compliance

Keys to ensuring compliance with this policy are:

- Use the correct project ID at the time of the original charge.
- If no current project ID is available and an award is anticipated, request an advance project ID from OSP.
- Perform monthly review and analysis of sponsored projects.
- Correct incorrect charges immediately and determine how to prevent future occurrences.

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- If in doubt about the allowability of expenditure, contact OSP for advice.
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Forms

- [Non Salary Transfer Request](#)
 - [Salary Transfer Request](#)
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References

- Office of Management and Budget Uniform Administrative, Cost Principals, and Audit Requirements for Federal Awards ([OMB Uniform Guidance](#))
 - [NIH Grants Policy Statement](#)
 - UT Health San Antonio [Office of Sponsored Programs Policies and Procedures for Sponsored Programs Manual](#)
 - UT Health San Antonio *Handbook of Operating Procedures* (HOP), [Section 7.1.3](#), “Managing Effort Commitments and Documentation of Compensation on Sponsored Programs”
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