Sponsored Project Non Salary Cost Transfer Policy

1. Purpose

OUHSC receives substantial funding from the federal government and other sources in the support of sponsored programs. As a recipient of federal funding, the University is responsible for establishing policies that ensure compliance with the requirements of Office of Management and Budget (OMB) Uniform Guidance and the terms and conditions of federal sponsors.

OMB Uniform Guidance 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.” To meet allowability and allocability requirements of OMB Uniform Guidance, timely and complete justification is required.

The University will follow the restrictions and requirements of the Uniform Guidance and applicable federal regulations with respect to charging direct and administrative costs (F&A or indirect) to federally sponsored projects. All errors in the allocation of direct costs to sponsored agreements must be identified, corrected and documented in a timely manner.

2. Covered Parties

This policy applies to all non-payroll expenses being transferred to or from grant-supported projects.

3. Definitions

a. Cost Transfers:

Cost transfers are the reassignment of expenses to or from sponsored projects after initially being charged to a separate funding source.

4. University Policy

Principal Investigators (PIs) and Department Administrators should ensure charges to sponsored projects are accurate and in accordance with direct charging practices described in OMB Uniform Guidance and university policy. On a monthly basis, the Department Administrator should run the PeopleSoft financials queries for each sponsored project.

The administrator should work with the PI to review these reports to assess the financial status of each project and to identify legitimate errors.

Cost transfers are allowable if they are initiated to correct such errors, made on a timely basis and include appropriate justification and supporting documentation. Moreover, the costs being transferred must be allocable to the award the charges are being transferred to, if applicable.
The University’s records must contain appropriate documentation supporting an adequate evaluation of the transfer. The results must be accurate and complete. Frequent, tardy, or inadequately explained transfers, especially when they involve accounts with cost overruns, raise questions about the appropriateness of the transfers themselves, as well as the overall reliability of our accounting system and internal controls. As such, all cost transfers involving sponsored projects must be reviewed and approved by Grants and Contracts Accounting.

a. **Non-Salary Cost Transfer Request**

   All non-salary cost transfers must be properly documented by the department, entered into the PeopleSoft Cost Transfer Portal, and abide by the following principles:

   - Completed accurately and in its entirety.
   - Include all necessary supporting documentation.
   - Requests for transfers in excess of 90 days from the original transaction date require additional documentation and approval as noted below.

b. **Cost Transfer Timing**

   The Non Salary Cost Transfer Request Form must be attached to the entry within the Portal and include the following information:

   ➢ **If within 90 days of the original transaction date:**
     - Justification supporting the necessity of the transfer
     - A detailed explanation of what caused the error and how it was discovered. An explanation that states to “correct a clerical error” or “transfer to correct grant or contract” is not sufficient.

   ➢ **If in excess of 90 days of the original transaction date:** In addition to the information listed above, the following is necessary:
     - The reason for the delay in processing the adjustment
     - Identification of the controls that will be implemented or what action has been taken to ensure the error does not occur again.
     - Approval of Principal Investigator.

c. **Additional Requirements**

   - The date of the original charge must fall within the effective dates / period of performance of the sponsored project.
   - If the transfer is a Service Unit charge, the supporting documentation for the charge must be submitted.
   - For Accounts Payable and Pcard charges, the invoice or receipt must be submitted.
d. Cost Transfer Review and Approval

All Non Salary Cost Transfer Requests are reviewed along with all supporting documentation and may be rejected or approved by Grants and Contracts Accounting based on the submitted information and the award details.

Cost transfers made simply to “spend down” a sponsored project with available funding or to meet deficiencies caused by overruns or other fund considerations will not be approved. Transfers from sponsored program sources to unrestricted accounts (e.g.: departmental budgets) will always be allowed and should be completed in a timely manner to ensure accurate reporting to sponsors.

5. Related Policies and References

OMB Uniform Guidance

NIH Grants Policy Statement