

COST TRANSFERS ON FEDERALLY-FUNDED GRANTS

April 2008
Policy 2.1.04

Policy:

Upon being incurred, costs on a sponsored project must be allocated to the appropriate project. In the event a cost is applied to an incorrect project, federal guidelines must be followed in order to correct the error.

Purpose:

Cost Transfers exist to correct errors on federal projects regarding allowability, or to correct clerical errors. Per OMB Circulars A-21 and A-110, allowability factors include reasonableness of the charge, allocability of the charge, and consistency. These factors need to be adhered to when submitting a request for a cost transfer. An excessive number of cost transfers is a "red flag" for auditors; be aware of how costs are being applied to a project.

Procedures:

- Prior approval is required from the Director of Sponsored Programs before the transfer of costs can occur. This approval must be in written form to provide a complete audit trail.
- Cost transfers must be supported by documentation and justification provided regarding the purpose of the transfer. The explanation must be specific and fully descriptive of the reason for the transfer.
- Cost transfers must be completed within 90 days of the original charge, or within 90 days of the discovery of errors.
- Transferring costs from one federally-funded project to another to correct cost overruns is not allowable.
- Contact your KUMC Research Institute Post-Award Administrator with questions:
http://www2.kumc.edu/researchinstitute/spa/SPA_Forms/accountant_list.xls

Definitions:

Cost Transfer: An after-the-fact reallocation of the cost, either salary or non-salary, to a sponsored project within a 90-calendar day period from the accounting date of a transaction.

Office of Management and Budget (OMB) A-21: Federal circular establishing principles for determining costs applicable to grants, contracts, and other agreements with educational institutions.

Office of Management and Budget (OMB) A-110: Uniform administrative requirements for grants and agreements with institutions of higher education, hospitals, and non-profit organizations.

Responsible Parties:

This policy shall apply to all KUMC faculty, staff, postdoctoral fellows, students, trainees, and any other persons at KUMC, University of Kansas Physicians Incorporated and its affiliates, and KU Hospital staff involved in conducting and/or coordinating or managing research at KUMC.

Exemptions:

For transfers involving non-federally funded grants, refer to specific sponsor guidelines.

Related Policies and Links:

KUMC Research Institute Expense Reallocation Request:

http://www2.kumc.edu/researchinstitute/fas/asp/expense_reallocation_request.asp

NIH Grant Policy Manual: http://grants1.nih.gov/grants/policy/nihgps_2010/index.htm

OMB Circular A-21: http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html

OMB Circular A-110: <http://www.whitehouse.gov/omb/circulars/a110/a110.html>

Contacts:

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Director for Sponsored Programs Administration: 913-588-1259

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