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| Policy #: | 39.04.065 |
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| Section: | 39 Research |

Cost/Payroll Transfer Policy

Purpose:

This policy establishes requirements for processing cost transfers of direct costs to sponsored projects.

Policy Statement:

Cost transfers are accomplished by submitting journal entries or Personal Action Forms (PAF's) to move erroneously posted expenses from the incorrect activity to correct activity.

The federal government has strict guidelines as to when a cost transfer can occur:

- To correct bookkeeping or clerical errors in the original charges from one project to another, but not to adjust for over spending or under spending a particular line item or grant award;
- To expense pending awards if the charges have been clearly distinguished for use on the project;
- To equitably allocate expense postings between grants where the Principal Investigator has obtained a "closely related work" designation from NIH.

For Boston University personnel that are working on behalf of a BMC sponsored project, an onsite personnel transfer must be submitted through BU SAP in order to track time and effort.

In addition, cost transfers must be accomplished within 90 days of when the error is discovered, and adequate documentation must be maintained to support the appropriateness of the entry.

Application:

All sponsored projects

Exceptions:

Transfers to discretionary, departmental, or donor restricted accounts

Procedure:

When requesting a cost transfer, the following documentation must be sent to the appropriate Research Financial Analyst (RFA) or Clinical Trial Financial Analyst (CTFA).

- A description of how the error occurred;
- An Administration/Program written transfer request with the appropriate documentation and signature of Administrator (see Expense & Payroll Transfer Request Form);
- Documentation supporting the fact that the new activity can and should accept the charge.

If the RFA or CTFA determines that the cost transfer is appropriate, they will request that a journal entry or PAF be submitted. If the error is discovered more than 90 days after the Accounts Payable (AP) or Payroll posting, authorization to approve the entry should be obtained from the Associate

Director of Research Finance or the Director of the Clinical Trial Office and the Principal Investigator. If a cost transfer is being requested at the end of a project, the administrator should explain how this expense benefits the project. If a RFA or CTFA discovers the need for an entry during grant reconciliation, a form is not required if an expense belongs on the next years activity number (i.e., not a true cost transfer).

Definition:

A cost transfer is the reassignment of an expense to a sponsored project after the expense was initially charged to another sponsored or non-sponsored project.

Responsibility:

Principal Investigators
Department Administrators
Research Finance
Clinical Trial Office

Forms:

Cost Transfer Request Form

Other Related Policies:

39.04.007 Allowable Costs

References:

Guiding Principles:

Per OASC-3 Cost Principles, Section III(iii)(D)(2), “Any costs allocable to a particular sponsored agreement.....may not be shifted to other research (sponsored) agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the research agreement, or for other reasons of convenience”

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Title: Cost/Payroll Transfer Policy

Initiated by: Research Finance

Contributing Departments:

N/A