



Boston College: OFFICE FOR SPONSORED PROGRAMS Cost Transfer and Labor Redistribution Policy

Purpose

The purpose of this policy is to document the Office for Sponsored Programs' (OSP) cost transfer policy for costs moved onto a sponsored award at Boston College.

Scope

This policy is applicable to all sponsored awards and **must** be followed by schools, departments, centers, and personnel of Boston College.

Effective Date

The effective date of this policy was December 26, 2014; revised in March 2018, and June 2020.

Overview

Costs should be charged to the appropriate chart string when incurred. However, there may be circumstances when it is necessary to transfer a cost to a sponsored project subsequent to the initial recording of that cost (PeopleSoft accounting date).

Such transfers require monitoring for compliance with internal and external policies and procedures, such as sponsor specific terms and conditions, Boston College's policies and procedures, and Federal regulations including OMB's 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance").

A cost transfer requires thorough documentation because a cost transfer invites the assumption that the transaction was not handled properly initially. The charge/cost will be scrutinized for allowability and allocability to the benefiting sponsored project. The documentation or justification for moving costs will also be scrutinized.

Timeliness

Cost transfers should be completed within 90 days from when the cost was initially charged (i.e. recorded in Boston College's general ledger / PeopleSoft), **and no later than six months from that date.**

When transferring a cost onto a sponsored project, the date the original cost was incurred or date of services performed must fall within the effective dates / period of performance of the sponsored project the cost is transferred onto.

Costs determined to be incorrectly charged or unallowable to a sponsored project must always be removed from that project without regard to when the cost was initially charged.

At no time should a sponsored project be used as a holding account for costs that will be subsequently transferred elsewhere.

Documentation and Justification

Cost transfers should be the exception and not occur frequently. Review of costs/expenditures on a sponsored project by a Principal Investigator (PI) in conjunction with his/her Departmental Research Administrator (DRA) on a regular basis (e.g. monthly) will help to timely identify any issues or errors.

For a non-salary cost transfer, the OSP Cost Transfer Request Form is to be completed. For transfers involving salary, the OSP Labor Redistribution Form is to be completed. Either of these forms are referred to subsequently as the Form. The process is the same while the form is different depending on the type of cost being transferred.

The Form must be supported by documentation that fully explains:

- The reason the cost was charged incorrectly to the first chart string
- How the cost directly benefits the receiving sponsored project
- How the cost is allowable on the receiving sponsored project
- The allocation methodology used if transferring costs to multiple chart strings
- That any systematic reasons which might cause this problem to be repeated have been addressed
- The reason for any delay in the timely processing of the transfer

Such transfers require careful monitoring for compliance with sponsors' specific terms and conditions, Boston College's policies, Federal regulations and policies, and the Federal cost principles that underlie all fiscal activities of sponsored projects.

All costs charged to sponsored awards must be allowable, allocable, and reasonable. Timeliness of the cost transfer and completeness of the explanation of a cost transfer are important factors to meet allowability and allocability requirements.

Keep in mind: Federal regulations require an expense (cost charged) to solely advance the work under the sponsored agreement, or benefit both the project and other work in proportions that can be approximated through reasonable methods. A cost that benefits more than one project should be allocated at the time of the expenditure. **At no time should** a sponsored project be used as a holding account for costs that will subsequently be transferred elsewhere.

If the delay in submitting the cost transfer is within control of the department, then the department is required to provide a plan to prevent future instances.

Paperwork to accompany the Form includes copies of the original transaction documentation (e.g. vendor's invoice, P-card receipt and statement, expense report, etc.), and the Transaction Detail Report (TDR) (or Transaction Detail Inquiry {TDI} if Fund 100) showing where and when the cost was initially charged.

Special Situations

Internal charges are not considered cost transfers - costs allocated from Recharge Centers (Clean Room, Lab Animal Care, etc.), BC catering costs, Tuition, etc.

Transfers between tasks of the same sponsored project are not cost transfers because the cost remains in the same sponsored award. Changes in expense accounts within the same sponsored project are not cost transfers (for example: moving a cost from domestic travel to foreign travel).

Adjustments made by OSP for Fringe or Facilities and Administrative costs (F&A) are not considered cost transfers.

After OSP sets up an account and a setup error occurred, then a correction is not considered a cost transfer.

Refunds crediting a sponsored award must be allowed to post to the sponsored award even if it may necessitate a closeout correction. If this scenario arises, please discuss with OSP.

Signatures Required

For transfers involving a salary cost, the OSP Labor Redistribution Form is to be completed. A labor redistribution, no matter the amount or number of days from when the salary costs was initially charged (PeopleSoft accounting date), requires a PI's signature.

A cost transfer of a non-salary cost made within 90 days of when the cost was initially charged (PeopleSoft accounting date), does not require the PI's signature. It is the responsibility of the Form's Preparer to ensure a cost transferred to a sponsored project is in compliance with sponsor's terms and conditions, BC policies and procedures, and any laws or regulations.

For a cost transfer or a labor redistribution made more than 90 days after the initial charge (PeopleSoft accounting date), the required signatures are the PI and the Dean or Department Chair. **The PI cannot sign on both lines.**

If the date the cost was initially charged is greater than six months and the cost would be transferred onto a sponsored project, then the **PI must** obtain written approval from the Director of the Office for Sponsored Programs before a Cost Transfer Request Form or a Labor Redistribution Form is completed. This authorization must accompany the Form, and the Form still requires the signatures listed in the paragraphs above.

Definitions

See [*OSP's Definitions and Glossary of Terms*](#), as well as *OMB's Uniform Guidance*.

Contacts

If you have questions about a cost transfer, please reach out to the appropriate OSP staff member for your department; Team Department Assignment List is on OSP's website.