Background

The Boston College Office for Sponsored Programs (OSP) provides administration and support for sponsored programs. Sponsored programs, or the term sponsored awards, may be used in this document interchangeably and mean any agreement, contract, project, or grant that is funded by a source other than Boston College. Activities related to sponsored programs must comply with the sponsor’s terms and conditions, Boston College’s policies and procedures, and Federal regulations including those from the Office of Management and Budget (OMB) such as OMB’s 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”).

Purpose

The purpose of this policy is to document the Office for Sponsored Programs’ (OSP) cost transfer policy for costs moved onto, or off, 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 involved with sponsored awards.

Effective Date

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

Policy

A cost transfer is the reassignment of a cost/expense onto a sponsored project that was previously recorded in a different chart string in Boston College’s general ledger. Cost transfers may also be the reassignment of a cost off of a sponsored project.

It is the policy of Boston College that costs be charged to the appropriate chart string when incurred. However, there may be circumstances in which it is necessary to transfer costs to, or from, a sponsored project after the cost has been incurred and recorded in Boston College’s general ledger.

The transfer of costs either onto, or off, a sponsored project requires 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 Uniform Guidance. When there is a conflict between Boston College policy and sponsor requirements, the more restrictive policy applies.
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.

**Procedures**

Principal Investigators (PIs) and Department Research Administrators (DRAs) should ensure costs charged to a sponsored project are accurate and in accordance with direct charging practices as stated in the sponsor’s terms and conditions, Boston College/OSP’s policies and procedures, and any applicable Federal regulations.

Costs may be directly charged to a sponsored project only when the cost is allowable, allocable, and reasonable to the sponsored project being charged – the cost directly benefits the award/project being charged. Proper review and oversight of an award by a PI in conjunction with his/her DRA should minimize the need to transfer costs.

Below are some of the available reports for monitoring activity on sponsored awards:

- ACR Report – Budget /Accounted Comparison Report for Grants
- GBAS Report – Grant Balance Available Summary
- TDR Report – Transaction Detail Report for Grants

A regular review, such as monthly, of expenditures on a sponsored project will help to identify any issues or errors, and decrease the need for cost transfers.

However, under certain circumstances, it may be necessary to transfer a cost that has been recorded in a chart string in Boston College’s general ledger to another chart string

Cost transfers should be the exception and not occur frequently.

Cost transfers to, and from, sponsored awards should be done on a timely basis; best practice is within 30 days of the cost having been recorded in Boston College’s general ledger.

Costs determined to be incorrectly charged to a sponsored project must always be removed from that project without regard to the date of discovery.

Cost transfers are to be approved by the PI or designee and supported by documentation which adequately explains why the cost transfer is being requested. If the cost is being transferred to a sponsored project, then documentation must also include how the charge directly benefits the chart string the cost will be transferred to.

When transferring a cost onto a sponsored project, the date the original cost was incurred must fall within the effective dates / period of performance of the sponsored project.
If a cost transfer request to a sponsored project is rejected, then it is the responsibility of the PI in conjunction with the DRA to ensure that the cost is assigned to a non-sponsored account in a timely manner.

NOTE: Initial cost charges from Recharge Centers, such as the Clean Room or Lab Animal Care, are not considered cost transfers.

**Documentation**

- **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 or designee.
  - Approval of Dean or Department Chair.

A department initiating a cost transfer should use the OSP [Cost Transfer Form](#) for a non-salary cost, and the OSP Labor Redistribution Form for a salary cost. Documentation to accompany the form includes copies of the original transaction documentation (e.g. invoice, P-card receipt and statement, expense report, etc.), and the TDR Report showing where the cost was charged.

OMB’s Uniform Guidance § 200.405 (Allocable Costs) 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.”

Timeliness of the cost transfer and completeness of the explanation of a cost transfer are important factors to meet allowability and allocability requirements.

Approval for cost transfers submitted later than 90 days of the original transaction date will only be granted in extenuating circumstances. If the delay in submitting the cost transfer is within control of the department, the department is required to provide a plan to prevent future instances. Repeated cost transfer requests citing the same reason(s) may not be approved.

Answers to the following, which are on the Cost Transfer Form or the Labor Redistribution Form, must be specific and detailed responses. Responses that are inadequate will be returned.

1) Explain why the cost should be moved and how that determination was made. For example, if the cost was incorrectly posted (an error occurred), please explain what caused the error, and how it was discovered.
2) Because the posted cost is being transferred to another chart string, please explain what makes the cost appropriate to the chart string now receiving the cost (how it is allowable, allocable, and reasonable; and how the cost directly benefits the chart string/project now being charged).

3) If the cost transfer is greater than 90 days from the original transaction date, please provide the reason including any extenuating circumstance(s) for the delay in processing the cost transfer. For example, the failure of another department to take timely action. Departments may be requested to provide evidence of timely follow-up with the other department.

4) For cost transfers greater than 90 days from the original transaction date, and the delay in submitting the cost transfer is within the control of the department, then the department is required to provide a plan of action to prevent the delay from recurring.

Cost transfers for salary costs should be documented on the Labor Redistribution Form. The completed form must be submitted to OSP along with the required supporting documentation; i.e. the TDR Report, ECR, and a Labor Redistribution Additional Information Form which provides supplemental data e.g. employee’s ID, name, HR account code, pay date, amount, etc. Please note that changes to salary costs may impact effort certification and should be discussed with your department’s OSP Post-Award contact (OSP Staff).

Approval Signatures

For cost transfers made within 90 days, the required approval signatures for the Cost Transfer Form are the PI or designee and the Office for Sponsored Programs.

All cost transfers should be made within 90 days of the original transaction date. However, for unusual circumstances there may be a need to initiate a cost transfer more than 90 days after the initial charge. In these circumstances, the PI or designee and the Dean or Department Chair must also sign the Cost Transfer Form or the Labor Redistribution Form.

Definitions

See OSP’s Definitions and Glossary of Terms, as well as OMB’s Uniform Guidance.

Contacts

If you have any questions about this policy, how to treat a specific cost, or need additional information, please directly contact your department’s OSP Post-Award contact (OSP Staff).