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## Sponsored Programs Cost Transfer Policy

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### Policy:

A cost transfer is any transfer of expenditures to or from a sponsored project to align costs with the actual benefit received on the project. The request for a cost transfer should only be processed in rare circumstances, as the Project Investigator (PI) is responsible for ensuring that the original transactions are appropriately and accurately charged to the correct account. The Office of Management and Budget Uniform Guidance, Section 200.405 (c) states that “any costs 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 award, or for other reasons.” CSUF Auxiliary Service Corporation considers any cost transfer made for any of these purposes inappropriate, but recognizes that there will be certain circumstances when cost transfers must be done to correct charges on sponsored accounts.

The government also requires that cost transfers be done timely. Most government agencies, such as National Institutes of Health (NIH), define this as within 90 days, and ASC has adopted this guideline for timeliness.

This policy is not applicable to the following:

1. Transfers made to and from accounts due to internal accounting processing errors.
2. Transfers made between object codes on the same account.

Adherence to this policy and procedure is necessary, as inappropriate or poorly documented cost transfers can result in federal regulators denying reimbursement of these questionable charges or imposing other sanctions on the University, such as fines or loss of certain authorities.

### Procedure:

As defined in the Policy, a cost transfer is any transfer of expenditures to or from a sponsored project to align costs with the actual benefit received on the project. The subsequent procedure should be followed when requesting a cost transfer to or from a sponsored project. It is important to note that transfers made to an unrestricted account to clear a deficit on a sponsored account are not considered cost transfers. If cost sharing is required for the sponsored agreement with the deficit, these costs may be used to offset the cost sharing requirement.

To initiate a cost transfer request to a sponsored project account, the PI is responsible for completing a [Cost Transfer Request Form](#) in accordance with the associated directions. The request form may be sent electronically to the responsible Sponsored Programs Administrator from the PI or a designee's e-mail, the e-mail will serve as adequate authorization for the cost transfer. The PI should review the request for completeness and accuracy. The PI should ensure that these requests:

1. Are within 90 days of original transaction,
2. Identify a specific expense to be transferred, and ensure that any costs being transferred to a Sponsored Project account are compliant with the [Charging Expenditures on Sponsored Projects](#)
3. Provide additional justification (section 3 & 4 of the [Cost Transfer Request Form](#)) if the request is not made within the 90 day period.

Cost transfers not made within the time frames stated above will be reviewed on a case-by-case basis and require signature approved by the appropriate Chair/Dean or Senior Fiscal Officer (when applicable). The following illustrates appropriate and inappropriate reasons to request a cost transfer, please contact the Grants and Contracts Office (GCO) for further guidance or clarification.

Acceptable Reasons for a Cost Transfer

1. To transfer labor dollars to align with actual effort devoted.
2. To correct a clerical or bookkeeping error on original transaction forms such as a transposition of numbers.

3. To transfer sponsor approved pre-award costs to a sponsored account once it has been established.
4. To move expenses between projects which have been designated as “closely related projects” by a National Institutes of Health (NIH) or National Science Foundation (NSF) Grants Officer.

**Unacceptable Reasons for a Cost Transfer**

1. To transfer costs to cover a deficit on another award.
2. To transfer costs to spend the balance of an award.

Once the [Cost Transfer Request Form](#) is completed it should be sent to the Sponsored Programs Administrator. The SPA is responsible for reviewing and approving all cost transfer requests and ensuring that they are compliant with the guidelines established within this procedure. Should the SPA decide that the cost transfer is not appropriate, it will be returned to the PI. If approved, the SPA will complete a Journal Entry (JE) for the expense to be transferred and will route it to the Accounting office for processing.