

AP Cost Transfers

Effective Date: December 28, 2016
Function: Accounts Payable
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Procedure Summary

This document provides guidance for performing cost transfers in the Accounts Payable module of the RF business system. It outlines the definition of a cost transfer, the appropriate reasons for cost transfers and the documentation requirements when transferring costs in the RF business system.

Background

A cost transfer reassigns expenditures that were previously recorded against an award to another award. Moving expenditures from one project or task to another under the same award does not constitute a cost transfer. For more information the Research Foundation's policy concerning the transferring of costs, refer to the [Cost Transfer Policy](#).

This procedure is based on requirements in Office of Management and Budget's 2 CFR Part 200 that costs must be allowable, reasonable and necessary and allocable. Generally, a cost allocable to a sponsored award may not be charged to another sponsored award in order to overcome fund deficiencies, to avoid restrictions imposed by statute, regulations or terms and conditions.

Appropriate Reasons for Transfers

The award to which a cost is transferred must benefit from the goods or services related to that charge and the charge should be allowable under sponsor guidelines. Some examples of why a cost transfer would be necessary are:

- Correction of a clerical error.
- Correction of over expenditure (when the cost is allowable and allocable to the award the cost is transferred to).
- Reallocation of expenses where multiple projects benefited.
- Transfer of pre-award costs to a sponsored project.

Procedure

Review and Approval of Transfer Request

The [Cost Transfer Form](#) or equivalent operating location form should be used to document the review and approval of the cost transfer.

Prior to a transfer being processed, it must be reviewed and have all the necessary documentation attached. The transfer cost must be approved by the operations manager (OM) or designee prior to being processed in the RF business system. The person(s) preparing or processing the cost transfer may not approve the cost transfer.

The OM or designee should review and approve the cost transfer to ensure that the transfer

being requested is:

Appropriate – The cost being transferred must be an allowable cost and the award the cost is being transferred to must receive benefit from the item or service involved.

Adequately Documented – There must be documentation that includes a justification of the transaction and the dollar value of the entry must be properly supported.

Funds Availability – Where applicable sufficient funds should be available in the applicable award to cover the transaction.

Consistent with Sponsor Guidelines – The transaction must be consistent with sponsor requirements (or RF guidelines).

Documentation Requirements

The reason for the cost transfer and a description of why the cost is appropriate for the project/task/award it is being transferred to must be documented. Copies of supporting documentation from the original transaction should be attached to the transfer documentation or a reference to where the supporting documentation is located should be written on the transfer documentation. Operating locations are responsible for retaining the documentation.

Definitions

None

Related Information

[Excerpts of Unallowable Costs](#)

Forms

[Cost Transfer Form](#)

Change History

Date	Summary of Change
December 28, 2016	Updated format; links.
Unknown	Document created.

Feedback

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