

# Cost Transfers for Sponsored Projects, Cost Shares, and Restricted Cost Centers

Policy Number: ADM 07-303

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GRANTS AND CONTRACTS  
DIVISION OF RESEARCH

The University of Texas  
Rio Grande Valley

# What is a Cost Transfer?

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A cost transfer is an after-the fact reallocation of the costs to or from a sponsored project, cost share, or a restricted cost center.

- Cost transfers are considered after-the-fact “correction” of errors. Excessive or recurring transfer requests may rise to the attention of an auditor or sponsor
- Federal regulations define how UTRGV is allowed to process cost transfer requests

Who is affected by a cost transfer?

- Personnel directly or indirectly involved with the management of sponsored projects, cost shares, or a restricted cost center.

Cost transfers on all extramurally funded grants, contracts, and other agreements associated with a sponsored project (regardless of source of funding), must be identified, properly justified, and processed, and completed in a timely manner

# Who is responsible for management of expenditures?

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Principal Investigators (PI), Project Directors (PD), and Project Managers (PM) are ultimately responsible for the correct expenditures on sponsored projects

- Managing and reviewing their project, cost share, or restricted cost centers expenditures on a monthly basis to ensure that all charges have been applied correctly.
- Correcting any errors identified no later than 90 days of the original transaction
- Minimize the occurrence of cost transfers, document allowability, allocability and reasonableness of the transaction, and ensure appropriate authorizing signatures.

# What to provide when processing a Cost Transfer?

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When processing a Cost Transfer the following items need to be provided:

- Justification as to why the expense was originally charged to an incorrect project/cost center.
  - Statements such as “to correct error” or “transferring to different project” are not sufficient
- How the expense allowable, allocable, and reasonable to the new project/cost center.
- Must have documentation that supports the original transaction and attached in PeopleSoft request.
  - Monthly Financial Report (MFR)
  - Receipts
  - Invoices

# Cost Transfers for Non-Payroll Expenditures

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## **Accounts Payable based Cost Transfers**

- Requests that need to be processed as an AP Journal Voucher through PeopleSoft are for expenses tied to a voucher.
  - Changes to account codes on an expense.
  - Changes to a project or cost center on an expense.

### Timeliness:

- Requests within 90 days of the original transaction date require justification in AP Journal Voucher comment section.
- Transfers made after 90 days raise questions concerning the validity/necessity of the transfer.
  - Requests that are over 90 days of the original transaction date require a Sponsored Project Expenditure Correction Request Form to be filled, signed, and uploaded to the AP Journal Voucher.

# CONT' Cost Transfers for Non-Payroll Expenditures

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## **Non-AP related and previous closed fiscal year cost transfers**

- Examples:
  - Journal Entry
  - Scholarships
  - Expense that posted for a previous closed fiscal year
- Need to be processed by the department through PeopleSoft journal entry process with all required documents.
- Sponsored Project Expenditure Correction Request Form must be completed and uploaded into the journal entry process with other required documents.

# Sponsored Project Expenditure Correction Request Form

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Used to identify an expense that must be transferred into or out of a project, cost share, or a restricted cost center.

The form requires:


- Justification as to why the expense was originally charged to an incorrect project/cost center.
- How is the expense allowable, allocable, and reasonable to the new project/cost center.
- Must have documentation that supports the original transaction and attach in PeopleSoft request.
  - Monthly Financial Report (MFR)
  - Receipts
  - Invoices
- Must be approved/signed by the Project Investigator/Project Manager and the Grants & Contracts Sponsored Program Accountant
  - Additional signatures are required when the request is over 90 days after the original transaction date
    - Division VP or Dean signature
    - Director of Grants & Contracts signature

# CONT' Sponsored Project Expenditure Correction Form

<https://www.utrgv.edu/research/for-researchers/forms-policies-guidelines/index.htm>

<https://www.utrgv.edu/research/ files/documents/forms-policies-guidelines/forms/gc-expenditure-correction-form.pdf>

Contact the assigned Grants & Contracts Sponsored Program Accountant for any questions on how to properly complete the Sponsored Project Expenditure Correction Request Form.

 <p><b>THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY</b> Grants &amp; Contracts Sponsored Project Expenditure Correction Request Form</p>	<p><b>Office of Grants &amp; Contracts</b> <b>Desk Manual</b></p>
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PI/PO _____	Prepared by: _____
Department _____	Date: _____
From PROJECT #: _____	To PROJECT #: _____

Accounting Date	Document ID	Vendor Description	Account	Account Description	Amount
<b>Total Amount of Corrections</b>					<b>0.00</b>

How is the expenditure allowable and allocable based on the terms and conditions of the new project?

Why was this expenditure charged to the incorrect project (i.e., type, account had not been set up, etc.)

If the Expenditure Correction is being requested more than 90 days after the original transaction date, please explain why the expenditure is being requested. The request will require Divisions VP / Dean and Director of Grants and Contracts approval.

<div style="background-color: #f0f0f0; padding: 2px;"><b>Name:</b></div> _____ <small>Divisions VP or Dean (approval required if more than 90 days)</small>	<div style="background-color: #f0f0f0; padding: 2px;"><b>Department:</b></div> _____	<div style="background-color: #f0f0f0; padding: 2px;"><b>Date:</b></div> _____
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<div style="background-color: #f0f0f0; padding: 2px;"><b>Name:</b></div> _____ <small>Sponsored Accountant</small>	<div style="background-color: #f0f0f0; padding: 2px;"><b>Date:</b></div> _____	<div style="background-color: #f0f0f0; padding: 2px;"><b>Name:</b></div> _____ <small>Director of Grants and Contracts (approval required if more than 90 days)</small>	<div style="background-color: #f0f0f0; padding: 2px;"><b>Date:</b></div> _____
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By approving this request, I, the Principal Investigator/Director, certify that the expenditure to be corrected is an appropriate expenditure for the sponsored grant or contract charged and that the expenditure complies with the terms and conditions of the sponsored grant or contract.

<div style="background-color: #f0f0f0; padding: 2px;"><b>Name:</b></div> _____ <small>PI/PO - Account to receive new charge</small>	<div style="background-color: #f0f0f0; padding: 2px;"><b>Department:</b></div> _____	<div style="background-color: #f0f0f0; padding: 2px;"><b>Date:</b></div> _____
<div style="background-color: #f0f0f0; padding: 2px;"><b>Name:</b></div> _____ <small>PI/PO - Account to be corrected (credited)</small>	<div style="background-color: #f0f0f0; padding: 2px;"><b>Department:</b></div> _____	<div style="background-color: #f0f0f0; padding: 2px;"><b>Date:</b></div> _____

Route form to Sponsored Program Accountant via DocuSign



# Cost Transfers for Payroll Expenditures

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- Requested by department when identifying labor expenses that must be transferred into or out of a project, cost share, or restricted cost center.
- Change of Funding Source (CFS) form submitted through the UTRGV Human Resources Portal.
- How is the expense allowable, allocable, and reasonable to the new project/cost center.
- Approvals are submitted through the UTRGV HR Portal system workflow.
- Grants & Contracts Sponsored Program Accountant reviews, adds comments as to approve or rejected.
- If cost transfer requested is over 90 days after the original transaction date, the Grants & Contracts Sponsored Program Accountant will need to get with the Director of Grants & Contracts to approve (via email).

# Cost Transfer Request Summary

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- Principal Investigator (PI), Project Directors (PD), and Project Managers (PM) are responsible for:
  - Monitoring and reviewing expenditures on a monthly basis
  - Correcting errors identified no later than 90 days of the original transaction date
  - Minimize the occurrence of cost transfers
- Must have proper justification and must be identified, processed, and completed on a timely manner.
- **Cost Transfers are not guaranteed to be approved:**
  - Requests that do not meet requirements must be disallowed.
- All cost transfer requests are reviewed by the assigned Grants & Contracts Sponsored Accountant for allowability, allocability and grant/contract compliance.

# Closed Accounts

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Once a sponsored project account is closed and the final report has been submitted to the sponsor, no cost transfers must be processed on the closed account unless it benefits the sponsor. Any charges identified after the close of the account that do not benefit the sponsor can only be transferred to a non-sponsored project account.

# Cost Transfers Helpful Links

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- Accounts Payable Frequently Asked Questions
  - <https://www.utrgv.edu/accounts-payable/faqs/index.htm>
- Accounts Payable Training Material
  - <https://www.utrgv.edu/accounts-payable/training/index.htm>
- Division of Research Forms
  - <https://www.utrgv.edu/research/for-researchers/forms-policies-guidelines/index.htm>
- UTRGV Expenditure Correction Form
  - <https://www.utrgv.edu/research/files/documents/utrgv-expenditure-correction.pdf>
- ADM 07-303: UTRGV Policy for Cost Transfer For Sponsored Projects
  - <https://www.utrgv.edu/hop/policies/adm-07-303.pdf>

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# Question!

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# Thank you!

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