



**7.1.5 Cost Transfers onto or from Restricted Fund Groups 41002 - 44999**

Chapter 7 - Research and Sponsored Programs	Original Effective Date: September 2007
Section: 7.1 Office of Sponsored Programs	Date Last Reviewed: September 2022
Responsible Entity: Vice President and Chief Financial Officer	Date Last Revised: September 2022

**I. Purpose**

To ensure only allowable and allocable costs are expensed against a sponsored program project ID by establishing roles, responsibilities, and requirements for cost transfers to restricted fund group projects.

**II. Scope**

This policy applies to all individuals and administering units (department, institute, center) involved in sponsored program projects, particularly Principal Investigators and Project Directors.

**III. Policy**

It is the policy of UT Health San Antonio that cost transfers onto or from the restricted fund groups 41002 – 44999 is timely, documented and explained in detail, adhere to the sponsor’s standards, and have the appropriate authorizing approvals. This Policy applies to all after-the-fact cost transfers onto or from project IDs in restricted fund groups 41002 – 44999, including both federal and non-federal projects.

**A. Overview**

1. It is the responsibility of the Principal Investigator/Project Director (PI/PD) and their administering unit to ensure that only allowable and allocable costs are expensed against a sponsored program project ID. After-the-fact transfers of costs onto grant and contract projects should be minimized. Examples of acceptable after- the-fact cost transfers include correction of clerical errors, reallocation of salary costs to reflect actual expended effort, and routine allocation of shared services that benefit multiple projects.

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2. Monthly monitoring of project ID expenses should be made to assure that all charges have been applied correctly. If errors are made, they should be corrected promptly, and procedures implemented that minimize future occurrences.
3. To comply with the cost allowability and allocability requirements of federal cost and non-federal regulations and guidelines, it is necessary to explain, justify, and document transfers of charges onto sponsored program projects from other funding sources. Timeliness and completeness of explanation of transfer are important factors in supporting allowability and allocability in accordance with federal and non-federal cost principles.
4. The Office of Sponsored Programs (OSP) is responsible for reviewing all cost transfers greater than sixty (60) days after the end of the month that the original charge was recorded, payroll or non-payroll, before they can be processed into the accounting records.

#### B. Salary Cost Transfers After Compensation Documentation

No salary cost transfers are permitted after compensation documentation has been submitted unless it benefits the sponsor.

#### C. Cost Transfer Prohibitions

1. Use of cost transfers for the purpose of using unexpended funds that are ending.
2. Transfer of costs from one project to another or from one competitive segment to the next solely to cover cost overruns.
3. Transfer of costs allocable to activities of a sponsored program from industry or other sponsors to federally sponsored projects.

#### D. Procedures

1. Cost transfers are processed as follows:
  - a. Within sixty (60) days after the month the cost was recorded
    - i. For cost transfers made within sixty (60) days after the end of the month that the original charge was recorded (e.g., charge posted in October, transfer requested by end of December), no review by OSP is required for either salary or non-salary transfers. However, the following steps should be made to insure proper processing of these cost transfers:
      - (1) Salary transfers should be requested through the Payroll Services Office.
      - (2) However, when a salary cost transfer will affect a compensation documentation that has already been certified, the transfer request must be reviewed and approved in the same manner as transfers greater than sixty (60) days as outlined below.
      - (3) Non-Salary transfers should be requested through the Office of Accounting.

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- ii. However, when a cost transfer made within sixty (60) days includes Animal Expenses or Human Subject payments, the submission process must be submitted in the same manner as transfers greater than sixty (60) days as outlined below.
- b. More than sixty (60) days, but less than ninety (90) days after the month the cost was recorded
  - i. If more than sixty (60) days have passed since the month in which the original charge was recorded (e.g., charge posted in October, transfer requested in January), review by OSP is required for salary and non-salary transfers. The following steps should be made to insure proper processing of these cost transfers:
    - (1) Requests for transfers should be submitted to OSP and must include an explanation for the delayed cost transfer, as well as a description of procedures implemented to prevent the need for future transfers.
    - (2) Upon review and approval by OSP, the transfer request will be routed to the Accounting Office and/or Payroll Services Office for processing with a notification to the departmental contact identified on the cost transfer request. OSP will retain documentation of the transfer request in the appropriate award file.
    - (3) The Accounting Office and/or Payroll Services Office will prepare the required journal entries.
- c. More than ninety (90) days after the month the cost was recorded
  - i. Cost transfers onto sponsored awards submitted later than ninety (90) days are not allowed. An exception to this policy will be granted only in extenuating circumstances. Examples are provided below. Note that neither absence of the PI/PD nor the responsible administrator nor the shortage nor lack of experienced staff is appropriate reasons.
  - ii. Examples of acceptable extenuating circumstances for cost transfers over ninety (90) days include:
    - (1) Late establishment of the UT Health San Antonio project ID for reasons beyond the control of the requestor (Note: charges must be transferred within forty-five (45) days of receipt of the project ID); and,
    - (2) Failure of another department/administering unit to take action.
  - iii. Should an extenuating circumstance be applicable, follow the same procedures as above for more than sixty (60) days cost transfers. Make sure to identify and justify extenuating circumstance on the appropriate cost transfer request form.

### E. Unallowable Costs

There is no time limit to transfer unallowable costs from a sponsored project to a non-sponsored project. Such transfers must be made immediately upon discovery

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of the unallowable cost.

F. Roles and Responsibilities

1. It is the responsibility of the PI/PD and their administering unit to ensure that only allowable and allocable costs are expensed against a project ID.
2. It is the responsibility of the administering unit (department, institute, center, and the like) to:
  - a. Ensure compliance with this Policy.
  - b. Ensure that all personnel engaged in the financial administration of sponsored program projects are familiar with this Policy.
3. The OSP has review and approval responsibility for cost transfers and is available to assist in interpretation and implementation of the Policy, including prior review of explanations for transfers exceeding the sixty (60) day lateness threshold, and training in the application of the Policy.

G. Keys to Policy Compliance

1. Use the correct project ID at the time of the original charge.
2. If no current project ID is available and an awarded is anticipated, request an advance project ID from OSP.
3. Perform monthly review and analysis of sponsored projects.
4. Correct incorrect charges immediately and determine how to prevent future occurrences.
5. If in doubt about the allowability of expenditure, contact OSP for advice.

## IV. Definitions

*There are no defined terms used in this Policy.*

## V. Related References

For questions regarding this policy, contact the Office of Sponsored Programs (OSP) at [grants@uthscsa.edu](mailto:grants@uthscsa.edu) or 210-567-2340.

### **UT Health San Antonio**

Institutional Handbook of Operating Policies (IHOP), [7.1.3 Managing Effort Commitments and Documentation of Compensation on Sponsored Programs](#)

Office of Sponsored Programs, *Policies and Procedures for Sponsored Programs* [Manual](#)

Link to *My Service Center*, [Transfer of Expenditures \(TOEs\) for extramural funding Groups 41002-44999](#) request

### **Office of Management and Budget Uniform Administrative**

*Cost Principles, and Audit Requirements for Federal Awards* ([OMB Uniform Guidance](#))

**National Institutes of Health (NIH)**

*Policy and Compliance website, [Grants Policy Statement](#)*

**VI. Review and Approval History**

- A. The approving authority of this policy is the University Executive Committee.
- B. The review frequency cycle is set for three years following the last review date, a time period that is not mandated by regulatory, accreditation, or other authority.

<b>Effective Date</b>	<b>Action Taken</b>	<b>Approved By</b>	<b>Date Approved</b>
<b>09/2007</b>	Policy Origination		
<b>11/2016</b>	Policy Revision		
<b>09/2022</b>	Policy Revision, discretionary edits	VP/CFO	8/04/22