CLARIFICATION OR CHANGE IN PROCEDURE (CCHIP)
Timeline for Processing Cost Transfers on Sponsored Awards

OVERVIEW
Cost transfers on Sponsored Awards are accounting entries that reassign expenses between accounts to correct clerical or bookkeeping errors. Generally, cost transfers on Federal Sponsored Awards are unallowable.

Federal guidelines require the University to detect and correct errors within a reasonable time frame. Furthermore, sponsors view the untimely discovery of errors as a potential indication of poor internal controls. Awarding agencies may require the University to take corrective action by imposing additional terms and conditions on awards. If the transfer of cost affects a previously submitted Financial Status Report (FSR), the University must submit a revised FSR.

Allowable cost transfers must be supported by auditable documentation that fully explains how the error occurred and a certification of the correctness of the new charge. An explanation stating that the transfer was made “to correct error” or “to transfer to correct award” is not sufficient. Similarly, transfers of costs from one award to another or from one competitive segment to the next to cover cost overruns are not allowable.

DEFINITIONS
Accountable Officer – All persons officially designated as responsible for the protection, custody, or use of public funds

Cost Transfer – Accounting entries that reassign expenses between accounts to correct clerical or bookkeeping errors

Date of Occurrence – The date when the expense initially posted to USF’s financial system (FAST)

ETR – Retroactive expenditure transfers for non-payroll transactions

Grants Management Officer (GMO) – The sponsor’s official whose name appears on the notice of award (NOA) that is responsible for the business management and other non-programmatic aspects of the award including providing consultation and technical assistance to recipients

RET – Retroactive expenditure transfers for payroll transactions

CLARIFICATION OR CHANGE
Allowable cost transfers for expenditures being added to Sponsored Awards such as payroll retroactive expenditure transfers (RET) and non-payroll expenditure transfers (ETR) should be made promptly after the error occurs, but no later than 90 days following the date of occurrence unless a longer period is approved in advance by the sponsor’s Grants Management Officer (GMO).

Clerical or bookkeeping errors detected later than 90 days after the expense initially posted to FAST may not be processed except for situations which lead to an inappropriate overpayment to the University or if approved in advance by the sponsor’s GMO. Cost transfers for expenditures being removed from Sponsored Awards to a non-award related account due to clerical or bookkeeping errors should occur as soon as the error is detected regardless of when the error occurred.

All cost transfers of expenditures onto Sponsored Awards should be approved by the Principal Investigator or Accountable Officer and must include a Cost Transfer Justification Form, which is located
on the second worksheet of the Retroactive Expenditure Transfer (RET) form. The Cost Transfer Justification Form addresses the following:

- Description of how the error occurred
- How the expense benefits the receiving award
- Verification that the cost is allowable and allocable to receiving award
- Explanation as to what steps will be taken to prevent such delays in the future

PROCEDURES

Retroactive Expenditure Transfer (RET) Form
Retroactive Expenditure Transfer (RET) Guidelines
Expenditure Transfer Form (ETR Non-Payroll)

PERT Reporting Schedule

CONTACT

Please address your comments or questions regarding this CCHIP to Research Financial Management at RFM Compliance.

AGENCY GUIDELINES

OMB Circular A-21
OMB Circular A-110
NIH Grants Policy Statement
HHS Grants Policy Statement
NSF Grant Policy Manual

EFFECTIVE DATE

This CCHIP is effective as of the date of revision and rescinds all previous versions pertaining to the *Timeline for Processing Cost Transfers on Sponsored Awards*. 