

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 – the person officially responsible for the protection, custody, or use of funding. On Sponsored Projects, the Accountable Officer is the Principal Investigator (PI). For the purpose of CCHIP #001, Accountable Officer refers to the singular individual assigned as the Accountable Officer (or Principal Investigator) and expressly excludes Accountable Officer Designees, Co-PI, or other similar designations.

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.

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. 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 involving Sponsored Awards must be approved by the Principal Investigator or Accountable Officer and must also include a Cost Transfer Justification Tab,

which is the last tab of the worksheet in both the **Retroactive Expenditure Transfer (RET) form** and **Expenditure Transfer (Non-Payroll ETR) form**. If the cost transfer is over 90 days, a separate 90-day memo needs to be attached in ServiceNow with the PI's signature, which justifies in detail why the error occurred. Sponsored Research will utilize this justification in determining if the expenditure transfer is approved or denied.

When Submitting the RET or ETR through ServiceNow, the initiator and the approver of the cost transfer cannot be the same individual.

When cost transfers affecting salary are submitted for sponsored projects, effort reporting should be reviewed and re-certified, if necessary, to ensure effort is properly recorded consistent with **CCHIP #020 Monitoring Effort for Federal Sponsored Awards**.

The Cost Transfer Justification tab 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.

CONTACT

Please address your comments or questions regarding this CCHIP to [Sponsored Research Compliance](#).

RELATED REFERENCES

[CCHIP #020](#)

[Expenditure Transfer Form \(ETR Non-Payroll\)](#)

[PERT Reporting Schedule](#)

[Retroactive Expenditure Transfer \(RET\) Form](#)

[Retroactive Expenditure Transfer \(RET\) Guidelines](#)

AGENCY GUIDELINES

[OMB Circular A-21](#) (Federal awards issued prior to 12.26.14)

[Uniform Guidance \(2 CFR §200\)](#) (Federal awards issued on or after 12.26.14)

[NIH Grants Policy Statement](#)

[HHS Grants Policy Statement](#)

[NSF Grants Policy Guide](#)

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***.