



## Cost Transfers

### **Policy Objective:**

Per ICSUAM policy number 11003.05 – Allowable Costs, and to comply with cost allowability and allocability requirements of Uniform Guidance 2 CFR 200, Section E, it is necessary to explain and justify transfers of charges onto federal awards from other federal accounts, non-federal accounts or university accounts. Timeliness and completeness of explanation of transfer are important factors in supporting allowability and allocability in accordance with the principles of the regulations.

### **Policy Statement:**

A cost transfer is any transfer of expenditures to or from a sponsored project (i.e., an LBFDN G fund) to align costs with the actual benefit received on the project. Any penalties disallowance, or loss of funding caused by non-compliance with this policy, will be assessed against the department in violation of the policy.

It is expected that the Principal Investigator (PI) or designee will review the fiscal status of their sponsored project accounts regularly (monthly review is recommended) and promptly request correcting expense transactions that are incorrectly recorded.

The CSULB Research Foundation recognizes that transfers of costs from one sponsored project account to another are occasionally necessary to correct bookkeeping or clerical errors in the original charges. The foundation also recognizes that closely related work may be supported by more than one funding source and that in such cases a transfer of costs from one funding source to another may be proper.

The government also requires that cost transfers be done in a timely manner. Most government agencies define “timely” as within 90 days. The CSULB Research Foundation has adopted this guideline for timeliness.

This policy is not applicable to the following

- Transfers made to and from accounts due to internal accounting processing errors.
- Transfers made between account codes on the same fund/project combination.
- Transfers made to an unrestricted account to clear a deficit on a sponsored account.

If cost sharing is required for the sponsored agreement with the deficit, these costs may be used to offset the cost sharing requirement.

Adherence to this policy and procedure is necessary, as inappropriate or poorly documented cost transfers can result in denied reimbursement or disallowance of these questionable charges or other sanctions on the foundation (i.e., fines or loss of certain authorities).

## **Procedure**

The subsequent procedure should be followed when requesting a cost transfer. It is important to note that transfers made to an unrestricted account to clear a deficit on a sponsored account are not considered cost transfers. If cost sharing is required for the sponsored agreement with the deficit, these costs may be used to offset the cost sharing requirement.

To initiate a cost transfer request to an LBFDN G fund, a Cost Transfer Request form must be completed. The request form may be initiated by a PI, designee, ORSP staff, or the CSULB Research Foundation accounting office. The request should ensure the following:

- Verify transfers are within 90 days of the original transaction,
- Identify a specific expense to be transferred, and ensure that any costs being transferred to a G fund are compliant with the Direct and F&A Charging of Costs on sponsored awards, and
- Provide additional justification (section 3 of the Cost Transfer Request Form) if the request is not made within the 90-day period.

The following illustrates appropriate and inappropriate reasons to request a cost transfer, please contact your GCA for further guidance or clarification.

### **Acceptable Reasons for a Cost Transfer**

- To transfer labor-related dollars to align with actual effort.
- To correct a clerical or bookkeeping error on original transaction forms, such as a transposition of numbers. A full explanation of how the error occurred, followed by the steps taken to prevent the error from reoccurring must be provided.
- To transfer sponsor approved pre-award costs to a sponsored account once it has been established.
- To move expenses between projects which have been designated as “closely related projects” by an approved officer of the sponsoring agency.

### **Unacceptable Reasons for a Cost Transfer**

- To transfer costs to cover a deficit on another award.
- To transfer costs to spend the balance of an award.

Once the Cost Transfer Request form is completed, ORSP is responsible for reviewing and approving all cost transfer requests and ensuring that they are compliant with the guidelines established within this procedure. Should ORSP decide that the cost transfer is not appropriate, the request will be returned to the PI. If approved, the GCA will prepare a journal entry for the expense to be transferred and posted.

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