Policy:

Upon being incurred, costs on a sponsored project must be allocated to the appropriate project. In the event a cost is applied to an incorrect project, federal guidelines must be followed in order to correct the error.

Purpose:

Cost Transfers exist to correct errors on federal projects regarding allowability, or to correct clerical errors. Per the 2CFR200 Uniform Guidance, allowability factors include reasonableness of the charge, allocability of the charge, and consistency. These factors need to be adhered to when submitting a request for a cost transfer. An excessive number of cost transfers is a "red flag" for auditors; be aware of how costs are being applied to a project.

Procedures:

- Prior approval is required from the Director of Sponsored Programs before the transfer of costs can occur. This approval must be in written form to provide a complete audit trail.
- Cost transfers must be supported by documentation and justification provided regarding the purpose of the transfer. The explanation must be specific and fully descriptive of the reason for the transfer.
- Cost transfers must be completed within 90 days of the original charge, or within 90 days of the discovery of errors.
- Transferring costs from one federally-funded project to another to correct cost overruns is not allowable.
- The cost must be allowable on the grant to which it is being moved, must be covered by the available balance on the award, and must benefit that award.
- When clearing overspent amounts on grant awards, the expenses can only be moved to a departmental or R&D account.
- Occasionally it is necessary to move expenses to the correct budget period of the same award. This is only allowable when the expense was actually incurred within the current period but was posted to a previous budget period. If expenses were incurred prior to the start of the new project period, they must be transferred to a departmental or R&D account.
- Contact your KUMC Research Institute Post-Award Grant Administrator with questions.

Responsible Parties:

This policy shall apply to all KUMC faculty, staff, postdoctoral fellows, students, trainees, and any other persons at KUMC, University of Kansas Physicians Incorporated and its affiliates, and KU Hospital staff involved in conducting and/or coordinating or managing research at KUMC.

Exemptions:

For transfers involving non-federally funded grants, refer to specific sponsor guidelines.

Related Policies and Links:


KUMC Research Institute Expense Reallocation Request: [http://www.kumc.edu/kumcri/financial-services/expense-reallocation.html](http://www.kumc.edu/kumcri/financial-services/expense-reallocation.html)


Contacts:

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History:

Original Issue Date: 4/1/2008
Current Issue Date: 6/1/2015
RAC Approved: 4/30/2008
Effective Date: 5/6/2008