

# **COLUMBIA UNIVERSITY POLICY ON SPONSORED PROJECT COST TRANSFERS**

**Effective Date: January 1, 2007**

## **Executive Summary**

In accepting a grant or contract from a governmental agency, private foundation, or industry or other sponsor (“Sponsored Project”), the University is obliged to comply with a number of rules and regulations promulgated by that sponsor. Among those obligations is the requirement that expenditures related to such Sponsored Projects are properly allocated and documented. These expenditures, or “costs,” include the salaries of faculty and staff working on the Sponsored Project as well as supplies, equipment, travel, and other expenses.

Faculty and staff must make every effort to allocate Sponsored Project costs to the appropriate account(s) at the time the costs are incurred. However, in certain circumstances, it is permissible to transfer costs from one account to another (“Cost Transfer”). Such Cost Transfers to Sponsored Projects are allowable only when:

- There is a direct benefit to the project account being charged; and
- The Cost Transfer is accompanied by appropriate documentation.

Cost Transfers to Sponsored Projects must be prepared and submitted within 90 days following the end of the month in which the original charge was posted to a University account; thereafter, Cost Transfers to Sponsored Projects will not be permitted except in extenuating circumstances. Cost Transfers which remove expenditures from Sponsored Projects are not subject to the 90 day time limit, and must be processed at any time that it is determined that an expenditure charged to a Sponsored Project is not appropriate to that Project.

## **Reason(s) for the Policy**

To provide guidance to Principal Investigators and others responsible for the administration of Sponsored Projects on the requirements for Cost Transfers.

## **Primary Guidance to Which this Policy Responds**

Federal OMB Circular A-21  
NIH Grants Policy Statement 12/03

## **Revision History**

Not Applicable

## **Responsible University Office & Officer**

Office of the Controller  
Cheryl Ross, Controller

## **Who is Governed by This Policy**

Faculty and Staff who are responsible for authorizing, processing and monitoring charges to Sponsored Projects.

### **Who Should Know This Policy**

- All persons governed by this Policy [see above]
- Departmental Administrators and other departmental staff
- Deans and Departmental Chairs
- Office of Research Administration staff
- Office of the Controller staff

### **Exclusions & Special Situations**

None. This Policy applies to Cost Transfers to all Sponsored Projects, whether awarded by governmental or non-governmental sponsors.

### **Policy Text**

- In assigning charges to Sponsored Projects, whether the charges are for salaries or other costs, faculty and staff must make every effort to allocate those costs to the appropriate account(s) at the time the costs are incurred. However, in certain circumstances, it is permissible to transfer costs from one account to another (“Cost Transfer”).

This Policy provides guidance on the allowability of Cost Transfers.

#### **A. Cost Transfers that Are Not Allowable**

Certain Cost Transfers are not allowable under any circumstances. In particular, costs allocable to a particular Sponsored Project may not be transferred to other Sponsored Projects:

- To correct deficiencies caused by overruns or other funding considerations;
- To avoid restrictions imposed by law or by terms of the Sponsored Project; or
- For other reasons of convenience.

In addition, costs may not be transferred to a Sponsored Project merely because there are unexpended funds available which would otherwise be returnable to the sponsor.

#### **B. Cost Transfers that May Be Allowable**

The Restricted Funds Division of the Office of the Controller (“Restricted Funds”) determines whether a Cost Transfer is allowable. There are three prerequisites for Restricted Funds to find a Cost Transfer to be allowable:

- The Cost Transfer must reflect a direct benefit to the Sponsored Project being charged;
- The Cost Transfer must comply with both the University’s policies and the sponsor’s terms and conditions; and
- The Cost Transfer must be fully documented, as discussed in subsection D below.

### **C. Timing of a Cost Transfer**

A Cost Transfer should be processed as soon as it is determined that an adjustment is necessary. Federal guidelines provide that Cost Transfers should be accomplished within 90 days; accordingly, Cost Transfers to Sponsored Projects requested beyond 90 days following the end of the month in which the original charge was initially recorded are strongly discouraged, and will not be permitted except in extenuating circumstances.

### **D. Required Documentation Supporting a Cost Transfer**

The form of documentation necessary to support a Cost Transfer depends on the type of cost being transferred, and is described below. In all cases, documentation that merely states that the Cost Transfer is being made “to correct an error”, “to transfer a cost to the correct Sponsored Project” or similar explanation is not sufficient.

***Non-salary Costs:*** Cost Transfers to a Sponsored Project made after the charge is posted must be accompanied by appropriate transfer documentation (“Documentation”).

Documentation for non-salary costs must include:

- A description of each specific expense being transferred, including why and when the original cost(s) were incurred;
- An explanation as to why the Sponsored Project to which the transfer is being made was not originally charged; and
- An explanation of why it is appropriate to now charge that Sponsored Project.

***Salary costs:*** Cost Transfers made more than one month following the period in which the effort was expended on the Sponsored Project must be accompanied by appropriate documentation.

Documentation for salary costs must include a Salary Cost Transfer Justification Form (“Justification Form”). When salary Cost Transfers are processed on-line (i.e., thru WEB-SAF), the Justification Form will automatically open on the screen, allowing the preparer to record the necessary justification. When such Cost Transfers are processed through the submission of a paper form (i.e., SAF or similar document), a paper Justification Form must accompany the paper SAF or similar document.

### **Additional Requirements for Cost Transfers Requested after 90 days**

Documentation of Cost Transfers requested more than 90 days after the initial posting of the charge must further include an explanation of why the cost is being transferred at such a late date in order to be considered. As previously noted, such transfers will not generally be permitted.

**E. Illustrative Examples**

The following list of examples is not all-inclusive, but illustrates circumstances in which a Cost Transfer may be allowable:

- To correct errors due to the untimely receipt of information by the University (e.g., late notice of award);
- To reallocate effort;
- To correct salary distribution estimates;
- To move pre-award costs to the appropriate account, in accordance with OMB Circular A110;
- To correctly allocate costs benefiting more than one project;
- To correct clerical and bookkeeping errors;
- To remove unallowable charges;
- To remove out-of-period charges.

**Contacts**

Renotta Young, Deputy Controller ([ry2156@columbia.edu](mailto:ry2156@columbia.edu)) (212) 854-4684  
Carl Sparano, Director (transfers beyond 90 days) ([cs16@columbia.edu](mailto:cs16@columbia.edu)) (212) 854-1049

**Cross References to Related Policies**

Columbia University Policy on Effort Reporting

Columbia University Policy on Financial Reporting and Closeout of Sponsored Projects

**Web Address**

[http://www.columbia.edu/cu/administration/policylibrary/policies/cont/cont\\_003.html](http://www.columbia.edu/cu/administration/policylibrary/policies/cont/cont_003.html)

**Appendix**

None