I. PURPOSE

Georgia State University (GSU) will process all cost transfers in compliance with Federal and other sponsor requirements. All cost transfers must be appropriately justified, documented, and completed in a timely manner to support allowability. Principal Investigators (PI's) are responsible for ensuring all cost transfers are executed in compliance with this guidance.

The purpose of this guidance is to assure the integrity of GSU’s charging practices for expenses transferred to a sponsored project account after its original charge elsewhere in GSU’s accounting system.

When cost transfers to move expenses involve sponsored project accounts, it is critical that the transfer meets the requirements for allowability, allocability, reasonableness, and consistency.

Proper management of funds is essential to uphold the fiduciary responsibilities of GSU. Federal agencies and other sponsors may regard the following activities as indicative of inadequate fiscal or project monitoring.

- Frequent cost transfers
- Late cost transfers
- Inadequately documented or explained cost transfers especially those which involve sponsored projects with overruns or unexpended balances.

This guidance is applicable to all schools, colleges, departments, units, and personnel of GSU involved in administering sponsored projects.
II. DEFINITIONS

Cost Transfer – A cost transfer is an after-the-fact reallocation of an expense, either salary or on-salary costs, either onto or from a sponsored project after the expense was initially charged to another sponsored or non-sponsored project. All cost transfers should be made within 90 days of the original charge.

Late Cost Transfer – A late cost transfer is a correction made more than 90 days from the date of the original charge. Late cost transfers and salary cost transfers made after effort certification are high risk, should be the exception, and require approval of OSPA Post Award Officer and Associate Director.

III. PROCEDURE DETAILS

Cost transfers are exceptional activities and should not occur frequently. Cost transfers to or from sponsored project accounts should represent corrections and must be made promptly. The transfer must be supported by a written explanation of how and why the error occurred and a certification of the correctness of the new charge. An explanation that merely states that the transfer was made “to correct error” or “to transfer to correct project” is not sufficient.

Appropriate justification will include:
- What the charge was for
- Why the charge was incorrectly made, and
- How it benefits the sponsored project account to which it is being transferred
- What actions are being taken to avoid a reoccurrence in the event of a late cost transfer

Cost transfers to or between sponsored projects accounts are only allowable when there is a direct benefit to the project being charged.

Costs may not be shifted between accounts or from one budget period to the next solely to cover cost overruns. Cost transfers cannot be processed to use up remaining funds.

“Parking” of charges on a sponsored project pending funding is unallowable and considered a misuse of grant/contract funds.

Documentation of cost transfers must be retained for the period stipulated in the University System of Georgia, Board of Regents record retention schedule and be available for verification during an audit or other review.
If the transfer is over 90 days from the date of the original charge, a request for approval must be submitted to OSPA for review and approval by the Associate Director. It should contain original voucher information and include a written justification. The request must be approved or signed by the Principal Investigator. Once the Associate Director approves the transfer, the signed or approved justification and the OSPA approval will be routed to the College Administrative Officer or designated Business Manager for approval and update in the financial accounting system.

IV. TRANSFER TIMING

To the extent possible, cost transfers should be made within 90 days from the date of the original charge.

Transfers made more than 90 days from the date of the original charge should be rare and require justification from the Principal Investigator.

Charges older than one year may not be transferred onto or between sponsored projects except in approved extraordinary circumstances.

Payroll transfers made after effort has been certified are high risk and should only be made under exceptional circumstances. Review of these transfers will be by the appropriate OSPA Associate Director.

Transfers involving State funds may not extend beyond the current fiscal year.

V. OPERATING PROCESS

• If the transfer is over 90 days from the date of the original transaction, a request for approval must be submitted to OSPA for review and approval by the Post-Award Officer and Associate Director.
• Cost transfer requests are submitted by the department in the Research Portal and require PI (or departmental designee) approval.
• Upon routing to OSPA, the Administrative Officer assigns the Cost Transfer Request to the appropriate Post-Award Officer.
• The Post-Award Officer reviews the request for the following: stated justification; amount requested; compliance with sponsor guidelines; allowability and allocability of transfer; and back-up documentation. The Post-Award Officer will work with the department as needed.
• Once the Post-Award Officer has reviewed and approved the Cost Transfer Request, they will assign it to the Associate Director.
• Associate Director will review the Cost Transfer Request and, if it satisfied GSU and the sponsor’s guidelines, will approve by clicking on the Approved button in the Portal request.
• The Portal request will route back to the request creator who will complete the transfer of the charges and upload documentation thereof, including the drilldowns of the affected sponsored accounts, into the Portal request. Drilldowns for non-sponsored accounts do not need to be uploaded. The creator will then return the request to OSPA for final review and completion.
• Upon receipt of the Portal request, the Associate Director will confirm the transfer of the charges and complete the Portal request.
• In unique situations where a PPA was identified prior to the 90-day correction window and an error occurs (i.e., PPA was sent to HR but not processed timely or a PPA was processed twice by mistake, etc.), resulting in a new PPA needed after the 90-day window, a cost transfer is not required.

VI. ROLES AND RESPONSIBILITIES

<table>
<thead>
<tr>
<th>Position or Office</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Investigator/Project Director</td>
<td>Initiates or approves cost transfer requests when required. Has the primary responsibility for ensuring compliance with federal regulations, as well as monitoring expenditures, timely correction of errors, and proper allocation of expenses.</td>
</tr>
<tr>
<td>Department or Unit Approver</td>
<td>Ensures that the transfer of costs is allocable, allowable, and reasonable. Prepares and submits timely cost transfers. Reviews and approves or denies cost transfer requests that does not involve salary.</td>
</tr>
<tr>
<td>Department Chair or Unit Head</td>
<td>Reviews and approves or denies cost transfer requests for salaries; Provides oversight on other cost transfer activities.</td>
</tr>
<tr>
<td>OSPA</td>
<td>Monitors and approves cost transfer requests for sponsored projects; Responsible for maintaining the policy and accompanying procedures, addressing questions regarding the policy, and approving over 90day cost transfers.</td>
</tr>
</tbody>
</table>

**Responsible Unit:** Office of Sponsored Proposals and Awards (OSPA)