**Finance: Grants and Contracts**



# Helpful Tips for Cost Transfers

The university cost transfer policy establishes requirements for processing transfers of direct costs to sponsored program agreements. Cost transfers may be necessary to process adjustments to original charges. These transfers must be properly documented and processed within a reasonable period of time. Federal regulations, generally accepted accounting principles, and good management practices require that all costs incurred be appropriate to and for the direct benefit of the account charged, and that accounting records be maintained in a timely and accurate manner.

# Transfers Less than 90 days:

Why were expenses originally charged to the award/project from which it is now being transferred?

Why should this/these charge(s) be transferred to the receiving award?

# Transfers over 90 days:

Why were expenses originally charged to the award/project from which it is now being transferred?

Why should this/these charge(s) be transferred to the receiving award?

Why is this cost transfer being requested more than 90 days after the original transaction?

How will you prevent this type of error from happening in the future?

# Examples of justifications that may cause your entry to be denied:

**Example 1: Justification: “Transfer of supplies charged to the department in error”.**

This justification does not adequately explain:

* + Why the initial project was charged
  + Why/how the charge is appropriate to the award being debited
  + How the error occurred

# Example 2: “To transfer correct supplies charged due to clerical error”.

This justification does not:

* + Why and how the clerical error occurred
  + Why the error was not caught earlier

# Example 3: “To move salary to the correct project per effort”.

* + The description should be expanded to explain how the effort benefits the grant being charged and why the charge was not originally posted to the receiving award

# Examples of typical circumstances in which cost transfers may not be allowed:

* + Reallocation of expenses because the grant has unexpended funds
  + Transfer of expenses after award end date
  + Transfers which do not explain **why** the error occurred and **how** the expense is appropriate to the project which it is being moved to
  + Transfer of an expense that was previously transferred
  + Late because the department was understaffed

# Link to Emory’s Cost Share Policy

<http://policies.emory.edu/2.125>

# Link to Emory’s Effort Reporting Policy

<http://policies.emory.edu/2.126>

**Link to NIH Grants Policy Statement: 7.5 Cost transfers, overruns, and accelerated and delayed expenditures** https://grants.nih.gov/grants/policy/nihgps/html5/section\_7/7.5\_cost\_transfers overru ns and\_accelerated\_and\_delayed\_expenditures.htm

# Link to RAS SOP‐Cost Transfers

[http://ras.emory.edu/documents/SOPs/2009\_Cost%20Transfer\_v4.0.pdf](http://ras.emory.edu/documents/SOPs/2009_Cost%2520Transfer_v4.0.pdf)