

 UNIVERSITY OF DENVER 1 8 6 4	Office of Research and Sponsored Programs (ORSP) Standard Operating Procedures	Section: C1.1
Subject: Cost Transfers to Sponsored Program Funds		Date: 01/01/2021
Approved by: <hr/> Julie Cunningham Director, Sponsored Programs Administration <hr/> Gerald Mauck Executive Director, Research Administration 		

I. PURPOSE

To clarify the procedures in transferring costs to sponsored program funds.

II. DEFINITIONS

- a. **Cost transfer:** The transfer of an expense that was previously posted on one fund to a sponsored programs fund.
- b. **Departmental Administrator (DA):** The DU employee having departmental administrative duties including the input of transactions into the Banner system.
- c. **Principal Investigator (PI):** The DU employee (usually a faculty member) who is responsible for the proper conduct of research or other activity described in a proposal, grant, contract or other agreement. Used interchangeably with Program Director.
- d. **ORSP:** Programs or projects that are funded by an external entity through an award (grant, contract, etc.) to the University. Sponsored programs include research, instruction, and other sponsored activities.
- e. **Shared Services Center (SSC):** Manages the University's central payroll, benefits, employment actions, payments, procurement, and recruiting functions.

III. POLICY

Expenses posted to sponsored programs funds shall be in compliance with all federal regulations, University policies, and specific grant/contract terms and conditions. It is expected that expenses shall be recorded against the correct fund upon initial posting in the financial system. However, in cases where error has occurred, an adjusting entry shall be made as soon as the error has been recognized.

IV. PROCEDURES

Upon recognition of an expense that was not posted to the appropriate sponsored program fund, the PI (or designee) shall submit request that includes a written explanation of how the error occurred and a justification that the new charge is correct and appropriate for the sponsored program. Requests shall be submitted as follows:

- For Payroll Expense Transfer, a Payroll Redistribution Form shall be submitted to ORSP for review and approval of the form and the desired FOAPA to move the expenses to. Once approved, ORSP then forwards it to the payroll office in

the SSC for final approval and processing. If a Payroll adjustment is identified during the Effort Certification process, the Payroll adjustment should be submitted at that time along with the revised Effort Certification. Payroll adjustments for periods that were previously certified according to the Effort Certification policy will not be allowed without approval of the Executive Director, Research Administration. If approved, a revised Effort Certification will be required.

- For non-payroll expense transfers, the request shall be submitted to the Departmental Administrator. The Departmental Administrator shall input a journal voucher into the Banner system, including the explanation and certification on the Banner form. ORSP will then make the decision to approve or not approve in Banner, leading to processing by the Controller's Office.

Cost transfers beyond ninety (90) days of the original posting of the expense shall be approved only upon determination that cause was outside control of the PI/PD and normal university procedural controls.

NOTES:

- Explanations, such as "to correct error" or "to transfer to correct project," are not sufficient.
- Transfers of costs from one project to another or from one competitive segment to the next are not allowable if they are made solely to cover cost overruns.
- Cost transfers within 60 days before and after the end of an award will be heavily scrutinized and may require higher level approval or disallowed.

V. ROLES AND RESPONSIBILITIES

- a. **Principal Investigator / Program Director** shall be responsible for the review of financial statements and the accurate and timely posting of expenses to sponsored program funds.
- b. **Departmental Administrator** shall be responsible for submitting the journal entry into Banner with appropriate explanation and justification.
- c. **ORSP** shall be responsible for working with PIs/PD/DAs to assure correct posting of expenses to sponsored program funds, reviewing requests for cost transfers, and posting journal vouchers of approved cost transfer requests.

VI. REFERENCES AND AUTHORITY

- 2 CFR 200 Uniform Guidance. 200.400 – Subpart E - Cost Principles