UF Policy on Cost Transfers Involving Sponsored Awards

Responsible Office: Office of Contracts & Grants Accounting

Effective Date: July 1, 2010

Revisions dated: April 10, 2013

Purpose

The purpose of this policy is to ensure that all transfers of expenses to sponsored awards ensure the integrity of charges and their compliance with sponsor terms and conditions, regulations and University policies.

Policy

It is the policy of the University of Florida that costs should be charged to the appropriate sponsored project when first incurred. There are circumstances in which it may be necessary to transfer expenditures to a sponsored project subsequent to the initial recording of the charge. Those transactions require monitoring for compliance with UF policy, Federal regulations, sponsor specific guidelines and the cost principles that underlie fiscal activities on sponsored projects.

According to this policy, expenses can only be charged to a sponsored project if they are:

- Reasonable - A prudent person would have purchased the item and paid that price.
- Allocable – Charged at a rate that reflects the documented proportional use by the sponsored project.
- Consistently Treated - Expenses for similar purposes must be treated the same way (throughout the university) under like circumstances.
- Allowable - The expense must not be specifically excluded by government regulations (see OMB Circular A-21) or by the sponsor’s requirements.

Sponsor guidelines prohibit transfers based on funding availability. Therefore, costs cannot be transferred to use up remaining funds or to correct overruns from a different award. Periodic review of charges throughout the life of an award can help to facilitate identification of errors and necessary corrections of other transactions in compliance with this policy.

Timeliness

- A correction in charging of costs should be processed within 90 days of when the need for a correction was discovered.
- A salary cost transfer after effort certification will typically require recertification of an effort statement.
- Costs transfers to correct an error that benefit the Sponsor and cost transfers to remove unallowable charges must be processed as soon as discovered, regardless of timeframe.

Adequate documentation

All corrections of errors must be accompanied by an explanation of how the error occurred and how the costs being charged benefit the sponsored project. For non-salary transactions, the appropriateness of the correction to the receiving project must be certified by the principal investigator. For salary transactions, the appropriateness to the receiving project will be certified through the effort certification process.