Grants and Contracts Administration (GCA)
Cost Transfer Guidance

INTRODUCTION:
As a recipient of federal funding, Clemson University (CU) must follow OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200. When transferring costs to federal awards (cost transfers), CU applies best practices to ensure that costs posted to federal awards are allowable, allocable, and reasonable (2 CFR 200. 403-405, 430). The following guidance has been provided to accompany the Cost Transfer Policy (https://www.clemson.edu/research/policies 5.0).

DEFINITION:

Cost Transfer: An after the fact reallocation of a cost (expenditure) from one project to another, where at least one of the projects are a Fund 20 project. The transfer is a correction TO/FROM a sponsored project that was previously recorded elsewhere (any other project, regardless of the fund group, on CU’s general ledger).

Timely Manner: Less than 90 calendar days after the original posting date.

APPLICABILITY:
A cost transfer form and supporting documentation are required for the transfer of any costs TO a Fund 20 project if the journal line is $500 or more, or the journal entry total TO Fund 20 projects is $2,500 or more. Qualifying cost transfers must be reviewed and approved by GCA, and the Office of the Vice President for Research (VPR, if certain additional criteria are met - see COLLEGE/DEPARTMENT STEPS 2).

COLLEGE/DEPARTMENT STEPS:

1) PI/Department identifies charges that should be transferred TO a Fund 20 sponsored project.

2) Department/College completes Cost Transfer Request Form (Appendix A), including all required signatures (CPAC and PI if original journal posting is UNDER 90 days). All efforts should be made to submit Cost transfer requests to GCA under 90 days of original journal posting. CPACs may attach Sections 2 and 3 justifications on a separate page, if additional space is needed.

3) If original journal posting is 90 days or more, additional signatures are required, which includes department chair and ADR, as well as completion of Section 3 of the Cost Transfer Request Form.

4) Supporting documentation is attached to the cost transfer request. Examples of supporting documentation can include, but are not limited to: copy of PRC (placed on HOLD(!) in Web Pay Corrections); copy of original journal posting; query results; copy of employee distribution form; copy of invoice; email conversation (pertinent dialog only); etc. Questions may be directed to sbalas@clemson.edu.
5) College submits the Cost Transfer Request Form and supporting documentation to gcaapprovals@clemson.edu.

6) See "FINAL STEPS" Section page 3.

GCA STEPS:

1) GCA cost transfer manager (CTM) begins review of request within five to eight business days of receipt and notifies the college contact that the request is under review. If CTM has any questions or needs more information, this should be communicated to the CPAC within the five to eight business days. If feedback is requested from college contact, college contact responds to CTM within five to eight business days of request. If college contact does not respond with feedback by 9th day, GCA returns CTR to college contact unapproved (only for transfers that involve expenses moving from non-sponsored (non-fund 20) to sponsored (fund 20)).

2) CTM validates request and all information provided, which may include, but is not limited to the following:
   a. cost transfer review checklist items (see Appendix B);
   b. payroll or other expenditures;
   c. proposal/agreement/budget for allowability;
   d. if Sponsored Compensation Verification (SCV) has been approved for related project(s), review SCV to verify PI noted correction. If not, request PI to explain why SCV was approved given this forthcoming correction;
   e. if SCV has not been approved and the approval period is still open, request PI to update SCV report;
   f. other verification and reviews as necessary.

   Note: CTRs with “conditional” or “cond.” written at bottom right of form indicates the pending receipt of additional information and/or documents requested. CTM reconciles this condition(s) prior to submitting to VPR or returning approved request to CPAC.

3) CTM enters request into Cost Transfer Approval Log located on H drive under Cost Transfer folder and continues to update log throughout the process.

4) Forward reviewed request to appropriate GCA grant administrator (GA) when TO or FROM project is within 90 days of end date or the request has special circumstances, so that the GA is aware of the transfer. GA acknowledges request is appropriate by signing CT form. If GA identifies a concern or is unable to sign the request, GA notifies CTM within 1-2 business days. Request may be escalated to GCA Director/Accounting Manager for further discussion. (This process may be adjusted in the future to only include copy of email to GA as notification.)

5) CT with the CTM’s, and GA’s signature (when applicable), is then forwarded to the VPR office, when applicable (see VPR Approval Criteria and Steps – page 3).

6) If CTR does not meet VPR approval criteria, CTM notifies CPAC of the approval via email. See Final Steps (below) for entering correcting journals.
VPR APPROVAL CRITERIA and STEPS:

1) All GCA approved requests that include original journals that exceed 90 days or greater (at submittal date) and/or meets one or more of the following criteria will be forwarded to the VPR designee for approval and signature:

   a. SCV report has been approved without noting the correction in SCV; or,
   b. transfer is submitted 45 days or later after the project end date; or,
   c. a RISK project should have been requested AND PI/Dept continued to use a Fund 20 project as opposed to a departmental account (possible exception for anticipated modification when new project is unexpectedly setup),

   The VPR designee copies CPAC in approval email. Note that sometimes at month-end or year-end close (and perhaps on other rare occasions), it may be necessary to post cost transfers prior to GCA receiving VPR designee approval. This will be performed so that the closing deadline can be met, or to manage a rare, yet urgent situation. In the event this occurs, the CTM has reviewed and approved, and there are no concerns or complications present where the VPR designee approval would not be forthcoming. If for unforeseen circumstances the cost transfer is not approved by the VPR designee, the cost transfer entry will be reversed by the CTM.

FINAL STEPS:

The transfer journals for non-personnel should be entered by departmental personnel AFTER the request has been approved by GCA and/or VPR designee. Payroll corrections (PRCs) may be entered prior to receiving approval but should remain in Hold status in Web Pay Corrections until approval has been received by GCA and/or VPR designee, at which time the PRCs may be changed to Approved (status). Once status has been changed to Approved, PRC journals automatically transfer over to ‘T’ (temporary) status in overnight process. CTM is responsible for posting ‘T’ status journals before month end. ALL journals/PRCs involving Fund 20 projects are automatically held in ‘T’ status until reviewed and posted by CTM regardless if approval is required or not. ‘T’ status journals are reviewed (ideally) two or three times per week. If posting ‘T’ status journals is urgent, CPACs are encouraged to notify CTM.

The CTM reviews all cost transfers to Fund 20 projects at least once a year, ideally, every 6 months to verify that cost transfers meeting approval criteria did not post without proper approvals.

ELEMENTS OF A SUCCESSFUL TRANSFER:

- Avoid statements such as, “using up remaining funds” or “need somewhere to charge payroll because award is ending”
- The ONLY reasons for a cost transfer are that the cost has a direct benefit to award/project and is allowable, allocable, and reasonable.
- Form includes ALL required signatures
- Include copies of original journals or PRCs (keep PRCs in Hold status in Web Pay Corrections until CTR approved)
• Costs being transferred are within the TO project's period of performance
• Justifications provided in Sections 2 and 3 (3 req’d. when not done in timely manner) should make sense to the reader and should correspond with the support documentation provided
• It is helpful to include in Section 2 justification for personnel transfers that individual worked on project during transfer dates

Please contact Sarah Balas at sbalas@clemson.edu or gcaapprovals@clemson.edu with any questions.