

# Cost Transfers on Cost Reimbursable Grants and Contracts

## SPA-11-003



### About This Policy

Effective Date:

03-01-2011

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03-01-2011

Responsible University Office:

Office of Research Administration

Responsible University Administrator:

Associate Vice President for Research

Policy Contact:

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### Related Information

- \* [OMB Circular A-21](#)
- \* [NIH Grants Policy Statement](#)
- \* [NSF Policies](#)
- \* [IU Policy: I-1 Role of Fiscal Officer, Account Manager and Account Supervisor](#)
- \* [SPA-11-003 - Cost Transfers on Cost Reimbursable Grants and Contracts](#)

### Related Forms

- \* [Cost Transfer Exception Request Form](#)

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## Scope

This policy applies to all Indiana University faculty and staff involved in the fiscal operations and administration of grants and contracts or otherwise with the authority to identify expenses under grants and contracts.

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## Policy Statement

It is the policy of Indiana University that cost transfers be completed within a reasonable time frame and accompanied with appropriate justifications. Cost transfers should comply with best practices, Office of Management and Budget Circular A-21, federal contracting policy and other specific sponsor requirements, as applicable.

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## Reason For Policy

This policy provides guidance to ensure best practices in the fiscal management of cost-reimbursable grants and contracts conducted at Indiana University and to meet requirements of Office of Management and Budget Circular A-21 and other sponsoring agencies. The federal government and other sponsors of IU research have established policies concerning the assignment of costs to a project. Costs transfers must be properly and completely explained and justified in order to ensure their allowability and allocability. They must, as well, be accomplished in a timely fashion – generally considered within a 90-day period from when the cost was first recorded.

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## Procedure

For Non-salary cost transfers to cost reimbursable grants and contracts less than ninety (90) days from the original transaction:

Route a General Error Correction (GEC) form including the following supporting documentation: Prior transaction numbers and dates Explanation and justification of Why expense was originally charged to account from which it is being transferred? Why should this expense be transferred to the proposed receiving account? In other words, how does this expense benefit or otherwise relate to scope of work of receiving account. With prior approval from ORA, a Distribution of Income/Expense (DI) form may be used but the same information is required. For non-salary cost transfers to cost reimbursable grants and contracts greater than ninety (90) days from the original transaction, all of the above plus: Why is this cost transfer being requested over 90 days from the date of its origin What will be done to prevent future cost transfers over 90 days from date of origin Email to grant administrator which provides justification and/or confirmation from Principal Investigator/Project Director Such transfers will be reviewed by an “Exception Committee” Exception Committee to be appointed by Associate Vice President for Research and will be composed of at least 5 members representing varying university stakeholders Exception Committee will meet monthly and may, as needed, conduct business via email without holding a formal meeting. Appeal Process. Rejected cost transfers may be appealed to the Exception Committee. Parties appealing the committee’s rejection may, if they so desire, submit additional information and meet with the Committee in order to ensure a complete and clear communication.

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## Definitions

Cost Reimbursable Award: An award in which the sponsor agrees to fund all approved project costs incurred within a grant or contract.

Cost Transfer: Transferring an expenditure from one source to another – from one account to another.

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## Sanctions

Failure to adhere to the principles and processes in this policy may result in the disallowance of costs and cost transfers.

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## History

Replaces:

Important Notice 03-2 “Justification/Documentation of Cost Transfers”