



Sponsored Program Non Salary Cost Transfer Policy

Responsible Office: Post Award Financial Operations

1. Purpose

Boston University receives substantial funding from the federal government and other sources in the support of sponsored programs. As a recipient of federal funding, the University is responsible for establishing policies that ensure compliance with the requirements of Office of Management and Budget (OMB) Uniform Guidance and the terms and conditions of federal sponsors.

OMB Uniform Guidance states "any cost allocable to a particular Federal award under the principles provided for in this Part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons." To meet allowability and allocability requirements of OMB Uniform Guidance, timely and complete justification is required.

The University will follow the restrictions and requirements of Uniform Guidance and applicable federal regulations with respect to charging direct and administrative costs (F&A or indirect) to federally sponsored projects. All errors in the allocation of direct costs to sponsored agreements must be identified, corrected and documented in a timely manner.

2. Covered Parties

This policy applies to all non-payroll expenses being transferred to or from grant-supported projects.

3. Definitions

Cost Transfers:

Cost transfers are the reassignment of expenses to or from sponsored projects after initially being charged to a separate funding source.

Salary Adjustments:

Salary adjustments are the transfer of payroll expenses to or from sponsored projects after initially being charged to a separate funding source.

4. University Policy

Principal Investigators (PIs) and Department Administrators should ensure charges to sponsored projects are accurate and in accordance with direct charging practices described in OMB Uniform Guidance and university policy. On a monthly basis, the Department Administrator should run financial reports for each sponsored project using Boston University's Grants Management (Distributed) Reports, which are found

in the “Reporting” tab of the BUWorks Central Portal. The administrator should work with the PI to review these reports to review the financial status of each project and to identify legitimate errors.

Cost transfers are allowable if they are initiated to correct such errors, made on a timely basis and include appropriate justification and supporting documentation. Moreover, the costs being transferred must be allocable to the award the charges are being transferred to, if applicable.

The University’s records must contain appropriate documentation supporting an adequate evaluation of the transfer. The results must be accurate and complete. Frequent, tardy, or inadequately explained transfers, especially when they involve accounts with cost overruns, raise questions about the appropriateness of the transfers themselves, as well as the overall reliability of our accounting system and internal controls. As such, all cost transfers involving sponsored projects must be reviewed and approved by the Research Accounting department within Post Award Financial Operations.

A. Non-Salary Cost Transfer Request Form

All non-salary cost transfers must be properly documented by the department on the [Non Salary Cost Transfer Request Form](#) using SAP T-code “ZGM_CSTR_REQ”, and abide by the following principles:

- Complete this form accurately and in its entirety
- Include all necessary supporting documentation.
- Requests for transfers in excess of 90 days from the original transaction date require additional documentation and approval as noted below.

B. Cost Transfer Timing

Non-Salary Cost Transfers should be requested in SAP using Transaction Code FV50: “PARK G/L Account Document: Company Code TRBU”. The Non Salary Cost Transfer Request Form (T-code ZGM_CSTR_REQ) must be attached to the entry within SAP and include the following information:

- **If within 90 days of the original transaction date:**
 - Justification supporting the necessity of the transfer
 - A detailed explanation of what caused the error and how it was discovered. An explanation that states to “correct a clerical error” or “transfer to correct grant or contract” is not sufficient.
- **If in excess of 90 days of the original transaction date:** In addition to the information listed above, the following is necessary:
 - The reason for the delay in processing the adjustment
 - Identification of the controls that will be implemented or what action has been taken to ensure the error does not occur again.
 - Approval of Principal Investigator.

C. Additional Requirements

- Identification of a cost transfer entry using SAP is made by selecting either the “ZK” (Grant Cost Transfer) or “ZV” (Grant Cost Transfer over 90 days) as the document type in SAP. If cost transfer entries are not properly coded, the originator will be asked to recode. This is

necessary because the individual creating an online entry is the only one authorized to make any changes to the entry.

- The date of the original charge must fall within the effective dates / period of performance of the sponsored project.
- For entries containing equipment sponsored classes, the property tag number (or requisition number if a property number has not been assigned) should be included in the explanation supporting the entry.
- In the case of a travel transfer, the effective date of the original charge, reference number, and traveler's name should be entered. The explanation must include the business purpose, location, dates of travel, and the reason for the transfer.

It must be noted that initial charges by Service Centers are not considered cost transfers.

D. Cost Transfer Review and Approval

All Non Salary Cost Transfer Request Forms are reviewed along with all supporting documentation and may be rejected or approved by Research Accounting on an exception basis. A common exception involves the set up of a sponsored program source with an award date occurring in the past, also known as a "late award". When appropriate, the department is encouraged to request a pre-award account to ensure charging is allocated to the appropriate funding source.

Cost transfers made simply to "spend down" a sponsored project with available funding or to meet deficiencies caused by overruns or other fund considerations will not be approved. Transfers from sponsored program sources to unrestricted accounts (e.g.: departmental budgets) will always be allowed and should be completed in a timely manner to ensure accurate reporting to sponsors.

5. Responsible Parties

Subject	Contact	Phone
• Cost Transfer Inquiries	Post Award Financial Operations Your Assigned Research Administrator	617-353-4555

6. Related Policies and References

[OMB Uniform Guidance](#)

[NIH Grants Policy Statement](#)

[Salary Adjustment Policy](#)

[Salary Adjustment Form](#)

[Non Salary Cost Transfer Request Form](#)

7. History

This policy was adopted in July 2011; Updated in May 2015.