



*The*  
**UNIVERSITY**  
*of* **VERMONT**

Policy V. 4.3.4.1

Responsible Official: Vice President  
for Finance and Administration

Effective Date: October 22, 2006

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## **Cost Transfers on Grants and Contracts**

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### **Policy Statement**

All cost transfer requests involving a grant or contract must be reviewed and approved by a Grant and Contract Administrative Services staff member. All cost transfers must include the appropriate supporting documentation and signatures. Documentation which cites cost overruns and unexpended balances as reasons for cost transfers will be disallowed. Timely transfer requests made for the purposes of correcting errors, adjusting funding delays or meeting matching requirements will be acceptable.

### **Reason for the Policy**

To comply with the cost allowability and allocability requirements of OMB Circular A-21, it is necessary to explain and justify transfers of charges involving federal awards (including transfers from the departmental cost share fund). Timeliness and completeness of explanation of transfer are important factors in supporting allowability and allocability in accordance with the principles of the Circular.

### **Strategic Direction**

This policy supports the following goal in the University's Strategic Plan  
[http://www.uvm.edu/president/?Page=strategicplan2009\\_2013.html](http://www.uvm.edu/president/?Page=strategicplan2009_2013.html):

- Focus the human, fiscal, environmental, technological and physical resources of the University on institutional values and priorities.

### **Applicability of the Policy**

This policy applies to all University of Vermont faculty, staff and students.

# Policy Elaboration

## Salary Transfers

Salary cost transfers occurring more than 30 days after the charge was incurred require a full written explanation of the necessity of the cost transfer. The supporting documentation must have the employee's signature to certify the effort change is reasonable in relation to work performed.

## Non-Salary Transfers

Non-salary transfers occurring within 90 days of its posting require a full written explanation of the necessity of the cost transfer to Grant and Contract Administrative Services. The cost transfer must be approved by the principal investigator or designated approver.

## Late Cost Transfer Requests

In addition to the above cost transfer supporting documentation requirements, any cost transfer request over 90 days from the day the cost(s) was posted requires a written explanation addressing the reason for the lateness of the request. Late cost transfer must be approved by an appropriate Fiscal Officer of the University (Assistant Controller, Director of Grant and Contract Administrative Services).

Cost transfer requests on expired grants and contracts must be submitted within 30 days after the end date of the account to be considered for approval.

# Definitions

*Cost Transfer:* an after-the-fact re-allocation of a cost from one University budget to another University budget.

# Procedures

## Salary Transfers

The designated department administrator obtains confirmation via the employee signature that the effort percentages on the appropriate salary and wage transfer documentation are reasonably accurate.

The appropriate salary and wage transfer documentation is submitted along with the cost transfer explanation to Payroll Records for processing. Before processing the change, Payroll Records will provide each salary and wage cost transfer documentation to GCA for their review/approval.

Upon approval, Payroll Records will process salary and wage transfers in a timely manner. Upon rejection, GCA will return the salary or wage transfer documentation to the department through Payroll Records.

### Non-Salary Transfers

The designated department administrator enters an on-line journal entry in Peoplesoft to transfer the expense to the appropriate chart string. A cost transfer explanation including the original expense document id is entered in the journal entry header description field by the department administrator for each journal line entry contained in the journal. Using the notify functionality in Peoplesoft, the department administrator emails any additional information to their designated GCA contact.

Upon journal entry submission, the appropriate GCA administrator will review the explanation of the cost transfer and determine its compliance. When additional information is required, GCA will recycle the journal back to the department. Upon timely receipt of all supplied information, GCA will deny or approve the request. GCA will notify the on-line journal submitter on its decision via the notify functionality in Peoplesoft.

### Late Cost Transfer Requests

The designated department administrator submits a written explanation addressing the reason for the lateness of the request to GCA. For salary and wage transfers, the late cost transfer explanation is submitted as supplemental documentation along with the other related cost transfer documentation. For non-salary cost transfers, an imaged copy is emailed to the designated GCA administrator.

GCA reviews the appropriateness and approves/denies the late cost transfer.

## **Forms**

None

## **Contacts**

Questions related to the daily operational interpretation of this policy should be directed to:

Assistant Controller  
Grant and Contract Administrative Services  
(802) 656-1375 (802) 656-1453

or

Manager  
Grant and Contract Administrative Services

(802) 656-1453

The Vice President for Finance and Administration is the official responsible for the interpretation and administration of this policy.

## **Related Documents/Policies**

None

## **Effective Date**

Approved by the President on October 22, 2006