

# Cost Transfers on Sponsored Projects

Presented by  
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11/16/2022



The University of Vermont

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# Agenda

- Welcome and introductions
- Presentation guidelines
- Compliance & Administration
- Roles & Responsibilities
- Cost Transfer Form
- Educational resources available

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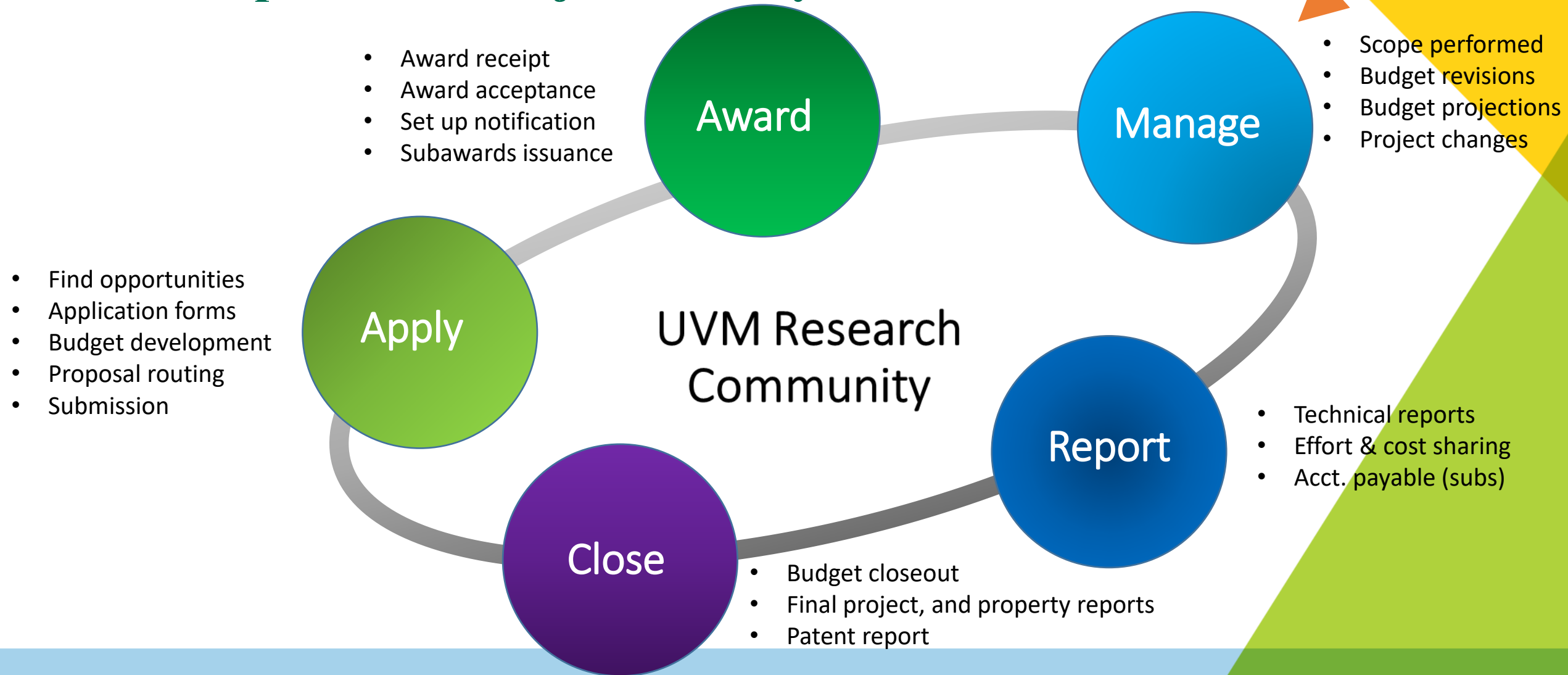
# Purpose of the Presentation

- Understand when a cost transfer is appropriate on a sponsored project and the importance of timely transfers.
- Overall Objectives: Overview of the process flow around processing a cost transfer on a sponsored project.
  - Learn about the roles and responsibilities involved in processing a cost transfer
  - Identify required backup for each type of cost transfer
  - Learn some helpful tips for filling out the cost transfer forms

# SPA EDU Offerings

Topic	Course	Date	Time
UVMClick New Proposal Creation and Completion of Funding Proposal Smartforms	POL036	Sept 21, 2022	9:00AM-10:30AM
Introduction to Sponsored Project Administration	POL012	Oct 4, 2022	1:00PM-2:30PM
Budget Building for Proposal Development	POL034	Oct 14, 2022	2:00PM-3:30PM
Reviewing and Understanding Sponsored Agreements	POL039	Nov 9, 2022	10:00AM-11:30AM
Cost Transfers on Sponsored Projects	POL021	Nov 16, 2022	1:00PM-2:30PM
Cost Sharing on Sponsored Projects	POL022	Jan 18, 2023	9:00AM-10:30AM
Personnel Effort on Sponsored Projects	POL042	Feb 14, 2023	9:00AM-10:30AM
Award Acceptance for Sponsored Agreements & Establishment of Advance Accounts	POL020	March 28, 2023	9:30AM-11:00AM
Proposal Submission to National Science Foundation	POL043	April 19, 2023	9:00AM-10:30AM
Sponsored Project Financial Reporting and Closeout	POL024	April 27, 2023	1:30PM-3:00PM
SPA & Outgoing Sub-Awards	POL010	May 10, 2023	9:00AM-10:30AM
Proposal Submission to NIH in UVMClick	POL038	May 24, 2023	9:00AM-10:30AM
SPA Post Award Budget Review, Expense Monitoring & Forecasting	POL041	May 31, 2023	1:30PM-3:00PM

# UVM Sponsored Project Life Cycle



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# UVM Research Community

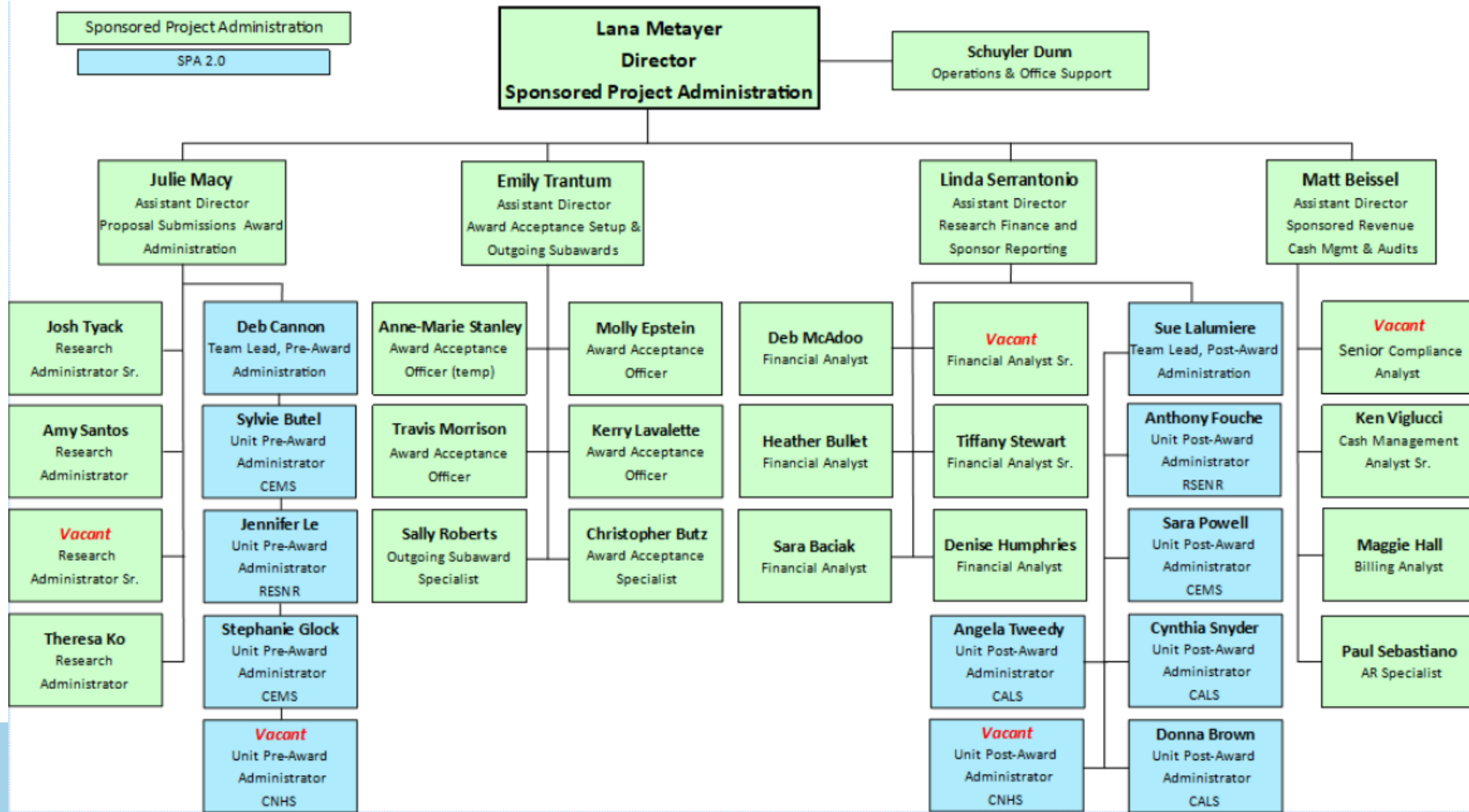
- **300+** Active Principal Investigators (PIs)
- **100+** Departments with Sponsored Projects from **300+** Sponsors
- **\$200M+** annual volume of awards on **700+/-** award actions
- 300+ subawards issued annually
- Office of Vice President for Research
- Many supporting departments

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# UVM Units That Support Sponsored Projects Indirectly

- Purchasing
  - Purchase Orders and Requisitions
- Disbursement Center
  - Check requests and purncards
  - Travel advances and reimbursements
- University Financial and Cost Accounting Services
  - Effort Reporting
  - Space and Equipment Inventory
  - Indirect and Fringe Rate Negotiations
- Human Resources
  - Personnel Actions and Position Management
- Payroll Services
  - Payroll-related Actions
- Graduate College
  - Graduate Research Assistants
  - Tuition on Sponsored Projects
- Enterprise Application Services
  - PI Portal

# UVM Sponsored Project Administration Organization





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## UVM Financial & Cost Accounting Services Contacts

Contact	Responsibilities
<b>Lindsey Donovan</b> Associate Controller Phone: 656-1335 Email: <a href="mailto:Lindsey.Donovan@uvm.edu">Lindsey.Donovan@uvm.edu</a>	Manage CAS Resources and expenditures Costing Standards/Policy Guidance/Outreach Effort Costing Guidance/Outreach Rate Proposals & Negotiations Cost Standards QA Activities
<b>Dawn Caffrey</b> Senior Cost Accountant Phone: 656-1336 Email: <a href="mailto:Dawn.Caffrey@uvm.edu">Dawn.Caffrey@uvm.edu</a>	Salary/Wage Transfer Approvals Effort Management and Certification University Space Functionalization Cost Accounting Modeling/Reporting

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# Definition of Cost Transfer

Sponsored project cost transfers include both payroll and non-payroll reallocations and redistributions both to and from sponsored projects for direct and cost share expenditures.

- A **payroll** cost transfer is any reallocation or redistribution of a previously charged expenditure involving sponsored project chartstrings.\*
- A **nonpayroll** cost transfer is the reallocation or redistribution of a previously charged expenditure onto or off from a sponsored project or a reallocation or redistribution between two sponsored project awards.

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# Payroll changes not considered cost transfers

## Timely Salary Distribution & Additional Payment (eAPFS) Changes

- Salary distributions and additional payment forms are initially made based on estimated effort over an extended period of time.
- In accordance with UVM's Effort Management Policy effort must be reviewed on a quarterly basis. Timely corrections to reflect actual effort made within 90 days of the original accounting date is not a cost transfer.
- The initiator must include an additional departmental approver in the workflow when sponsored project chartstrings are being corrected.

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## Department Initiated Journal entries not considered cost transfers

- It is not a nonpayroll cost transfer when transferring expenditures *between projects on the same award.*
- Interdepartmental charges (IC journals)
- Purchasing card purchases;
- Chartfield value changes;

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# Compliance & Administration

- Proper administration and approval of cost transfers are required to ensure compliance with federal requirements as defined by [Uniform Guidance Subpart E - Cost Principles](#) and to ensure compliance with related University policies.
- Cost transfers are closely scrutinized for indications of cost misallocation or non-compliance.

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# Compliance & Administration Continued

- Cost transfers to or from sponsored projects should be:
  - Initiated promptly, after recognition of posting to incorrect chartstring;
  - Supported by required documentation justifying the transfer;
  - Approved by the receiving PI(s) or responsible official for transfers greater than 90 days.

# Cost Transfer Principles/Expectations

- Cost transfers must be completed in accordance with the University policy and Uniform Guidance cost principles to ensure:
  - Allowable
  - Reasonable
  - Allocable
  - Treated Consistently
  - Timely
- ✓ Cost transfers over 90 days should be avoided. They raise concerns with reliability of the institution's accounting system, internal controls and management capabilities.



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# Expenditure Review & Management

The Principal Investigator or their delegate officials should monthly:

- Retrieve and review grant reports
  - Verify that posted charges are allowable, allocable and appropriate
  - Identify any additions or deletions
  - Initiate prompt transfers for errors/corrections
- 
- The PI or delegate should review personnel effort quarterly (key and non-key personnel)



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## Cost Transfers < 90 days and >90 days

Cost Transfers are categorized into two categories and require different processing depending on when the original transaction posted:

- Transfers of expenses originally posted 90 days or less
- Transfers of expenses originally posted more than 90 days – Also called  
Untimely/Late Cost Transfers

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## **Transfers less than or equal to 90 days**

Transfers requested within 90 days from the original transaction date are allowable.

A Cost Transfer Form (questions #1 & #2 only) must be completed in the Journal Entry or Payroll Retro Request.

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## Transfers over 90 days (untimely(late) cost transfers)

- Only allowable under extenuating circumstances which consist of:
  - Moving expenses off from a sponsored project onto departmental funds
  - Other circumstances outside of the departmental control
  - Sponsor delays
  - Setup delays
- A Cost Transfer Justification (questions #1 - #4) must be completed in the Journal Entry or Payroll Retro Request.

NOTE: Absence of PI or cognizant administrator, lack of experience of the staff administering the award, or competing priorities are **not** a valid extenuating circumstance.

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## Transfers over 90 days (untimely(late) cost transfers)

Things to consider:

- Expenses over 90 days that are being moved off from sponsored projects do not require PI approval. A second departmental approval is still required.
- If there are multiple sponsored agreements receiving a late cost transfer charge, with multiple PIs, then all PIs must approve of the cost transfer.

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## **Allowable and Appropriate Cost Transfers can include:**

- Transfers due to a clerical or data processing error;
- University internal billing (IC journals and expenses such as telephone, publications or photocopying expenses, etc);
- Transfers for expenses incurred before the project start date only if pre-award costs are approved by the sponsor;
- Actual effort worked on the project differs from what was originally planned and distributed on salary distribution forms.



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## Allowable and Appropriate Cost Transfers Continued

- Transfers from departmental discretionary account to sponsored project account when an Advance Account was not established;
  - Best practice should be to establish an Advance Account when appropriate.
- Bulk purchases of lab supplies charged to departmental or other non-sponsored accounts, then allocated to the appropriate research project.



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# Unallowable Cost Transfers

- Transfers from a sponsored project in deficit to another sponsored project for the sole purpose of eliminating the deficit;
- Transfers to a project having unexpended balance for the purpose of expending the remaining balance;
- Transfers where the sponsored project was being used as a “holding” fund to redistribute expenses to other projects;
- Transfers of expenses onto a sponsored project that were incurred before the project start date if pre-award costs have not been approved by the sponsor;
- Transfers of expenses due to an absence of PI or cognizant administrator, lack of experience of the staff administering the award, or competing priorities.



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## Roles & Responsibilities

Roles and responsibilities for the PI, Unit Administrator, Department Administrator, SPA, Financial & Cost Accounting Services and Payroll Services can be different depending on whether they are for:

- Non-payroll transfers
- Payroll transfers



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# Roles & Responsibilities for all cost transfers

- Principal Investigator:
  - Responsible for identifying the need for a cost transfer.
    - Payroll expenses. This includes quarterly review of effort commitments and actual effort applied for key and non-key personnel to identify any needed payroll cost transfers.
    - Non-payroll expenses. Includes a monthly review for all non-payroll expenses.
  - Reviews award balances and transactions on a consistent basis to validate expenses posted to the award;
  - Identifies expenses posted to the project in error;
  - Works with the Unit Administrator to initiate the expense transfer and provide justification when necessary;
  - Approves late cost transfer form when applicable.

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# Roles & Responsibilities for non-payroll cost transfers

- Unit Administrator:
  - Assists PI in the review of the project expenses on a consistent basis (preferably monthly) to identify charges posted in error;
  - Primarily responsible for preparing and completing all cost transfers;
  - Assists PI in collecting and providing necessary justification required to accompany the cost transfer request;
  - Assists PI in identifying the appropriate destination chart string for the cost transfer;

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## Roles & Responsibilities for non-payroll cost transfers

- Unit Administrator (continued):
  - Reviews cost transfers for compliance with the [University Operating Procedure on Cost Transfers](#);
  - Creates and submit the journal entry in PeopleSoft (including attaching the appropriate backup documentation showing the original transaction posting information and completing the cost transfer form);
  - Monitors the progress of the cost transfer to ensure the journal gets posted in a timely manner.

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## **Roles & Responsibilities for all cost transfers**

- Department Approver:
  - Reviews and approves the cost transfer form electronically within the journal entry or salary distribution change.
  - Reviews and approves the PDF cost transfer form for hourly wage cost transfers and additional payment cost transfers.

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# Roles & Responsibilities for non-payroll cost transfers

- SPA:
  - SPA Financial Analyst (FA) reviews and approves cost transfers once submitted ensuring the appropriate backup documentation is attached and the Cost Transfer Form is completed appropriately.
  - SPA FA adds a department approver and PI approver, when applicable, in the JE workflow for all cost transfers.
  - SPA Team Lead approves for posting all cost transfers.
    - After the department approver and PI, when applicable, have approved the cost transfer, then the JE is automatically posted.
  - SPA FA works with Unit Administrator if any changes to the cost transfer are needed.

# Example of a complete non-payroll cost transfer entry

Header

Lines

Totals

Errors

Approval

Cost Transfer Justification

Unit

UVM01

Journal ID

NEXT

Date

11/10/2022

Long Description

254 characters remaining

\*Ledger Group

ACTUALS

\*Source

Fiscal Year

2023

Period

5

Reference Number

Journal Class

CSTTR<90

☐ Save Journal Incomplete Status

☐ Autobalance on 0 Amount Line

Attachments (0)

Header

Lines

Totals

Errors

Approval

Cost Transfer Justification

Unit

UVM01

Journal ID

NEXT

Date

11/10/2022

Departmental Approver

Original Accounting Date

☐ Late Cost Transfer: Check if this request > 90 days after the Accounting Date.

Justification Section: All cost transfer requests must answer questions 1 and 2; cost transfer requests greater than 90 days from the Original Accounting Date must answer all 4 questions. Provide a full explanation for the necessity of processing this cost transfer request by answering the questions below. If warranted, attach additional narrative.

1. Provide a brief explanation of the expense(s) being transferred and why the expense(s) was charged to the original chart string(s).

2. Provide a brief explanation as to why each expense is appropriate and allowable to be transferred onto the proposed chart string(s). If multiple projects are involved, be sure to include project numbers.

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# Roles & Responsibilities for payroll cost transfers

- Unit Administrator:
  - Assists PI in the review of the effort commitments and payroll charges on a quarterly basis to identify required salary or wage transfers;
  - Primarily responsible for preparing and completing all cost transfers;
  - Assists PI in collecting and providing necessary justification required to accompany the cost transfer request;
  - Assists PI in identifying the appropriate destination chart string for the cost transfer;

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# Roles & Responsibilities for payroll cost transfers

- Unit Administrator (continued):
  - Reviews cost transfers for compliance with the [University Operating Procedure on Cost Transfers](#);
  - Creates and submits changes to salary distributions and initiates approval workflow;
  - Creates additional payments and bi-weekly wage transfers along with the appropriate backup documentation;
  - Monitors the progress of the cost transfer to ensure department approver(s) and required PI approvals are completed in a timely manner;
  - Recommendation: monthly monitoring of department suspense to help avoid payroll cost transfers over 90 days past the accounting date.



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# Roles & Responsibilities for payroll cost transfers

- Payroll:
  - Payroll confirms that all requests are complete:
  - Two approvers for cost transfers involving sponsored projects (PI can be the second approver);
  - Appropriate questions answered on the cost transfer form depending on lateness of the transfer;
  - PI approval for cost transfers past 90 days from the accounting date;
  - Hourly wage certification signature obtained

# Example of Hourly Wage Effort Certification

Department/Academic Unit:

Preparer Signature:

Name:

Date

Department Approver:

Name:

Department Approver Signature:

Date:

Untimely Requests approvals:

Principal Investigator:

Name:

Principal Investigator's Signature

Date:

Dept Chair/Dean's Office Signature (if required):

Date:

**Note:** By signing above, you are certifying that the cost to be transferred is an appropriate expenditure for the sponsored agreement charged and that the expenditure complies with the terms and restrictions governing that sponsored agreement.

Hourly Wage Effort Certifier:

Name:

Hourly Wage Effort Certifier Signature (required):

Date:

**Note:** By signing above, you certify that the bi-weekly hours being moved were worked on the receiving sponsored agreement and if you are certifying on behalf of this employee that you have first-hand knowledge of the work performed. I understand that falsification of effort statements may result in potential disallowed costs, penalties and/or actions under the federal False Claims Act.

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# Roles & Responsibilities for payroll cost transfers Cont.

- Payroll:
  - Adds Financial & Cost Accounting Services to the approval workflow for all payroll cost transfers (excludes chartstring changes w/in the same project);
  - Adds the Associate Controller to the approval workflow for all payroll cost transfer requests over 90 days from the accounting date;
  - Adds SPA Financial Administrator to the approval workflow if the project is ending within 30 days or has already ended;
  - Processes the cost transfer once all approvals have been obtained;

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# Roles & Responsibilities for payroll cost transfers

- Financial & Cost Accounting Services:
  - F&CAS will double check that requests are complete, contain two approvals, hourly wage certification approval and includes the PI approval if the transfer onto or between sponsored projects is past 90 days from the accounting date of the original payroll charges.
  - F&CAS approves all cost transfers in a timely manner once submitted with all appropriate backup documentation attached;
  - F&CAS works with Unit Administrator if corrective action is insufficient, the reason for the cost transfer is not considered a valid extenuating circumstance or if any other question regarding the cost transfer needs to be addressed.

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## Roles & Responsibilities for payroll cost transfers Cont.

- SPA - For transfers involving a project that is ending within 30 days or has ended:
  - SPA FA reviews if there are available funds for the transfer and approves cost transfers in a timely manner once submitted.
  - SPA FA works with Unit Administrator if the cost transfer is denied due to insufficient funding or if any changes to the cost transfer are needed.

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# What is a Cost Transfer Justification Form?

The Cost Transfer Justification Form:

- Describes why the expense was charged where it was originally.
- Why it needs to be moved.

If a late cost (>90 days), it also:

- Explains the extenuating circumstances that caused the delay.
- Describes what is being done to prevent the circumstances from happening again.

# Cost Transfer Justification Form for non-payroll transfers

- When creating the journal entry to perform a non-payroll cost transfer, the journal class entered will drive whether the Cost Transfer Justification form needs to be completed (if CSTTR>90 or CSTTR <90 is selected, it will be need to be completed) .
- Once the Journal Class is filled in, the Cost Transfer Justification tab will display and will need to be completed. Note that Questions #3 and #4 are answered only when it is a late cost transfer (>90 days):

Header	Lines	Totals	Errors	Approval	Cost Transfer Justification
Unit	UVM01	Journal ID		Date	02/01/2021
Principal Investigator					Last Updated By
Departmental Approver					Last Updated
Original Accounting Date	10/15/2020				02/09/21 11:12:33AM
<input checked="" type="checkbox"/> Late Cost Transfer: Check if this request > 90 days after the Accounting Date.					

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## Backup required for all non-payroll cost transfers

- **Monthly Budget Report (MBR)** showing the original transaction posted.
  - Main Menu > UVM Reports > Budget Reports > Monthly Budget Rpt – Projects
- OR
- **Operating Budget Report** if transferring from a department chartstring.



# Cost Transfer Justification Form for electronic payroll cost transfers

- When creating a retroactive salary distribution change involving sponsored projects (direct and cost share) the Cost Transfer tab will need to be completed for untimely changes. Fill out the original accounting date (payroll date) of the effort being transferred. If it is over 90 days check the box noted below and list all PIs of projects receiving the transferred cost in the text box and add them to the approval workflow.

The screenshot shows a web-based form with four tabs: "Salary Distribution Reqs", "Cost Transfer", "Comments/Notes", and "Approval". The "Cost Transfer" tab is active. The form contains the following fields and elements:

- Employee ID**: [Redacted]
- Empl Record**: 0
- Department**: 51030
- Fiscal Year**: 2021
- Request Date**: 02/17/2021
- Name**: [Redacted]
- Cost Transfer Justification** section:
  - Expenditures(s) being Transferred:** [Empty text box]
  - Original Accounting Date**: 10/15/2020 (highlighted in yellow)
  - Cost Transfer Request Timeliness:**
    - ☒ Request > 90 Days of Original Occurance of Transaction?
  - Principal Investigator(s)**: [Empty text box]
- Instructions:** All cost transfer requests must answer questions 1 and 2; all cost transfer requests more than 90 days from the accounting date of the original transaction must answer all 4 questions. Please provide a full explanation for the necessity of processing this cost transfer request by answering the questions below. If warranted, attach additional narrative.

Red arrows in the image point to the "Original Accounting Date" field, the "Request > 90 Days" checkbox, and the "Principal Investigator(s)" text box.

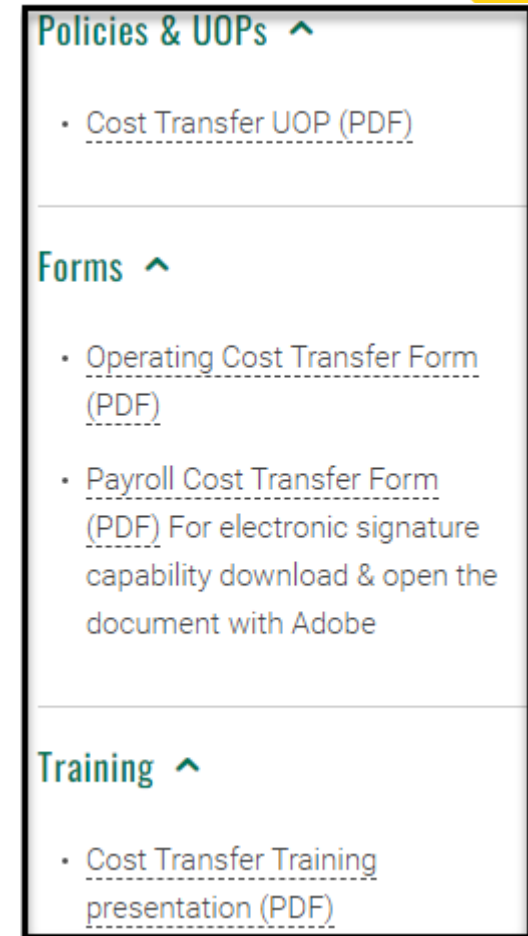
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# Backup required for payroll cost transfers

- Salary Distribution Changes:
  - These changes are entered in PeopleSoft HR, which includes tabs for the cost transfer form and the electronic workflow to include the second approver and PI (if required).
  - No additional backup documentation required.
  - See the [user guide](#) for steps on creating and submitting the salary distribution changes in PeopleSoft.

# Cost Transfer Justification Form for manual payroll cost transfers

- When submitting an hourly wage or additional pay cost transfer you will need to use the PDF cost transfer form found on the Division of Finance & Administration Cost Transfer website or the SPA Forms Library.
- Note: Download and save the form to allow the text boxes and signature fields to work properly.



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# Backup required for payroll cost transfers continued

- Electronic Additional Pay Form (eAPR) Changes:
  - Make a copy of the eAPR and mark it as “Revision Only to Combo Code” and the correct chartstring written below the old chartstring.
  - Re-sign and date the form.
  - Attach the completed [payroll cost transfer form](#) and submit all paperwork to [retro@uvm.edu](mailto:retro@uvm.edu)
  - See the [user guide](#) for more details on submitting Additional Pay Form changes.

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# Backup required for payroll cost transfers continued

- Wage Transfers:
  - The hours to be moved need to be downloaded to Excel from uv\_tl\_payable\_time\_detail query *(see [user guide](#) for more details on running a query, on documentation formatting, calculating and noting the hours and/or dollar amount to be moved and more).*
  - Must include a signature in the Hourly Wage Effort Certifier section.
  - The employee or the appropriate department personnel who has first-hand knowledge of the reasonableness of the effort revision must sign the certifying statement.
  - Attach the completed [payroll cost transfer form](#) and submit all paperwork to [retro@uvm.edu](mailto:retro@uvm.edu)

# Backup required for payroll cost transfers continued

- <https://www.uvm.edu/finance/user-guides>

## Payroll, Additional Pay, Retros & Salary Distribution, Time Entry & Approval ^

### • Payroll

- Out-of-State Form (PDF) - Employees must notify Payroll & Tax Services if they are living and/or working out-of-state.
- Reports and Queries (from PeopleSoft HCM) (PDF): This document covers information on the essential HR Reports and Queries for collecting data from PeopleSoft Human Resources.

### • Additional Pay, Retros, Salary Distribution - Used to process payment in prescribed circumstances within University policies, handbooks and collective bargaining agreements

- eAdditional Pay Form (Word)
- Additional Pay Workflow (PPT)
- Additional Pay Reason Code Definitions (Word)
- Electronic Salary Distribution Form for Initiators (PDF)
- Electronic Salary Distribution Form for Approvers (PDF)
- eAPF Revisions (PDF)
- Wage Transfer Guide (PDF)

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# Cost Transfer Form Questions and Appropriate Answers



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# Cost transfer form – helpful tips

## Keys to assist in completing the Cost Transfer Justification:

- Familiarize yourself with the types of transfers allowable.
- Read the questions carefully and be sure your responses address the questions.
- Refrain from extraneous information.
- Ensure responses are clear so that someone not familiar with the circumstances will understand the responses.
- Never use acronyms without identifying them.
- When referencing multiple projects, reference by project number, not name.





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## Cost transfer form – helpful tips

- **Question 1: Provide a brief explanation of the expense(s) being transferred and why the expense(s) was charged to the original chart string(s).**
  - The response should provide sufficient detail so that an independent reviewer can ascertain why the corrective action will satisfactorily address the reason for the error. A statement needs to be included that elaborates why the error was made, rather than just stating “to correct an error” or “to transfer to the correct account”.

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# Acceptable or not?

**Question 1:** Provide a brief explanation of the expense(s) being transferred and why the expense(s) was charged to the original chart string(s).

***Answer:*** *They were charged to current project while awaiting setup of new funding period.*

- This would not be an acceptable answer, as a sponsored project cannot be used as a holding account while awaiting future funding or setup. In this case it should have been charged to a departmental chart string or had an advance account established.

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## Cost transfer form – helpful tips

- **Question 2: Provide a brief explanation as to why each expense is appropriate and allowable to be transferred onto the proposed chart string(s). If multiple projects are involved, be sure to include project numbers.**
  - The response should provide sufficient detail to address the four guiding principles of allowability, allocability, reasonableness, and consistency. It needs to clearly explain why this expense is allowable and should be moved to the proposed chart string(s).

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## Acceptable or not:

**Question 2:** Provide a brief explanation as to why each expense is appropriate and allowable to be transferred onto the proposed chart string(s). If multiple projects are involved, be sure to include project numbers.

***Answer: To correct lab supplies charged due to a clerical error. The technician wrote down the wrong project number (034566) causing the supplies to be allocated to the wrong grant. This transfer corrects the error. These lab supplies are needed for the scope of project 034577 and have been approved by the sponsor in the proposal and are appropriate and allowable charge on the proposed chart string.***

- This justification would be acceptable. It states why and how the clerical error occurred and that it is considered an allowable expense on the proposed chart string.

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## Acceptable or not:

**Question 2: Provide a brief explanation as to why each expense is appropriate and allowable to be transferred onto the proposed chart string(s). If multiple projects are involved, be sure to include project numbers.**

***Answer: Moving expenses from department onto grant.***

- This justification would not be acceptable. The description should be expanded to explain how the charge benefits the grant being charged and why the charge was not originally posted to the grant.
- An acceptable response would be:
  - The start date of the grant is December 1. However, the chart string was not established in PeopleSoft until December 31<sup>st</sup>. The PI needed to purchase some materials to begin work as appropriate and allowable on the project in December, thus they were charged to the department until the chart string was established.

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## Cost transfer form – helpful tips

- **Question 3: For cost transfers > 90 days, select the extenuating circumstance from the dropdown box and explain the extenuating situation that caused the delay.**
- The response should provide sufficient detail on what extenuating circumstances warrant approval of the cost transfer request. It should also clearly explain the reason it was not able to be completed within the 90 days.

(Note: There is no dropdown box for electronic payroll cost transfer forms)

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## Acceptable or not?

**Question 3:** For cost transfers > 90 days, select the extenuating circumstance from the dropdown box and explain the extenuating situation that caused the delay.

*Answer: Due to other competing deadlines, expenses were not reviewed during the last quarter. During this quarterly review, the PI noted this expense was allocated incorrectly and should be charged to his other R01 grant.*

- This would not be an acceptable response, as it is not considered an extenuating circumstance that is outside of the departments control. Best practice is to review all grants at a minimum bi-monthly to catch any errors before they are over 90 days.

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## Acceptable or not?

**Question 3: Why is this cost transfer being requested more than 90 days after the accounting date of the original transaction and what extenuating circumstances justify this expense transfer?**

***Answer: The delay was due to ongoing negotiations between UVM and the sponsor. The grant start date was July 1st, but the agreement was not signed until October 10th. Once fully signed, we initiated the transfer of effort from the departmental chart string.***

- This would be an acceptable response, as it is clearly an extenuating circumstance that was beyond departmental control.
- Setting up an Advanced Account request would be an example of a corrective action for this scenario when answering question 4, otherwise it would be important to explain why an advanced account was not appropriate in this particular case.



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## Cost transfer form – helpful tips

- **Question #4. For cost transfers > 90 days, describe the corrective action taken that will assist in preventing the extenuation circumstance as outlined in your response to question #3 from recurring in the future.**
- The response should provide sufficient detail on what systematic corrective action has been instituted within the department/academic unit's business practice to prevent this type of error from occurring in the future. The corrective action should address the issue described in your answer to question 3.
  - ✓ If the award is set up months after the start date there should be a mention of why an advanced account was not appropriate for that particular award if effort was being applied to the award.

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## Acceptable or not?

- **Question #4. For cost transfers > 90 days, describe the corrective action taken that will assist in preventing the extenuation circumstance as outlined in your response to question #3 from recurring in the future.**

*Response: We now have a process to review grants in a more timely manner going forward.*

- This would not be an acceptable corrective action. It does not state how frequent or what type of review will be conducted. The response needs to clearly define what is being done to prevent this from re-occurring.

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## Acceptable or not?

**Question #4. For cost transfers > 90 days, describe the corrective action taken that will assist in preventing the extenuation circumstance as outlined in your response to question #3 from recurring in the future.**

*Answer: The PI and Unit Administrator plan to meet on a monthly basis instead of quarterly to review all expenses. This will give the PI and Unit Administrator time to process the transfer within 90 days if an error is discovered in the future. In addition, the administrative staff who process expenditures have been notified to verify with the PI or UA before processing future shipping charges.*

- This would be an acceptable corrective action. It clearly states the frequency of the review and how it will eliminate this error in the future. It also adds additional training to staff who are posting expenses against the grant.

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# Questions?

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# Resources for Answering Questions

- Sponsor Guidelines
- University Operating Procedures: <https://www.uvm.edu/policies/grants/costtrans.pdf>
- SPA Non-Payroll Cost Transfer Procedure: [https://www.uvm.edu/sites/default/files/Sponsored-Project-Administration/spa\\_non-payroll\\_cost\\_transfer\\_procedure.pdf](https://www.uvm.edu/sites/default/files/Sponsored-Project-Administration/spa_non-payroll_cost_transfer_procedure.pdf)
- Financial & Cost Accounting Services: <https://www.uvm.edu/finance/costtransfers>
- Non-Payroll Cost Transfer Form: <https://www.uvm.edu/spa/forms-library>
- Payroll Cost Transfer Form (use Microsoft Edge): [https://www.uvm.edu/sites/default/files/Division-of-Finance/Forms/cost\\_transfer\\_form.pdf](https://www.uvm.edu/sites/default/files/Division-of-Finance/Forms/cost_transfer_form.pdf)
- Payroll User Guides: <https://www.uvm.edu/finance/user-guides>
- NIH: [7.5 Cost Transfers, Overruns, and Accelerated and Delayed Expenditures](#)
- Uniform Guidance: [Subpart E - Cost Principles](#)

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# Educational Resources Available - NCURA

**The National Council of University Research Administrators (NCURA)** strives to make advances in the field of research administration through professional development, the sharing of knowledge, and by fostering a sense of community via multiple venues:

<https://onlinelearning.ncura.edu/> Tutorials, on-line publications, magazine, industry news are available to NCURA members

<http://www.ncura.edu/travelingworkshops/Home.aspx> These workshops are taught by experienced leaders in the areas of compliance, department research administration, global research management, post-award administration and pre-award administration; the expertise depends on the workshop.

<https://onlinelearning.ncura.edu/free-resources> Education available to the public at no cost, NCURA membership is not required

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# Educational Resources Available - RACC

**Research Administrators Certification Council (RACC)** is an independent non-profit organization composed of active certified research administrators whose role is to certify that an individual, through experience and testing, has the fundamental knowledge necessary to be a professional research or sponsored programs administrator.

<http://www.cra-cert.org/>

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# Educational Resources Available – Federal

**Federal Demonstration Partnership (FDP)** is a cooperative initiative among 10 federal agencies and 154 institutional recipients of federal funds and is a program convened by the Government-University-Industry Research Roundtable of the National Academies. Its purpose is to reduce the administrative burdens associated with research grants and contracts. Many institutions utilize FDP's templates, including one for outgoing subawards <http://thefdp.org/default/subaward-forms/>

**National Institute of Health** publishes YouTube videos which cover all sorts of information relevant to NIH grants <https://www.youtube.com/user/nihgrants>



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## Educational Resources Available - Other

Some universities have developed educational videos on various aspects of sponsored research administration, which they make accessible to the public. **Vanderbilt University** offers a “Getting Started in Sponsored Research” series of webinars at no cost. <http://www.vanderbiltlinkages.org/gssr-1/>

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**Thank you for attending!**