



UMBC POLICY ON COST TRANSFERS

UMBC Policy #VIII.7.00.01

I. POLICY STATEMENT

The UMBC community will have access to a University Policy on Cost Transfers for Sponsored Research Activity.

II. PURPOSE FOR POLICY

This policy on the timeliness of cost transfers is intended to define the conditions under which the timely adjustment or correction of financial records and the proper documentation of those adjustments and corrections are to be made.

III. APPLICABILITY AND IMPACT STATEMENT

This policy applies to all University departments with active awards. Positions with responsibilities relative to this policy include:

1. Principal Investigators
2. Department Administrators/ Business Managers
3. Contracts & Grants Accounting personnel

Training is available for Department Administrators via DRATT certification. Effort Report training for P.I.'s and Payroll retro training for Payroll Preparers is available through Financial Services. Procedures for Cost Transfers are available through:

<http://cga.umbc.edu/files/2017/06/Cost-Transfer-Procedures-on-Sponsored-Projects.pdf>

Specific areas of responsibility are detailed in the Cost Transfer Procedures document at:

<http://cga.umbc.edu/files/2017/06/Cost-Transfer-Procedures-on-Sponsored-Projects.pdf>

This policy applies only to the transfer of expenses, not revenues or other account types.

IV. CONTACTS

Direct any general questions about this University Policy first to your department's administrative office. If you have specific questions, call the following offices:

Subject	Contact	Telephone	Email
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Policy Clarification	Director of Contract & Grant Accounting	410-455-1503	tross@umbc.edu

V. UNIVERSITY POLICY

Cost transfers must be done within 90 days of the error or within prescribed terms & conditions after the end date of a grant in accordance with:

A. NIH Grants Policy Statement terms and conditions which govern NIH grant awards
http://grants.nih.gov/grants/policy/nihgps_2010/index.htm

B. OMB 2 CFR Part 220 which determines costs applicable to research and development, training and other sponsored projects
http://www.whitehouse.gov/sites/default/files/omb/assets/omb/fedreg/2005/083105_a21.pdf

C. OMB 2 CFR Part 215 which establishes standard administrative requirements for federal grants and agreements
http://www.whitehouse.gov/omb/circulars_a110/

D. OMB Circular A – 133 which details standards for obtaining consistency and uniformity for the audit of States, local governments, and non-profit organizations
http://www.whitehouse.gov/sites/default/files/omb/assets/omb/fedreg/2005/083105_a122.pdf

If the current UMBC Policy is not followed resulting in a deficit on a closed project/grant, Contracts & Grants Accounting will transfer the deficit to the associated departmental budget or DRIF account. Extenuating circumstances allowing an extension are discussed in Procedures for Cost Transfers.

VI. DEFINITIONS

Cost Transfer	A cost transfer is the movement of costs from one chartstring to another to correct or align a cost error or a payroll distribution with after-the-fact effort certifications. All attempts should be made to charge costs correctly with the original posting. However, when cost transfers are necessary, they must be adequately documented and performed timely. Non-payroll cost transfers are accomplished through a journal entry. Payroll cost transfers are accomplished through a retro in the Peoplesoft system.
Original Transaction	For nonpayroll cost transfers, the date of the original transaction for purposes of this policy is the posting date of the initial charge in UMBC’s Peoplesoft financials. For payroll cost transfers, the date of the original transaction for purposes of this policy is the begin date of the initial pay period or the payroll charges being transferred.
Retro	Process used to transfer payroll expenditures to the appropriate chartstring. Departments complete the Retro Request form indicating the specific

	period and specific dollar amounts to be transferred. Upon approval Financial Services payroll will enter the information into the UMBC Peoplesoft system.
JE's	Nonpayroll cost transfers should be processed by Journal Entry (JE).
Responsible Administrator	The Vice President or senior administrator charged with the responsibility for creating, implementing, updating and enforcing University Policies as required in his/her area of administrative authority.
Responsible Department or Office	At the direction of the Responsible Administrator, the Responsible Department or Office develops and administers policies and procedures and assures the accuracy of its subject matter, its issuance, and timely updating.

VII. PROCEDURES

http://www.umbc.edu/FinancialServices/Grants/UMBC_Cost_Transfer_Procedures.doc

VIII. DOCUMENTATION: *None*

IX. RESTRICTIONS AND EXCLUSIONS: *None*

X. RELATED ADMINISTRATIVE POLICIES AND PROCEDURES:
Effort Reporting Policy
Cost Transfer Procedures

XI. RELATED LINKS:
http://www.umbc.edu/FinancialServices/forms_page.htm
http://www.umbc.edu/FinancialServices/Grants/UMBC_Cost_Transfer_Procedures.doc

Policy Number: UMBC VIII.7.00.01
Policy Section: Fiscal and Business Affairs
Responsible Administrator: Director of Contracts & Grants Accounting
Responsible Office: Office of Financial Services
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