

Cost Transfer Justification Form Purpose and Overview

Any cost that is first charged to one UO account and later changed to be moved onto or off of a grant is a sponsored projects cost transfer. Although cost transfers are a necessary and required component to managing sponsored projects, they should be kept to a minimum and always incorporate adequate documentation of the cost and grant benefit with clear, detailed explanations.

To the greatest extent possible, cost transfers should be processed as soon as the need for the transaction is identified. Cost transfers taking place more than 90 days after the original transaction are considered “late” and require additional documentation as they are of high audit risk. Late transfers should only be processed under exceptional circumstances, and must be accompanied by a completed Cost Transfer Justification Form to ensure the justification for the transfer is well documented.

The guidance below is intended to help Departmental Grant Administrators and Principal Investigators adequately complete the form to facilitate approval and processing by Sponsored Projects Services.

SPS Guidance: Cost Transfer Justification Form

Question	Instructions/Guidance
<p>1. What is the reason for the cost transfer? (Hot Button)</p> <p>Please provide a detailed summary explaining your selection and how the error occurred. (Text)</p>	<ul style="list-style-type: none"> • Use the Hot Button to provide the reason for the transfer at a high-level from the following options: <ul style="list-style-type: none"> ○ Correction of an erroneously charged expense ○ Allocation of costs that benefit more than one award ○ Transfer pre-award costs from a departmental holding account ○ Reallocate estimated effort to reflect actual effort ○ Other (Provide Details) • The text box <i>must</i> be used to provide more detail and explanation for the reason. Restating “to correct an error” will not be accepted. • Be specific – use grant numbers, titles, names, dates, etc.
<p>2. Please provide the original posting month and year (Drop Down Fields) AND explain the extenuating</p>	<ul style="list-style-type: none"> • The Drop Down should be populated with the original posting month and year for the original transaction • For transfers spanning multiple months (such as labor transfers for an entire quarter), enter the first posting

<p>circumstances causing this cost transfer to take place outside the standard time frame. (Text)</p>	<p>period incurring the charge</p> <ul style="list-style-type: none"> • Use the text box to explain why the transaction is being processed so late. • Units (PIs and DGAs) should be regularly reviewing sponsored activity at least quarterly, so statements that the error was just discovered should be at a minimum.
<p>3. If transferring a charge onto a sponsored project, please justify why the charge should be transferred to the proposed receiving award and explain the proportional benefit to the receiving award.</p>	<ul style="list-style-type: none"> • This question only needs to be completed if the cost transfer is debiting a sponsored project. • No charge should be moved onto a sponsored project without a solid justification for how that project benefits proportionally to the charge being transferred. • The statement should specifically state what benefit the project received, and if the transfer is only moving a portion of the cost, how that percentage was determined and how it relates to relative benefit. • Be specific - reference specific projects, costs, items, names, etc.
<p>Signatures...</p>	<ul style="list-style-type: none"> • The Principal Investigator and Department Head must approve and sign off on the transfer. • SPS will accept a scanned or faxed copy of the form if the PI or Department Head is not easily available for signature. Email approvals will also be accepted. • If the PI is unavailable for signature, a unit head signature will be accepted provided they have knowledge of the award's activities significant enough to support the change • A form will not be accepted with the same Preparer, PI and Unit Head signature. At least two unit-based individuals are required to sign-off on the transfer.