

COLUMBIA UNIVERSITY POLICY ON SPONSORED PROJECT COST TRANSFERS

Effective Date: March 31, 2017

Executive Summary

In accepting a grant or contract from a governmental agency, private foundation, or industry or other sponsor (“Sponsored Project”), the University is obliged to comply with a number of rules and regulations promulgated by that sponsor. Among those obligations is the requirement that expenditures related to such sponsored projects are properly allocated and documented. These expenditures, or “costs,” include the salaries of faculty and staff working on the sponsored project as well as supplies, equipment, travel, and other expenses.

Faculty and staff must make every effort to allocate sponsored project costs to the appropriate project (s) at the time the costs are incurred. However, in certain circumstances, it is permissible to transfer costs from one project to another (“Cost Transfer”). Such cost transfers to sponsored projects are allowable only when:

- There is a direct benefit to the project being charged; and
- The cost transfer is accompanied by appropriate documentation.

Cost transfers to sponsored projects must be prepared and submitted within 90 days following the end of the month in which the original charge was posted to a University project. Thereafter, cost transfers to sponsored projects will not be permitted except in extenuating circumstances. Cost transfers which remove expenditures from sponsored projects are not subject to the 90 day time limit, and must be processed at any time that it is determined that an expenditure charged to a sponsored project is not appropriate to that project.

Reason(s) for the Policy

To provide guidance to Principal Investigators and others responsible for the administration of sponsored projects on the requirements for cost transfers.

Primary Guidance to Which this Policy Responds

Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”)
NIH Grants Policy Statement 12/03

Revision History

Previous versions dated January 1, 2007; April 15, 2011; July 9, 2012; November 1, 2015; March 31, 2016

Responsible University Office

Office of the Controller

Who is Governed by This Policy

Faculty and Staff who are responsible for authorizing, processing and monitoring charges to sponsored projects.

Who Should Know This Policy

- .. All persons governed by this Policy [see above]
- .. Departmental Administrators and other departmental staff
- .. Deans and Departmental Chairs
- .. Office of Research Administration staff
- .. Office of the Controller staff

Exclusions & Special Situations

None. This Policy applies to cost transfers to all sponsored projects, whether awarded by governmental or non-governmental sponsors.

Policy Text

In assigning charges to Sponsored projects, whether the charges are for salaries or other costs, faculty and staff must make every effort to allocate those costs to the appropriate project (s) at the time the costs are incurred. However, in certain circumstances, it is permissible to transfer costs from one project to another (“Cost Transfer”). This Policy provides guidance on the allowability of Cost Transfers.

A. Cost Transfers that Are Not Allowable

Certain Cost Transfers are not allowable under any circumstances. In particular, costs allocable to a particular sponsored project may not be transferred to other sponsored projects:

- To correct deficiencies caused by overruns or other funding considerations;
- To avoid restrictions imposed by law or by terms of the Sponsored Project; or
- For other reasons of convenience.

At no time should sponsored projects be used to “park” charges which will subsequently be transferred elsewhere, including to competing or non-competing continuations of the same project for which the notice of award or the new project has not been received.

In addition, costs may not be transferred to a sponsored project merely because there are unexpended funds available which would otherwise be returnable to the sponsor.

B. Cost Transfers that May Be Allowable

Sponsored Projects Finance of the Office of the Controller (“SPF”) determines whether a cost transfer is allowable. There are three prerequisites for SPF to find a cost transfer to be allowable:

- The Cost Transfer must reflect a direct benefit to the Sponsored Project being charged;
- The Cost Transfer must comply with both the University’s policies and the sponsor’s terms and conditions; and
- The Cost Transfer must be fully documented, as discussed in subsection D below.

C. Timing of a Cost Transfer

A cost transfer should be processed as soon as it is determined that an adjustment is necessary. Federal guidelines provide that cost transfers should be accomplished within 90 days; accordingly, cost transfers to sponsored projects requested beyond 90 days following the end of the month in which the original charge was initially recorded are strongly discouraged, and will not be

permitted except in extenuating circumstances.

Extenuating circumstances DO NOT include:

- Absences of PI or responsible administrator
- Shortage or lack of experience of staff

Cost transfers should be submitted within one month of project set up/extension.

D. Required Documentation Supporting a Cost Transfer

The form of documentation necessary to support a cost transfer depends on the type of cost being transferred, and is described below. In all cases, documentation that merely states that the cost transfer is being made “to correct an error”, “to transfer a cost to the correct Sponsored Project” or similar explanation is not sufficient as an explanation for the request.

Non-salary Costs: Cost transfers to a sponsored project made after the charge is posted must be accompanied by appropriate transfer documentation (“Documentation”).

Documentation for non-salary costs must include:

- A description of each specific expense being transferred, including why and when the original cost(s) were incurred;
- An explanation as to why the sponsored project to which the transfer is being made was not originally charged; and
- An explanation of why it is appropriate to now charge that sponsored project.

Salary costs: Any salary cost transfer on the Sponsored Project must be accompanied by appropriate written documentation that provides justification explaining how the error occurred as well as a certification that the new charge is correct. This includes any cost transfers processed through the Retroactive Salary Distribution function in PAC. The written documentation must be maintained by the department and must be available for audit or review upon request. Additionally, grant specific information must be included in the justification comments in the online transfer request. The documentation is subject to the University Record Retention policy.

Additional Requirements for Cost Transfers Requested after 90 days

Documentation of cost transfers requested more than 90 days after the initial posting of the charge must further include an explanation of why the cost is being transferred at such a late date in order to be considered. As previously noted, such transfers will not generally be permitted.

E. Illustrative Examples

The following list of examples illustrates circumstances in which a cost transfer may be allowable:

- To correct errors due to the untimely receipt of information by the University (e.g., late notice of award);
- To reallocate effort based on actual effort levels;
- To correct salary distribution estimates;
- To move pre-award costs to the appropriate project, in accordance with OMB Uniform Guidance;
- To correctly allocate costs benefiting more than one project;
- To correct clerical and bookkeeping errors;

- To remove unallowable charges;
- To remove out-of-period charges.

The following list of examples illustrates acceptable forms of documentation for salary cost transfers:

- Completed Cost Transfer Documentation Template (Appendix A) including a robust description of why the transaction was initiated (similar to PAC justification requirement)
- Email communications from Principal Investigators documenting the request for salary distribution updates
- Notes documenting discussions/adjustments identified as part of the quarterly review of grant expenditures with the Principal Investigator (see Appendix B)
- Written comments or email communications referencing the required salary allocation adjustments from the Principal Investigator included with the quarterly review certification
- Notes documenting discussions with the Principal Investigator
- Email communication between departmental administrators documenting effort allocations on grants owned by another department, presumes detail support related to PI authorization exists with the originating department

The following provides additional guidance as to information the justifications included in PAC must contain:

- For transactions to clear suspense: indicate grant to which effort is being allocated and the reason why amounts were posted to suspense. For example:
 - To clear suspense due to a delay in the [set-up, receipt of award notification, receipt of no-cost extension, etc.] related to project GGXXXX. PIN Notification received on XX. Distribution approved by PI XXXX [via email/meeting] on YY Date.
- For transactions to adjust effort: indicated the project for which the effort is being adjusted, the reason for the adjustment and who approved the adjustment. For example:
 - To adjust effort on project GGXXXX to reflect [actual effort, updated distribution due to receipt/termination of project GGXXXX] as approved by PI XXXX [via email/meeting] on YY Date.

Contacts

Tamara Hamdan, Executive Director, SPF (non-salary transfers)

Kristi Bazata, Director, RPIC (Salary related transfers)

Cross References to Related Policies

Columbia University Policy on Effort Reporting

Columbia University Policy on Financial Reporting and Closeout of Sponsored projects

Columbia University Policy on Record Retention

Web Address

<http://policylibrary.columbia.edu/sponsored---project---cost---transfers>

Appendix:

Appendix A: Columbia University Cost Transfer Documentation Template

Appendix B: Columbia University PI Quarterly Review Documentation Template

If any URL in this PDF document does not open into a webpage, please copy and paste the URL into another web browser window. You may also choose to save the PDF to your computer and open it with the most recent version of Adobe Acrobat: <http://get.adobe.com/reader/>. For further assistance, please call the CUIT Service Desk at 212-854-1919.

Appendix A:

COLUMBIA UNIVERSITY
COST TRANSFER DOCUMENTATION TEMPLATE

Cost Transfer Request Prepared By: _____

Employee: _____

Date of Cost Transfer: _____

Nature of Cost Transfer:

New Hire: Y/N _____ Reappointment: Y/N _____

Clear Suspense (please check one option below):

- Manual
- Retro Salary Distribution

Projects/Pay Dates Impacted: _____

Adjust Effort Reporting (please check one option below):

- Manual
- Retro Salary Distribution

Projects/Pay Dates Impacted: _____

For Retro Salary Distribution Transactions:

Effective Date of Revised Salary Distribution: _____

Existing Salary Distribution:

Revised Salary Distribution:

Justification:

Transfer Approved by PI(s): _____

Date of Discussion: _____

Additional Details: _____

Preparer's Signature: _____ Date: _____

Processed by: _____ Date: _____

Location Documentation Retained: _____

Appendix B:

COLUMBIA UNIVERSITY
PI QUARTERLY REVIEW DOCUMENTATION TEMPLATE

PI: _____

DA: _____

Period: _____

Grants: _____

Date of Discussion: _____

Notes:

Effort Adjustment Required (please check one option below)?

Yes No

Details:

Expense Adjustment Required (please check one option below)?

Yes No

Details:

Entries Processed: _____

DA's Signature: _____ Date: _____

Location Documentation Retained: _____