

## **USM OFFICE POLICY ON COST TRANSFERS**

### **I. POLICY STATEMENT**

This policy governs appropriate treatment of 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 USM Office staff with active awards. Positions with responsibilities relative to this policy include:

1. Principal Investigators
2. Project Managers
3. Grant Accountant

### **IV. DEFINITIONS**

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. Cost transfers are accomplished through journal entry.

### **V. CONTACTS**

Direct any general questions about this USM Office Policy to the Office of Academic Affairs. If you have specific questions, please contact the Comptroller.

### **VI. USM OFFICE POLICY**

Cost transfers should take place within one year 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>
- B. OMB 2 CFR Part 220 which determines costs applicable to research and development, training and other sponsored projects.  
<http://www.whitehouse.gov>
- C. OMB 2 CFR Part 215 which establishes standard administrative requirements for federal grants and agreements.  
[http://www.whitehouse.gov/omb/circulars\\_a110](http://www.whitehouse.gov/omb/circulars_a110)
- D. OMB Circular A-133 which details standards for obtaining consistency uniformity for the audit of State, local governments, and non-profits organizations.  
<http://www.whitehouse.gov>

If the current USM office Policy is not followed resulting in a deficit on a closed project/grant, the Office of Financial Affairs will transfer the deficit to the associate departmental budget account.

**VII. PROCEDURES**

- A. The procedures associated with Cost Transfers on Sponsored Agreements can be found at  
<http://www.usmd.edu/usm/adminfinance/finafair>

**VIII. DOCUMENTATION: None**

**IX. RESTRICTIONS AND EXCLUSION: None**

**X. RELATED ADMINISTRATIVE POLICIES AND PROCEDURES: USM Office Post Award Management Guidelines and Procedures.**