

ADMINISTRATIVE POLICY**Cost Transfers for Federally-Sponsored Awards****Effective as of:**
November 1, 2019

Approval Authority:	Vice Chancellor of Administration
Responsible Administrator:	Director, Office of Contract and Grant Accounting
Responsible Office:	Office of Contract and Grant Accounting
Policy Contact:	Office of Contract and Grant Accounting

POLICY STATEMENT

This Cost Transfer Policy ensures that a direct cost transferred to a federally-sponsored project, after it was initially charged to another sponsored project or a non-sponsored project or COA, complies with sponsor terms and conditions, regulations, and University policies.

Vanderbilt expects that the resources with which it is entrusted are managed in a timely and responsible fashion, and in accordance with federal regulations for sponsored awards and generally accepted accounting principles (GAAP). In certain circumstances, a charge may be posted to an incorrect federally-sponsored award. When this happens, a correcting adjustment is required to move the cost to the correct COA or project.

This policy complements and works in conjunction with the University's policy on *Retroactive Reallocation of Costs*.

REASON FOR POLICY

Various government agencies have published cost transfer policies. They generally include specific requirements for written documentation, specific time limitations for making a transfer, and prohibition on transfers used solely to cover a project deficit or use up funds at the end of the award period. Transfers that are frequent, tardy or inadequately explained, particularly on awards with overruns or unexpended balances, raise questions about the propriety of the transfers and the reliability of the university's internal controls. This policy provides the foundation and guidance that should be adhered to when managing federally-sponsored awards as it pertains to cost transfers.

POLICY SCOPE

All federally-sponsored grants, contracts, cooperative agreements, traineeships, etc. are subject to this cost transfer policy. Subcontracts from other entities (universities, local government units, states, etc.) which are funded by federal agencies are subject to the same regulations as federally-sponsored awards made directly to Vanderbilt. Drug studies and fixed price contracts may have greater flexibility. This policy may not

cover all instances and you are urged to contact the Office of Contract and Grant Accounting if you are not sure of the appropriateness of a requested cost transfer.

This policy applies to all federally-sponsored awards, and should be understood by all University employees responsible for accounting transactions, including Principal Investigators (PIs), Grant Managers, Departmental Managers.

POLICY

All cost transfers **to** federally-sponsored awards should be made within 90 days of the original charge being recorded/posted to the general ledger or PPM sub-ledger. Any cost transfer **removing** expenses from a federally-sponsored grant or contract must be made without regard to this time limit. Only in extenuating circumstances, will a cost transfer putting cost **onto** a federally-sponsored award will be appropriate beyond the 90 day period. Such transfers will be subject to increased scrutiny.

The cost to be transferred must be shown to benefit and be allowable under the terms of the federally sponsored grant/contract receiving the charge.

Justification and documentation must accompany the cost transfer request. Implicit with the submission of the cost transfer package, the department is affirming that the requested changes are an appropriate expenditure for the federally-sponsored award being charged and that the expenditure complies with the terms and restrictions governing the federally-sponsored award being adjusted. See the **Procedures** document for specific requirements.

DEFINITIONS

Cost Transfer - For the purposes of this policy, a cost transfer is defined as the transfer of an expense to a federally-sponsored project after it was initially charged to another sponsored project or non-sponsored project or COA.

Note: Expenses that are transferred within the same federally-sponsored award or to a non-federally sponsored award or COA are not considered cost transfers.

PROCEDURES

Procedures to request and process a cost transfer on sponsored award are outlined <https://www.vanderbilt.edu/ocga/docs/vupolicies>.

FREQUENTLY ASKED QUESTIONS

FAQs related to this policy are outlined <https://www.vanderbilt.edu/ocga/docs/vupolicies>.

ADDITIONAL CONTACTS

Subject	Contact/Position	Phone	Fax/Email
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Policy Issuance	Director, OCGA	615-343-6655	ecrtsupport@vanderbilt.edu
Policy Questions	OCGA	615-343-6655	ecrtsupport@vanderbilt.edu

RELATED POLICIES/DOCUMENTS

Federal Uniform Guidance – <https://www.ecfr.gov>

NIH Grants Policy Statement – <https://grants.nih.gov/policy/index.htm>

NSF Requirements – <https://www.nsf.gov/bfa/dias/policy/>

VU Retroactive Reallocation of Costs Policy –
<https://finance.vanderbilt.edu/policies/index.php>

HISTORY

Issued: 03/01/2005

Last Amended: 01/01/2018

Latest Update: 11/01/2019

***Disclaimer:** The policies and procedures that guide practices are intended to assist in consistent administration and compliance. Vanderbilt reserves the right to modify its policies and practices, in whole or in part, at any time. Revisions to existing policies and procedures, and the development of new policies and procedures, will be made from time to time at the discretion of the University. When new policies are implemented or existing policies are revised, the University will notify members of the University community as soon as practicable. However, where differences occur, the most recent policy as reviewed and approved by the University will take precedence.*