

Cost Transfer Checklist for Sponsored Research Awards/Projects

(Last Revised: 5/19/08)

Cost transfers should be in accordance with University procedures ([8-20](#), [8-21](#), & [8-22](#)) and charges should only be transferred to sponsored program awards if they meet the following criteria:

- Charges must have been incurred to meet the objectives of the specific sponsored research project and within the project start and end dates
- Charges must be allowable under the terms and conditions of the award and in accordance with federal and sponsor guidelines
- Charges must be allocable and reasonable
- Cost transfers may not be used to correct a deficit by transferring charges to another sponsored program award. Cost overruns on federal awards should be counted as cost share and identified as such in the comment field
- Cost transfers should be made at the direction of the Principal Investigator who owns the projects affected
- The reason for the transfer should be properly documented as detailed below, in the comment field

Cost transfers will be processed by OSP in accordance with the published Cost Transfer Schedule found on the Accounting Services website: <http://www.virginia.edu/finance/genacct/>

OSP will do the following on the morning of the deadline, run and print the Cost transfer Discoverer report. Once report is printed, highlight any cost transfer batch that involves “G” awards, and review according to the specifications below. The list below covers the majority of what is reviewed, however it is not meant to be all inclusive and exceptions could arise.

Review criteria guidelines:

- Verify that the cost transfer is not a retro. If the transfer date is more than 90 days from the date of your report, then the batch is considered to be a retroactive transaction and the retro approval number is required. If it is a retroactive cost transfer, then the batch must have a retro approval number from OSP identified in the comment field for it to go through. If there is a retro approval number verify that the approval is no more than 30 days old. If it is older than 30 days, consider it expired and the cost transfer is invalid and should be rejected.
- Verify the expenditure comment field. The user must include a description/explanation justifying the transfer of charges in the expenditure comment field. This should include the reason for the cost transfer and why this charge is appropriate for the grant to which it is being moved. The expenditure comment field must also include the original transaction reference information, the original expenditure item date, as well as the original transferred date. Make sure the batch is doing exactly what the expenditure comment has specified. Please be very specific and use the paper clip feature to attach as much detail as necessary. If the paper clip is used, note this in the comment field so OSP is aware of it.
- Check to see if an internal service provider is processing the batch. If so, then the expenditure comment field must include the time frame (month and year e.g. June 2001) when the charge was incurred. In the case of an internal service provider the expenditure item date must be the last day of the billing cycle. Internal service providers are expected to bill no less frequently than monthly to insure timely posting of expenditures to sponsored research award/projects.
- Verify that the expenditure item date matches the date identified as the expenditure item date in the expenditure comment field.
- Verify that there are no one-sided entries.
- Verify that the batch balance nets to zero.

- Check for Cost sharing – If the award purpose on the award identifies federal funds and if the batch is crediting a “G” award, and if the comment says that the cost transfer is to clear deficit, correct an overrun, etc. this is cost sharing and should be noted in the expenditure comment field. The phrase “cost sharing” should be in the 1st line of the cost transfer comment field. If the funds are non-federal then the phrase “deficit overrun” should be in the 1st line of the cost transfer comment field. **Remember, you cannot transfer expenditures from sponsored research grant to another sponsored research grant to clear a deficit.**
- Verify all data in the expenditure batch are filled in appropriately.
- Verify that if a cost transfer is being done between “G” awards, that it appears to be a valid transfer and that the description makes sense, again use the paper clip if more details is necessary. Things OSP will review, is the Principal Investigator the same on each “G” award? Is the transfer being made in the last 90 days of the grant? These transfers need to be auditable and withstand scrutiny, so detail is imperative.
- Check for F&A transfers. If an F&A transfer batch has been done, it should have been done by an OSP accountant. If it is not an accountant’s ID in the batch name then the batch will be rejected.
- Check for expenditure credits. If an expenditure credit batch has been done, it should have been done by A/R personnel. If it is not an AR person’s ID in the batch name then the batch will be rejected.
- Check for Salary Expenditure Types- Dorothy Moyer from Payroll is the ONLY person authorized to process LD Expenditures via the cost transfer mechanism and this would be rare.
- Review the Cost Accounting Standards (CAS) information to see examples of Items Not Typically allowed on Federal Awards. <http://www.virginia.edu/sponsoredprograms/casonlinedoc.html> Check for CAS violations. If you see postage, memberships, office supplies, or “svcs, telecom, cell, internet” as the expenditure type, be sure the funds are non-federal. If the funds are federal, then be sure that the project start date is after 1/3/05, as this is when OSP implemented transaction controls. If these expenditure types are being used on federal awards, there must be an approved CAS exemption form in OSP files.
- Verify expenditure type. For example, the expenditure type that is being used to put the charge on the grant should always be a valid expenditure type and accurately represent the type of cost. In other words, you should not see “internal service provider” for example, being used to charge the grant. You should see a valid expenditure type such as “Supplies, Lab”, etc. You should not see “Supplies, Lab”, for office supply costs. University expectation is that when the transfers are done for these types of expenditures, the person doing the cost transfer batch will use the appropriate and correct expenditure type to post the charge to the Award/Project. For P-Card charges the appropriate expenditure types should be chosen during the review window allowed by Procurement Services, cost transfers should not be necessary if this classification of the P-Card charges is done appropriately.
- Stipends are to be paid through the Student system. Cost Transfers should not be used by default to pay stipends.
- Tuition Remission refers to the In-State Tuition and Required Fees (Tuition Remission means that tuition is being paid by some source other than the student.) All GTAs, GRAs, and GAAs holding at least a half-time appointment (.125 FTE) qualify for Tuition Remission. Tuition Remission applies to both in-state and out-of-state students and can be charged to all types of federal awards as long as the sponsor allows tuition charges, and is exempt from F&A charges. Persons name must be included. Remember, tuition remission should be charged in proportion to the sources of pay involved. As the individual is paid, so should the tuition remission be charged.
- Tuition Adjustment- This is the difference between in-state and out-of-state tuition for eligible GTAs, GRAs, and GAAs. Out-of-State Tuition Adjustments cannot be paid from a grant except Training Grants. Person’s name must be included.
- Tuition charges for Tobacco Commission awards – They are to use the last day of the course as the EID date. There will be no original transfer information on these charges.

- As a rule, you cannot transfer charges from your agency “YY” account to your University award. This would be viewed as an attempt to avoid University procurement regulations. There are some valid exceptions when the charge originated in the University system. For example, Procurement services posting to YY suspense accounts. In this case you must provide reference #, date, and an explanation. You have to look at the transaction number if it begins with #HSF it did not originate in Oracle. It should have a LPO# or an Oracle Grants Accounting cost transfer “usage” batch that ID's it as from UVA. Cost transfers are allowed to do billings, in which case, the credit in the transaction should be a REVENUE or a RECOVERY expenditure type. It is also okay to use the YY as a “suspense” account and have cost transfer batches which DEBIT those awards. You may also see the YY identified as a suspense account where OTPS or LD charges have posted to it and now these must be credited off. This also holds true of transfers from one agency to another such as Medical Center to University Accounts. A valid reference number is either an invoice #, PO#, or voucher #. There are few exceptions to this, but they do exist for HSF.
- All Cost Transfers will be rejected (stopped) if the EID has been changed. This causes severe audit risks to the University. The only exception to this is for Tuition charges as documented.
- Copy and printing charges are generally allowed as long as they can be specifically tracked to the award by a card system or log. It is the department’s responsibility to insure an auditable tracking system is in place for copy/printing charges.
- If you have questions or run into things that don’t make sense or you need guidance, do not ignore the concern, contact the accountant who is identified on your award as the award manager and on the project as the project manager.

OSP will do the following as part of the review of cost transfers:

1. Reviewer will initial the top right hand corner of each page of the report.
2. If everything appears to be in order, review will place a check mark (√) by the batch name which indicates to Accounting Services the batch has been reviewed and OSP has approved its release.
3. If issues are discovered, OSP will indicate the appropriate “rework” code(s) from the list below under the batch name on the report and will send out an email to the person responsible for the cost transfer batch.
4. For batches that are processed by OSP accountants, OSP will indicate that the Director of Award Management and Accounting will release these batches, so that the Director of Accounting Services does not.
5. Once all verifications are complete, OSP will send an electronic copy of the report to osp-cost-transfer@virginia.edu, to retain in our office, and will deliver the hardcopy to the Director of Accounting Services or his/her designee.

List of “Rework” Codes

1. When transferring a cost you must include the original reference information and a description/explanation of what you are trying to do in the expenditure comment field. Therefore one or more of the following information is missing in your expenditure batch comment field(s);
 - Expenditure Item Date (EID :)
 - Transferred Date (TD :)
 - Transaction Number (Trans# :)
 - Comment -- Description/explanation of what you are trying to do.
 - Comment -- Address the basis of your direct allocation, as well as allowability and reasonableness, if this relates to a “G” award.
 - Comment -- Include the name of the traveler and associated event, if this relates to a “G” award.
2. The Expenditure Item Date in the “Expenditure Comment” Field does not match the date in the “Expenditure Item Date” Field.

3. If an item has been moved via a cost transfer more than once, you must include the original reference information and identify it as such, so that the first expenditure item date and transfer date are obvious. You cannot use the latest cost transfer batch information.
4. Retroactive cost transfers should follow OSP procedure and a retro request approval number should be included in the expenditure comment field. This is required for all “G” awards that are now more than ninety (90) days after the original transfer date.
5. Batch should always balance to zero.
6. You should not enter any one sided entries.
7. You should never be changing expenditure types between sides of the transaction. In other words, if you credit one project for office supplies, you should be debiting the other project for office supplies.
 - The main exception to this is the procurement card. In this case make sure you include in the explanation field that you are “redistributing procurement card charges to the correct expenditure type”. However, please remember to redistribute p-card charges during the period provide by Procurement each month.
 - Correcting an error in the original expenditure type is the other reason for changing the expenditure type. However, please include in the comment field “correcting the expenditure type and why the wrong expenditure type was used to cause this error”.
8. Never use any of the expenditure types that start with ‘Expenditure Credit...’ These are only for use by the Revenue Collection Department when processing expenditure credit deposits.
9. Never use salary expenditure types. These adjustments must be processed in LD.
10. Cost transfers are not the way to fund or budget another project. This is accomplished with Award/Project linkages and funding of the project.

AGENCY AND MEDICAL CENTER

11. You cannot transfer charges from your agency ‘YY’ accounts to your University Award accounts. This would be viewed as an attempt to avoid University procurement regulations. The only exception is when the charge originated in the University system. In this case you must provide reference #, date, and an explanation. This also holds true of transfers from one agency to another such as Medical Center to University Accounts.
12. Transactions that result from any signed contract between HSF and the Medical Center should be handled completely outside of the Oracle system. Examples are: the allotment B process, exchange of funds for registration or other personnel, rent agreements, etc. All such transactions must be executed through one entity writing a check to the other entity. These checks should derive from the Medical Center Peoplesoft system or the HSF Platinum system. These checks may not be deposited into the Oracle general ledger.

INTERNAL SERVICES PROVIDERS/RECHARGE OPERATIONS

13. If you are an internal service provider, you need to include the date or the time frame (i.e. June 2001) when the charge was incurred.

14. Local (LS) and State (SS) sales and service awards should be using the recovery expenditure types on the credit side of the transaction when providing their services or products to other departments.
15. The “Expenditure Item Date” Field should correspond with the period that the service was provided.
16. Please correct the expenditure type on the SE award (expenditure type should begin with Eq Capital).

UVA COST TRANSFER NAMING CONVENTION

17. UVA Cost Transfer Naming Convention
Actuals [A] (SPACE) [email id (IN CAPS)] (SPACE) by the date [ddmmyy]
(SPACE) followed by your own 3-digit sequential number [001]
18. Other – See note by the expenditure batch name for more information.