



## COST TRANSFER POLICY

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### **PURPOSE:**

CSUSM Corporation Office of Sponsored Projects has established the following policy in order to comply with the requirements of the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”) and federal agency policies and procedures.

### **SCOPE:**

This policy establishes requirements for sponsored project funds managed by the Office of Sponsored Projects (OSP) to provide documentation and reporting guidance to University faculty/staff involved in processing cost transfers.

### **POLICY:**

A cost transfer is any transfer of expenditures to or from a sponsored project to align costs with the actual benefit received on a project. The transfer of expenditures between funds awarded under the same grant is not considered a cost transfer. The request for a cost transfer should only be processed in rare circumstances, as the Project Investigator (PI) is responsible for ensuring that the original transactions are appropriately and accurately charged to the correct project. The CSUSM Corporation tracks individual grants on a routine basis as expenditures are requested. Each time an expenditure request (Direct Pay, Purchase Order, Employment Authorization Form or any other procurement document) is submitted by the PI or authorized signatory/designee, it is reviewed by OSP for availability of funds, appropriateness of the expense in comparison to the budget, completeness of documentation, and authorized signatory.

The transfer must include a written explanation (description of the expense, how it benefits the project being charged, and why it posted incorrectly), back-up showing where the original cost was posted, and approval (email is acceptable) from the PI before it can be processed. The justification should be prepared in such a way that a person outside of CSUSM Corporation (i.e., an auditor) would be able to understand why the cost transfer is necessary. In most cases, transfers must be completed within 90 days of the original expenditure. Cost transfers not made within the 90 day time frame will be reviewed on a case by case basis and require PI approval.

The following illustrates appropriate and inappropriate reasons to request a cost transfer. Contact OSP for further guidance or clarification.

Acceptable reasons for a cost transfer:

1. To transfer labor dollars to align with actual effort devoted.
2. To correct a clerical or bookkeeping error on original transaction forms such as transposition of numbers.
3. To transfer sponsor approved pre-award costs to a sponsored account once it has been established.

Unacceptable Reasons for a cost transfer:

1. To transfer costs to cover a deficit on another award.
2. To transfer costs to spend balance of award.

### **REFERENCES:**

[CSUSM Corporation Policies and Procedures](#)

[CSUSM Corporation Cost Principles for Sponsored Projects Policy](#)

[Cost Justification Form](#)