

AP 3283 GRANTS – COST TRANSFERS

References:

Education Code Section 84040

U.S. Office of Management and Budget Circular A-21

POLICY STATEMENT

Institutions receiving federal grants or grants from other external sponsors are expected to maintain accurate and timely accounting records with the proper classification of expenditures. To accomplish this requirement, college administrators are required to coordinate transaction reviews with grant Principal Investigators on a monthly basis and reconcile appropriate cost transfers within a reasonable timeframe.

COST TRANSFER STANDARDS

To be allowable, corrections of clerical or bookkeeping errors to or from sponsored grants, contracts and cooperative agreements should be made promptly, be fully documented, conform to sponsor guidelines and have the appropriate signatures.

Sponsors' guidelines on cost transfers vary; department administrators and Principal Investigators/Project Directors should consult with their College's Vice President of Business Services and/or the District's Business and Financial Services Office when in doubt concerning the allowability of a proposed cost transfer. Cost transfers are generally allowable under the following circumstances:

- Error correction
- Pre-award costs when allowed by the sponsor
- Allocation of costs benefiting more than one project
- When the work supported by one sponsored project is determined to represent work closely related to another project
- Retroactive Staff Change Notices

A retroactive transfer can be approved based upon the circumstances and the amount of time that has passed since the expenses were posted to the cost center/fund number.

COST TRANSFERS LESS THAN 90 DAYS OLD

Cost transfers less than 90 days old include circumstances when the cost transfer request is made within 90 days of receiving the financial report in which the original charge was recorded.

The expense is transferred by journal entry prepared at the department level accompanied by a Cost Transfer Explanation & Justification Form (Attachment A) answering questions 1 and 2 and signed by the appropriate staff and administrators as indicated on the form. The journal entry, form and supporting documentation are submitted to the District Business and Financial Services Office for review, approval and entry.

COST TRANSFERS MORE THAN 90 DAYS OLD

In addition to the above, transfers requested after 90 days from the month originally recorded will require a justification why the cost transfer exceeds 90 days and actions which will be implemented to eliminate future late transfers. Cost Transfers after the 90-day period require approval of the Principal Investigator/Project Director's supervising administrator, the College's Vice President of Business Services, or the Vice Chancellor of Business and Financial Services or designee.

COST TRANSFER SUPPORTING DOCUMENTS

Any supporting documentation justifying the lateness of the cost transfer should be submitted with the form (Attachment A).

Financial transactions should be reviewed monthly and errors immediately corrected. Cost transfers submitted later than 90 days will be granted only in extraordinary circumstances. Examples of unacceptable transfers over 90 days include but are not limited to:

- Correction of an error
- Transfer to the correct cost line item
- Absence of the Principal Investigator/Project Director or lack of experienced staff.

The District's Business and Financial Services Office has review and approval responsibility for cost transfers. The Office is available to assist in the interpretation and implementation of Cost Transfer procedures.

Office of Primary Responsibility: Vice Chancellor Business and Financial Services

Date Approved: January 5, 2016