



CU Boulder Cost Transfer Policy

Manual journal entries that involve sponsored research awards require secondary approval from the Campus Controller's Office (CCO).

Timing of CCO Secondary Approval

A monthly deadline is set five business days before month-end in order to provide the CCO with enough time to review cost transfers. Cost transfers must have departmental approval by this deadline to guarantee CCO review. The project journal entry accountant will review journal entries entered after this date as time allows.

Secondary approval deadlines are available on the CCO website. The project journal entry accountant will work through a query that pulls journal entries requiring secondary CCO approval in the order in which they were departmentally approved. However, if a journal entry is time-sensitive, please contact the project journal entry accountant in order to request that the journal entry be reviewed before it comes up in the query.

Documentation Required for All Cost Transfers to Awards

Explanation for Cost Transfer

Per federal guidance¹, an explanation for a cost transfer onto an award "must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by a responsible organization official..." In addition, "an explanation merely stating that the transfer was made 'to correct error' or 'to transfer to correct project' is not sufficient."

Therefore, all cost transfers to awards must provide the following:

- The specific reason the expense was not originally charged to the award to begin with
- Affirmation that the expense benefits the award it is being transferred to

Attachments

An m-Fin financial detail clearly identifying the expense being moved onto or off of the award is required.

Identify Specific Journal Entry

The specific journal ID that is being moved onto or off of the award must be documented in the journal entry. This can be highlighted in the financial detail, entered into the journal line description or reference line of the journal entry, or entered into the long description.

For JEs moving equipment (account codes 810100 or 810200) please include the PO number in the journal line description.

Cost Transfers After 90 Days

Federal guidelines² state cost transfers should be made "within 90 days," so cost transfers that are departmentally approved more than 90 days after the end of the month of the original journal entry date require additional documentation to justify our moving the expense onto an award outside of this deadline. In addition,

¹ [Section 7.5 "Cost Transfers, Overruns, and Accelerated and Delayed Expenditures"](#) of the *NIH Grants Policy Statement*. CU Boulder applies this guidance to all sponsored research journal entries that require CCO secondary approval.

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late cost transfers call into question the university's oversight of awards. Therefore, cost transfers departmentally approved more than 90 days after the end of the month of the original journal entry date must have a PI statement signed by the PI and attached to the JE that addresses the following:

- Why the expense was not charged to the award to begin with
- What the expense was and specifically how it benefits the award
- Why it took more than 90 days for the mistake to be identified
- How this will be prevented in the future

The project journal entry accountant must be able to match the expense referenced on the PI statement to the expense in the journal entry. Note: a PI statement for PETs is not required until after 180 days.

The deadline for PI statements will be calculated 90 days after the end of the month of the journal entry date or 90 days after the end of the month of the SpeedType creation date, whichever is later. See [Cost Transfer Deadline spreadsheet](#) to determine if a journal entry requires a PI statement.

All cost transfers moving expenses onto awards will not be approved if they were departmentally approved after a year of the original journal entry date or the date the SpeedType was created, whichever is later. Exceptions will be made at the CCO's discretion.

Moving Expenses Off of Awards

The same requirements do not apply if expenses are being moved off of an award. The only requirement for moving an expense off of an award is a financial detail that clearly identifies the journal entry being moved. Although journal entries moving expenses off of awards should still be done within 90 days, a PI statement is not required.

Moving Expenses within the Same Award

The CCO considers cost transfers to be between different awards. If costs are being transferred within the same award (all projects included in the m-Fin award report), the department can note this in the long description and attach a financial detail.

PI statements are not required for transfers within the same award.

Allocating a Single Purchase to Multiple Awards

Per Uniform Guidance 200.405, "If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit."

This is the proportionate benefit method, and the department can say in the journal description that this was based off of the PI's judgment of proportionate benefit to the awards. No documentation for this method is required.

However, if this method is used at the end of an award, and it results in clearing most or all of a deficit from an award, or using up most or all of the available balance of an award, then additional documentation may be required.

However, "If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved... the costs may be allocated or transferred to benefitted projects on any reasonable documented basis."



This is the reasonable allocation method. The department must describe the allocation method and attach documentation to show how the allocation was determined, e.g. the allocation is based off of the number of hours logged for each award; see attached lab usage hours. Note: An estimate is not an acceptable method of making this type of allocation.

An example of this would be where \$200,000 of lab and tech shop supplies are used by multiple awards. It is not feasible to keep track of every item used for each award, so the department can elect an allocation method that reasonably allocates the cost and attach documentation for this method to the journal entry.

Adherence to University Policies

All cost transfers must be in compliance with CU Boulder policies. Therefore, certain expenses will require additional documentation to show compliance with relevant CU Boulder policies.

Official Function and Food Expenses

All official function or food expenses must be specifically authorized in the award documents. If the official function requires the [Official Function form](#) per university policy, then the form must be attached to the journal entry.

Honoraria

Honoraria charges greater than \$100 require the [Honorarium form](#) to be attached.

Travel

[APS 4024 – Travel](#) requires all travel to be departmentally approved for university employees. If university travel is moved to an award, the original travel authorization (TA) for the trip must be attached that shows:

- Travelers' names
- Beginning and end dates for the travel
- Reason for the trip

For international travel, if the same information required for domestic travel (see above) is included in the Concur request approval, a screenshot of the Concur request approval can be attached instead of a TA.

A TA is only required if the cost transfer involves overnight travel. Mileage reimbursements for local trips do not require a TA.

If travel expenses need to be allocated to multiple awards, the individual expenses must be allocated based on the relative benefit to each award. For example, if travel expenses benefitted two awards equally, the flight costs cannot stay on one award and the hotel and per diem costs on a different award, even if this results in the overall cost being divided equally.

Student Aid

Any student aid expenses (accounts beginning with 770) from the Bursar's Office (SFTR transactions) transferred to an award will be verified by the project journal entry accountant using the CU-SIS GL Detail Range (Public Folders – CUBLD – Student Finance – Student Finance Reports General – CU-SIS GL Detail Range).

Any student aid expenses from Continuing Education must attach a class roster report that shows the class, the names of the students whose tuition is being transferred, and the dates of the class.



Tuition Remission

Tuition remission is a fringe benefit associated with student-faculty appointments (teaching assistant, research assistant, graduate part-time instructor and graduate assistant). If the related salary is moved to an award via a PET after the data is pulled for the tuition remission journal entry, the related tuition remission must be moved with a manual journal entry. In the long description, the following information must be provided:

- Name of the student-faculty
- The semester involved
- The PET number that transferred the salary to the sponsored award

Tuition remission cost transfers can only be approved after the related PET is approved.

Tuition remission benefits are provided for work performed in the following semesters:

- Fall: August-December
- Spring: January-May
- Summer: May- August

The project journal entry accountant must be able to document that the percentage of tuition remission moved to an award matches the percentage of salary moved to the award. Therefore a PDF of an m-Fin payroll transactions summary for the months corresponding to the semester (see above) must be attached.

Internal Sales Expensed to Awards

CU departments providing goods or services to awards must maintain documentation for their rates and services provided (per Chapter 13 of The Guide), so any journal entries recording internal sales to awards must only provide the following information as an attachment or in the long description:

- the goods or services that were provided
- the dates of when these goods and services were provided

If the original expense was charged to an incorrect award, then all other guidelines for cost transfers apply when the charge is transferred to a different award.

Lump-Sum Transfers

Lump-sum transfers are not allowed onto or off of awards - each transaction must be transferred individually. See [Large Volume Cost Transfer spreadsheet](#) available on the CCO website.

If one journal entry ID is recorded with several lines on the original SpeedType, e.g. Concur charges, then the total amount for that journal entry can be consolidated in the cost transfer to the award.

Available Balance

The award will need to have enough available balance for each contract line to cover the expense being transferred; cost transfers will not be approved if the available balance before encumbrances is in deficit. The project journal entry accountant will take into account the anticipated awarded amount, so budget shortfalls due to incremental funding that has not been received will not prevent approval.



Additional Documentation

If additional questions arise due to the nature or timing of the transaction, the project journal entry accountant may ask additional questions or request additional documentation. Approval of the journal entry will depend on reconciling any questions about the transaction.

Questions or Comments

Please feel free to contact Kristin Bruner (kristin.bruner@colorado.edu or 303-492-3166) if you have any questions or comments or if you feel you need an exception to the rules in this policy.