Section 5.8.B - Cost Transfer Procedures for Sponsored Projects

Yeshiva University
Effective: January 1, 2013

I. Account Reconciliation

II. Completing the OTPS Cost Transfer Request Form for Non-labor charges

III. Additional Information Regarding Cost Transfers

IV. Further Information Concerning Appropriate and Inappropriate Cost Transfers

V. References

I. Account Reconciliation

A. Monthly reviews of each sponsored project by the Principal Investigator (PI) with the assistance of the department administrator are to ensure appropriate expenditures are posted appropriately on the account.

B. Should an inappropriate expense appear on a project and or an expense is missing, it is the responsibility of the PI with the assistance of the department administrator to request a cost transfer be made once a thorough review has been done that a cost transfer is necessary.

C. A cost transfer to the appropriate project and expense class to reflect accurate charges and reporting should be made within 90 days as soon as the discrepancy is discovered, unless the sponsor requires a more restrictive term. Refer to Section 5.8.A – Cost Transfer Policy for Sponsored Projects for more information.

   1. A justification or reason must be provided.

   2. Cost Transfers made after 90 days increasing costs to the sponsored project (debits) are subject to increased scrutiny requiring additional approvals and may require increased justification and documentation to support the request. Required approvals for the types of cost transfers, that is, personnel services and other than personnel services are addressed in their respective sections below.

D. Depending on the type of cost and the timing of costs to be transferred, the following mechanisms for transacting and or submitting cost transfer requests are listed.

   1. Personnel Services (Labor costs).

      a. Labor cost transfers must be identified to specific pay periods, that is, made on a pay period basis; must be identified to an individual, employee identification number ID and amount; and each pay period balance impacted by the cost transfer cannot be less than zero. Labor Redistribution is the mechanism to initiate a labor cost transfer. The comments section should be used to answer the following:

         a. When did you discover the error?

         b. Describe the use of the charge to the project; specifically indicate the percentage of effort worked in this period.

         i. If over 90 days:

            1) Why did it take more than 90 days to discover the error?

            2) What will be done to ensure the delay does not occur in the future? Please provide attachments where appropriate.
Section 5.8.B- Cost Transfer Procedures for Sponsored Projects

Yeshiva University
Effective: January 1, 2013

b. For more information on the Labor Redistribution mechanism please refer to HR Payroll policies and procedures.

2. **Other Than Personnel Services (OTPS).**
   a. OTPS cost transfers are to be requested using the *Other Than Personnel Services (OTPS) Cost Transfer Request Form GA130.10-OTPS.* This form is downloadable from the University website and must be completed and submitted manually for transferring non-labor charges. Refer to Section IV. – *Completing of OTPS for Non-labor charges* below.

II. Completing the OTPS Cost Transfer Request Form for Non-labor charges

A. The Other Than Personnel Services (OTPS) *Cost Transfer Request Form* is used for requesting cost transfers for non-sponsored costs such as lab supplies, travel or any other items not related to personnel costs. This form is available for downloading at [www.einstein.yu.edu/finance/](http://www.einstein.yu.edu/finance/). Refer to *Attachment B - Other Than Personnel Services (OTPS) Cost Transfer Request Form GA130.10-OTPS* for a sample copy. The following information must be completed prior to submission for approval:

1. Enter the Requestor’s name
2. Enter the PI’s name
3. Enter the PI’s organization name
4. Enter the current date
5. Enter the project/department to be credited
   a. In this section, the information requested concerns the project account(s) to be credited. A justification will need to explain the reason why a transfer must be executed.
   b. Enter the following information:
      A. Banner INDEX
      B. Purchase Order Number/Other Reference Number
      C. Banner Account (Expense Class)
      D. Original Date of Charge
      E. Organization Number
      F. Amount

6. Enter the project/ account(s) to be debited.
   a. In this section, the information concerns the project/department accounts to be debited. A justification will need to explain the reason why a transfer must be executed.
   b. Enter the following information:
      G. Banner INDEX
      H. Purchase Order Number/Other Reference Number
      I. Banner Account (Expense Class) Original Date of Charge
      J. Organization Number
      K. Amount

7. Enter a full justification for this transaction.

L. 7. Enter the Justification
   a. When did you discover the error?
      i. Describe the use of the charge to the project. If in excess of 90 days of the discovery of the discrepancy, the following questions must be answered in addition to the above:
Section 5.8.B- Cost Transfer Procedures for Sponsored Projects

Yeshiva University
Effective: January 1, 2013

i. Why did it take more than 90 days to discover the error?
ii. What will be done to ensure the delay does not occur in the future?

B. Approvals for the Other Than Personnel Services (OTPS) request.
   1. Single department.
      a. PI or Designee
      b. Research Finance
   2. Multiple departments (split funding).
      a. PI or Department Administrator
      b. Other Department’s PI or Designee
      c. If University Funds, the Budget Director must approve. Finance will coordinate this approval as indicated on form GA130.10-OTPS
      d. Research Finance
      e. If in excess of 90 days of the discovery of the discrepancy in addition to the PI, Research Finance Director must approve. Finance will coordinate this approval as indicated on form GA130.10-OTPS

III. Additional Information Regarding Cost Transfers

A. Appropriate Cost Transfers (Labor or OTPS) are:
   1. Error correction
      Transfers between Tasks of the same sponsored project
   2. Disallowed costs (move costs from a sponsored project)
   3. Clearing an overdraft at the end of a project
   4. Labor reallocations based on effort certifications
   5. Realizing that a cost belongs on a particular project and it does not appear in the list of expenses on the account
   6. Examples of appropriate cost transfers
      a. When the transfer represents an adjustment for an erroneous charge.
      b. When the transfer is for the purpose of assigning an appropriate portion of the cost to a sponsored project (split purchase) based on the relative benefits.

B. Inappropriate cost transfers (Labor or OTPS) are:
   1. Shifting costs to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations
   2. Placing costs on a different project to avoid restrictions imposed by law or by terms of the sponsored agreement
   3. Operational management of sponsored projects
   4. For other reasons of convenience
   5. Examples of inappropriate cost transfers
      a. When the transfer is for the purpose of utilizing unexpended funds.
      b. When the transfer is for the purpose of avoiding or alleviating an over expenditure.
      c. When the transfer is for the purpose of moving a cost that is unallowable on one project to another.
      d. When the transfer is for the purpose of circumventing award restrictions.
e. When the transfer is for the purpose of reimbursing a temporary "loan" of funds from another sponsored project.

IV. Further Information Concerning Appropriate and Inappropriate Cost Transfers

Labor cost transfers

A labor cost transfer means the movement of payroll expenses (salaries, wages and benefits) from one funding source to another. The distribution of labor charges for University personnel must be a reasonable reflection of the employee’s actual effort. Initial labor distributions are based on personnel appointments. Thus, careful consideration must be given to initial labor distributions to ensure that sponsored projects that benefit from the effort are charged properly at the outset and that the need for adjustments is minimized.

Therefore, appointments should be reviewed on a regular basis. PI’s and department representatives are responsible for being familiar with all of Yeshiva’s Policies and Procedures related to sponsored projects administration, and how those requirements may affect personnel appointments. If appointment changes are anticipated, an EAPF (Employee Personnel Action Form) should be submitted in accordance with Human Resource’s published deadlines and procedures.

If during the certification process, the certifier identifies a variance between the initial labor distribution and actual expended effort, a labor cost transfer must be made in Labor Redistribution to ensure that labor charges to sponsored projects are consistent with actual effort certified.

Other Than Personnel Services Transfers (OTPS)

Non-payroll cost transfers must be received by Research Finance promptly within 90 days after the discrepancy is detected, unless the sponsor requires a more restrictive term, but no later than 60 days after the project terminates to provide for final project closeout. Examination of the departmental ledger in a timely fashion by the PI (or designee) will permit early detection of discrepancies. An OTPS form shall be submitted in order to correct an inappropriate charge. Copies of all relevant documentation must be attached to support the explanation (e.g., general ledger, requisitions, purchase orders, explanatory memoranda, etc.). Research Finance shall determine the adequacy of the justification and documentation.

Split-Funded Expense

A particular expense may have direct benefit to more than one activity, e.g., the expense may benefit more than one sponsored project or it may benefit a sponsored project and an institutional activity. The split-funding of expenses must qualify as a direct cost and be appropriately charged based on the relative proportional benefits received by the project(s) and other institutional activities. Refer to GA 110–Direct Cost Policy for Sponsored Projects. OTPS may be used to correct a split funded expense. Proper justification is required as with all cost transfers.

V. References
Section 5.8.B- Cost Transfer Procedures for Sponsored Projects

Yeshiva University
Effective: January 1, 2013

2 CFR 220 (OMB Circular A-21) Cost Principles for Educational Institutions
2 CFR 215 (OMB Circular A-110) Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations