

## University of Louisiana at Lafayette Cost Transfer Policy

A *cost transfer* is a transfer of an expenditure from one account to another. You may request a cost transfer to and from most grants, including all federal grants only for one of the following reasons:

- To correct clerical errors (for example, if an item is accidentally charged to the incorrect grant);
- To reallocate salary expenses to reflect actual effort expended as posted in effort reports; or
- To reflect internal **direct** charges made to the grant in those cases when the university's accounting system does not charge the appropriate amount when it is first posted (these direct charges must also be allowed by the grant's approved budget).

Cost transfers must be related to the sponsored grant/contract being charged or credited, and cannot be used to move deficits from one sponsored grant/contract to another, to cover cost overruns, or to "use up" unspent sponsored grant funds.

Funding agencies view frequent cost transfers, especially transfers made close to ending dates of awards, as evidence of budget management or accounting problems. Therefore, cost transfers should be used infrequently, and only for the purposes noted above. In order to comply with federal regulations, cost transfers must also be fully documented and justified.

Cost transfers *to* externally funded restricted accounts must be requested no more than **90 days after the original charge, and no more than 60 days before the end of the grant.**

Cost transfers *from* externally funded restricted accounts to correct errors or to reflect actual effort reporting have no specific time limit; however, the request must be made **as soon as the need for the transfer is discovered.**

All requests for cost transfers must be approved. Cost transfers requested **within 30 days of the original charge** are reviewed and approved by the Office of Research and Sponsored Programs. Cost transfers requested **more than 30 days after the original charge** are additionally reviewed and approved by the Vice President for Research and Graduate Studies.

The *Cost Transfer Form* is used to request a cost transfer. The form must be completely filled out, the reason for the cost transfer must be explained in detail, and the PI must sign the form for the transfer to be considered.

Cost transfers to externally funded accounts that are requested beyond the 90-day deadline may be considered only under highly unusual circumstances, and must be accompanied by a written justification of the lateness of the request.