Rationale and Need for Policy

The TWU Cost Transfer Policy ensures the integrity of Texas Woman’s University’s accounting system for all charges (salaries, wages, goods and services) that are transferred to, from, or between externally funded sponsored project accounts after initial postings. This policy is established to assure compliance with the Department of Health and Human Services Grants Policy Statement, OMB Circular A-21, and any other federal regulations which set forth rules governing the transfer of expenditures between accounts. In the context of this policy statement, accounts funded as sponsored projects include all external grants and contracts.

Definition

Cost transfer--For the purpose of this policy, a “cost transfer” is defined as a transaction that moves expenses from the account of original posting to a sponsored project account in order to correct an error or make an adjustment. Other transactions made for the purpose of correcting an error or making an adjustment that do not involve more than one sponsored project account are considered accounting adjustments and will be documented according to procedures established by the Controller’s Office.

Policy Statement

Cost transfers between sponsored project accounts may be necessary to correct bookkeeping or clerical errors. TWU has procedures in place to detect and rectify such errors within a reasonable time frame. Cost transfers should be made promptly after the error occurs, but no later than 90 days after the original entry was posted to the Budget Manager’s Detail unless a longer period is approved by the Office of Research and Sponsored Programs (ORSP) and the Controller’s Office. The transfer must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by the Principal Investigator(s) involved. An explanation merely stating that the transfer was made “to correct error” or “to transfer to correct project” is not sufficient. All cost transfers must meet the cost principle standards of being allowable, allocable, reasonable, and be in accordance with funding agency guidelines and University policies.
The Controller’s Office and ORSP are responsible for implementing and overseeing cost transfer procedures and are jointly authorized to update and modify cost transfer procedures as necessary to comply with federal, state and University regulations.

The Assistant Provost for Promotion of Research and Sponsored Programs will review Policy with recommendations forwarded through normal administrative channels to the Chancellor and President.

**THOSE AFFECTED BY THE POLICY**

Faculty and staff involved in grant management

**HISTORY**

Passed June 2008
Reviewed June 2012
Reviewed October 2014