

APPROVAL AUTHORIZATION POLICY FOR TRANSACTIONS IN SPONSORED PROGRAMS POLICY

Division: Academic Affairs
Responsible Office: Sponsored Programs

Date Established: 10/01/2014
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POLICY SUMMARY

There are circumstances where it may be necessary to transfer expenditures to a sponsored project. Cost transfers should be timely (within 90 days), fully documented, conform to institution and sponsor standards of what is allowable and allocable, and include appropriate approvals.

POLICY STATEMENT

While every effort must be made to charge costs to the correct account(s) when they are incurred, cost transfers are appropriate when their purpose is to correct posting or bookkeeping errors in the original charges, to appropriately reallocate expenditures between accounts, or to transfer pre-award costs from an institutional account to a sponsored project account. Prudence dictates that care must be exercised in making any cost transfer, especially transfers made after the termination date of a project and/or the reporting period of a project (i.e., annual financial reports). The transfer of an overdraft or any direct cost item incurred in the conduct of one sponsored project may not be transferred to another sponsored project account merely for the sake of resolving a deficit or an allowability issue.

Cost transfers may be made, provided all of the following conditions are met:

- the cost directly benefits the project
- the cost is a proper and allowable charge to the project
- the transfer is supported by adequate documentation fully explaining the circumstances under which the error occurred and justifying the charge to the project to which the transfer is made

Cost transfers must be prepared and submitted immediately upon discovery that the transaction was not charged to the correct account. Only in the case of exceptional circumstances will cost transfers be permitted more than 90 days after the initial transaction date.

Requests for cost transfers more than 90 days after the initial transaction date must:

- document in detail the reason for the late request to transfer the cost
- include appropriate approvals (e.g. PI, cognizant dean, and SPO).

All costs charged to a sponsored project in error must be corrected regardless of when they are detected.

COST TRANSFER POLICY FOR SPONSORED PROGRAMS POLICY

DEFINITIONS

Cost Transfer - An after-the-fact reallocation of expenditures from one account to another account(s).

Principal Investigator - A Principal Investigator (PI) is a SUNY Buffalo State (Buffalo State University) faculty or staff member who bears responsibility for the intellectual leadership of a project. The PI accepts overall responsibility for directing the research, financial oversight, and compliance with relevant university policies and sponsor terms and conditions.

Sponsored Project - A Sponsored Project is any externally funded research, training, evaluative testing, or public service project directed by Buffalo State faculty or staff as part of their institutional work that requires the university to perform a specified program or deliver a specified product.

SCOPE & PURPOSE

This policy promotes compliance with the requirements of the OMB Uniform Guidance 2 CFR Part 200, NIH policy, and the requirements of other federal sponsors regarding cost transfers on sponsored projects.

Proper management of funds is essential to uphold the fiduciary responsibilities of the institution. Frequent, late, and inadequately documented and explained transfers, especially those that involve sponsored projects with overruns or unexpended balances, raise serious questions about the propriety of the transfers and may result in expenditure disallowances and/or subsequent reduction in funding.

This policy is based on requirements in Office of Management and Budget's (OMB) 2 CFR Part 200 that costs must be allowable, reasonable, and necessary and allocable. Generally, a cost allocable to a sponsored award may not be charged to another sponsored award in order to overcome fund deficiencies, to avoid restrictions imposed by statute, regulations or terms and conditions, or for other reasons.

NOTE: Effective December 2014 the OMB Uniform Guidance document and supplement incorporate regulations formerly provided in OMB circulars (A-21; A-133 etc.)

RESPONSIBILITIES

Department Chair/Deans

- Promote faculty and staff awareness of this policy

Financial Officers

Principal Investigators

- Charge costs to the correct account(s) when they are first incurred
- Exercise stewardship over sponsored projects in accordance with institution and federal policies and regulations
- Review account statement for accuracy and request any corrections within 30 days of account review

Sponsored Program Operations Office

- Authorize only those cost transfers that comply with this

COST TRANSFER POLICY FOR SPONSORED PROGRAMS POLICY

APPLICABILITY

This policy applies to all sponsored projects (federal, state, and private) and all cost categories, including payroll costs.

RELATED PROCEDURES

[Cost Transfer/Correction Request](#)

CONTACT INFORMATION

Sponsored Programs
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APPROVAL

Prior to 2016

REVISION HISTORY

Date of change: 02/02/2015

Brief description of edit: Adapted to standard template. Addition of form/link to Cost Transfer/Correction Request Form.

Date of change: 05/04/2026

Brief description of edit: Adapted to ADA compliant template