

Expense Transfers Related to Sponsored Activities

Overview

This policy addresses the moving of an expense from a non-sponsored cost center to either a sponsored program cost center or a required cost share cost center or between sponsored program cost centers or required cost share cost centers. This policy does not apply to expense transfers from a sponsored program cost center or required cost share cost center to any non-sponsored cost center or between non-sponsored cost centers. An expense transfer is processed via an Expense Transfer (ETM).

Purpose

Expense transfers are a sensitive issue in a university's operation. Sponsored projects always receive careful scrutiny from sponsor representatives, especially federal contracting officers and auditors. The following policy is established pursuant to sound business practice and to ensure full compliance with federal regulations, contract and grant terms, and other conditions concerning cost transfers related to sponsored activities.

Policy

Expense transfers that are required to correct errors or to achieve proper, consistent, and equitable distribution of costs to sponsored program or required cost share cost centers will be allowed when adequate justification is provided. Such expense transfers should be made as soon as possible after the error is discovered. An expense transfer made and completed within 90 days of the original posting date to the general ledger will be considered timely.

An expense transfer that exceeds the 90 day limitation is considered an exception and will require additional documentation. Research Accounting, a division of Financial Affairs, will not approve a cost transfer of an expense exceeding the 90 day threshold without written certification from the Principal Investigator and approval from the appropriate Dean's Office. The "Cost Transfer Request Form" can be found on Research Accounting's website:

<http://finance.uark.edu/research.asp>

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