1. Purpose/Introduction

This document outlines the procedures and requirements that are necessary to properly execute an appropriate Cost Transfer associated with a sponsored projects fund.

2. Definitions

**Allocable** – Costs that benefit the award charged. Costs shared by more than one project should be allocated in proportions that can be approximated with a high degree of accuracy through actual use.

**Allowable** – Costs allowable under the terms and conditions of the award, including the authorized budget and applicable regulations.

**Consistent** – Application of the cost is given consistent treatment within established University policies and procedures; costs for the same purpose are treated and classified the same way under like circumstances.

**Cost Transfer** – An after-the-fact reallocation of costs, either salary or non-salary, to a sponsored project within 90 calendar days from the original accounting date.

**Late cost transfer** – An after-the-fact reallocation of costs, either salary or non-salary, to a sponsored project greater than 90 calendar days from the original accounting date.

**Original Charge** – The first posting of a cost to the general ledger.

**Reasonable** – The nature of the goods or services acquired, and the amount paid to reflect the action that a prudent person would have taken at the time the decision to incur the cost was made.
3. Procedural Steps

Before You Begin
Before you begin this procedure, please review the policies related to this topic.
A cost transfer is a reallocation or redistribution of a previously charged expenditure transferred from one University fund to another after the charge has been posted in Banner.

Begin
To process Cost Transfers for sponsored projects:
1. Determine if the transfer is allowable as outlined in Cost Transfers Policy.
2. Use either a Journal Voucher form (JV) or Labor Redistribution form to transfer costs:

Non-Personnel Expenses – Use the Journal Voucher Form, Reclass Expenditure Template, review the second worksheet tab for step-by-step instructions on how to complete the journal vouchers. The following information should be included in the Reason/Purpose Section:
- Explanation, including the reason for initial posting to the incorrect fund, and benefit of the cost being transferred to the sponsored project.

Journal Vouchers may be rejected by Contract & Grant Accounting if sufficient documentation is not provided.

Personnel Expenses - Use the Payroll Labor Redistributions Form. Review the instructions for step-by-step guidance on how to create labor redistributions.

3. Route the completed forms as described below:
Non-Personnel Expenses (Banner Journal Voucher), when moving costs to a:
- Grant Fund (200000-229999) route to CGA grants@uncg.edu for processing
- Non-Grant Funds – route to Accounting Services finmgmt@uncg.edu for processing

Personnel Expenses (Labor Redistribution form) – Route per the signatures required at bottom of form.

Non Personnel Cost Transfers – Reclass Expenditure Form and instructions
Salary Cost Transfer – Payroll Labor Redistribution Form

5. Revision Table

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