COST TRANSFER POLICY

Statement of Policy: The purpose of this policy is to comply with 2 CFR 200 Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”) and federal agency policies and procedures for federally funded projects.

Summary of Contents/Major Changes: Move policy to template.

Responsible Office and Responsible Enforcement Official: The Office of the Vice President for Research is responsible for monitoring, enforcing, and revising the policy. The Associate Vice President for Research will be performing those functions.

Classification:

☐ Board of Trustees Policy
X Board-delegated Policy

Categories:

Research and Intellectual Property

History:

a. Effective date of current version: August 1, 2019
b. Date first adopted: 11/3/2003
c. Revision history: Sept. 11, 2018
d. Proposed date of next review: August 1, 2022
1. **Purpose of Policy**
The purpose of this policy is to comply with 2 CFR 200 Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”) and federal agency policies for federally funded projects.

2. **Stakeholders Most Impacted by the Policy**
This policy applies to all faculty engaged in research, projects, activities conducted under the auspices of Western Michigan University whether the activities are conducted on or off campus.

3. **Key Definitions**
   3.1. **Cost transfer** - is a journal entry transferring an expense to a grant project that was previously charged and recorded in another account on the general ledger.

4. **Full Policy Details**
Cost transfers of charges to a grant project must be explained and justified with a written explanation and approval. All transfers are conditional subject to prior approval by the Grants and Contracts Department.
   4.1. **Cost Transfer Allowability.** In order to transfer costs to a sponsored project, the cost must meet the criteria in 2 CFR 200.
   4.2. **Cost transfers**, excluding payroll expenses, should be made within 90 days of the end of the month in which charges were initially posted.
   4.3. All transfers are conditional subject to prior approval by the Grants and Contracts Department.
   4.4. **Records Retention.** Documentation for transfers must be maintained within the department for three years after the completion of the entire project. If the project has been selected for audit all documentation must be maintained until after the final audit response is issued.

5. **Accountability**
   5.1. The responsibility for compliance with University, Federal, and agency regulations and guidelines and for maintaining supporting documentation for transfers/adjustments resides in the originating department/unit. Deans, Directors and Chairs, and those who have authority to approve adjustments are responsible and accountable for compliance with University and agency regulations.
   5.2. Cost transfers are almost always reviewed when an account, department or university is audited. The burden of proof regarding allowability is on the department.
   5.3. Any audit-derived disallowed cost will be borne by the department(s) that initiated them.

6. **Related Procedures and Guidelines**
   Cost Transfer Procedure

7. **Additional Information**
   [WMU Cost Transfer Request](#)
   [WMU Cost Transfer FAQ’s](#)
8. FAQs

Related Policies:
Federal Costing Principles

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Circular 2 CFR 200

References:

CERTIFIED BY: DIRECTION OF
Board of Trustees, President, or VP

/s/

Director of Grants and Contracts Vice President for Research
Date Date