GRANT COST TRANSFER
Best Practices

Background and Purpose

A grant cost transfer is an after-the-fact reallocation of a direct expense, either salary or non-salary, to or from a sponsored project within a 90-calendar day period from the accounting date of a transaction. It is allowable if it is initiated in a timely fashion to correct a valid error and is supported by appropriate justification and documentation.

Process Flow

- PI and/or DA/SA identifies an error in direct expense allocation to or missing from a sponsored project.
- DA/SA gathers documentation to support the necessity of the transfer including a detailed explanation of what caused the allocation error and how it was discovered.
  - Grant cost transfer requests in excess of the 90-calendar day period must also include the reason for the delay in processing the transfer, identification of the controls that will be implemented or what action has been taken to ensure the error does not occur again and approval of PI.
  - Entries containing equipment sponsored classes must also include the property tag number or purchase requisition number if a property number has not been assigned.
  - Entries containing travel must also include the traveler's name, business purpose, location and dates of travel.
  - Moveable Capital Equipment entries where the costs are between $10K and $25K and are transferring from a University cost center to a sponsored research account must also include the required bid documentation or sole source justification.
  - Initial charges by Service Centers are not considered cost transfers.

- DA/SA determines appropriate mechanism to correct error and request transfer.
  - Grant Non-Salary Cost Transfer
    - DA/SA initiates a journal entry in SAP using Transaction Code FV50: "PARK G/L Account Document: Company Code TRBU". If the journal entry is within 90 calendar days of the original transaction date, it is coded as document type "ZK" Grant Cost Transfer. If the journal entry is in excess of 90 calendar days, it is coded as a "ZV" Grant Cost Transfer Over 90 Days.
    - DA/SA attaches the Non-Salary Cost Transfer Request Form via SAP T-code ZGM_CSTR_REQ, a Business Warehouse report showing the original charge and any additional documentation necessary to support a complete record of the transfer request.
    - PI provides electronic approval of Over 90 Day transfer request.
    - SP – Post attaches PI Over 90 Day approval when applicable.
    - SP – Post reviews request and processes as required.
  - Grant Non-Cost Transfer of Non-Salary expense
    - "ZJ" Grant Non-Cost Transfer is not considered a cost transfer.
    - DA/SA initiates a grant non-cost transfer in SAP using Transaction Code FV50: "PARK G/L Account Document: Company Code TRBU" to:
      1. Process cost recovery;
      2. Reclassify an expense from one General Ledger Account Number to another on

the same Sponsored Program;

3. Move an expense from one Sponsored Program to another on the <u>same</u> SAP grant.

- SP – Post reviews request and processes as required.

o Grant Salary Cost Transfer – Active Non-Student Employee

- DA/SA initiates a retroactive Sponsored Program payroll adjustment through SAP "Personnel Actions".
- DA/SA attaches a Salary Adjustment Request Form (SARF) to all Personnel Actions other than the "Salary Cost Distribution form".
- DA/SA excludes the fringe calculation in the adjustment amount.
- For Charles River Campus faculty on accrual, DA/SA includes all original salary and accrual changes.
- If the adjustment being requested changes the effort percentages for an employee whose Personnel Activity Report (PAR) has previously been certified and submitted, the DA/SA revises the PAR to include the adjustment, obtains the appropriate PAR signature and attaches the revised PAR to the Personnel Action.
- PI provides electronic approval of Over 90 Day transfer request.
- SP – Post attaches PI Over 90 Day approval when applicable.
- SP – Post reviews request and processes as required.

o Grant Salary Cost Transfer – Terminated Non-Student Employee

- PA forms cannot be initiated for a terminated employee.
- DA/SA initiates a retroactive Sponsored Program payroll adjustment by submitting a paper SARF to the SP – Post RA.
- DA/SA excludes the fringe calculation in the adjustment amount.
- If the adjustment being requested changes the effort percentages for a former employee whose Personnel Activity Report (PAR) has previously been certified and submitted, the DA/SA revises the PAR to include the adjustment, obtains the appropriate PAR signature and includes the revised PAR in the SARF submission to SP – Post.
- PI provides approval of Over 90 Day transfer request to DA/SA.
- DA/SA includes PI Over 90 Day approval in the SARF submission to SP – Post.
- SP – Post reviews request and if approved, routes to Human Resources Information Systems (HRIS) for processing on the back end.

o Grant Student Salary Cost Transfer

- DA/SA initiates a retroactive Sponsored Program payroll adjustment for student salary by submitting a Student SARF via a link on the Forms page of the Student Employment Office website.
- DA/SA completes the form in its entirety.
- DA/SA attaches student's Job Information and Earnings History, Business Warehouse (BW) Report and PAR when required.
- PI provides electronic approval of Over 90 Day transfer request.
- SP – Post attaches PI Over 90 Day approval when applicable.
- SP – Post reviews and if appropriate, approves the transfer, and forwards it to Student Employment Office via workflow.
- Student Employment Office processes request as required.

o Grant Non-Service Stipend Cost Transfer

- If the end date of the non-service stipend is in the past (considered historical) the only correction action available is via journal entry.
- If the end date is not in the past (not considered historic) the correction is done via a new non-service stipend.

Abbreviations

Abbreviations	Meaning
DA	Department Administrator
HRIS	Human Resources Information Systems
SP – Post	Post Award Financial Operations
PAR	Personnel Activity Report
PI	Principal Investigator
SA	School Administrator
SAP	BU's general accounting system
SARF	Salary Adjustment Request Form
SEO	Student Employment Office

Roles and Responsibilities

Person	Role and Responsibility
DA/SA	Ensure that charges to sponsored projects are accurate, appropriate, allowable, approved and supported with documentation. Responsible for timely correction of errors in the allocation of direct expenses to or from sponsored projects. Initiate grant cost transfer requests as necessary to correct such errors. Facilitate PI certification when appropriate or required. Submit re-certified PARs when needed.
HRIS	Process grant salary cost transfers on the back end for terminated non-student employees.
SP – Post RA	Review grant cost transfer requests timely for accuracy and completeness and process them as required.
PI	Ensure that charges to sponsored projects are accurate, appropriate, allowable, approved and supported with docu7/26/2021mentation. Confirm through regular after-the-fact review with DA/SA, errors in the allocation of direct expenses to or from sponsored projects are identified and corrected timely. Review and approve greater than 90-calendar day grant cost transfer requests. Re-certify PARs when needed.
SEO	Process Student SARFs routed through workflow.

Reference Documents
- **http://www.bu.edu/researchsupport/project-lifecycle/managing-an-award/cost-transfers/**
- **http://www.bu.edu/tech/support/buworks/**
- **http://www.bu.edu/seo/payroll/forms/**
- **http://www.bu.edu/policies/competition-and-supplier-selection-for-products-and-services-policy/**