

## **Cost Transfers**

- Created on 06/22/2015
- Last reviewed on 06/28/2025

### **Purpose & Scope**

This policy outlines guidelines and procedures for transferring costs from one fund to another within Colorado Mesa University, related to sponsored awards and in accordance with [Federal Uniform Guidance \(2 CFR Part 200 Subpart E\)](#). The aim of this policy is to ensure that cost transfers are performed accurately, transparently, and in a timely manner, while maintaining compliance with federal regulations and sponsor requirements. This policy applies to all Principal Investigators (PIs) and administrative staff involved in the management of sponsored awards.

### **Definitions**

- *Cost Transfers*: In financial and accounting terms, this refers to the process of moving or reallocating expenses or costs from one account or funding source to another within an organization's financial records. Cost transfers are typically initiated to correct errors, allocate expenses accurately, or ensure that costs are properly attributed to the appropriate project, grant, or department.

### **Guidelines**

#### ***Principles***

All cost transfers must be consistent with the approved budget, awarded terms and conditions, and sponsor regulations. Cost transfers must be well-documented and adequately explained. Transfers should be initiated in a timely manner and within 90 days of the original transaction posting, except in cases where an exception is granted. Transfers for salaries and wages must comply with the University's effort reporting and certification policy.

#### ***Documentation Requirements***

Cost transfers require detailed justification explaining the need for the transfer and how it aligns with the project's goals and objectives. The documented justification will reside in the sponsor award's grant file. Documentation should include original source

documentation such as invoices, receipts, payroll records, and other applicable evidence.

### ***Approval Process***

All cost transfers must be approved by the Principal Investigator or their designee, the Post-Award Finance Specialist, the appropriate department administrative personnel, and the University Controller or designee. The University's Chief Financial Officer may be included in the approval process should the Bursar and/or Controller deem that the cost transfer amount or circumstances surrounding the cost transfer require a higher level of approval.

### ***Payroll Cost Transfers***

Payroll cost transfers require additional scrutiny and must adhere to the University's effort reporting and certification policy. Retroactive payroll cost transfers should be rare and only allowed when exceptional circumstances are demonstrated.

### ***Compliance and Monitoring***

Each cost transfer is evaluated on a case-by-case basis in alignment with this policy. Should a cost transfer veer from this policy, the Post-Award Finance Specialist will consult with the award's Project Officer.