



COST TRANSFER AUTHORIZED APPROVER CHECKLIST

For the Cost Transfer Policy, Guidelines, and Form, please visit:

<http://osp.finance.harvard.edu/cost-transfer-policy>

Cost Transfer Compliance

All cost Transfers must be allowable, allocable and reasonable in order to be charged to a sponsored award. In determining allowability, one must consider federal regulations, sponsor specific terms and conditions, agency guidance as well as University Policy for costs.

Roles and Responsibilities of Being a Cost Transfer Approver:

1. Responsible for attending Cost Transfer Training once every 2 years or online training
2. Responsible for understanding and enforcing the policy
3. Responsible for responding to Cost Transfer Policy questions
4. Responsible for reviewing cost transfer package for allowability, allocability and reasonableness of the Cost Transfer
5. Responsible for ensuring the local unit has adequately documented the Cost Transfer
6. Responsible for identifying and communicating their back-up in the event they are unable to approve Cost Transfers
7. Responsible for following/developing and communicating a process (including an agreed upon timeline) to their local unit regarding the routing and approval of cost transfers

Cost Transfer Request Must Include the Following:

1. Cost Transfer Form – Signed and dated
2. A draft or out-of balance journal (or an AP adjustment screenshot for equipment)
3. GL Detail Listing of original charges
4. Other Supporting Documentation that supports allowability, allocability and reasonableness
5. Copies of the flight itinerary that supports compliant with the Fly America Act: flight is with a US flag air carrier or open skies agreements. When applicable, verify that a signed Federal Award Reimbursement Exception Form (FAREF) was completed
6. Copies of the Vendor Justification Form (VJF) for purchases over \$5,000 and a signed debarment form for purchases over \$25,000 that were completed at the time of purchase

Naming Convention: *CT^TUB^DEPT^ Preparer's Initials^Description^Date (or Date Range) of original transaction(s) (Local Units can vary their naming convention, provide the Cost Transfer journal starts with a 'CT')*

When Reviewing Cost Transfer Request for Completeness:

1. Verify if it is a journal adjustment or cost transfer requiring a CT form
2. Confirm that the Debiting Account is not overspent
3. Ensure the CT request does not affect a previously submitted financial report or final



invoice at the end of the reporting period (Review the Financial Report submission status in GMAS)

4. Determine whether it is over or under 90 days*, (use Cost Transfer Calculator to do so: http://osp.finance.harvard.edu/files/osp/files/cost_transfer_calculator_dec_2014.xls)
5. Confirm the description of cost and the amount requested to transfer matches the marked G/L detail listing & draft journal
6. Ensure that sufficient supporting documentation is included for proper justification

Documentation needed for Under 90 Days Cost Transfer:

- A description of the expense being transferred: ex. Name & Role person plays
- A brief explanation why the cost transfer is reasonable, allocable, and allowable
- Cost transfer for air travel costs from a non-federal account must comply with the Fly America Act (U .S flag air carrier and open skies agreement)
- Verify CT meets the “Unlike Purpose and Circumstances Criteria” for costs generally treated as indirect costs (office supplies, meals etc.)
- Verify that non-salary expenses (purchase goods and services) over \$5K have VJF support and expenses over \$25K have suspension and debarment supporting documentation
- Verify that the VJF and debarments forms were completed at the time of purchase (if applicable)

Documentation needed for Over 90 Days Cost Transfer:

- In addition to the documentations required for Under 90 days Cost transfer, the documentation should also include additional documentation to justify the late request.
- Provide justification of the lateness of the cost transfer (e.g., copy of action memo, correspondence between departments and central offices, etc.
- Corrective actions to prevent similar future instances, when applicable

How Should the CT Request be Routed for Approval?

ROUTING FOR CTs WHERE OSP IS THE PRIMARY AUTHORIZED APPROVER: UNDER 90 DAY COST TRANSFERS

1. Department submits CT form & supporting documentation to OSP_Cost_Transfer@harvard.edu , use standard email subject line: CT_Under90_Tub#_Org#Fund#
2. SFA reviews and approves CT form
3. OSP sends the approved CT form back to the CT submitter
4. Department maintains the signed CT form and all supporting documentation

Please refer to the OSP Website for a list of School and OSP authorized approvers for Under and Over 90 Day CTs, <http://osp.finance.harvard.edu/cost-transfer-policy#Resources>



OVER 90 DAY COST TRANSFERS

1. Department submits PDF CT form to their tub authorized approver
2. Tub approver signed then routes to OSP Cost Transfer inbox
OSP_Cost_Transfer@harvard.edu, use standard email subject line:
CT_Under90_Tub#_Org#Fund#
3. OSP Portfolio Manager reviews and approves CT form
4. Copy of approved CT form is returned to the CT submitter
5. Department maintains the signed CT form and all supporting documentation

Please refer to the **OSP Website for a list of School and OSP authorized approvers for Under and Over 90 Day CTs**, <http://osp.finance.harvard.edu/cost-transfer-policy#Resources>

Over 90 Day Considerations:

Cost Transfer request **MUST** demonstrate the extenuating circumstances that led to the request being over 90 days. Please refer to the Cost Transfer Policy for complete guidance and clarification: <http://osp.finance.harvard.edu/cost-transfer-policy>

Examples of acceptable extenuating circumstances include the following:

- Late issuance of a relevant Action Memo; the deadline is 45 calendar days after issuance of an Action Memo Action (e.g., activation of new award, full execution of a subcontract, extension of time, incremental funding, etc.). Counting starts on the day after the Action Memo is issued.
- Failure of another department to take action. The departments submitting the CT is required to provide evidence of timely follow up actions
- Sponsor requirement dictates the need for the cost transfer
- A debit to correct a credit to a federal award to match a submitted Federal Financial Report (FFR) or final invoice

Acceptable extenuating circumstances **DO NOT** include:

- A transfer that would result in the revision of a submitted financial report or final invoice
- Absence of PI or responsible administrator
- Shortage or lack of experience of staff

Once Cost Transfer is Approved:

1. Authorized Approver notifies Department to process the cost transfer journal immediately (expectation is within 5 business days)
2. Departments are responsible for retaining copies of the approved Cost Transfer and backup information. OSP does not keep copies of approved Cost Transfers.
3. **Important:** change the Effective Date on the pending journal to approved date when posting a journal.
4. Under 90 day cost transfers must be posted to the G/I within the 90 day window (per



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the CT Calculator)

Possible Reasons Why a CT Would be Rejected or Sent Back:

- **Not enough information given:** No clear statement of why cost is allowable, allocable or reasonable in relation to the federal award
- **Doesn't meet criteria:** Financial report was filed, final invoice was sent, past deadline
- **Poor Language:** Explanation difficult to understand

Note: If a cost transfer is not approved by OSP or by the tub/dept approvers, remind the CT requestors and the submitting dept/unit that they are responsible for ensuring that any costs that are on a federal award must be moved to a non-sponsored account in a timely manner.