



AMERICAN UNIVERSITY COST TRANSFER JUSTIFICATION FORM INSTRUCTIONS

A cost transfer is an after-the-fact reallocation of costs (labor or non-labor) from a sponsored or nonsponsored award to an externally funded (sponsored) award. Ideally, all costs would be charged to the appropriate award when first incurred; however, there are circumstances where it may be necessary to transfer expenditures to a sponsored award subsequent to the initial recording of the expense.

AU is committed to ensuring cost transfers are made in accordance with federal regulations, sponsor requirements, and AU policy. To comply with these requirements, it is necessary to explain and justify all reallocations of expenses to federal and non-federal awards. Timeliness and completeness of transfer explanations are important factors in supporting allowability and allocability.

Completing the Form - All cost transfers (including labor transfers) should be submitted directly to Grants and Contracts Accounting. *Transfers of labor expenses will be submitted to Payroll for processing after the Grants and Contracts Accounting (GCA) review is complete.* Upon request from the Principal Investigator (PI) that an expenditure transfer request is necessary, the department must complete all requested fields on the cost transfer justification form as follows:

CONTACT INFORMATION

REQUESTOR: Enter the preparer's first and last name This individual may be contacted for questions regarding the cost transfer.

PHONE EXT.: Enter the AU phone extension or phone number for the requestor. EMAIL ADDRESS: Enter the email address of the requestor.

SECTION 1: Identification of Costs

Select the types of cost included in the cost transfer by checking the appropriate box. It is possible for a cost transfer form to include all three types of transactions: labor transactions, non-labor transactions, and transactions posting more than 90 days prior to the date of transfer.

If the cost transfer includes a reallocation of labor for which a Time and Effort report has already been certified, check "Yes" in the appropriate box and include a recertified Time and Effort report.

SECTION 2: Costs Allocation

FROM GL ACCOUNT: Enter the GL account string from which the expenses should be removed (credited) in complete GL format.

TO GL ACCOUNT: Enter the GL account string to which the charges are being allocated to (debited) in complete GL format.

ORIGINAL POSTING DATE: The general ledger accounting date of the original transaction. This date should match supporting documentation.

AMOUNT: The total amount of direct costs you are transferring to the GL account listed in the "To GL Account" column. Do not include indirect costs, as they will be automatically calculated and added to your project, if applicable. (*Note: If the cost transfer will exceed the number of lines provided on Page 1, please enter the remaining transfer items on Page 2.*)

SECTION TOTAL: This field will automatically calculate the amount being transferred for Section 2 on Page 1 only.

TRANSFER TOTAL: This field will automatically calculate the amount being transferred for Section 2 on Page 1 and Page 2.

SECTION 3: Transfer Justification

This section is intended to explain why the cost transfer is necessary and requires a two-part explanation. First, include an explanation of why the charge was originally charged to the incorrect project account, and second, explain how the charge benefits, or is appropriate to be charged to the new project account.

If the cost transfer does not contain a late cost transfer request (transfer of expenses over 90 days old), obtain the appropriate signature and forward the cost transfer form along with the required supporting documentation to grantje@american.edu. If the transfer contains a late cost transfer request, continue to Section 4 before obtaining the necessary department signatures and submitting to Grants and Contracts Accounting.

SECTION 4: Late Cost Transfer Request

This section should be completed for all transfers of expenses incurred and posted 90 or more days prior to the date the cost transfer is signed and submitted for processing. The 90 day threshold is calculated from the last day of the month in which the charge first posted in the general ledger. For example: A charge first posted in the general ledger on May 2nd would begin its 90 day period on May 31.

This section requires a two-part explanation. Include an explanation of why the charge was not identified and transferred prior to 90 days of posting, and an explanation of how this type of error will be prevented going forward.

Sponsor approval and additional signatures are required for late costs transfer requests. Once all the required department signatures and sponsor approval has been gathered, please submit to grantje@american.edu for final signatures and processing

Note: Transfer requests with insufficient explanations or a lack of sufficient documentation will be returned for further clarification or documentation. Additionally, transferring costs to a sponsored project for the sole purpose of covering project expenditure overruns or to spend out a project is prohibited.



**AMERICAN UNIVERSITY
COST TRANSFER JUSTIFICATION FORM**

Requestor: _____ Phone Ext.: _____ Email: _____

Section 1: IDENTIFICATION OF COSTS – *Please select one of the following and attach documentation as support.*

- Transfer of PERSONNEL COSTS** (*attach Labor Distribution Report and calculations*)
Does this adjustment require re-certification of a previously completed Time and Effort Report? YES NO
- Transfer of NON-PERSONNEL COSTS** (*attach system documentation showing posting of the original charge*)
- Transfer includes costs posting more than 90 days prior** (*attach sponsor approval and complete Section 4 below*)

Section 2: COSTS ALLOCATION – *Add additional pages if necessary*

Transfer Total: _____

From GL Account	To GL Account	Original Posting Date	Amount
Section Total:			

Section 3: TRANSFER JUSTIFICATION

- A. Why was this (were these) expense(s) originally applied to the incorrect project account?

- B. How does this (do these) expense(s) provide a direct benefit to the receiving project account?

I hereby certify that the cost(s) to be transferred is an appropriate expenditure for the sponsored project and complies with all applicable terms and restrictions.

Principle Investigator or Cognizant Dept. Admin Name	Signature	Date
Grants and Contracts Accounting Review	Signature	Date

Section 4: LATE COST TRANSFER REQUEST

If over 90 days, what factors contributed to the delay in determining that this (these) charge(s) should be reclassified?

What steps will be taken to eliminate the future need for cost transfers of this type and when will they be implemented?

Deans Office / Department Chair / Supervisor	Signature	Date
Director of Grants and Contracts Accounting	Signature	Date

