**Sponsored Program Services presents a five part mini-course on Cost Transfers.**

With nearly $300 million of sponsored research expenditures annually charged to the federal government, Purdue has the obligation of ensuring that expenses are charged appropriately. To assist staff with being mindful of this fiscal responsibility, SPS has created a five part mini-course focused on Cost Transfers.

***Click here for Part 1***

PART 1:

Introduction: It is expected that all expenses charged to a sponsored project are correctly charged at the outset. Charges to sponsored projects must be allowable, reasonable, allocable, and must be treated consistently.

In some instances, a cost transfer is unavoidable; mistakes do happen. The purpose of this mini-training is to provide information to departmental business offices, operations managers, project managers, SPS staff and others regarding government cost transfer policies.

Definition: A cost transfer is the reassignment of an expense to a sponsored project after the expense was initially charged to another sponsored project or non-sponsored project/account. When cost transfers to move expenses involve a sponsored program grant or contract, special rules apply, which will be further discussed throughout this mini-training.

Transfer of salary costs prior to PAR certification is **not** considered a cost transfer. Changes in payroll distribution via CD01 or Info Type 27 are appropriate prior to certification. Salary distribution changes after certification **are** considered cost transfers and are heavily scrutinized. All cost transfers with the exception of salary transfers generated from effort reports should be made within 90 days of the original charge. All cost transfers require pre-auditor approval.

Applicability: All federal grants, contracts, cooperative agreements, traineeships, and other funding are subject to cost transfer guidelines. Subcontracts from other entities (universities, local government units, states, etc.) which are funded by federal agencies are subject to the same regulation as federal awards made directly to Purdue.

Non-federal grants may have similar restrictions regarding cost appropriateness and are therefore subject to the same cost transfer guidelines. Fixed price contracts may have greater flexibility.

In the next installment of this series, we will focus on concerns and consequences related to cost transfers.