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# WEST VIRGINIA CLINICAL & TRANSLATIONAL SCIENCE INSTITUTE

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## Cost Transfers Related to WVCTSI Funds

### Overview

The West Virginia Clinical & Translational Science Institute (WVCTSI) is supported both by federal funds from the National Institutes of Health (NIH) as well as institutional support from the various partner organizations. It is critically important that there is adherence to established Federal cost accounting standards.

### Purpose

The purpose of this standard operating procedure (SOP) is to identify the procedure by cost transfers are allowable as well as necessary for partner organizations supported by WVCTSI funds.

### Scope

This SOP applies to all personnel supported by WVCTSI funds, including West Virginia University employees, West Virginia University Medicine employees, and WVU Research Corporation employees. Employees at West Virginia School of Osteopathic Medicine and Charleston Area Medical Center will communicate any changes via a cost transfer within the approved WVCTSI budget to the director of research administration.

### Policy

All cost transfers must adhere to the following NIH Grants Policy Statement on cost transfers:

- *Cost Transfers to NIH grants by grantees... should be accomplished within 90 days.... Transfers must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by a responsible organizational official of the grantee.... An explanation merely stating that the transfer was made 'to correct error' or 'to transfer to correct project' is not sufficient. Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overruns are not allowable. Grantees*

*must maintain documentation of cost transfers, pursuant to 45 CFR 74.53 or 92.42 [record retention requirements] and must make it available for audit or other review.... Frequent errors in recording costs may indicate the need for accounting system improvements and/or enhanced internal controls.... NIH also may require a grantee to take corrective action by imposing additional terms and conditions on an award(s).*

For WVU/WVURC personnel, you must adhere to the following institutional policies regarding cost transfers:

Cost Transfer Requests must be completed within 90 days of the original expense and include a documented and explicit explanation of the basis or need for the transfer (this should be in the form of a memorandum or typed directly on the Cost Transfer Request document).

- Cost Transfer Requests to adjust payroll-related expenditures will require no explanation or documentation if the Cost Transfer Request is submitted within 30 days of the end of the month in which the payroll expense posted in error to the incorrect account. Documentation is required if the Cost Transfer Request is submitted after 30 days past the end of the month in which the payroll expense posted in error to the incorrect account. The documentation must include a description of why the error occurred and include a statement saying no effort report has yet been issued for the time period of the transaction or a statement saying the effort will be re-certified in a timely manner upon receipt of a superseded effort.
- Cost Transfer Requests completed to distribute costs must be directly allocable to the grant or contract as defined by the policy on Direct Costs on Grants and Contracts (RC-CO-2) or supported by a detailed rate schedule consistent with the policy on Interdepartmental Services Rate Development (WVU-CO-1).
- Cost Transfer Requests moving expenses to a grant or contract cannot be submitted after 30 days past the expiration date of the grant or contract regardless of the allowability of the expenses.
- Cost Transfer Requests occurring within the last 30 days of a grant/contract period will require a written justification of the necessity for the transfer. Cost Transfer Requests for personal services must be broken down by each pay cycle, effort percentage, and title as indicated in the approved grant/contract award budget. \* In circumstances of over or non-compliant expenditures, if the appropriate correction is not processed within the 30-day period after the expiration date of the grant/contract, Financial Services will initiate and process

the required Cost Transfer against the designated Dean's account. \* Cost Transfer Requested to correct previously processed and posted Cost Transfers, use the date in which the original transaction was posted to MAP to assess whether or not the action is within the 90 day time frame.

## **Procedures**

For all partners organizations (WVSOM, CHERI), please follow your institutional procedures regarding cost transfers in addition to the Federal cost accounting standards as well as the NIH policy. Please retain all documentation related to cost transfers related to all WVCTSI funds as well as any allowable WVCTSI cost share contributions from your organization.

For WVU/WVURC personnel, review and follow all information provided by WVU Financial Services: <http://financialservices.wvu.edu/sponsored-research-accounting/cost-transfers>.

In addition, all WVU/WVURC personnel need to complete the appropriate cost transfer form for the specific request. All WVU/WVURC cost transfer forms are located at: <http://financialservices.wvu.edu/sponsored-research-accounting/cost-transfers/cost-scenarios/cost-transfer-forms>.

All cost transfer requests involving WVCTSI funds must be reviewed and certified by the Director of Research Administration before these requests are finalized. For all WVU/WVURC personnel that utilize Mountaineer Marketplace (MM) for cost transfers, please refer to the MM guidelines.

In addition, the person initiating the cost transfer request via MM will enter the required information into the system. After this step has been completed, the Director of Research Administration should be notified via email that a requisition or other procurement-related action has been initiated. At that time, the Director of Research Administration will review the action and/or request in MM and approve the action/request as the WVCTSI EBO or request that the cart be assigned to the Director of Research Administration. Even though the MM system may allow others to be assigned as the EBO, only the director of research administration (or a WVCTSI designee) should approve any MM actions involving a WVCTSI POETA account number.

## **Responsibilities and Scope**

### ***Involved with the Change in Compensation and/or Effort from WVCTSI Funds***

- **Core Chairperson:** responsible for the initial review and consideration of the change in compensation/effort request; sends the request to the Director of Research Administration
- **Grant Administrator(s):** works with the PI and other business office personnel to initiate the request for Core Chairperson's consideration
- **Expert Business Officer (EBO):** prepares the fiscal information needed to accompany the change in compensation and/or effort request
- **Director of Research Administration:** reviews the change in compensation and/or effort for compliance with sponsor guidelines, institutional policies, and availability of funding to support the request
- **WVCTSI Finance Unit:** carefully reviews the availability of funding to support the request; works with the departmental EBOs to finalize any approved request by submitting required documents to central administrative units

## **References and Authority**

The cost principles are set forth in the following documents and are incorporated by reference in 45 CFR parts 74.27 and 92.22. As noted below, OMB Circulars A-21, A-87 and A-122 have relocated to Title 2 in the Code of Federal Regulations (2 CFR) :

- OMB Circular A-21 (relocated to 2 CFR 220) — Cost Principles for Educational Institutions.
- OMB Circular A-87 (relocated to 2 CFR 225) — Cost Principles for State and Local Governments and Indian Tribal Governments.
- OMB Circular A-122 (relocated to 2 CFR 230) — Cost Principles for Non-Profit Institutions. Larger non-profit organizations that are specifically listed in Attachment C to OMB Circular A-122 are subject to the Federal cost principles applicable to commercial organizations (48 CFR 31.2) rather than to the cost principles for non-profit organizations.
- 45 CFR 74, Appendix E — Principles for Determining Costs Applicable to Research and Development under Grants and Contracts with Hospitals.
- 48 CFR 31.2 (Federal Acquisition Regulation) — Contracts with Commercial Organizations.
- WVU Cost Transfer Policy: <http://financialservices.wvu.edu/policies>

# Approval and Authority to Proceed

I approve the project as described above, and authorize to proceed.

Name	Title	Date
Sally L. Hodder, MD	Director, West Virginia Clinical and Translational Science Institute	4/18/16 3/07/17 Revised



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Approved By

3/07/07  
Date