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**UMBC COST TRANSFER PROCEDURES**

# Responsibilities

# A. Principal Investigators are responsible for:

1. Reviewing the charges on their awards in order to ensure timely and accurate posting of expenditures.

2. Communicating with their department administrators in order to facilitate the appropriate recording of original costs.

3. Signing all cost transfers greater than 90 days old that affect their projects.

4. Timely Effort Report certification.

B. Department Administrators are responsible for:

1. Reviewing the expenditures on their projects to ensure the timely detection and correction of errors.

2. Appropriately requesting and documenting cost transfers.

D. Contract & Grant Accounting is responsible for:

1. Reviewing and approving non-payroll cost transfers.

2. Reviewing and approving payroll cost transfers using retros.

3. Reviewing, approving and facilitating the recertification of effort reports.

# Procedures

A. All cost transfers must contain an explanation as to why the cost transfer is necessary. If the cost transfer is necessary to correct an error, the explanation must fully explain how the error occurred. An explanation merely stating that the transfer was made “to correct error” or “to transfer to correct project” is not sufficient.

B. All cost transfers affecting sponsored chartstrings that are occurring more than 90 days from the original charge being corrected must also contain an explanation as to why the error was not discovered and corrected within the required 90 day timeframe.

C. Nonpayroll cost transfers are performed using a journal entry. Journal entries may be initiated by anyone with a Department Journal Initiator role. If the journal involves more than one department, the department whose chartstring is being charged should initiate the journal entry.

D. Payroll cost transfers performed within 90 days of the original transaction are performed using retro. For training and/or questions about the retro process, please contact Financial Services via an RT Ticket (myUMBC, help, request help). Payroll cost transfers performed after 90 days of the original transaction must also contain an explanation as to why the payroll transfer was not processed within the required 90 day timeframe.

1. Payroll cost transfers using a retro:

a. Complete a paper or on-line retro request form.

b. Attach an EE History Report by accounting period through the end of the current fiscal year (20XX-12).

c. Review the EE History for pay period(s) entered on the retro request to ensure that there was sufficient salary paid to that individual on the chartstring being credited for the period being transferred.

d. If the form affects sponsored chartstrings, the Principal Investigator (PI) or Department Administrator responsible for the sponsored chartstring affected must sign the retro request form. If more than one sponsored chartstring is affected, All PI’s or Department Administrator’s of the chartstring being charged must sign the retro request form.

e. Send the original completed paper retro request form and EE History Report to Financial Services for processing. For audit purposes, copies of the request form and EE History Report along with appropriate supporting documentation should be maintained in Department files.

f. On-line retros are processed without submitting documents to Financial Services. However, for audit purposes, copies of the original request form and EE History Report along with appropriate supporting documentation should be maintained in Department files.

g. Contract & Grant Accounting will review and approve payroll cost transfers affecting sponsored chartstrings on an after-the-fact basis to determine whether the transfers are in compliance with the UMBC Policy on Cost Transfers and these UMBC Cost Transfer Procedures.

E. Financial Services can now process multiple retros per employee in a single pay period (with one exception being if transfers are within the same account code for the same employee). Please see the blackout schedule for cutoff dates for retros.

F. Payroll cost transfers charging a sponsored chartstring that cause payroll distribution to differ from a previously certified and closed effort report are highly discouraged. They must be appropriately documented as described above but must also have the effort report recertified. This documentation must describe in detail the need for revisions of the original certification and be signed by the Principal Investigator on the award being charged. The effort report will be automatically reopened and must be recertified by the same individual who certified the original effort report.

G. No cost transfers moving costs onto a sponsored chartstring will be allowed if performed more than six months past the date of the original transaction. Any exceptions to the above must be routed to Contract & Grant Accounting for approval.