

Cost Transfers Do's and Don'ts

DO

- Charge expenditures to the correct project ID when first incurred.
- Read the cost transfer policies at <https://www.rsp.wisc.edu/policies/costtransfer/index.html> and <http://www.bussvc.wisc.edu/acct/policy/processing/703polacnsptnongrant.html>
- Use the processes and tools available to change or split funding at time of purchase/posting.
- Correct errors as soon as detected and reconcile corrections.
- Avoid 90-day cost transfers (aka moving expenses after 90 days).
- Request a Project ID in advance of award for pending awards.
- Split allocable costs across multiple sponsored projects consistently.
- Provide clear, detailed justification statements.
- Perform ProCard edits in a timely manner.
- Carefully prepare paperwork – errors in project ID's, account codes, reference numbers, amounts, etc., will only delay transactions.
- Ask for help when needed.
- Reconcile expenditure postings monthly, especially salary postings.

DON'T

- Use federal projects as defaults for procard purchasing system. Instead use unrestricted funding.
- Use canned, copied over and over transfer justifications.
- Charge costs for pending projects on other sponsored projects (aka parking costs).
- Transfer costs from one sponsored project to another to eliminate a deficit.
- Transfer costs from one sponsored project to another to spend down a remaining balance.
- Apply all costs on one grant and then move some to another.
- Use the cost transfer tool to replace the inter-departmental billing process.
- Wait to fix an error!

Cost Transfer Tip Sheet

What is a cost transfer?

It is an after-the-fact reallocation of already posted expenses. A cost transfer doesn't move budget, funds, or revenue.

Key Considerations

- **Do not assume** everyone knows what you are trying to do.
- **Write justifications** in a way that a non-UW or non-departmental person can clearly understand the need to move an expense without having to follow-up with questions.
- **It's OK** to say a mistake was made.
- **Don't** use too many/few words.
- **Call** your RSP or divisional accountant for wording help if needed.

Wording **NOT** to use

- Made an error; to fix an error
- To get charge on correct funding
- To clear overdraft
- To spend down grant
- Moving expense from project A to project B
- RSP told me transfer was needed
- PI said to transfer
- Grant ended
- Bad language
 - Be professional – becomes permanent record

Good examples

- Mixed up project ID during procard edit; AAB2251 should be AAB2215. Items were used to collect beet seed samples.
- HRS (payroll system) default project was used because researcher did not report to payroll office which project student worked on. Transfer moves salary to that project. Updates have been made to HRS funding.
- Grant ended and project funding was not updated to successor project. X supply is used to stabilize protein samples.
- Expense is unallowable on grant because it was purchased after the grant end date. Moving to unrestricted funding used to support PI's overall landscape monitoring research.