COST TRANSFER AUTHORIZED APPROVER CHECKLIST

For the Cost Transfer Policy, Guidelines, and Form, please visit:
http://osp.finance.harvard.edu/cost-transfer-policy

Cost Transfer Compliance
All Cost Transfers must be allowable, allocable and reasonable in order to be charged to a sponsored award. In determining allowability, one must consider federal regulations, sponsor specific terms and conditions, agency guidance as well as University Policy for costs.

How to become an Authorized Approvers?
Contact your school/tub research office with questions about local Authorized Approvers. OSP will provide training and the required certification once the school approvers the Authorized Approver Request.

Cost Transfer Approver Roles and Responsibilities:
1. Attend Cost Transfer Training or online training at least once every 2 years
2. Understand and enforce the policy
3. Respond to Cost Transfer Policy questions
4. Review cost transfer documentation package for allowability, allocability and reasonableness
5. Ensure the local unit has adequately documented the Cost Transfer
6. Identify and communicate back-up coverage for Cost Transfer approvals during absence(s)
7. Develop and communicate a process (including an agreed-upon timeline) to local unit regarding the routing and approval of cost transfers

Required Cost Transfer Request Documentation:
1. Cost Transfer Form – Signed and dated
2. A draft or out-of balance journal (or an AP adjustment screenshot for equipment)
3. GL Detail Listing of original charge(s)
4. Other supporting documentation that supports allowability, allocability and reasonableness
5. Copies of the flight itinerary and other documentation that supports compliance with travel on the lowest economy airfare and/or use of a US flag air carrier as applicable. When applicable, approved Federal Lowest Economy Airfare Travel Reimbursement Exception Form and/or signed Fly America Travel Reimbursement Exception Form (FATREF) if moving cost from a non-federal account.
6. Copies of the Vendor Justification Form (VJF) for purchases over $5,000 and a signed debarment form for purchases over $25,000 that were completed at the time of commitment, if moving cost from a non-federal account.
7. Naming Convention: CT^TUB^ORG^Preparer's Initials^Description^Date (or Date Range) of original transaction(s) (Local units can vary their naming convention, providing the Cost Transfer journal starts with a ‘CT’)

Review of Cost Transfer Request for Completeness:
1. Verify whether the request is a journal adjustment or cost transfer requiring a CT form
2. Confirm that the Debiting Account is not overspent
3. Ensure the CT request does not affect a previously submitted final financial report, final invoice, and/or financial report/invoice after the end of the budget reporting period for year logic accounts
   (Review the Financial Report submission status in GMAS)
5. Confirm the description of cost and the transfer amount matches the marked G/L detail listing and draft journal
6. Ensure that sufficient supporting documentation is included for proper justification

**Documentation needed for Under 90 Days Cost Transfer:**
- A description of the expense being transferred: ex. Name & Role person plays
- A brief explanation why the cost transfer is reasonable, allocable, and allowable.
  When transferring air travel costs from a non-federal account, a copy of the flight itinerary showing evidence of travel on the lowest economy airfare is required.
  Additional supporting documentation may also be required:
    - An approved Federal Lowest Economy Airfare Travel Reimbursement Exception Form
    - Signed Fly America Travel Reimbursement Form (if US flag air carrier is not used)
- Verify CT meets the “Unlike Purpose and Circumstances Criteria” for costs generally treated as indirect costs (office supplies, meals etc.)
- Verify that non-salary expenses (purchase goods and services) over $5K have VJF support and expenses over $25K have suspension and debarment supporting documentation
- Verify that the VJF and debarments forms were completed at the time of commitment (if applicable)

**Documentation needed for Over 90 Days Cost Transfer:**
- In addition to the documentation required for Under 90 days Cost transfer, the documentation should also include additional documentation to justify the late request (e.g., copy of action memo, correspondence between departments and central offices, etc.)
- Corrective action plan to prevent similar future instances, when applicable

**How should the CT request be routed for approval?**
OVER 90 DAY COST TRANSFERS

1. Department submits PDF CT form to their tub authorized approver
2. Tub approver signed then routes to OSP Cost Transfer inbox
   OSP_Cost_Transfer@harvard.edu, use standard email subject line:
   CT_Over90_Tub#_Org#Fund#
3. OSP Portfolio Manager reviews and approves CT form
4. Copy of approved CT form is returned to the CT submitter
5. Department maintains the signed CT form and all supporting documentation

Please refer to the OSP Website for a list of School and OSP authorized approvers for Under and Over 90 Day CTs: http://osp.finance.harvard.edu/cost-transfer-policy#Resources

Over 90 Day Considerations:
Cost transfer request MUST demonstrate the extenuating circumstances that led to the request being over 90 days. Please refer to the Cost Transfer Policy for guidance: http://osp.finance.harvard.edu/cost-transfer-policy

Examples of acceptable extenuating circumstances include the following:
- Late issuance of a relevant Action Memo; the deadline is 45 calendar days after issuance of an Action Memo Action (e.g., activation of new award, full execution of a subcontract, extension of time, incremental funding, etc.). Counting starts on the day after the Action Memo is issued.
- Failure of another department to take action. The departments submitting the CT is required to provide evidence of timely follow up actions.
- Sponsor requirement dictates the need for the cost transfer.
- A debit to correct a credit to a federal award to match a submitted Federal Financial Report (FFR) or final invoice.
- Journal for salary adjustments between the main accounts and/or part of accounts within the same account group/reporting period.

Acceptable extenuating circumstances DO NOT include:
- A transfer that would result in the revision of a submitted final financial report, final invoice, and/or financial report/invoice after the end of the budget reporting period for year logic accounts
- Absence of PI or responsible administrator
- Shortage or lack of experience of staff

Once Cost Transfer is approved:
1. Authorized Approver notifies Department to process the cost transfer journal immediately (expectation is within 5 business days)
2. Departments are responsible for retaining copies of the approved Cost Transfer and backup information. OSP does not keep copies of approved Cost Transfers.
3. Important: Change the Effective Date on the pending journal to approved date when posting a journal.
4. Under 90 day cost transfers must be posted to the G/L within the 90 day window (per
Possible reasons why a CT would be rejected or returned:

- **Insufficient information provided**: No clear statement of why cost is allowable, allocable or reasonable in relation to the federal award
- **Doesn’t meet criteria**: Request was submitted after submission of the final financial report, final invoice, and/or financial report/invoice after the end of the budget reporting period for year logic account

*Note: If a cost transfer is not approved by OSP or by the tub/dept approvers, remind the CT requestors and the submitting dept/unit that they are responsible for ensuring that any costs that are on a federal award must be moved to a non-sponsored account in a timely manner.*