HARVARD
UNIVERSITY

# Cost Transfer FAQs

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| Originally Issued: | July 2018 |
| Updated: | July 2020 |
| Responsible Office: | Office for Sponsored Programs |

## 1. How do I avoid a cost transfer?

Cost transfers can be avoided by ensuring, prior to purchase or direct charging salary, that all items will directly benefit the project and by conducting a regular (monthly) post award review of transactions to immediately correct erroneous transactions. For collaborative projects, using part-of accounts across departments (Orgs, Tubs), ongoing follow-up with the Main Org may be necessary to ensure accounts are set up on a timely basis.

Cost transfers can also be avoided by setting up an at-risk account, also referred to as an at risk account, in order to avoid the need to move costs at a later time. An advance account is set up to allow PIs to initiate spending on their awards before the University receives or accepts the award. **Note: Funds posted to an advance account are "at the risk" of the PI and/or department/school and, in the event an award is not accepted, the funds would need to be covered by another non-sponsored source of funding**.

## 2. What date do I use for journal entries that involve multiple charges posted on different days?

Use the earliest transaction date.

## 3. Does a cost transfer always re-open an effort certification?

Depending on the circumstances, a salary journal adjustment may or may not trigger the reopening of a signed effort certification in the effort reporting system (ecrt). Similarly, a cost transfer journal may or may not trigger the reopening of a signed effort certification in ecrt.

For example:

- A salary journal for under $1,000 does not require a CT but it may trigger the effort certification to re-open (if the percentage change in effort for the quarter is over 3%).
- A salary journal will not trigger the related effort certification to re-open if the changes in salary to federal awards are under 3%.

### 4. What date do I use to determine whether a tuition remission (object code 6430) transaction is over or under 90 days?

Tuition remission is part of compensation and related to salary and therefore is part of an effort certification statement. Since tuition remission is charged in advance, the 90 day count begins on the date the related salary (object code 6140) was posted. The 90 days is counted from the 15th of the month following the date the related salary was posted. Please use the cost transfer calculator to help determine if the transaction is over or under 90 days.

***Tuition remission example:***

In December of 2019, a PI indicates that the October 2019 salary for a post-doc should be on fund 123456 rather than their start-up account. In this case, the October 2019 would be considered the original salary associated with the tuition. The 90day count begins November 15, 2019.

### 5. What date do I use to determine whether a tuition support (object code 6430) transaction (related to a stipendee) is over or under 90 days?

Tuition support is related to a stipendee (object codes 6440, 6450, 6452, 6455). The 90 days is counted from the 15th of the month following the date the error was discovered. Please use the cost transfer calculator to help determine if the transaction is over or under 90 days.

***Tuition Support example:***

It's May 2020 and you are notified that a graduate student in your PI's lab received an F31 retroactive to April 1, 2020. In this case, the error was discovered in May 2020. The 90 day count begins June 15th, 2020.