



GCAAlert!

Yale University

Grant and Contract Administration

Grant and Contract Financial Administration

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Alerts:

- **Important Changes - Cost Transfers Involving Sponsored Awards**

GCFA must ensure that charges identified as not directly benefiting a sponsored award are removed from that award in a timely manner.

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Important Changes – Cost Transfers Involving Sponsored Awards

Due to the recent multi-agency audit settlement and increased scrutiny involving cost transfers, GCFA must ensure that charges identified as not directly benefiting a sponsored award are removed from that award in a timely manner. University procedures pertaining to Cost Transfers, [Procedure 1305PR.02](#), are in process of being revised and will be available on the Yale's policy and procedure website very soon. The most important changes of which departments should be aware include:

- GCFA's prompt use of the batch status "Returned to department by GCFA"
- Restricted resubmission of batches that credit Sponsored Awards
- The timely transfer of insufficiently documented charges to the department's suspense account

In order to better serve department administrators and departmental supporting units, cost transfer batches that lack sufficient supporting documentation will be "returned to department" promptly, within 5 business days, by GCFA personnel. The proper use and designation of the batch status will assist departments in identifying those transfers which require immediate attention for timelier processing.

Cost transfer batches are typically returned to

departments due to inadequate documentation that support and justify the transfer of costs to an award. Once the cost transfer request is reviewed by GCFA personnel and determined insufficient for approval, the following tasks will be performed:

1. The status of the cost transfer in Oracle will be changed to "Returned to Department by GCFA."
2. An e-mail will be sent to the Preparer and the Department Approver notifying them of the cost transfer's return with an explanation outlining the reason(s) for return.

The new change in procedure restricts the number of resubmissions allowed, as well as, limits the time charges may remain on a sponsored award after initiation of the cost transfer. The primary focus of this change is the timely removal of charges identified as not benefiting the sponsored award on which they reside. Consequently after the first return of the cost transfer by GCFA, department staff will have **10 business days** to substantiate and properly document the cost transfer and resubmit to GCFA for a second review. Should the department be unable to provide the requested material within the specified time-frame or if the cost transfer fails to meet GCFA approval on resubmission,

GCFA will be **required** to post any unsubstantiated expense, which is being transferred from a sponsored award, to the department's suspense account. A new suspense project has been requested for the purposes of this procedure change. The new process will be effective for transfers submitted on or after April 1st. Please note that transfers involving charges moved from University general accounts are not affected.

It is important to also note, this action does not preclude a department from resubmitting the cost transfer at a later date with the appropriate documentation or justification supporting the transfer to a sponsored award. As such, GCFA personnel will continue to assist departments with the appropriate documentation of cost transfers and with cost transfer training, as requested.

As we take the necessary steps to minimize the University's risk of inappropriate charges on sponsored awards, GCFA will strictly adhere to these process changes, which we are confident will increase the transparency of batches as they progress through the approval process.

Please feel free to contact your GCFA representative if you have any questions or need additional assistance.