



G&CAAlert!

Yale University
Grant and Contract Administration
Grant and Contract Financial Administration
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New Office Locations

On Wednesday, March 10, Grant and Contract Financial Administration moved as planned to College Place. The department's new contact information is below, and a complete list of GCFA staff can be found here: <http://www.yale.edu/grants/contacts>

On Tuesday, February 23, the Office of Grant and Contract Administration – formerly located at 155 Whitney Avenue – moved to 47 College Street, Suite 203. For a complete listing of GCA staff, please visit our website at <http://www.yale.edu/grants/contacts>

Grant & Contract Administration

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Grant & Contract Financial Administration

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www.yale.edu/grants

Clarification of “90-day rule”

Yale’s institutional policy regarding cost transfers, [Policy 1305](#), restricts cost transfers submitted over 90 days from the end of the calendar month in which the transaction appears on the award. Known throughout campus as “the 90-day rule”, this restriction has been effective in ensuring Yale’s compliance with meeting Federal Policies. There are cases when the sponsor’s (federal or non-federal) terms and conditions are stricter than Yale’s policy; for example, agencies that fall under the Department of Health and Human Services* have the following condition in the HHS Grants Policy Statement:

*“Permissible cost transfers should be made promptly after the error occurs but **no later than 90 days following occurrence unless a longer period is approved in advance by the GMO.**”*

Any cost transfer submitted after 90 days requires the Office of Grant and Contract Financial Administration (GCFA) review and approval and will be granted only under extenuating circumstances and confirmation of approval by the sponsor when applicable. GCFA reviews these cost transfers for extenuating circumstance, appropriate documentation as well as process and controls put in place to prevent reoccurrence.

According to the NIH Grants Policy Statement, Part II: Terms and Conditions of NIH Grant Awards, Subpart A: [General - Part 3 of 7](#), Cost Transfers, Overruns, and Accelerated and Delayed Expenditures:

“Cost transfers to NIH grants by grantees, or by consortium participants or contractors under grants, that represent corrections of clerical or bookkeeping errors should be accomplished within 90 days of when the error is discovered. The transfers must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by a responsible organizational official of the grantee, consortium participant, or contractor. An explanation merely stating that the transfer was made “to correct error” or “to transfer to correct project” is not sufficient.”

In addition, the section also states:

“Frequent errors in recording costs may indicate the need for accounting system improvements and/or enhanced internal controls. If such errors occur, grantees are encouraged to evaluate the need for improvements and to make whatever improvements are deemed necessary to prevent reoccurrence. NIH also may require a grantee to take corrective action by imposing additional terms and conditions on an award(s).”

This article is to clarify that the “90-day rule” is not an implied grace period. Meaning, transactions identified within the month or at month-end during financial statement review as charged in error to a sponsored project require immediate removal, preferably within the next fiscal month, and all transfers must have adequate supporting documentation and explanation. In addition, the root cause of the incorrect charge should be identified and remedied to prevent future incorrect charges.

Department administrators should also review for and detect costs that have not been applied. For example, salary costs that post to labor suspense instead of the intended award and/or costs that may be on an invoice hold, which creates the need for exception monitoring and correction.

Questions about this article can be directed to your GCFA representative at (203) 785-3630.

*Agencies that fall under the Department of Health and Human Services: Agency for Healthcare Research and Quality (AHRQ), Centers for Disease Control and Prevention (CDC), Food and Drug Administration (FDA), Health Resources and Services Administration (HRSA), Substance Abuse and Mental Health Services Administration (SAMHSA), Administration on Aging (AoA) as well as other HHS agencies (excluding the National Institutes of Health).