

x Boston College: OFFICE FOR SPONSORED PROGRAMS
 Cost Transfer and Labor Reallocation Policy

Policy Statement

The purpose of this policy is to document the Boston College and the Jo03

Responsibilities

Principal Investigator (PI):

- Primary responsibility for ensuring compliance with this policy including the Order of Precedence (noted in the Policy Statement section above), and monitoring costs charged to a sponsored award, timely correction of errors, and proper allocation of costs charged.
- Review charges on sponsored award on a regular basis (e.g. monthly) and communicate with DRA any needed changes so the DRA can assist with processing the appropriate paperwork, or post corrections as needed.
- Approve / sign cost transfers and labor reallocations in line with this policy.

Department Research Administrator (DRA) and their Supervisor

- Review and monitor charges on sponsored award on a regular basis (e.g. monthly) in order to assist the PI with timely review and reconciliation of expenses.
- Initiate the appropriate paperwork or online process, on a timely basis and in line with this policy, for cost transfers and labor reallocations, and ensure sufficient documentation.

the sponsored award's budget for available dollar amounts and to ensure the charge falls within the scope of the work and budget period.

Overview

Costs should be charged to the appropriate string when incurred. However, there may be circumstances when it is necessary to transfer a cost to a sponsored project subsequent to the initial recording of that cost (PeopleSoft accounting date).

Such transfers require monitoring for compliance with internal and external policies and procedures, such as sponsor specific terms and conditions, Boston College's and OSP's policies and procedures, and Federal regulations including OMB's 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")

A cost transfer (moving a non-salary cost) or a labor reallocation (moving a salary cost) requires thorough documentation because cost transfer or labor reallocation invites the assumption that the transaction was not handled properly initially. The cost/charge will be scrutinized for allowability and allocability to the benefiting sponsored project. The documentation or justification for moving a cost will also be scrutinized

Timing and Timeliness

Cost transfer requests or labor reallocation requests should be completed within 90 days from when the cost was initially charged (i.e. recorded in Boston College's general ledger / PeopleSoft – accounting date) and no later than six months from that date.

Effective as of October 1, 2020, labor reallocations have additional time restrictions. Due to system limitations and sponsors' invoicing requirements and deadlines, it is impractical to continue the practice of allowing charges to be posted back to a sponsored program once BC has closed a fiscal year, regardless of a sponsored program's year. As a result, labor reallocations that cross BC fiscal years will no longer be allowed unless there are extreme circumstances and the Director of OSP in conjunction with BC's Controller Office agree

In order to prevent labor reallocations crossing fiscal years, Principal Investigators (PI's) should periodically review the list of employees who are being paid from sponsored awards under the PI's purview. The Office for Sponsored Programs (OSP) expects PI's, in conjunction with their Departmental Research Administrator (DRA), to utilize the ERS Effort on Demand Report, as well as the PeopleSoft Transaction Detail Report (TDR) in their review process along with other tools at their disposal.

When transferring a cost onto a sponsored project, the date the original cost was incurred or date of services performed must fall within the effective dates / period of performance of the sponsored project the cost is transferred onto

If there is a delay in submitting the cost transfer or labor reallocation and the reason for the delay is within control of the department, then the department is required to provide a plan to prevent future processing delays.

Supporting documentation to accompany a cost transfer or labor reallocation includes copies of the original transaction documentation (e.g. vendor's invoice, receipt and statement, expense report, etc.), and the Transaction Detail Report (TDR) (or for a Fund 100 cost charged, the Transaction Detail Inquiry (TDI)

Request is completed. The OSP Director's approval must accompany the Form, and the Form still requires the signatures listed in the paragraphs above.

Labor Reallocations and ERS Cost Transfers (CT)

For labor reallocations involving a change/correction for a semester that is not currently released/active for certification in ERS, then the OSP Labor Redistribution Form should be completed

For labor reallocations involving a change/correction for a semester that is released/active for certification in ERS, then the labor reallocation should be processed within ERS.

NOTE: ERS refers to this type of activity as an ERS Cost Transfer (CT).

For an ERS cost transfer on a labor reallocation made more than 90 days after the initial charge (PeopleSoft accounting date), the required approvers within ERS are the PI and the Associate Dean for Finance of the department/school. The Associate Dean is expected to take corrective action or implement process changes to mitigate the risk of future costs transfers or labor reallocations being greater than 90 days from the PeopleSoft accounting date. The PI and another responsible official must sign. The PI cannot sign on both lines.

Please see ERS CT / Labor Reallocation workflow chart at the end of this policy.

Definitions

See [OSP's Definitions](#) and *Glossary of Terms*, as well as *OMB's Uniform Guidance*.

Contacts

For assistance with BC Maximus ERS (Effort Reporting System), please send an email to ERS_Support@bc.edu.

If you have any questions about this policy, or need additional information or training on the topic, please contact the Office for Sponsored Programs main number at 617-552-3344 or directly contact your area's OSP Liaison ([OSP Staff](#)).

