Cost Transfer Policy

Policy Number	500.19.01	**Custodian**	Finance Director
Approved Date	06/05/2026		
Effective Date	06/08/2026	**Review Date**	04/01/2026

1. **Purpose**
   The purpose of this policy is to ensure that all cost transfers involving sponsored (grant-funded) projects at White Earth Tribal and Community College (WETCC) are allowable, allocable, reasonable, timely, properly documented, and compliant with federal, state, and sponsor regulations.

2. **Persons Affected**

   2.1. Employees
   2.2. Sponsoring agencies and pass-through entities

3. **Policy**
   This policy is to ensure the following:

   3.1. All cost transfers comply with Uniform Guidance (2 CFR Part 200) and Minnesota Statutes, including requirements for allowability, allocability, reasonableness, consistency, and internal controls.

   3.2. Cost transfers must be justified, documented, and processed timely (preferably within 30 days; no later than 90 days unless there is an approved exception).

   3.2.1. The president or AOR approves or denies exceptions, including, but not limited to, late cost transfer requests.

   3.2.2. Transfers must not be used to correct budget deficits or spend-down funds.

   3.3. Failure of the PI to comply with grant cost transfer requirements may result in denial of the transfer, disallowed costs, or audit findings.

4. **Definitions**

   4.1. <u>Cost Transfer.</u> The movement of an expense from one funding source or account to another after the cost has been recorded.

   4.2. <u>Allowable Cost.</u> A cost that is reasonable, necessary, allocable, and compliant with 2 CFR 200 Subpart E.

   4.3. <u>Unallowable Costs</u>. Unallowable costs are expenses that cannot be charged to federal, state, or pass-through grants because they fail to meet the standards of necessity, reasonableness, allocability, or compliance. Costs may be unallowable under federal regulations, state grant policies, sponsor guidelines, or WETCC policies. Unallowable expenses charged to an award must be removed and repaid from non-grant sources.

4.4. Late Cost Transfer. A transfer requested more than 90 days after the original transaction posting date.

4.5. Authorized Organizational Representative (AOR). The employee formally designated by the president with the authority to submit proposals, accept awards, execute agreements, and make legally binding commitments on behalf of the College.

4.6. Principal Investigator (PI). The employee who is responsible for the scientific, academic, or programmatic leadership of a project. The PI ensures compliance with award requirements, oversees expenditure management, and provides accurate reporting. In most cases, the PI also functions as the grant manager

4.7. Grant Manager. The employee who oversees PI-assigned aspects of a grant from award to closeout, including budget tracking, reporting, compliance, and ensuring the project meets its goals and sponsoring agency requirements.

5. Procedures

Principal Investigator and/or Grant Manager Responsibilities

5.1. The PI and/or grant manager identifies errors or necessary reallocations through routine monthly review of project expenditures. Responsibilities include:

5.1.1. Ensure that cost transfers are initiated promptly and only when they meet requirements for allowable and unallowable costs under 2 CFR 200.

5.1.2. Initiates cost transfer requests by preparing and submitting the cost transfer form with required justification and supporting documentation.

Finance Department Responsibilities

5.2. The Finance Department processes and oversees approved cost transfers per applicable federal, state, sponsor, and institutional requirements. Responsibilities include:

5.2.1. Process cost transfers in a timely and accurate manner following required internal controls to ensure proper financial reporting and compliance with applicable regulations.

5.2.2. Maintain submitted documentation to support each cost transfer per institutional record retention requirements and Minnesota state statutes.

5.2.3. Monitors cost transfer activity to ensure compliance with applicable regulations and institutional policies. If patterns of noncompliance are apparent, appropriate corrective action will be taken per institutional policies and regulatory expectations.

5.2.4. Deny cost transfer requests that do not meet required standards for documentation, justification, or compliance with applicable regulations and policies.

Revision History

Rev. Date	Rev. No.	Revision
04/01/2026	.01	New policy.