

**Arkansas State University
Sponsored Programs Accounting
Expense Transfer Procedure**

General Statement

An expense transfer is any transfer of an expenditure to a sponsored project from another funding source. It is necessary to have sufficient control and documentation of expense transfers to avoid potential audit disallowances.

Procedure

Expense transfers must be timely, conform to university and sponsor guidelines, and have appropriate documentation to be considered allowable. Frequent, late, or inadequately documented transfers raise questions about the propriety of the transfers and may result in expenditure disallowances and/or subsequent reduction in funding.

It is recommended that sponsored project funds be reviewed on a monthly basis to ensure that all expenditures charged are correct and appropriate. It is the responsibility of the principal investigator to authorize transactions and review the expenditures for accuracy. If an error is discovered, an expense transfer should be made no later than 60 days after the original transaction. For projects that have ended, requests should be made no later than 30 days after the project end date. To request an expense transfer, the PI should complete the expense transfer form located on the Sponsored Programs Accounting website. The completed form should be sent to SPA for review and posting. Expense transfers made after the 60 (or 30) day limitation will be considered only under extenuating circumstances, which will be determined on an individual basis by SPA.

Under no circumstances is it appropriate to initiate an expense transfer for the sole purpose of utilizing unexpended funds or to cover losses or overages from other projects. Federal regulations specifically prohibit transfers of this nature.