APPENDIX TO MTSU POLICY IV:04:21
DATED MAY 24, 2013

APPENDIX A

This guidance has been established to meet federal regulations and compliance standards set forth in:

2 CFR, Part 220, (formerly OMB Circular A-21)


Any costs allocable to a particular sponsored agreement under the standards provided in this Circular may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.

2 CFR, Part 215, (formerly OMB Circular A-110)

- Title 2 in the Code of Federal Regulations (2 CFR), Part 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-profit Organizations (formerly Office of Management and Budget (OMB) Circular A-110) Subpart C.53.e. - Post Award Requirements, Retention and access requirements for records.

The Federal awarding agency, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients that are pertinent to the awards, in order to make audits, examinations, excerpts, transcripts and copies of such documents. This right also includes timely and reasonable access to a recipient's personnel for the purpose of interview and discussion related to such documents. The rights of access in this paragraph are not limited to the required retention period, but shall last as long as records are retained.

NIH Grants Policy Statement

- NIH Grants Policy Statement (12/03) Part II, Subpart A: Terms and Conditions of NIH Grant Awards – Cost Considerations – Cost Transfers, Overruns, and Accelerated and Delayed Expenditures.

Cost transfers to NIH grants by grantees, consortium participants, or contractors under grants that represent corrections of clerical or bookkeeping errors should be accomplished within 90 days of when the error was 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. Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overruns are not allowable.

Grantees must maintain documentation of cost transfers, pursuant to 45 CFR part 74.53 or 92.42, and must make it available for audit or other review (see Administrative Requirements—Monitoring—Record Retention and Access). The grantee should have systems in place to detect such errors within a reasonable time frame; untimely discovery of errors could be an indication of poor internal controls. Frequent errors in recording costs may indicate the need for accounting system improvements, enhanced internal controls, or both. 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).

Title 48 in the Code of Federal Regulations (48 CFR), Chapter 99, part 9905, Cost Accounting Standards (CAS) for Educational Institutions:

- CAS 501 – Consistency in estimating, accumulating and reporting costs by educational institutions;
- CAS 502 – Consistency in allocating costs incurred for the same purpose by educational institutions;
- CAS 505 – Accounting for unallowable costs – educational institutions; and,
- CAS 506 – Cost accounting period – educational institutions.