Sponsored Projects Financial Reporting and Closeout Processes

Completing Financial Reports – Interim and Final
Ensuring the submission of financial reports whether it is in the form of an invoice, federal financial status report/financial final report or other sponsor specified financial report is the responsibility of the Office of Sponsored Projects (OSP). This responsibility however, relies on the collaboration and cooperation of the PI, PI’s business office, and/or business support unit, as appropriate.

What is the process for alerting a department that an award will soon expire?
It is OSP’s responsibility to send an email notification to departments 90 days prior to an award’s expiration date alerting them of the upcoming expiration.

How do I know when a draft Financial Status Report (FSR) is due to OSP?
OSP notifies department administrators via email at the month end of a reporting period indicating that a draft financial report is required. The email will indicate that the draft financial report (BUG203a) is ready for the department to run from the BUG Library. The email will also provide the due date for submission of the draft FSR to OSP and instructions for providing supporting documentation that may be necessary.

What is the purpose of an “adjustment period”??
The adjustment period is critical to the reporting process to ensure the timely submission of all financial reports. OSP has a set schedule during which the PI and his/her administrator or business support unit verify that all expenses are allowable on the award and benefit the project. It is the responsibility of the PI and the business office or business support unit to complete the following tasks during the adjustment period:

- Ensure required adjustments to expenses are posted in accordance with accounting, reporting and close-out policies and procedures
- Verify expenditures to be reported; and
- Certify and submit the draft financial report to OSP on or prior to the deadline date as specified in the table below.

How does OSP determine an “adjustment period”?
The adjustment period is the time between the installment end or award expiration date and the date the certified draft financial report is due at OSP. It is during this period of time that the activities identified above are completed and concludes with the submission of a certified draft financial report to OSP.

<table>
<thead>
<tr>
<th>Reporting Deadline set by sponsor (Number of days following the installment and/or project end date)</th>
<th>Adjustment Period</th>
<th>OSP Deadline (Number of days due at OSP before sponsor due date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/15 Days</td>
<td>5/10 Days</td>
<td>5 Days</td>
</tr>
<tr>
<td>30/45 Days</td>
<td>15/30 Days</td>
<td>15 Days</td>
</tr>
<tr>
<td>60/90 Days</td>
<td>40/70 Days</td>
<td>20 Days</td>
</tr>
</tbody>
</table>

Is there a tool available to assist with the completion of the certified draft financial status report?
Yes, the Draft financial status report BUG203a (FSR) exists in the BUG library. This General Ledger report aggregates major expenditure categories. Departments are expected to run this report and submit a certified copy to OSP within the specified due date.
Once the certified draft financial report is completed, what does the PI/department do with it?
The certified draft financial report is submitted to OSP in advance of the sponsor's reporting deadline allowing sufficient time for OSP to: verify costs, reconcile F&A, reconcile cash, track outstanding adjustments, assist when appropriate in the receipt of the final subaward invoice, prepare the financial report, and certify and submit the financial report to the sponsor, in the format specified by the sponsor.

If adjustments to the University’s financial statements are required to accurately reflect project activity, departmental personnel must submit appropriate supporting documentation and an appropriate justification to OSP upon submission of the signed draft financial status report BUG 203a (FSR) report. This information must be submitted to OSP on or prior to the pre-established institutional deadline in order to be included in the final report to the sponsor.

Note: Departments or business support units considered to be the award owning organization must clear any cost overruns or overdrafts. If overdrafts are not cleared from the sponsored award prior to submitting the BUG203a draft FSR to OSP, OSP will transfer the overdrafts to the Department’s Suspense Project.

What happens when the draft financial report is not submitted on time to OSP?
In the absence of the departmental signed report, OSP will prepare, certify and submit financial reports based upon the general ledger activity at the close of an interim and/or final budget period for the award, consistent with established financial reporting, and account closeout policy.

When is a revised final financial report appropriate to submit to the sponsor?
The requirements regarding the submission of a revised final financial report are dictated by the sponsor’s terms and conditions. In general, a revised final financial report is required in cases where a credit to expense occurs resulting in a balance available on the award (downward adjustment to the award) OR to claim remaining funds due to an unexpected allowable expense (upward adjustment to the award).

A revised federal final financial report whereby the University claims less in expenditures than were originally reported is required regardless of timeframe.

Requests to submit an upwardly revised final financial report must be approved by the principal investigator and business administrator (or designee), and sent to the Accounting Supervisors of the Financial Reporting Group of OSP for approval.

What is the difference between an award “On hold” vs. a “Closed” award?
Once the final financial report is submitted to the sponsor, OSP will change the award status in the University financial system to “On Hold” to prevent further expenses on the award until all payments are received and the award can be finalized and closed.

When all anticipated adjustments are made and cash received, the award is formally considered to be “Closed”.

2 | P a g e