



## Sponsored Project Administration

<b>Procedure:</b>	<b>Final Financial Report</b>
<b>Owner:</b>	<b>Sponsored Project Administration</b>
<b>Effective date:</b>	<b>5/3/2019</b>
<b>Last Updated:</b>	<b>5/3/2019</b>

## Background

Federal and non-federal agencies normally require a final financial report (FFR) and/or invoice to be submitted within a specified period of time after the project ends. It is based on actual expenditures posted to the general ledger (GL), as well as a reconciliation of payments received.

Federal awards need to be completed in accordance with [2 CFR 200.327 - Financial Reporting](#) and [2 CFR 200 Subpart E - Cost Principles](#). Payment delay or loss of current or future funding may occur if the FFR is not reported accurately or filed in a timely fashion.

## Purpose

This document sets forth the procedure and guidelines for the preparation of accurate and timely final financial reports and final invoices in compliance with Federal, State, and Sponsor guidelines for grants, contracts, and agreements. The FFR and the final invoice is a shared responsibility involving the Unit Administrator (UA), and Sponsored Project Administration Financial Analyst (SPA FA). It is the Sponsored Project Administration's responsibility to prepare FFR and final invoices that accurately reflect the use of sponsored fund as recorded in the institution's financial system (PeopleSoft) and in compliance with sponsor terms and conditions.

## Roles and Responsibilities

### Unit Administrator (UA)

- Liaison with the PI on any activities related to this procedure.
- Notifies the SPA FA that the project is ready to close and all expenses are posted to the general ledger before the reporting due date as outlined in the Award terms & conditions.
- Works with SPA FA to resolve any issues if uncovered during the report preparation.

### Sponsored Project Administration – Financial Analyst

- Completes the financial closeout workbook (in tool utilized by SPA).
- Verifies that all expenses posted are in compliance with the award and sponsor's terms & conditions, as well as the University policies.
- Confirms all expenses were incurred within the project period and all effort commitments have been met, works with the Unit Administrator to resolve any issues.
- Determines if any payments previously invoiced remain outstanding. If any remain, the unpaid balance is recorded on the final report/invoice.



- Confirms all cost share commitments have been met and all documentation has been received at SPA.
- Collects final approved/signed subrecipient invoices from the PI and submits them for payment to the Disbursement Center.
- Confirms there are no unpaid vouchers remaining on the award at the time of report preparation.
- Reviews charges to the sponsored fund to ensure the appropriate fringe and F&A rates have been applied.
- Sends an email to the Unit Administrator verifying the award is ready to close and requests justification for any questionable expenses.
- Creates and submits the FFR and/or final invoice in the appropriate sponsor format, if required by the sponsor.
- Completes a final internal report if the sponsor does not require a financial report.
- Processes a residual balance transfer for any firm fixed price or fixed rate agreements that have an unobligated balance.
- Works with SPA billing team to bill the final expenses in PeopleSoft and invoices the sponsor for any outstanding Accounts Receivable balance.
- Submits report/invoice to a SPA Reviewer for review and approval.
- Uploads a copy of the final invoice into PeopleSoft.
- Records activity as complete in PeopleSoft.

## Definitions

**Contract / Subcontract:** An award instrument establishing a binding legal procurement relationship between a sponsor and a recipient, obligating the recipient to furnish a product or service defined by the sponsor and binding the sponsor to pay for it.

**Grant / Subaward:** A financial assistance mechanism providing money, property, or both to an eligible entity to carry out an approved project or activity.

**Sponsored Project:** A project funded by a grant, contract, or cooperative agreement under which the University agrees to perform a certain scope of work, according to specified terms and conditions, and for specific budgeted compensation. Sponsored project includes funds from Federal, State, and private sources.

**PeopleSoft:** The University of Vermont financial system. All financial reporting milestones are setup in the award module by SPA at initial award setup and marked complete by the SPA FA when the report is done and submitted to the sponsor if required.

**Facilities and Administrative (F&A) Costs:** Costs charged to the grant award that are incurred for common or joint purposes and that cannot be identified as readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are synonymous with "indirect" or "overhead" costs.

**General Ledger (GL):** Represents the table in PeopleSoft where all non-budget financial transactions are posted. Also refers to the PeopleSoft module containing functionality such as journal entries and actuals ledger-based reports and inquiries.

**Cost Sharing:** A general term describing an arrangement in which the University commits to pay a portion of the costs of a research project.



**Third-Party Cost Sharing:** Third-party (non-UVM) contributions being formally used to directly support a sponsored project. These may be cash or non-cash contributions.

**Program Income:** Gross Income earned that is directly generated by a supported activity or earned as a result of the award during the period of performance. This income must be reported to the sponsor on the final report submission per the award terms & conditions and [2 CFR 200.307](#).

**Closeout Report:** A financial overview report in PeopleSoft Financials. This report gives information on budgets, expenses, encumbrances and available funds to date for sponsored and cost share funds. This report lists any expenses that have been entered into PeopleSoft but not yet posted. It can be found in the following location in PeopleSoft: Main Menu > UVM Reports > Closeout Report.

**Final Financial Report:** An accounting of expenditures and obligations incurred during the period of performance and /or at the conclusion of the sponsored project. A Final Financial Report may be an FFR, invoice, statement of expenditures, or similar term.

**Award End date:** The end date of the sponsored project as stated in the sponsored agreement. For expenditures to be allowable and allocable to the sponsored project, expenses must be incurred prior to the project end date.

**Grantee:** The organization or individual awarded a grant or cooperative agreement that is responsible and accountable for the use of the funds provided and for the performance of the grant-supported project or activities.

**Subrecipient:** A legal entity designated by a UVM PI to perform a portion of an agreed upon scope of work.

**SPA:** Sponsored Project Administration Office

**FA:** Financial Analyst

**SPA Reviewer:** A Team Lead within SPA that has designated authority to review and approve financial reports/invoices on behalf of the University.

**PI:** Principal Investigator

**ARS:** Accounts Receivable Specialist

**UA:** Unit Administrator (For the purpose of all procedures, Business Unit Administrator, Business Manager, Grant Administrator, and Department Administrator are all used interchangeably and refer to the person assisting the PI in the Department.)

## Procedure

### Overall

- The final financial report and invoice are to be completed by the SPA FA within 60-90 days after the project end date. If a sponsor requires that the final report be submitted sooner, the timelines in PeopleSoft will be adjusted accordingly to meet the requirements set forth in the award document.
- Before the submission of the final financial report and invoice, the SPA FA and UA will work together to ensure the following have occurred as outlined in the [Financial Closeout Procedure](#):



- Any unallowable expenses or expenses in excess of the budget authorized by the sponsor should be identified and adjusting entries must be posted in PeopleSoft.
- All sponsored and cost share expenses should be reviewed for allowability and properly posted in PeopleSoft. Refer to the [Cost Share Procedure](#) for further guidance.
- All effort should be reviewed and commitments met per the proposal/award document.
- All subrecipient final invoices and progress reports should be received and processed for payment. Refer to the [Outgoing Subaward Invoice Processing Procedure](#) for further guidance.
- All unpaid vouchers should be resolved and scheduled for payment within 3 days of the report submission.
- The UA is responsible for submitting all journal entries and salary distributions necessary to adjust award expenditures. All adjustments should be completed within 30 days after the award end date (final adjustment period) to allow for processing. Refer to the [Non-Payroll Cost Transfers Procedure](#) and the [Cost Policy on Sponsored Agreements](#) for further guidance on processing these entries.
- In order for the SPA FA to submit the final report/invoice to the sponsor the UA will confirm via email to the SPA FA that all financial closeout steps have been completed, all expenses have posted, and the award is ready to close.
  - In order to meet sponsor reporting deadlines, if confirmation is not received from the UA by the time the final financial report/invoice is due, expenses will be reported to the sponsor as posted in PeopleSoft and any outstanding questionable expenses or overages will not be included in the report/invoice.

## Final Financial Report Analysis

- No later than 30 days after the award end date, the SPA FA will do the following:
  - Review the award document and note any special terms & conditions, cost sharing requirements, program income or budget restrictions.
  - Run the Closeout Report in PeopleSoft and review the following:
    - ✓ Actual spending against budget lines
    - ✓ Performance against cost share commitments
    - ✓ Accounting for and utilization of program income
    - ✓ Outstanding encumbrances
    - ✓ Open purchase orders or requisitions
    - ✓ Outstanding budget checking errors
    - ✓ Pending expenses (not yet posted in PeopleSoft)
    - ✓ Unpaid vouchers
    - ✓ Other errors as identified on the closeout report
  - Prepare the closeout workbook in Excel and analyze all expenses, billing, and effort posted to the project.
  - Confirm the facilities and administrative costs (F&A) posted correctly to the project and prepare an adjusting journal entry in PeopleSoft, if needed.
  - For USDA and USDA flow-through awards, confirm the fringe allocation processed correctly and prepare an adjusting journal entry in PeopleSoft, if needed.
  - Review salary charged to the grant and confirm that effort commitments to the sponsor have been met for all key personnel listed in the award document.
  - Review all costs, including salaries, for adherence to the University Cost Policy and confirm that Direct Cost Justification Forms are on file.
  - Confirm all subrecipient final invoices have been received and sent to Disbursement Center for payment processing.



- Contact the UA with any questions or issues that were discovered, as well as, confirm all expenses have posted and the award is ready to close.

## Final Financial Report Preparation and Submittal to Sponsor

- SPA FA will prepare the Final Financial Report (FFR) and invoice as outlined in award agreement terms and conditions:
  - For Federal awards, a standard final SF-425 and SF-270, when applicable, will be generated by the SPA FA in accordance with the award terms and conditions. In addition, the SPA FA will prepare other sponsor-specific forms and/or backup that may be required.
  - For State and private sponsors, a standard bursar final invoice or sponsor required invoice template will be generated by the SPA FA. In addition, if any general ledger detail backups are required by the sponsor, the SPA FA will generate and work with Unit Administrator to obtain any backup documentation and/or receipts of those expenses.
- When the final report and invoice are complete, the SPA FA will give this documentation to the appropriate SPA reviewer to approve and sign the report and/or invoice.
- Once approved, the SPA FA will submit the signed report, final invoice and all required backup to the sponsor per the award terms & conditions.
- Upon request from the FA, SPA Cash Management Team will bill through all remaining expenses in PeopleSoft and process the final drawdown on any letter of credit awards.
- If a refund is due to the sponsor, the SPA FA will work with the SPA ARS to return the funds to the sponsor as outlined in the terms and conditions of the award.

## When Sponsor Does Not Require a Final Financial Report

- When a final report or invoice is not required by the Sponsor, the SPA FA will prepare a final internal report following the same guidelines as listed above.
  - If it is a firm fixed price agreement or fixed rate agreement (budget bump), the SPA FA will transfer any remaining unobligated balance as outlined in the [Residual Balance Procedure](#).
- This report is for internal purposes only and nothing is submitted to the sponsor.

## If Requesting Carryover of Unobligated Balance

- If carryover of any unobligated balance is being requested, the SPA FA will work with PI and Unit Administrator to prepare, request, and submit the carryforward request. Refer to the [Carryforward of Unobligated Balances Procedure](#) for further guidance.

## Final Steps

- A copy of the report/invoice will be uploaded by the SPA FA into PeopleSoft in the following location:
  - Main Menu > Grants > Awards > Award Profile > Attachments link
- The milestone in the PeopleSoft Award Profile page will be updated to complete by the SPA FA.



**Helpful Links**

**University of Vermont**

- [Financial Closeout Procedure](#)
- [Residual Balances on Sponsored Projects Procedure](#)
- [Cost Sharing Procedure](#)
- [Non-Payroll Cost Transfer](#)
- [Outgoing Subaward invoicing and payments](#)
- [Carryforward of Unobligated Balances](#)

**External**

**National Institutes of Health (NIH)**

- [NIH Closeout Procedures](#)

**National Science Foundation (NSF)**

- [Financial Reporting Requirements](#)

**Health Resources and Services Administration (HRSA)**

- [Final Financial Reporting](#)
- [Closeout PowerPoint](#)

**USDA NIFA**

- [Grant Closeout](#)

**Document Change Record**

Date	Version	Author	Change Details
05/03/2019	1	SPA	Initial release