



Sponsored Project Administration Procedure

Procedure: Final Financial Report

Owner: Sponsored Project Administrator

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Background

Federal and non-federal sponsor agencies have established clear financial reporting requirements for sponsor awards. They normally require a final financial report or a final invoice to be submitted within a specified period after the project ends. It is based on actual expenditures posted to the general ledger, as well as a reconciliation of payments received. Payment delay or loss of current or future funding may be contingent upon timely and accurate submission of the final financial report.

The University of Vermont strives to provide timely, accurate, and consistent compliance with all the terms and conditions of the award agreement. Federal awards need to be completed in accordance with [2 CFR 200.327 - Financial Reporting](#) and [2 CFR 200 Subpart E - Cost Principles](#).

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, Principal Investigator (PI) and Sponsored Project Administration Financial Analyst (SPA FA). It is the Sponsored Project Administration's responsibility to prepare and submit the Final Financial Report 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.
- Ensures the final invoice from the subrecipient is approved by the PI.
- Notifies the SPA FA 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 discovered during the report preparation.

Sponsored Project Administration – Financial Analyst (FA)

- Completes the financial closeout workbook.
- 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.
- If any payments previously invoiced remain outstanding. 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.
- Once the final invoice is approved, creates a Quick Voucher for the Disbursement Center to process the invoice for payment.
- 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.
- Submits report/invoice to a SPA Reviewer for review and approval before submitting it to the sponsor.
- 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.
- Uploads a copy of the final invoice or final financial report into PeopleSoft.
- Records reporting milestone 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. SPA works with both faculty and external sponsors to manage and ensure compliance with [proposals preparation, review, and submission](#) awards, contracts and agreements, [Outgoing subrecipients](#), [financial closeout](#), and etc.

FA: Financial Analyst. A person who is responsible for preparing and submitting the financial reports to the sponsors, analyzing data, a point of contact for the Unit Administrator or Unit Post Award for all post award transactions.

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. Is the primary individual responsible for the preparation, conduct, and administration of a research grant.

UPA: Unit Post Award

ARS: Accounts Receivable Specialist. Overseeing billing operations and processes to ensure collection of account balances. This generally entails billing for invoiced orders, supporting collection efforts, and reviewing account discrepancies.

UA: Unit Administrator (For the purpose of all procedures, Business Unit Administrator, Business Manager, Grant Administrator, Unit Post Award (SPA 2.0), 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 60-120 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 outlines 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 completed and 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 key personnel efforts should be reviewed, and ensure commitments met per the proposal or 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.
- For the SPA FA to submit the final report or final 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 been posted, and the award is ready to close.
 - ✓ To meet sponsor reporting deadlines, if confirmation is not received from the UA by the time the final financial report or final invoice is due, expenses will be reported to the sponsor as posted in PeopleSoft. Any outstanding questionable expenses, expenses incurred past the end date, or overages will not be included in the report or invoice.

Final Financial Report Analysis

- The SPA FA will do the following when preparing the final financial report or final invoice:
 - ✓ 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:
 - ✓ Review actual spending against budget lines.
 - ✓ Review cost share commitments against actual posted in PeopleSoft or backup supplied by the UA.
 - ✓ Review and make sure program income revenue/budget is all utilized.
 - ✓ Review for any outstanding encumbrances.
 - ✓ Review for any open purchase orders or requisitions.
 - ✓ Review and resolve any outstanding budget checking errors.
 - ✓ Review Closeout Report for pending expenses not yet posted in Peoplesoft.
 - ✓ Review for any unpaid vouchers.
 - ✓ Review for any other errors as identified on the closeout report.
 - ✓ Review recognized revenue and make sure all payments have been invoiced and received.



- ✓ Review the billing limit.
- 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 charged correctly and prepare an adjusting journal entry in PeopleSoft, if needed.
- Review salary charged to the grant and confirmed 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, approved, and routed to Disbursement Center for payment processing.
- Contact the UA or UPA with any questions or issues that were discovered, as well as confirm all expenses have been 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 final 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.
- Request SPA Cash Management Team to 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](#).
 - ✓ For NSF, the SPA FA will work with the Unit Administrator to finalize the final internal report. Once the report is finalized and approved by SPA reviewer, SPA FA works with the SPA Cash Management Team to draw the funds before it expires.
- 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 > Milestones > Milestone Code > Attachments link
- The milestone in the PeopleSoft Award Profile page will be updated to complete by the SPA FA.
 - ✓ Once the report/invoice is approved by SPA Reviewer.
 - ✓ The SPA FA will mark the soft close milestone as complete, if there are no pending or outstanding expenses manually included in the report.
 - ✓ The SPA FA will close the project status if expenses in the GL match the final.

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](#)

USDA NIFA

- [Grant Closeout](#)

Document Change Record

Date	Version	Author	Change Details
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04/30/2018	1	SPA	Initial release
7/2/2024	1.2	SPA	Update Information
7/22/2024	1.3	SPA	Updated Formatting