13.6 Financial Reporting and Closeout

Policy Statement
The University of Georgia and UGA Research Foundation must comply with sponsor requirements with regard to financial reporting and project closeout.

Reason for policy
The purpose of this procedure is to ensure the University of Georgia (UGA) and the University of Georgia Research Foundation (UGARF) comply with Sponsor requirements with regard to reporting requirements for both interim and final financial reporting of expenditures, program income and required cost sharing in accordance with the Sponsor's terms and conditions. In general, sponsors require a financial accounting of the funds expended in support of a project and in accordance with a sponsor approved budget. The timing and detail for such reports is specified in the award document. Interim, final financial reports and invoices provide the sponsor with evidence of good stewardship of the funding. Failure to report in the manner and prior to the prescribed date, provided by the sponsor, may call into question the ability of the Principal Investigator (PI) to manage the project and/or the financial controls of the University.

Procedures
University of Georgia shall submit financial reports and invoices to sponsors of research and other scholarly activity that:

- Accurately reflect the actual use of sponsored funds as recorded in the financial records, Account Status Reports (ASR's), of the University; and
- Are in compliance with the sponsor's terms and conditions.

Achieving compliance with this procedure is a responsibility shared by the PI, departmental business offices and Post Award Accounting.

- The principal investigator and/or designee must ensure that, prior to financial reporting and invoicing, all expenses are allowable, allocable, and reasonable to the project and that any required adjustments to expenses are posted in compliance with accounting, reporting and close-out policies and procedures.
- Post Award Accounting personnel will request verification of final expenses from departmental personnel. If adjustments to the ASR's are required to accurately reflect project activity, departmental personnel must submit appropriate supporting documentation and adequate justification. These adjustments must be submitted through the appropriate approval channels to reach Post Award Accounting prior to the internal final deadline, in order to be included in the final report to the sponsor.
- Post Award Accounting will issue financial reports based upon the general ledger activity at the close of an interim and/or final budget period, consistent with established financial reporting, and account closeout procedures. The official system of record is the IMS Financial Accounting System, and the general ledger activity is recorded on the monthly ASR.

Financial Reporting – Post Award Accounting

Post Award Accounting has the responsibility to prepare interim and final financial reports and invoices based on institutional financial records (ASR's) in accordance with the terms and conditions of the sponsored award. Additionally, Post Award Accounting has the responsibility to submit all financial reports including invoices to the sponsor. On rare occasions and with the approval of Post Award Accounting, financial reports are submitted by the department in collaboration with Post Award Accounting (see special reporting section below).

Financial Reporting - Special Reporting
Post Award Accounting is responsible for issuing invoices and financial reports to the awarding agencies. The financial data is compiled and reported based upon the major budget categories of the financial accounting system. In certain sponsored agreements, the invoicing and/or reporting requirements may exceed the level of detail provided by the major budget categories. If the agreement is accepted with these additional invoicing/reporting requirements, the responsible college/department is required to prepare and submit this data to Post Award Accounting on a timely basis. This additional information will be attached to the invoice/report and submitted to the sponsor by Post Award Accounting.

Financial Reporting – Final Reporting

In preparation for completing the final financial reports as required by the sponsor, Post Award Accounting will contact departmental business administrators to provide and/or verify information regarding the final expenses of the account. Departments will also need to verify and finalize any related cost share or program income account expenditures as well as to insure proper reporting to the sponsoring agency. If the department does not verify or communicate any necessary adjustments to Post Award Accounting, the final financial report will be submitted to the sponsor by the established deadline based on the expenditures recorded in the official University Financial Accounting System as evidenced by the monthly ASR reports. Departments considered to be the responsible entity and owner of an award must clear cost overruns or deficits on their accounts within 30 days once the report has been submitted to the sponsor.

Closing Sponsored Accounts

At the conclusion of a project’s life, certain fixed price or fee for service accounts may qualify for an extension under the University residual balance policy. For more information and guidance on this topic, please refer to the residual balance policy located at the following link: Residual Balance Policy

At the time a project is to be closed, Post Award Accounting is responsible for down-budgeting non-personnel related line-items on the account to match budget to reported expenditures. Departmental business managers are responsible for personnel related line-item positions and insuring that final adjustments post in accordance with close out records, all obligations are cleared through travel and encumbrances and any overruns or overdrafts are properly removed from the account in a timely manner. Once all cash is received from the sponsoring agency and Financial Accounting system’s Actual Transaction (AT) screen or Summary Object Total (OT) screen is cleared, Post Award Accounting will delete the account in the financial accounting system.

Additional contacts

Gail Chester

Phone Number: 706-542-9230
Office for Sponsored Programs (OSP)

Policy definitions

Account Status Reports (ASR’s)- The official monthly university accounting record of budget, encumbrances, expenditures, and revenues for specific accounts within the chart of accounts.

Financial Report- A financial report [e.g., Financial Status Report (FSR), invoice, etc.] is an accounting of expenditures and obligations incurred during the period of performance and/or at the conclusion of the sponsored project. The financial report reflects the University’s official accounting records.

Financial Closeout- The process at the end of a sponsored award by which the University completes any required accounting to the sponsor and prevents any further expenses from being incurred on the award.
Responsibilities

**Responsible University Senior Administrator:** Vice President for Finance & Administration

**Responsible University Administrator:** Associate Vice President for Finance Division

**Policy Owner:** Post Award Accounting

**Policy Contact:** Gail Chester

**Phone Number:** 706-542-9230

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### Record Retention

This series provides a record of the establishment and administration of individually sponsored grant and contract restricted funds accounts, documents compliance with fiscal reporting requirements, and includes billing information for accounts receivable from sponsoring agencies and from departments for gift account fees. Grants may be federal, state, corporate, or private. This series may include but is not limited to: project summaries; grant authorizations; contract documents; project budget change and adjustment forms; invoices; receipts; cashier's receipts; equipment purchase orders; prior approval request forms; account request forms; vendor telephone contact logs; subcontracts; sponsored programs post award accounting monthly budget summary statements; institution billings balance sheets; reports for sponsored programs post award accounting that are operating on direct payments; final financial reports; property reports; patent/invention reports; contractor's release report; assignment of refunds and rebates documents; equipment disposition reports; and related documentation and correspondence.

**Record Copy:** Institutional Archives; Post Award Accounting

**Retention:** Contracts, patents, and agreements for use of research outcomes: Permanent. All other accounting records: 7 years after final financial report is submitted and the account is closed, unless otherwise specified as longer by the terms of the contract.

**Citation or Reference:** OMB Uniform Guidance; [BOR Research Grant Records 0472-09-006](http://Direct Cost | Research Participant Incentive Payments)

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### Policy Dates

**Effective Date:**

Date Last Updated: 06/13/2017

Date of Last Review:

Date of Approval:

Previous Version of Policy: