

# Sponsored Program Financial Reporting and Closeout

## 1. Purpose

These guidelines apply to all sponsored awards received by the University of Oklahoma and provides the research community information regarding its obligations in providing timely, accurate and complete financial information to sponsors in the form of interim and final reports. These guidelines are intended to facilitate the timely and accurate closeout of sponsored projects in accordance with *both* federal *and non-federal* reporting requirements.

## 2. Covered Parties

Financial reporting and closeout is a shared responsibility between Principal Investigators (PIs), department administrators, and Research Financial Services (RFS).

## 3. Definitions

**Financial Report:** The accounting of expenditures and obligations incurred during the period of performance and/or at the conclusion of the sponsored project. Frequent forms of Financial Reports include Federal Financial Report (FFR), Financial Status Report (FSR), and Federal Cash Transaction Report (FCTR).

**Financial Closeout:** The process at the end of a sponsored award by which the University completes any required accounting to the sponsor, ensures that award accounts are in balance, collects any outstanding accounts receivable, and prevents further expenses from being incurred on the award by deactivating the award in the financial system.

## 4. University Guidelines

### A. Financial Reporting

OU submits financial reports to external sponsors per the required terms and conditions of the award documents. These reports must accurately reflect the use of sponsored funds as recorded in the University's financial records.

- RFS is responsible for the preparation and submission of individual interim, final, and revised financial reports as well as final invoices. In the rare circumstance that the department submits a financial report directly to the sponsor, GCA will maintain responsibility for the preparation of the financial report and will work closely with the department to ensure appropriate submission to the sponsor.
- The general procedures for preparing and submitting financial reports are as follows:

### Final Financial Reports and Invoices

Prior to the award end date, the PI and Departmental Contact will receive an email from PeopleSoft that their award is ending. These notifications are sent at 45, 90 and 120 days prior to the award end date. After the award has ended the GCA Accountant responsible for the award will send a final expenditure report to the Department Contact and begin the closeout process. The message will also make the following requests of the PI and Department Contact:

- Identify any outstanding charges/credits that have yet to post to the account;
- Ensure that all encumbrances are cleared;
- Confirm the final award ending balance.

The department is responsible for ensuring that the award is in the proper status for closeout. If necessary, a reminder email will also be sent prior to the final invoice/financial report due date. Any outstanding charges that post to the account subsequent to the date the final report is submitted will be transferred to a non-sponsored chartfield.

Financial reports and invoices will include posted transactions only and should not include commitments and/or encumbrances. In the rare instances that a need arises to include a commitment and/or encumbrance, these reports and invoices will only be submitted to the sponsor if (1) the department administrator provides sufficient documentation which demonstrates that each commitment and/or encumbrance has been submitted to a central department for processing and will be charged to the account and (2) the report/invoice is approved by the Assistant Vice President of Research Financial Services.

Interim Financial Reports: Given the nature of interim financial reports, department approval is generally not required and GCA will prepare and submit such reports based on the transactions posted to the account as of the end date of the interim reporting period. However, there are some instances when a sponsor deems an interim financial report to be "final" for budgeting or programmatic purposes. In those instances, the interim report shall be prepared and submitted pursuant to the final report/invoice procedure outlined above.

Revised Financial Reports and Invoices: It is not the practice of the University to revise final reports to include additional expenses. Credits to sponsors will always result in a revised report and invoice. All revised financial reports and invoices must be supported by appropriate documentation and be approved by the Assistant Vice President of Research Financial Services.

## **B. Financial Closeout**

The financial closeout of a sponsored award begins after all required final financial invoices and reports have been prepared and are ready to be submitted to the sponsor. Financial close-outs should be completed within 120 days of the award end date and include, but are not limited to the following activities:

- **Expense Posting** - the department must ensure that all expenses appropriate to the award have been posted and have been recorded in the proper general ledger account. Additionally, all commitments must be cleared.
- **Deficit coverage** - the department must resolve all over expenditures before the award can be closed. Departments should take the initiative to submit a deficit coverage chartfield and not wait to be contacted by GCA. The chartfield should be submitted at the time of the final report preparation.
- **Completeness of Billing and Collections** - It is important to note that GCA is responsible for billing and collecting outstanding accounts receivable. On occasion GCA may request the assistance of the PI and/or department administrator to assist with working with sponsors to resolve outstanding accounts receivable issues. In some instances, outstanding receivables are tied to non-financial issues such as sponsor receipt of technical reports. In order to ensure timely collection of funds, it is imperative that technical reports are submitted to sponsors in accordance with the terms and conditions of the award.
- **Residual Funds** - In those instances where a fixed price award ends with an unspent balance, GCA will process a move cash in compliance with the University's Residual Balance Policy.
- **Award Status Changes in PeopleSoft (PS)** – After all expenses have been posted, GCA will inactivate the budget attribute fields which will prevent additional charges from being recorded on the award. Once all financial activity has been recorded in PS (e.g.: billings and collections are complete, budgets have been adjusted, and refunds and residual funds have been processed), GCA will change the award status to closed.