Responsible Offices: Post Award Financial Operations Sponsored Programs

1. Purpose

This policy applies to all sponsored awards received by Boston University and provides the BU research community information regarding its obligations in providing timely, accurate and complete financial information to sponsors in the form of interim and final reports.

The policy provides guidelines that 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 Post Award Financial Operations (PAFO). Non-Financial reporting closeout is a shared responsibility between Principal Investigators, department administrators, Post Award Financial Operations, and Office of Sponsored Programs.

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 using the sponsor-mandated report format.

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 SAP financial system.

Non-Financial Reports
The programmatic progress, including but not limited to, technical deliverables and progress reports as well as invention and equipment reports during the period of performance and/or at the conclusion of the sponsored project using a sponsor-mandated format.

4. Policy Statement

Per Uniform Guidance §200.343, section B, all federal award expenditures must be reimbursed by the sponsoring agency no later than 90 calendar days from the end of period performance. Therefore, financial reports, letter of credits draws and invoices submitted to federal agencies will only include
transactions posted no later than 60 days from the end date of the period of performance for federal awards and 30 days for those awards in which Boston University is the subawardee Note: the period could be shorter depending on the individual terms and conditions of the award. On an exception basis, requests to include commitments/encumbrances on financial reports or invoices will only be approved for inclusion if (1) the department administrator provides sufficient documentation which demonstrates that each commitment/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 Director, Cash Management, Director, Research Accounting, or the Assistant Vice President for Post Award Financial Operations in writing.

5. Financial Reporting and Closeout of Sponsored Awards Procedures

A. Financial Reporting

Boston University 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.

- PAFO 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 a non-federal sponsor, PAFO 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:

  1. Final Financial Reports and Final Invoices
     a) Prior to the award end date, PAFO will provide the Principal Investigator (PI) and the department administrator with an Award Ending Notice (AEN). The AEN includes such information as the award end date, final report and/or invoice due dates, as well as a checklist of procedures to ensure that the award is in proper status for closeout. (The checklist is also found here: http://www.bu.edu/cfo/post-award-financial-operations/resources/award-close-out/).

        The department is responsible for ensuring that the award is in the proper status for closeout in accordance with the AEN.

     b) Immediately after the award end date has passed, PAFO will send the PI and department administrator a message that reminds them of all final financial reporting and/or final invoicing requirements and their respective due dates. This message will also make the following requests of the PI and Department Administrator:

          - Identify any outstanding charges/credits that have yet to post to the account.
          - Confirm the final award ending balance.
Provide the completed Cost-share Documentation Form, if applicable.

c) If necessary, a reminder email will also be sent prior to the final invoice/financial report due date.

d) If no response is received one week prior to the final invoice/financial report due date, it is assumed that the department administrator and the PI approve of the final invoice/financial report and PAFO will submit to the sponsor. Any outstanding charges that post to the account subsequent to the date the final report is submitted are subject to transfer to the home cost center of the department.

2. Interim Financial Reports: Given the nature of interim financial reports, department approval is generally not required and PAFO 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 steps a through e above.

3. Revised Financial Reports and Invoices: The need to revise a financial report or final invoice should be rare and must be legitimate. Sponsor policies will dictate when a revised financial report and a revised financial invoice that include more costs are acceptable. Credits to sponsors will always result in a revised report and invoice. All revised financial reports and final invoices must be supported by appropriate documentation and be approved by Post Award Financial Operations’ Assistant Vice President for Post Award Financial Operations.

B. Financial Closeout

Financial reporting and closeout is a shared responsibility between Principal Investigators (PIs), department administrators, and Post Award Financial Operations (PAFO). 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:

- Commitments must be closed.

- Removal of Over-Expenditures - the department must resolve all over expenditures before the award can be closed. Departments should take the initiative to remove over expenditures and not wait to be contacted by PAFO. However if Departments are contacted by PAFO, they must remove all over expenditures within thirty (30) days of notification from PAFO. If the over expenditure is not cleared within thirty (30) days, the PAFO administrator will transfer the over expenditure to the department in accordance with the Provost Overdraft Memo: http://www.bu.edu/cfo/files/2009/08/provost-overdraft-memo-aug-2008.pdf.

- Completeness of Billing and Collections - It is important to note that PAFO is responsible for billing and collecting outstanding accounts receivable. On occasion PAFO 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. For additional information please refer to the AR Escalation Policy.

- **Budget Adjustments, Refunds, and Residual Funds** - In those instances where the award ends with an unspent balance, PAFO will reduce the award budget and process any refunds or residual funds as necessary.

- **Award Status Changes in SAP** – After all expenses have posted, PAFO will change the award status in SAP to PAFO/OSP to prevent additional charges from being recorded on the award. Once all financial activity has been recorded in SAP (e.g.: billings and collections are complete, budgets have been adjusted, and refunds and residual funds have been processed), PAFO will change the award status to Closed.

### C. **Non-Financial Closeout**

Non-Financial reporting closeout is a shared responsibility between Principal Investigators, department administrators, Post Award Financial Operations, and Office of Sponsored Programs. Non-Financial Closeout Reports include, but not limited to, Progress Reports, Final Invention Statements, Property Reports, and FFATA.

- **Principal Investigators** are solely responsible for the creation and submission of Progress Reports.

- **The Sponsored Programs Research Administrator** will coordinate the submission of the Invention Statement with the PI and Department.

- **Property Reports** (completion and submission) are the responsibility of the Property Management team within Post Award Financial Operations. Property Management will work with PI and Department Administrator as needed.

- **FFATA Reporting** is the responsibility of the Subaward Administrator within Sponsored Programs.
6. Responsible Parties

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<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
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<tbody>
<tr>
<td>• Preparation and Submission of Final Financial Reports and Invoices</td>
<td>Post Award Financial Operations</td>
<td>617-353-4555</td>
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<td>• Completion of Financial Closeout in SAP</td>
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<td>• Preparation and Submission of Property Reports</td>
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<td>• Preparation and Submission of Small Business Reports</td>
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<td>• Review and Submit Invention Reports</td>
<td>Office of Sponsored Programs</td>
<td>Charles River Campus: 617-353-4365</td>
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<td>Medical Campus: 617-638-4600</td>
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<td>• Review and Submit FFATA reports</td>
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7. Related Policies and References

Uniform Guidance

http://www.bu.edu/cfo/post-award-financial-operations/resources/award-close-out/

University Cost Transfer Policies


8. History

This policy was adopted in January 2013 and updated on December 26, 2014.