Contract & Grant Accounting Policy 12 Financial Reporting Responsibilities

The University of North Carolina at Greensboro

Approved by Paul Forte, Interim AVC for Finance, August 4, 2021
Revised August 4, 2021

1. Purpose/Introduction

UNC Greensboro, as a recipient of sponsored funding from federal and non-federal sources, is required to provide accurate, timely, and complete disclosure of financial details of these sponsored awards. Sponsors use timely and accurate reporting as one measure of grant monitoring. In addition, some agencies may withhold future funding or freeze awards if any reports, financial or technical, have not been submitted by the deadline. Therefore, it is important to understand and comply with all mandatory reporting requirements. PIs and research administration staff play a critical role in keeping the University in good standing with sponsors by maintaining day-to-day financial and technical information essential for accurate reporting.

2. Scope

This policy clarifies the importance of financial reporting as a part of overall fiscal responsibility for sponsored awards, and the role of individuals and offices at UNCG in complying with these standards.

3. Definitions and Roles and Responsibilities

3.1 Definitions

Financial Report and/or Invoice – report of expenditures on a sponsored project, submitted to the sponsoring agency. In addition to expenditures, this report includes cost share expenditures and program income for the sponsored project when applicable. An invoice is a financial report that requests payment.

Interim/Annual Financial Reports – sponsors may require the submission of annual and/or interim financial reports at the end of a budget period. The expenditures reported on interim/annual reports represent cumulative expenditures incurred from inception of the project through the specific budget period end date.

Final 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, if available. A financial report may also contain cost
share expenditures and program income (reported and disbursed) for the sponsored project when applicable.

**Federal Financial Report (FFR)** – the FFR is used to submit financial information about individual federal grant awards. The FFR is required on an annual basis, except for domestic awards under the Streamlined Noncompeting Award Process (SNAP) and awards that require more frequent reporting. Annual basis FFR’s are due no later than 90 days after the end of the budget period.

**Final Federal Financial Report (Final FFR)** – a final FFR shall be submitted at the completion of the award agreement for all federal awards. The final FFR must be submitted within 120 days after the end of the competitive segment.

**SF-425** – form used to submit federal financial information about individual grant awards.

**Cost share** – the financial and non-financial support contributed by the University or a third-party to a sponsored project in order to complete the project’s statement of work.

**Final payment drawdown (Letter of Credit payment)** – funding issued via a letter of credit must be drawn down within 90 days of the end of the award (some agencies allow 120 days from end date). These drawdown requests are made by CGA weekly (or monthly) and based on expenditures posted to Banner Finance.

**Letter of Credit (LOC)** – UNCG has standing letter of credit (LOC) mechanisms with several federal agencies which allow us to draw up to “authorized” award amounts, designated by the sponsor, based upon allowable expenditures.


### 3.2 Roles and Responsibilities

The Principal Investigator is responsible for:

- All technical and programmatic (non-financial) reporting for the award
- Awareness of project timelines and deadlines for financial reports
- Complying with sponsor terms and meeting all deliverables – scientific, financial, and administrative
• Communicating any issues to OSP or CGA so that award terms and deliverables can be met or, if necessary, be modified
• Working with the department to maintain accuracy of expenditures and correct any errors or inaccuracies promptly
• Routine monitoring of project expenses, including:
  • Reviewing monthly e-Print reports
  • Reviewing budget-to-actual variances
  • Reviewing the allowability of charges and ensuring that expenditures meet the allowability standard
• Monitoring effort commitments and certifying effort in a timely manner
• Approving subcontractor invoices for payment; this review should include both subcontractor performance and expenditures

The PI’s department is responsible for:

• Working with the PI to maintain accuracy of expenditures and correct any errors or inaccuracies promptly
• Timely posting of transactions and retention of appropriate documentation in support of transactions
• Confirming allowability of expenditures
• Reasonableness of allocation of costs to awards
• Regular reconciliation of expenditures according to budgeted amount
• Compliance with the terms and conditions of the sponsored award and with University policy
• Working closely with the PI to prepare for closeout
• Following up on outstanding vendor invoices, including subcontractor invoices
• Confirming the final amount of award expenditures
• Following an award’s project period end date, monitoring the fund to identify and remove any additional transactions that have posted, until the fund is formally closed in Banner Finance

Contract & Grant Accounting (CGA) is responsible for:

• Monitoring award expenditures for compliance with sponsor guidelines or regulations
• Monitoring internal controls during an award’s life cycle
• Completion, verification, and submission of financial report Retention of financial reports
• Cash management for awards, including interim and final invoicing, letter of credit draws, and agency reporting
• Closing out funds in Banner Finance

4. Policy

CGA prepares and submits all required financial reports to the sponsor on behalf of the
University and the PI. All reports are approved by the CGA Director or Associate Director with authority delegated by the Chancellor and UNC System Office. If required by the terms of the specific award, the PI may be asked to certify the report. When a PI is asked to submit financial reporting with the annual progress report, CGA staff will assist the PI and/or departmental administrators to prepare the fiscal section of the progress report. Fiscal information may not be submitted to a sponsor without CGA review and approval.

CGA will work in partnership with Principal Investigators and departmental research administration staff to provide accurate, timely financial reports to sponsors. CGA will monitor financial reporting requirements and other fiscal deadlines to ensure compliance with the terms and conditions of the award and to provide a continuous exchange of accurate, current information among University personnel and the sponsor. Depending on the type of award and the sponsor, fiscal reports may be due on a recurring basis during the life of the award and at the end of the predetermined project period.

CGA will serve as the University’s liaison with agencies and auditors on financial matters in accordance with regulations provided in 2 CFR 200 (Uniform Guidance).

In order to ensure the accuracy of the financial reports prepared, the PI and departmental designee is required to review and complete the following:

- Reviewing project financial activity posted in Banner Finance using the monthly e-Print reports
- Verifying that all costs charged to the project are allowable and allocable
- Identifying errors and initiating the process to correct errors
- Transferring overspent expenditures

The PI and their departmental designees must contact CGA if:

- Questions arise regarding transactions posted to the project before the financial report is submitted
- Refunds, rebates, or other credits are received and posted after the financial report has been submitted so that a revised financial report can be prepared and sent to the sponsor

CGA will prepare and certify the required financial reports utilizing the Banner Finance Grant Inception to Date Report. If there is a requirement to return unspent funds, then CGA will do so.

**Federal Reporting**
Federal Financial Report (FFR) Standard Form 425 (SF-425) will be used when instructed by the Federal agency sponsoring the research project. The submission of interim FFRs will be on a quarterly, semi-annual, or annual basis as directed by the Federal agency. The following reporting end dates shall be used for interim reports: 3/31, 6/30, 9/30, or 12/31. Quarterly and semi-annual interim reports shall be submitted no later than 30 days after the end of each reporting period. Annual reports shall be submitted no later than 120 days after the end of the reporting period.

The Federal Financial Report includes federal expenditures, unobligated balance, recipient cost share, program income and indirect expense. The Federal agency may require other reports indicated in the agreement.

For final Federal Financial Reports, the reporting period end date shall be the end date of the project or grant period. Final FFR shall be submitted no later than 120 days after the project or grant period end date.

5. **Compliance and Enforcement**

Contract & Grant Accounting is responsible for ensuring compliance with this policy.

6. **Additional Information**

6.1 **Supporting Documentation**

2 CFR 215.52 Financial Reporting
Part 200 of the Code of Federal Regulations
Section §200.327
2 CFR 200
Standard Form 425 (SF-425)

6.2 **Approval Authority**

This policy will be approved by the Interim Associate Vice Chancellor for Finance.

6.3 **Contacts for Additional Information**

- Responsible Executive: William Walters, Director, Contract & Grant Accounting, (336)334-5824, wdwalters@uncg.edu