Financial Reporting Guidance

Statement

As the recipient of sponsored funding from federal and non-federal sources, The University of North Carolina at Charlotte is required to provide accurate, timely, and complete disclosure of the financial results of sponsored awards and programs. Timely recording of transactions to awards is critically important, especially as an award’s end date approaches, and The University of North Carolina at Charlotte must adhere to final reporting, cash collection, and sponsor closeout requirements.

Reason for Guidance

By accepting extramural funding from sponsors, UNC Charlotte agrees to manage and use these funds in accordance with sponsor terms and, if applicable, federal regulations. This guidance is intended for finance and administrative staff who are responsible for managing federal and non-federal sponsored accounts. This guidance also ensures that UNC Charlotte adheres to the requirements under the Office of Management and Budget (OMB) Uniform Guidance: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards. The guidance applies to all sponsored projects at UNC Charlotte, whether or not they are subject to the Uniform Guidance.

Who Must Comply

All UNC Charlotte schools, departments/local units, and University-wide initiatives must comply. All individuals involved with the financial and administrative aspects of sponsored awards, including central and department/local unit sponsored award staff, principal investigators, and other research personnel must comply with this guidance as applicable.
Deliverables

• **Deliverables required at the end of a project**
  A. Deliverables due at a project’s end date vary by sponsor and by a federal agency but generally include the timely submission of:
  - A final financial report
  - A final invoice or a request for a final draw (for our letter of credit sponsors)
  - A technical/scientific/progress report
  - An invention/patent report
  - A property/equipment inventory report
  - A cost-share report, or validation of any cost-sharing on the main financial report
  - Other non-financial reports (e.g., assignment and release forms)

  B. Final payment on an award may be contingent on the receipt of non-financial reports.

• **Deliverable procedures and deadlines**
  A. Within 30 days following an award end date (sooner if the sponsor requires an earlier date for report submission):
    - Departments shall prepare for award closeout
    - GCA begins a Preliminary review of award for closeout

  B. By 15 days before the sponsor deadline (sooner if the sponsor requires an earlier date for report submission):
    - Departments/units administrator shall:
      1. Confirm that final expenditures are reported by performing a reconciliation of final award expenditures. If the department does not confirm the final award expenditures within 15 days of the sponsor deadline, GCA will submit final financial invoice/reports, and final letter of credit draws based upon Banner 15 days before the deadline. Some sponsors do not require a final financial report. However, GCA must confirm final expenditures and close all awards in underlying systems. For “non-reportable” awards, the default sponsor deadline is 90 days.
      2. Verify that the PI has submitted programmatic/technical reports to sponsor.
      3. Clear compliance items.
Note: There is ongoing communication between GCA and Department Administrators on the topics of due dates, deliverables, drafts, etc. between an award’s end date and a sponsor’s deadline.

• By five days before sponsor deadline (sooner if the sponsor requires an earlier date for report submission): GCA submits a final financial report, Invention/Patent Statement (if applicable), requests a final draw and submits a final invoice (according to sponsor procedures).
• After the final report is submitted to sponsor:
  • Departments will monitor the expired account to ensure no further transactions post to the expired award in Banner.
  • GCA will request an alternate departmental funding source for account balances remaining after award closeout
  • For fixed priced awards/agreements with an unexpended balance > 25% of the total sponsored award amount, the Principal Investigator must submit justification to facilitate a balance transfer of funds remaining minus applicable indirect costs. Amounts < 25% of the sponsored award amount will be transferred to the Principal Investigators established fixed-fee residual fund.

Responsibilities and Contacts

Sponsored award management is a shared responsibility. Principal Investigators and department unit staff have primary responsibility, and pre-award and post-award offices secondary responsibility, to facilitate award management and monitor internal controls during an award’s lifecycle. This section outlines the role of each individual or group for the successful management and closure of a sponsored award.

Principal Investigators (PIs) have overall responsibility for the programmatic objectives of the research. In addition, PIs are responsible for complying with sponsors’ terms and regulations and for meeting all deliverables – scientific, financial and administrative. PIs are assisted by GCA and other departmental research personnel in managing an award and meeting deliverables. PIs are responsible for communicating issues to GCA throughout the award so that award terms and deliverables can be met or, if necessary, be modified. PIs should keep GCA informed of any interactions with the sponsor that may impact the terms or deliverables of the award. PIs should perform regular reviews of award expenditures and financial positions with their assigned department administrator and, as part of that review, discuss budget to actual variances, review allowability of charges, ensure expenditures are fully represented (complete), as well as review and approve any subcontractor invoices for payment. These regular reviews include an update of, subcontractor performance and administration where applicable (refer to the Subrecipient Monitoring Policy, Sub-Recipient Monitoring). Lastly, PIs are responsible for the timely submission of progress reports, scientific and technical.
Department Administrators (DA) are responsible for financial administration of a PI’s research portfolio. The financial and administrative responsibilities include, but are not limited to, routine monitoring of grants and contracts for PIs to ensure (1) timely posting of transactions and retention of appropriate documentation in support of transactions, (2) confirmation of allowability of expenditures, (3) reasonableness of allocation of costs to awards, and (4) regular reconciliation of expenditures according to budgeted or obligated sponsor amounts. A department administrator ensures compliance with the terms and conditions of the sponsored award and with University policy. Working closely with the PI to prepare for closeout, the DA will inquire whether a “no-cost extension” should be requested and follow up on outstanding vendor invoices (including subcontractor invoices). The PI along with the departmental administrator confirms award final expenditures amounts. Following an award’s termination, a DA will monitor the “closed” account until it is inactivated in BANNER to identify and remove any additional transactions posted that will cause a variance between the amounts reported to the sponsor and the University’s records. Department administrators maintain financial records and documentation to support award expenditures.

College Level Sponsored Programs Office partner with GCA to resolve outstanding award financial matters including, but not limited to, open encumbrances, overspent and/or unreconciled accounts, unallowable expenditures and past due reports. College Level Officials serve as escalation contacts for GCA for complex issues needing resolution. They also support department staff and GCA in responding to sponsor audits. College Level Officials are responsible for establishing effective internal control environments within their Departments to ensure proper stewardship of award funds.

Grants and Contracts Administration (GCA) is responsible for meeting the financial terms and financial deliverables of federal and non-federal awards. This includes (1) monitoring award expenditures for compliance with sponsor guidelines or regulations, (2) cash management for awards, including interim and final invoicing, letter of credit draws, and agency reporting, and (3) reporting interim and final financial results of the award via a financial report to sponsors and closing out the award, (4) closing out funds in the system of record, BANNER, and (5) maintaining this guidance. These primary responsibilities are accomplished through ongoing engagement with departmental unit grant managers and senior administrative staff who are responsible for the department’s portfolio of awards, including upcoming closeouts. In conjunction with these duties, Grants & Contracts staff members maintain appropriate records and documentation to support closeout, including the procedures performed for award monitoring, as well as documentation and other support for invoices and financial reports submitted to sponsor.
Related Resources

Financial Reporting

Residual Balances

Sub-Recipient Monitoring

Uniform Guidance Summary by Section