

COLUMBIA UNIVERSITY POLICY ON FINANCIAL REPORTING AND CLOSEOUT OF SPONSORED PROJECTS

Effective Date: January 1, 2007

Executive Summary

In accepting a grant or contract from a governmental agency, private foundation, or industry or other sponsor (“Sponsored Project”), the University is obliged to comply with a number of rules and regulations promulgated by that sponsor. Among those obligations is the requirement the timely submission of financial reports to those sponsors. Federal regulations require that Financial Status Reports be submitted within 90 calendar days following the expiration of either the budget year of the project (as is the case for Program Project and similar awards), or more commonly, following the expiration of a competitive segment of a Sponsored Project. For other sponsors, reporting deadlines vary and are dictated by the policies of those sponsors or stated terms and conditions of the award.

The Restricted Funds Division of the Office of the Controller (“Restricted Funds” is responsible for the preparation and submission of financial reports to sponsors. Principal Investigators are responsible for the ongoing review and monitoring of charges to each Sponsored Project, and for providing accurate and timely reconciliations on which to base those financial reports. In addition, Principal Investigators are responsible for ensuring that any charges and/or adjustments necessary to insure that the expenditures reflected on financial reports agree with those recorded in the University’s accounting records for each Sponsored Project.

Reconciliations must be submitted to Restricted Funds no later than 30 days prior to the date that the financial report is due to the sponsor.

Reason(s) for the Policy

To provide guidance to Principal Investigators and others responsible for the administration of Sponsored Projects on the requirements for Financial Reporting and Closeout of Sponsored Projects.

Primary Guidance to Which This Policy Responds

OMB [Circular A-110: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations](#), which sets forth detailed requirements with respect to the complete and timely submission of financial reports and other closeout procedures for federally funded Sponsored Projects; for non-federal sponsors,, as set forth in the policies of those sponsors or the stated terms and conditions of the award.

Responsible University Office & Officer

Office of the Controller
Cheryl Ross, Controller

Revision History

Not Applicable

Who is Governed by This Policy

Faculty and staff responsible for the administration of Sponsored Projects

Who Should Know This Policy

- All persons governed by this Policy {see above}
- Departmental Administrators and other departmental staff
- Deans and Departmental Chairs
- Office of Research Administration staff
- Office of the Controller staff

Exclusions & Special Situations

None. This Policy applies to all Sponsored Projects, whether awarded by governmental or non-governmental sponsors.

Policy Text

In awarding Sponsored Projects to the University, sponsors impose a number of requirements, including the timely submission of financial reports. Federal regulations require that Financial Status Reports be submitted within 90 calendar days following the expiration of either the budget year of the project (as is the case for Program Project and similar awards), or more commonly, following the expiration of a competitive segment of a Sponsored Project. For other sponsors, reporting deadlines vary and are dictated by the policies of those sponsors or stated terms and conditions of the award.

Sponsored Projects must be closed out and analyzed in a timely manner to allow for the timely submission of all required reports, including technical reports, as required by the sponsors. Award terms and conditions must be carefully reviewed for any exceptions that may apply. Failure to adhere to any and all regulatory requirements may result in fines, penalties and interest being charged to the Principal Investigator's department.

Restricted Funds is responsible for the preparation and submission of financial reports. While the accounting records serve as the basis for the preparation of financial reports, there may be transactions in the "pipeline" which are properly includable in such financial reports. Accordingly, Restricted Funds requires that prior to the submission of the financial report to the sponsor, a reconciliation reflecting any such expenditures must be provided at least 30 days prior to the date on which such report is due.

Principal Investigators are responsible for ensuring that the financial records of each Sponsored Project are accurate, and that those records are reconciled to insure accurate reporting to the sponsor. Principal Investigators are also responsible for the ongoing review and monitoring of charges to each Sponsored Project, and accounts should be reviewed on a regular basis to insure that all of the expenditures charged to each Sponsored Project are appropriate and allowable, and that all expenditures which should be charged are so charged on a timely basis. Finally, Principal Investigators are responsible for the final closeout of the account(s) in the accounting system, following

the expiration of the Sponsored Project . In carrying out this work, it is understood that the Principal Investigator may utilize administrative staff; ultimately, however, it is the Principal Investigator's responsibility to oversee any such assistance provided by administrative staff.

Closeout Procedures

In addition to the ongoing review of accounts, the following procedures will facilitate compliance with this policy:

1. 30 days prior to the expiration of the period for which a financial report is due, Restricted Funds will notify the Principal Investigator and the designated administrator (e.g., Department Administrator)) that a reconciliation is due, indicating the date that such reconciliation must be submitted to Restricted Funds. Restricted Funds will provide a standard template for conducting the reconciliation along with the notice.
2. The Principal Investigator or administrator must complete the reconciliation, reviewing all charges on the account(s) for allowability and for consistency with the awarded budget. The reconciliation must reflect all anticipated cost transfers, pending charges, and any adjustments, so that complete and accurate information is submitted to the sponsor.
3. The Principal Investigator or administrator must submit the completed reconciliation to Restricted Funds on the standard template within 60 calendar days following the period for which the financial report is required (or such earlier date required by the terms of the Sponsored Project). The reconciliation must be accompanied by supporting documentation for any anticipated cost transfers, pending charges, or other changes (Note: Any cost transfers involving charges that are more than 90 days old must be approved prior to being incorporated in the reconciliation. Please refer to the University's **Policy on Cost Transfers** for additional guidance.
 - 3.1. If the reconciliation indicates an overdraft balance the Principal Investigator or administrator will provide a non-sponsored account number to absorb the overdraft.
 - 3.2. If the reconciliation indicates an unobligated balance, the Principal Investigator or administrator should either request a no-cost extension from the sponsor or alternatively, direct Restricted Funds to return the balance to the sponsor. If a requested no-cost extension is rejected by the sponsor, Restricted Funds must be promptly notified so that appropriate action can be taken.
4. Upon receipt of the reconciliation, Restricted Funds will prepare and submit the financial report to the sponsor and terminate the account in the accounting system.

5. Within 60 calendar days following submission of the financial report to the sponsor, any adjustments necessary to insure that the financial records of the University concur with the expenditures reported to the sponsor must be concluded. Failure to comply with this requirement may result in the submission of a revised report to the sponsor, and the department will be responsible for funding any expenditures not charged to the Sponsored Project.

Responsibilities

<i>Principal Investigator and Administrator</i>	<i>Restricted Funds</i>
<ul style="list-style-type: none"> ▪ Review accounts on an ongoing basis to ensure that all expenses are appropriate and allowable 	
	<ul style="list-style-type: none"> ▪ Send notice 30 days BEFORE end of period for which financial report will be due, along with standard template.
<ul style="list-style-type: none"> ▪ Prepare the reconciliation, reviewing all charges to the account(s) for allowability and for consistency with the awarded budget. 	
<ul style="list-style-type: none"> ▪ Submit the completed reconciliation on the standard template within 60 calendar days AFTER the period for which the financial report is required (or such earlier date required by the terms of the Sponsored Project). 	
	<ul style="list-style-type: none"> ▪ Review reconciliation and compare it to financial system, confirming all adjustments are documented.
	<ul style="list-style-type: none"> ▪ Submit the completed report to the sponsor, provide copies to Principal Investigator, administrator, and Research Administration, and archive documentation for auditors.
<ul style="list-style-type: none"> ▪ Finalize all authorized transfers and open commitments within 60 calendar days following submission of the financial report. 	
	<ul style="list-style-type: none"> ▪ Terminate account.

Contacts

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Cross References to Related Policies

Columbia University Policy on Cost Transfers

Web Address

http://www.columbia.edu/cu/administration/policylibrary/policies/cont/cont_002.html

Appendix

None