



SUBJECT: Financial Reporting Policy	Effective Date: 01/25/13	Policy Number: 10.5.10	
	Supersedes: 02/23/11 04/14/10	Page 1	Of 4
	Responsible Authorities: Division of Research Director Research Accounting		

I. Background

Florida Atlantic University complies with financial reporting requirements in accordance with OMB Circular A-110 (Relocated to 2 CFR, Part 215), and agency specific terms and conditions.

II. Purpose

The purpose of this policy is to establish uniform procedures to inform sponsors how authorized funds were spent on sponsored projects and ensure compliance with sponsoring agencies' terms and conditions, OMB Circular A-110 (Relocated to 2 CFR, Part 215), federal, and state regulations.

III. General Statement

Research Accounting is available to answer questions and provide assistance regarding the requirements of the Financial Reporting Policy.

IV. Policy

Florida Atlantic University submits financial reports to Federal and non-Federal agencies and sponsors by the due date in accordance with the terms and conditions of the agreement.

Research Accounting reviews monthly a tracking report to identify projects that have ended and financial reports that are due. This process ensures that deadlines are met for financial reporting and assists in the notification process to the principal investigator and departmental designee when financial reports are due.

In order to ensure the accuracy of the financial reports prepared, the principal investigator and departmental designee are required to review and complete the following:

1. Review project financial activity posted in the Organization Detail Activity Report and Grant Inception to Date Report on a regular basis.
2. Review project cost share activity posted in the Organization Detail Activity Report and Grant Inception to Date Report on a regular basis, if applicable.
3. Verify that all costs charged to the project are allowable and allocable.
4. Identify errors and initiate the process to correct errors.
5. Transfer overspent expenditures.
6. Liquidate all encumbrances (for final reports only).

Principal investigator and their departmental designees must contact Research Accounting immediately:

1. with questions regarding transactions posted to the project before the financial report is submitted, or
2. if 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 Federal or Non-Federal agency or sponsor.

Research Accounting will prepare the required financial reports utilizing the Organization Detail Activity Report and Grant Inception to Date Report. If there is a requirement to return unspent funds, then Research Accounting will do so.

FEDERAL AWARDS

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 90 days after the end of the reporting period.

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 90 days after the project or grant period end date.

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

NON FEDERAL AWARDS

Financial Reports are submitted in the format and frequency specified in the terms and conditions of the sponsored agreement. If no format is specified in the agreement, Research Accounting will submit a standard financial report that includes the award amount authorized, expenditures, payments received and funds remaining.

V. Definitions

Allowable	Costs are allowable to a project if they are: (1) reasonable; (2) allocable to the specific project; (3) treated consistently in like circumstances; and (4) conform to any limitations of the cost principles or the sponsored agreement. For further information see OMB Circular A-21. http://www.whitehouse.gov/omb/circulars_a021_2004
Financial Reports	Report of expenditures on sponsored projects submitted to the sponsoring agency. This report also includes cost share expenditures and program income for sponsored projects when applicable.
OMB Circular A-110	Standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations. http://www.whitehouse.gov/omb/circulars_a110
SF-425	Federal Financial Report (FFR) requires cash receipts, disbursements, cash on hand, Federal funds authorized, Federal share of expenditures, Federal share of unliquidated obligations, unobligated balance of Federal funds, recipient share required, recipient share of expenditures, program income earned, program income expended and indirect expense.

VI. Accountability

Research Accounting is responsible for preparing all financial reports for sponsored projects based on the financial reporting requirements of the Federal and Non-Federal agency or sponsor. The financial reports are reviewed and approved by the director of Research Accounting or his/her designee to ensure accuracy.

Principal Investigators and their departmental designees are responsible for reviewing charges on their awards to identify errors and prevent them from being included in financial reports. Both Principal Investigators and their departmental designees are responsible and accountable for financial disbursements made with grant funds. Errors must be brought to the attention of Research Accounting immediately to prevent them from being included in financial reports.

VII. Procedures

Research Accounting reviews monthly the tracking database report to determine which projects have ended and which financial reports are due for the period.

Research Accounting contacts principal investigators and their departmental designee to inform them when a financial report is due. The principal investigator and departmental designee are given a date by which to complete their review of the project expenditures and inform Research Accounting of completion.

For Final Financial Reports, Research Accounting notifies the departmental designee 30 days prior to project end date to take action to close out the project.

The departmental designee is required to complete the following within 30 days of notification:

1. Provide the principal investigator with Organization Detail Activity Report and Grant Inception to Date Report to review that charges for the project are allowable and appropriate.
2. Review all expenditures to ensure that charges have not posted in error.
3. Remove cost overruns from project to overhead or department funded account.
4. Inform Research Accounting immediately of any errors charged to projects.
5. Clear out encumbrances through Accounts Payable, Payroll, or Purchasing Department.
6. Communicate to Research Accounting that all intended expenditures and corrections have posted.

Research Accounting reviews the Federal, Non-Federal agency or sponsor's agreement to identify the financial reporting forms or other reports required. The Organization Detail Activity Report and Grant Inception to Date Report are used to prepare financial reports. Financial reports include all required data such as award amount, expenditures, encumbrances, unobligated balances and so forth. Final financial reports cannot include unliquidated obligations (encumbrances). If there is a requirement to return unspent funds, a refund check is remitted.

Financial reports are reviewed and approved by the director of Research Accounting, or his/her designee to ensure accuracy. Research Accounting submits all financial reports, and returns unspent funds to the sponsor by the due date specified in the terms and conditions of the agreement.

The procedures above also apply to grants that are transferred to another institution.

VIII. Annual Review of Procedures Manual

The Financial Reporting Policy will be reviewed annually.

POLICY APPROVAL

Initiating Authority

Signature: Barry T. Rosson Date: 1/25/13

Barry T. Rosson, Vice President for Research
