Overview

All sponsored accounts must be reconciled promptly and no later than 6 months after the termination date. The intent of this policy is to

- Streamline the process of closing out terminated accounts,
- Reduce University exposure to audit disallowance,
- Reduce delay or withholding of funding by sponsors to Principal Investigators (PIs),
- Failure to reconcile your accounts on a timely basis may have cost transfer implications

Unreconciled Accounts

Unreconciled sponsored accounts at 6 months past termination represent both overspent and underspent accounts. These accounts will be listed in the Unreconciled Accounts Report available in CREW. Each category will be addressed as follows:

Policy: Overspent Accounts

Overspent accounts are sponsored research accounts for which expenditures on the University's general ledger are greater than expenditures agreed upon by the department administrator and reported to the sponsoring agency. Revision of Financial Status Reports to include additional expenses will only be considered under exceptional circumstances and must be approved by the Director of Financial Services, Office for Sponsored Programs.

- Small balance write-offs: expenses which exceed the final figure by up to $250.00 will be moved by OSP to the respective tub's overhead recovery account.
- Expenses that exceed the final figure by more than $250.00 must be transferred to a non-sponsored account by the local unit.

Procedures: Overspent Accounts
• OSP will make every effort to work with departments during the preparation of the Financial Status Report (usually 60-90 days after the budget end date) to ensure overspent accounts are fully reconciled in a timely manner.

• After 6 months from the termination date all overspent sponsored research accounts will be written off by OSP against an unrestricted account provided to OSP by the senior school financial officer.

Policy: Underspent Accounts
Underspent accounts are sponsored research accounts for which expenditures on the University's general ledger are less than expenditures agreed upon by the department administrator and reported to the sponsoring agency.

• Frequent revisions to Financial Status Reports may be interpreted as a weakness in financial controls and can lead to sanctions such as loss of expanded authorities and increase our audit risk, the Office for Sponsored Programs (OSP) no longer reports expenses that are not posted to the general ledger at the time of FSR submission except in exceptional circumstances. Such circumstances need to be approved by the Director of Financial Services, OSP.

• Small balance write-offs: Expenses which are less than the final figure by up to $25.00 will be moved by OSP to the respective tub's overhead recovery account.

Procedures: Underspent Accounts

• For underspent sponsored research awards (other than small balance write offs), the Financial Status Report to the sponsor will be revised by OSP to accurately reflect the expenditures on the University's general ledger.

• If award terms and conditions are not clear, sponsors will be consulted directly regarding disposition of any funds remaining after the revised final report and figures are submitted.

Extenuating Circumstances
Exceptions to the policy on unreconciled accounts will be made only in extenuating circumstances and will require:

• Written justification from the senior school financial officer. (or the designated official for the department or affiliated institution) and

• Approval by the Director of Financial Services, Office for Sponsored Programs, ext. 6-2513.

Special Situation: Training Grants

• NIH training grants on which stipends and tuition have been obligated past the account termination date must be reconciled within 15 months of that date
If not reconciled within 15 months of the account termination date, overspent and underspent balances will be addressed in the same way as other sponsored accounts.

Revision History

7/25/13 – Added to OSP website in PDF format