

HARVARD UNIVERSITY



Closeout and Reporting Policy for Sponsored Awards

Originally Issued:	November 16, 2015
Last Revised:	November 14, 2022
Effective:	November 1, 2022
Responsible Office:	Office for Sponsored Programs

Policy Statement

As the recipient of sponsored funding from federal and non-federal sources, Harvard University is required to provide accurate, timely, and complete disclosure of financial information, as required by each sponsored award. The timely recording of financial transactions to sponsored awards is critically important, especially as an award's end date approaches, since it is the basis for financial reporting, cash collection, and sponsor closeout requirements. The Closeout and Reporting Policy for Sponsored Awards establishes the framework for administering the timelines to manage the sponsor's financial deadlines and non-financial reports.

Reason for Policy

By accepting extramural funding from sponsors, Harvard agrees to manage and use these funds in accordance with sponsor terms and all applicable federal regulations. This policy provides guidance to financial and administrative staff who are responsible for managing federal and non-federal sponsored awards. This policy also ensures that Harvard adheres to the requirements under the Office of Management and Budget (OMB) Uniform Guidance (§200.344) which requires projects to be closed out within one year of their end date. Most notably, "if awardees do not submit reports within one year, the awarding agency must report to OMB (currently FAPIIS) as a material failure to comply with the award terms and conditions." This policy applies to all sponsored projects at Harvard, whether or not they are subject to the Uniform Guidance and includes financial and non-financial reports.

Procedure

The requirements and due dates for financial and non-financial deliverables are dictated by the terms and conditions of the award and may require the submission of:

- Financial reports
- Invoices or a request for a final drawdown of letter of credit awards
- Technical/scientific/progress reports
- Invention/patent report
- Property/equipment inventory report
- Cost share report or validation of any cost-sharing as part of a financial report or invoice
- Other non-financial reports (e.g., assignment and release forms, audit reports)

See the [Closeout Guidance document](#) for detailed information. In the coming months, additional guidance will be published to supplement the policy and provide additional further details for navigating the various processes around post-award and closeout processes of an award.

Who Must Comply

All Principal Investigators (PIs) and administrators at Harvard University within all Schools, units, divisions, University-wide initiatives, and Centers who are involved with the administration and conduct of sponsored awards must comply with this policy. Every effort must be made to ensure all financial deliverables and non-financial reports are submitted to sponsors on a timely basis.

Roles and Responsibilities

Principal Investigators (PIs)

- Primarily responsible for ensuring compliance with sponsor terms and any applicable University policies and federal regulations, including: the proper commitment and allocation of allowable expenditures, ensuring that work carried out by subs and consultants is complete, the approval and monitoring of expenditures, timely correction of errors, and timely submission of programmatic deliverables.

- Responsible for informing research administrators of interactions with the sponsor that may impact the commitments or deliverables associated with a sponsored award.
- Ultimately responsible for the submission of non-financial reports and failure to comply increases risk to the PI, other researchers and the University.

Department and Local Level Managing Units (DLLMU)

- Engage regularly with PIs to facilitate the timely posting, review, and reconciliation of expenditures throughout the life of an award, which includes the collection of required documentation, the [retention of financial records](#) to support transactions, and ensuring all costs are allocable, allowable, and reasonable per the sponsor's terms, University Policy and applicable federal regulations.
- Work closely with OSP Research Finance at the time of financial reporting and closeout to ensure compliance, confirm final expenditures (Final Figure), provide additional support or justification when required.
- Communicate and coordinate sponsor approvals (e.g., requests for carryforward and no-cost extensions) with the responsible submitting office(s).

School/Tub Level Officials

- Support OSP Research Finance to resolve sponsor requests and monitor and address past due deliverables, outstanding accounts receivable, and unreconciled accounts.
- Serve as escalation contacts and collaborate with OSP Research Finance to coordinate complex or extenuating situations needing resolution, including audits, approval of fixed price residual balances, and school write-offs.
- Establish effective internal controls within the school/tub to ensure proper stewardship of sponsored funding

Office for Sponsored Programs (OSP) Research Finance (RF)

- Responsible for meeting the financial terms of each sponsored award. This includes: setting up the schedule of financial deliverables (invoices and financial reports), high-level review of expenditures for compliance, confirming allowability with departments and local-level managing

units, coordinating the escalation of deliverables with school/tub officials, submitting financial deliverables, record retention of financial deliverables and any related support, cash management, closing out accounts in the General Ledger and GMAS, providing support for audits, and maintaining this policy and any related procedures.

Escalation Procedure

The following procedure outlines the additional involvement that may be required to ensure the timely submission of financial reports¹ required by sponsor deadlines. The OSP RF Financial Analyst works directly with the DLLMU to ensure all financial compliance and reporting requirements are complete and in accordance with sponsor terms and conditions. If the Financial Analyst is unable to validate and/or resolve any financial compliance or reporting issues with the DLLMU, the issues may be escalated as follows:

1. The OSP RF Financial Analyst will seek additional support from the OSP Team Lead and/or OSP Portfolio Manager if requests to the DLLMU go unresolved.
2. If requests continue to go unresolved with the DLLMU, the OSP RF Portfolio Manager may reach out to the School/Tub Level Official to discuss a resolution prior to the submission deadline, consequences of not filing a report, and/or make a determination on the completion and submission of any financial deliverables.

Policy Exceptions

Not applicable.

¹ This escalation process only applies to financial reports. The process for non-financial reports is under development and will be published at a later time.

Definitions

Award Management Checklist

A downloadable and customizable checklist that provides DLLMUs with a framework of general activities to manage during an award and during closeout. NOTE: the checklist is not required by OSP, but it can be used locally by DLLMUs as part of local procedures and internal controls.

Compliance Checklist

A checklist that is routed by OSP Research Finance to DLLMUs approximately 30 days before the sponsor deadline. DLLMUs review the checklist and confirm compliance items for each sponsored award. This checklist can also be downloaded from each financial deliverable screen in GMAS.

Cost Sharing

Any project cost that is not reimbursed by the sponsor to support the scope of work defined by the federal or non-federal sponsored award. Cost sharing, also known as matching, is funded by Harvard or a third-party, which is generally a non-federal resource.

Final Figure

The final amount of cumulative expenditures by subactivity for closeout in the GL confirmed by the Local Level Managing Unit and provided to OSP Research Finance for reporting or invoicing to the sponsor, when required. Expenses must be reconciled to the Final Figure, as part of the disabling of the account in the GL.

No-Cost Extension (NCE)

A mechanism to extend the performance period of an award without adding additional funding and typically must be requested before the award period ends.

Non-Financial Reports

Programmatic deliverables required by the sponsor, which may include: patent reports, invention reports, equipment reporting, progress reports, technical reports, final project reports, etc. Failure to

meet the deadlines for the required non-financial reports can result in additional financial and institutional risk

Unreconciled Accounts

A sponsored activity-subactivity combination where expenses and income (including non-operating transfers) do not net to zero AND/OR expenses do not match the GMAS Final Figure. Once these three amounts are in sync, the subactivity value can be queued to disable in the GL, typically 90 days after the account end date. However, if there are any balances on a non-sponsored string using the sponsored activity-subactivity combination, the subactivity will fail to disable in the GL and the sponsored account string will remain active.

Closeout and Reporting School Contacts

- [FAS – Nuala McGowan](#)
- [HGSE – Tiffany Blackman](#)
- [HKS – Carrie Kachoria](#)
- [HMS – Rita Bergemann](#)
- [SEAS – Pam Baker-Webber](#)
- [SPH – Kristie Lister](#)
- [HLS – Leah Keating](#)
- [WYSS – Nicole Boquet](#)
- [HSDM – Andrea Morris](#)

For all other tubs, please [contact an OSP Portfolio Manager](#).

Related Policies and Guidance

- [Cost Sharing Policy](#)
- [Cost Transfer Policy](#)
- [Disabling Sponsored Chart of Account Values](#)
- [Guidance on Fixed Price Sponsored Awards](#)
- [Interest Income Paid on Non-Federal Sponsored Funds](#)

- [Internal Billing Policy](#)
- [Processing Journal Vouchers in the GL](#)
- [Program Income Guidance](#)
- [Sponsored Expenditures Guidelines](#)
- [Subrecipient Monitoring Policy](#)

Financial Administration Offices' Websites:

- [Financial Administration](#)
- [Office of the Controller](#)

School Sponsored Programs and Research Finance-related Offices' Websites:

- [FAS Research Administration Services](#)
- [GSE Office of Sponsored Projects](#) (password required)
- [HKS Research Administration Office](#) (password required)
- [HLS Research Administration](#)
- [HMS and HSDM Office of Research Administration](#)
- [HMS Research Compliance](#)
- [HSPH Research Administration](#)
- [SEAS Office of Research Administration](#)

Resources

- [Award Management Checklist](#)

Additional resources are being developed and will be published to supplement the policy. In the interim, the existing [Closeout Guidance](#) can be used as a reference.

Revision History

November 2015 June 2015

- Combined the Financial Reporting Policy and the Unreconciled Accounts Policy.

- Revised the format and procedures.
- Added deadlines for OSP and department/unit deliverables.
- Added definitions and detailed guidelines in appendices.

June 2016

- Revised procedures to include process for unexpended balances on fixed price sponsored awards.
- Added applicable fixed price sponsored award references and definition for fixed price sponsored award.

November 2016

- Changed reference to CREW Unreconciled Accounts Report to Unreconciled Accounts Report in OBI Sponsored Accounts Suite Dashboard.

April 2021

- Updates to Uniform Guidance requiring financial and non-financial reports to be filed within one-year after award end or awarding agencies must report to OMB as a material failure to comply with the award terms and conditions
- Clarified Roles and Responsibilities around Closeout
- Adding an escalation procedure
- Removed procedures and Appendix B to create separate procedural document (expect future revisions).
- Policy title updated from “Sponsored Financial Reporting and Closeout Policy” to “Closeout and Reporting Policy for Sponsored Awards”

November 2022

- Award Management Checklist added under the Resources section