

SCHEDULE OF FINAL CHARGES

Sponsored Projects Accounting's Policy and Process for ensuring compliance with UT Fiscal Policy and Sponsor requirements regarding posting of charges to sponsored projects.

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Beginning September 1, 2014!

UT POLICY FI0205

SPONSORED GRANTS AND PROJECTS

- UT FI0205 #8,b states:

“Timeliness in Charges and Adjustments. So that required reporting and funding of sponsored projects are accomplished in a timely manner, all charges and adjustments to sponsored projects should be recorded on the official records as soon as possible. Department heads and project directors should promptly review the monthly Grant and Contract Budget and Expenditure Report. Departments may access this report online and print as needed. Sponsors and external auditors are extremely critical of late charges, late transfers, and late adjustments to WBS elements for sponsored projects. Charges or transfers delayed beyond the normal processing schedule must be accompanied by an explanation and justification. **All charges should be processed against such accounts within 60 days after the project end date so that final financial reports can be submitted and the WBS elements closed on a timely basis.”**

WHY THE NEED FOR A POLICY REGARDING THE “SCHEDULE OF FINAL CHARGES?”

- Simply put,
 - ❖ Sponsored Projects Accounting (SPA) is required, on behalf of UT, to submit reports to the **Sponsor** no later than the due dates specified in the award document.
 - ❖ This means all charges must be accurately reported and submitted, to the best of our abilities, by these due dates.
 - ❖ If the charges are not submitted in time, the department may have to absorb the expenses.
 - ❖ The University prefers to not have to go back to the sponsor at a later date, or refund charges that were inappropriately charged.

TEAMWORK IS NECESSARY TO:

- Ensure we are compliant with UT Policy.
- Ensure we are meeting Sponsor requirements and expectations.
- Ensure all allowable charges are captured for the final invoicing to protect departments from absorbing unbilled charges.

HOW CAN WE WORK TOGETHER TO ACHIEVE SUCCESS?

- Each month, a SPA representative will send emails to departmental business managers/bookkeepers and PIs regarding expired project accounts.
- The email will include a form called **“Schedule of Final Charges.”**
- This form will have a “due date” listed at the top.
(We will talk more about this in a minute.)
- The form contains sections that require input from the department.
- It is imperative that the form is filled out accurately, signed, and returned to SPA no later than the due date!

WHY IT IS IMPORTANT THAT ONLY SPA'S "SCHEDULE OF FINAL CHARGES (SFC)" FORM BE USED?

- SPA realizes that departments may have their own way of tracking the information being requested on the form, and this is great; however, only SPA's form is the official document.
- In order for SPA to easily verify all charges & credits have been accurately captured, it is crucial that the form be filled out and submitted as requested.
- **Please do not attempt to change the form.**

WHAT DOES THE “SCHEDULE OF FINAL CHARGES” FORM LOOK LIKE?

SECTION 1

- It is the gray box at the top of the form.
- SPA completes this section.
- This section will report the total direct cost expenditures posted as of the last fully closed general ledger period.
- **Action is not required in this section. Contact us if you feel the total is incorrect. If it requires adjustment, SPA will send an updated SFC!**

Section 1	(Do not write in this area)
Total Direct Expenditures as of	

SECTION 3

- The Department completes this section.
- List all expenditures that have posted to the general ledger, but will be removed in the near future.
- List the original document number as it first appeared on this account.
- The list should reflect *exact* amounts, *not estimated* expenditures.

Section 3		
Object Code	Original Document No.	Enter a Positive Number for the Amounts Below
		()
		()
		()
		()
		()
		()
		()
		()
		()
		()
		()
		()
		()
		()
*Total This Section:		(\$ -)

SECTION 5

- This section automatically populates based on the information entered in Sections 2-4.
- The total amount will automatically sum to the Final Direct Expenditures line.
- The automatically adjusted Final Direct Expenditures will be reflected on the final financial report.

Section 5	
Final Award Expenditures:	
Total Amount Section 1:	\$ -
Total Amount Section 2:	\$ -
Total Amount Section 3:	(\$ -)
Total Amount Section 4:	\$ -
Final Direct Expenditures:	\$ -

THE SFC FORM MUST BE SIGNED

- A signature by the PI or the Department Head certifies that all expenditures reported are for appropriate purposes within the award period.
- It also states that by signing, they understand that if any charges listed in Sections 3 and 4 do not post within 60 days, action will be taken by Sponsored Projects Accounting to adjust the account accordingly!

I certify that all expenditures reported are for appropriate purposes within the award period and in accordance with the provision of the award documents. I understand that if all charges listed in sections 3 & 4 do not post to the official accounting system within 60 days, action will be taken by Sponsored Projects Accounting to adjust the account accordingly.

Principal Investigator or Dept. Head Signature

Date

A SCHEDULE OF FINAL CHARGES IS MORE THAN JUST A SIGNATURE!

- ❑ **It's accountability!!!!**
- ❑ **SPA cannot adjust the final financial report without a signed SFC.**

RESPECT THE DUE DATE ON THE FORM!

- The due date listed is driven by the individual award documents and UT policy.
 - The timeframe was developed to allow SPA time to review expenditure activity, process the final invoice, and prepare the final financial reports as required by the sponsor's due date.
- The due date reflects a timeframe that should allow you to know the charges that are expected to be posted to your final ledger.
 - ***Don't wait until these charges have posted.*** You should be able to anticipate the charges needed for section four.
- Our Point Here! – If the University only has 60 days to ensure accurate accounting before reporting to the sponsor, and you take 60 days, then SPA does not have appropriate time to review submitted information.

WHY IS IT HELPFUL TO GET THE FORM TO SPA EARLY?

- SPA has a huge volume of accounts that require accurate financial reports be submitted to sponsors.
- SPA has a small staff that must meet the reporting deadlines of those sponsors.
- Our staff is burning the midnight oil, and sometimes weekend oil, to make these deadlines. We are here after you have gone home. We understand this is our job, and we do it proudly, **but**
- When we are here after you are gone, it is crunch time.
 - Decisions have to be made on any questionable expenditures.
 - **We** have to make these decisions based upon what we know.
 - There is not time to verify all of the facts with the departments. This can ultimately affect the bottom line.
- The more time we have to work with your accounts the better for everyone.

COMMUNICATION IS THE KEY:

- If you know or expect the project will be extended, notify us when you receive the email with the SFC form.
 - *If possible, give specifics as to why you think this project will be extended.*
- If you are having issues returning the form before the deadline, let us know. We will be glad to help with the issue.
- Please let us know if you have questions for us. We want to hear from you!
- When you return the form, modifications, or any information regarding the SFC form, please send, by email, to both Drew Haswell and the SPA Accountant.

HOW DO WE KNOW COMMUNICATION IS THE KEY?

- It has been tested.
- We have some really awesome departments within UTK that communicate regularly with us.
- We have departments that return the forms very quickly; therefore, we can finalize close-out more promptly.
- We have departments who inform us they are going down to the wire because of circumstances. By being informed, we can discuss and plan for the situation, so the best decision can be made – which is advantageous for all.

WHAT CAN YOU EXPECT FROM SPA TO ENSURE COMPLIANCE.

- You will receive an initial (**First**) email with the SFC form attached listing a final due date.
- Follow up emails will be sent until the SFC is returned- just to ensure everyone stays on the same page.
- SPA's Financial Compliance Officer has recommended that PIs be copied on any correspondence concerning the project, since they have ultimate responsibility.

SECOND EMAIL

- A second email will be sent to follow up on the status and determine if the project will be extended.
 - It is determined by the schedule.
 - It is structured to ensure compliance with sponsor requirements.
- This email will be sent to the same recipients as the first email: the business manager/bookkeeper and PI.

THE LAST AND FINAL EMAIL

- The third and final email will be sent outlining the actions that will have to be taken by SPA if the form is not submitted immediately.
 - The financial consequences of inaction by the department will be listed.
- This email will be sent to the same recipients as the first two emails and will also include the Department Head.
- At this point, the University could possibly be at risk for having punitive actions imposed by the sponsors.

HIGHLIGHTS OF THE PRESENTATION!

****Beginning September 1, 2014****

- Please fill the form out as requested.
- Please return a signed form as soon as you possibly can.
- Only return the form when you know the information is **accurate** and **complete**.
- Talk to us about what's going on with your projects; Inform us of known or expected project extensions!
- Failure to submit the final financial report within specified timeframes puts the University and the department at financial risk.

WE WELCOME ANY FEEDBACK!

❖ Please ask questions!



❖ Or make comments!

RAOR MEETINGS

- RAOR meetings are held the third Wednesday of each month.
- Please allow and support sending your staff to the meetings.
- These meetings are open discussion meetings based on the topic, so please encourage your staff to discuss any issues/concerns they have in working with projects.
- I'm sure they will bring back helpful info to the department!

WE GREATLY APPRECIATE YOUR TIME

- We look forward to working with you on the Schedule of Final Charges form!

