I. PURPOSE
During the management of research awards, some sponsors require interim financial reports to be submitted during the award, often quarterly or annually. The submission of these financial reports is a shared responsibility of the Principal Investigator (PI) and RAS Unit. Please note, Financial Status Reports for federal agencies are typically called Federal Financial Reports (FFRs). For the purpose of this SOP, we will refer to all financial reports, including FFRs, as “Interim Financial Reports”. Reports submitted at the end of the project period or at a point in the project that requires competitive renewal are called Final Financial Reports. Please refer to SOP #2021 for these types of reports.

II. INTRODUCTION:
Interim Financial Reports are submitted to sponsors when required (usually annually however can be as often as quarterly). Frequency is identified in Sponsor guidelines and are indicated on the FSR milestone page in Compass. Not all sponsors require Interim Financial Reports. A financial report is considered interim, only if it is required by the sponsor prior to the fully completed project period. Interim Financial Reports are based on actual expenditures posted to the general ledger (GL) during the period applicable to the report. Expenses posted to the award after the end date of the reporting period will not be included unless they meet sponsor guidelines, pertain to the reporting period and there is sufficient documentation to support those expenses.

Sponsored projects requiring interim financial reports must be reconciled by the Post Award Administrator prior to the completion of the interim financial report. This includes verification of subcontract expense and requests for invoices pertaining to the reporting period. Interim Financial Reports are prepared by the Post Award Administrator and forwarded to the PI for review and approval (if possible), and then submitted to the sponsor by the Post Award Administrator.

Emory discourages the revision of previously submitted financial reports. Revisions or amendments are made on an exception basis and approved by Director, FGC.

III. PROCEDURE

Dates for interim financial report submission will vary by sponsor. Please refer to the NGA for due dates for all sponsors. The process of preparing an interim financial report should occur in the month following the end of the financial period that must be reported on.
1. Every month, Post Award Administrator runs the Invoice Milestone Report in Compass to identify any Interim Financial Reports that are due in the next 60 days. (Please note in Compass the milestones for Interim Financial Reports are found on the FSR query not invoice milestone report page).

2. Before the submission of the interim financial report, any unallowable costs or expenses in excess of the budget authorized by the sponsor must be identified by the Post Award Administrator, and adjusting entries must be submitted into Compass workflow for processing.
   a) The Post Award Administrator is responsible for submitting into Compass all journal entries, salary transfers, and data changes necessary to adjust award expenditures. If charges are to be transferred to a departmental account the Post Award Administrator must work with the PI and Departmental Administrator to determine the appropriate SmartKey to use.

3. Identification of fringe benefit and indirect cost adjustments that are necessary for the submission of the interim financial report are the responsibility of Post Award Administrator.
   a) RAS Units are responsible for making indirect cost adjustments (up to $1,000 for SOM RAS units; no cap exists for other schools/units)
   b) Fringe benefit adjusting entries are the responsibility of FGC, along with cash postings and revenue adjustments.

Interim Financial Report preparation

1. If the award has been reconciled within the previous 60 days then the Interim Financial Report can be produced directly from the data in the Compass ledgers.

2. If the award has not been reconciled within the previous 60 days then the following procedure must be followed:
   a) Review award terms and conditions from the sponsor outlined in the NOA to determine authorized budget amount, cost-sharing requirements, carryover restrictions, financial reporting requirements, allowable expenses, any other restrictions, and the sponsor reporting format.
   b) Review any prior interim financial reports, if applicable, to determine what was reported previously.
   c) Confirm that budget loaded in Compass for reporting period matches authorized amount from sponsor. Authorized amount from sponsor would be listed on sponsor award notification documents. If budget does not match authorized amount, request that FGC make budget adjustments.
   d) Review expenses that posted during the reporting period on the Sponsored Project Financial Trend reports available in EBI to ensure they are allowable according to sponsor guidelines outlined in the NOA and exclude any expenses that are unallowable. Remove any unallowable expenses, including budget deficits via Journal Entries and salary transfers and document the changes that are being made in the ART Template.
   e) Identify any CAS exceptions that are needed by reviewing questionable account codes. If a CAS Exception is necessary, ensure approval has been obtained.
   f) Review effort commitments on award to ensure that they have been recorded correctly and have been certified, if possible (Note: If the effort reporting period has not ended, it may not be possible to certify effort for that period).
   g) Review any cost share, program income, or interest income to ensure calculated and documented correctly. If adjustments are needed to any of these items, make these adjustments through Journal Entries or salary transfers.
   h) Reconcile fringe that posted to each project to ensure the correct amount posted.
   i) Review encumbrances and/or open commitments (including those to subcontractors) to determine if any additional expenses are outstanding and are likely to post that need to
be included in the interim financial report. Expenses could include invoices for supplies, recharges or subcontract invoices.

j) Reconcile Facilities and Administration costs (F&A) that posted to each project by reviewing the Revenue & Expense Transaction Detail reporting EBI to ensure the correct percent (%) has posted.

k) Review charges that posted to the project by reviewing the Labor Detail report in EBI after the end date of the reporting period. Ensure that these expenses are allowable (if not, remove using journal entries or salary transfers).

l) Prepare the interim financial report in the format required by the sponsor (if the ART tool is being used then it will automatically populate a sample FFR).

3. Once complete, send documentation to RAS Post Award Manager or RAS Director for review and approval. Since October 2014, FGC no longer require that the ART template be used for Quarterly or Interim Financial Reports. However your RAS Director may require that the ART template be used as the most efficient method for completing the reconciliation steps in section 1 a through 2 above.

4. Once the RAS Post Award Manager or Director approve, the completed interim financial report or final reportable expenses should be submitted to the PI for review. There is no standard format for presentation to the PI and a full checklist or completed ART template probably contains more detail than the PI requires. Work with each PI or departmental administrator to establish an appropriate level of detail to ask the PI to approve. If no PI response is received within 5 business days, a reminder is sent. If no response is received within 2 more business days (7 total), elevate to the RAS Director. PI responses should be received (if possible) prior to submitting the interim financial report to the sponsor.

5. Once approved (via written email documentation), the Post Award Administrator will submit the Interim Financial Report directly to the sponsor. (FGC review of FFRs is only required for the Final FFR at the end of each award)

6. The Post Award Administrator will then upload the Interim Financial Report and update the FSR milestone in Compass.

IV. RESPONSIBILITY

Principal Investigator (PI):
- Reviewing draft interim financial reports
- Approving Interim Financial Reports before they are sent to the sponsor

Post Award Administrator:
- Reconciling sponsored projects financial reports
- Submitting all journal entries and cost transfers necessary to adjust award expenditures
- When determining the final reportable expenses for the Interim Financial Report, utilizing the ART Template is only required if mandated by the RAS Director or if found useful by the Post-award Administrator. (FGC does not review Interim Financial Reports prior to submission to the sponsor and therefore do not require to have an ART of the reconciliation).
- Obtaining PI approval of the final reportable expenses for the Interim Financial Report
- Drafting Interim Financial Reports and forwarding to PI for approval
- Sending Interim Financial Report to the sponsor
- Making indirect cost adjustments (up to $1,000 for SOM RAS units; no cap for other schools/units)

RAS Director or Post Award Manager:
- Approving Interim Financial reports before they are sent to the sponsor
Finance: Grants and Contracts (FGC):

- Posting fringe benefit adjustments or indirect cost adjustments over $1,000 for SOM RAS units

******************************END OF SOP******************************