Emory University
Research Administration Services (RAS)
Standard Operating Procedure

TITLE: Preparation of Final FFR, Final Financial Report, or Final Invoice
NUMBER: RAS SOP – 2021
VERSION: 4.0
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PREPARED BY: Office of Research Administration, Research Administration Services and Office of Business Practice Improvement
APPROVED BY: RAS Central Operations

ASSOCIATED DOCUMENTS:
1. Award Reconciliation & Review Tool (ART)
2. RAS Financial Status Report Checklist
3. Uploading FSR/FFR Milestones in Compass
4. Accessing the eNOA System
5. Navigating to the Contract Manager Page
6. PMS Reports: Accessing the PMS Report
7. Compass Attachments: Uploading Attachments into Compass
8. Emory Doc Accel Training Document
9. Job aid for using the PACT tool
10. Job Aid: Milestones

I. PURPOSE

During the management of research awards, expenditure reports are often submitted to the sponsor at the end of the project period, or on an annual or otherwise prescribed timeline. For Federal agencies, these reports are called Final Federal Financial Reports (or FFRs). For other sponsors they may be called a final Financial Report. Some sponsors simply require a Final Invoice. For the purposes of this SOP, all final financial reports (including final invoices) will be referred to as “financial reports”. Submission of these financial reports is a shared responsibility of the Principal Investigator (PI), Post Award Administrator, and Finance: Grants and Contracts (FGC).

II. INTRODUCTION:

Financial reports are submitted to sponsors when required by the awarding agency and are based on actual expenditures posted to the general ledger (GL) during the project 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 project period and there is sufficient documentation to support those expenses. Commitments and/or encumbrances will not be reported except in special circumstances and these require approval by the FGC Director.

Sponsored projects requiring financial reports must be reconciled by the Post Award Administrator prior to the completion of the financial report. This includes verification of subcontract expense and requests for final invoices pertaining to the project period. Draft financial reports are prepared by the Post Award Administrator and forwarded to the PI for review and approval, and then to FGC for submission to sponsor.

Emory discourages the revision of previously submitted financial reports. Revisions or amendments are made on an exception basis and approved by FGC Director. If, however, expenses are reduced on the award with an FGC Director’s approval and a balance is owed to the sponsor, Emory will revise the financial report once the overcharge is discovered and refund the sponsor as appropriate.
III. PROCEDURE

The final financial report is to be completed by the Post Award Administrator within 60 days after project end-date (for situations where the final financial report is due to the sponsor 90 days after the end of the award). For sponsors where the final financial report is due sooner, these timelines will be adjusted accordingly.

Overall:
1. Before the submission of the financial report, any unallowable costs or expenses in excess of the budget authorized by the sponsor must be identified and adjusting entries must be submitted into Compass workflow for processing.
   a) The Post Award Administrator is responsible for submitting 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.
2. Identification of fringe benefit and indirect cost adjustments that are necessary for the submission of the financial report are the responsibility of Post Award Administrator.
   a) Fringe benefit entries are the responsibility of FGC, along with cash postings and revenue adjustments.
   b) RAS Post Award Administrators are responsible for making F&A adjustments by journal entry. However, if the project is awarded to a faculty member of the School of Medicine then the Post Award Administrator may only make journal entries on F&A for up to $1,000. For School of Medicine, F&A journal entries over $1,000 should be completed by FGC.

Final Financial Report preparation:

1. Review award terms and conditions from the agency (generally found in the NGA) to determine authorized budget amount (verified in Payment Management System), cost-sharing requirements, carryover restrictions, financial reporting requirements, allowable expenses, any other restrictions, and the sponsor reporting format.
2. Review any prior financial reports, if applicable, to determine what was reported previously.
3. Download ART (Award Reconciliation & Review Tool) Template from the FGC Website (http://fgc.emory.edu/postawardmgt/art.html). Run Emory Custom Reports and populate the ART Template with your award data. (See Training Materials available at: http://fgc.emory.edu/training/trainingmaterials1/index.html. Confirm that budget loaded in Compass for reporting period matches authorized amount from agency. Authorized amount from agency would be listed on agency award notification documents. If budget does not match authorized amount, request that FGC make budget adjustments and document these adjustments in the ART Template.
4. Review expenses that posted during the reporting period to ensure they are allowable according to agency guidelines (available on agency website or possibly the eNOA) 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.
5. Identify any Cost Accounting Standards (CAS) exceptions that are needed by reviewing questionable account codes. If a CAS Exception is necessary, ensure that approval has been obtained (per SOP 2014) and documented in the ART Template.
6. Review effort commitments on award (per SOP 2016 Effort Reporting Management and Certification) 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).

*Values referenced in items 7 - 10 are compared to those included in the budget outlined in the award budget.

7. Review any cost share, program income, or interest income to ensure they are calculated and documented correctly. If adjustments are needed to any of these items, make these adjustments through Journal Entries or salary transfers. For RSTs only, a screenshot should be taken in order to document the adjustment. For other types of adjustments a note of the Journal Entry number is sufficient documentation for FGC.

8. Reconcile fringe that posted to each project to ensure the correct amount posted. If fringe adjustments are needed, document in ART template and notify FGC to make the change.

9. 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 financial report. Expenses could include invoices for supplies, recharges or subcontract invoices.

10. Reconcile facilities and administration costs (F&A) that posted to each project to ensure the correct percent (%) according to the eNOA and agency guidelines has posted. If adjustment is required, document in ART and make appropriate F&A adjustment (up to $1,000 for SOM RAS units, no cap for other schools/units)

11. Review charges that posted to the project after the end date. Ensure that these expenses are allowable (if not, remove them by using journal entries or salary transfers) and provide justification in the ART Template for all allowable charges that posted after the end date.

12. Prepare the financial report in the format required by the sponsor (If an FFR, the ART Template will automatically populate a sample FFR). If a final invoice is required, FGC will create the invoice; this is not a responsibility of the RAS unit.

13. Send ART Template and any supporting documentation to the PI for their approval. If no PI response is received within 5 business days, send a reminder. 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 ART Template and supporting documentation to the RAS Director.

14. Once the PI has approved, the final financial report or final reportable expenses should be submitted to the RAS Director for review and approval. Within 60 days after the end of the award, the Post Award Administrator will email the ART Template and supporting documentation to the RAS Director.

   a) Note: the Post Award Administrator should review the sponsor guidelines on their reporting schedule. Some sponsors have less than 90 day reporting. The above timeline should be adjusted accordingly.

15. RAS Director will complete a final review of the final financial report and submit to the FGC. FGC will submit federal annual/final financial reports (FFRs) to the sponsor.

16. If a final invoice is required, FGC will generate the final invoice through Compass and send to the sponsor.

17. FGC will upload the final financial report or final invoice to Compass.

18. If final invoice is indicated, FGC will ensure the upload of the final invoice to Compass.

19. Within 30 days of submission of the Final FSR / Invoice, the PACT should be downloaded from the FGC Website (http://fgc.emory.edu/postawardmgt/art.html).

20. Throughout this process the Post Award administrator will update the financial milestones
that were previously setup by FGC on the FSR Milestones page.

IV. **RESPONSIBILITY**

**Principal Investigator (PI):**

- Reviewing and approving financial reports or final expenses.
- Approving and submitting financial reports in support with the Post Award Administrator.

**Post Award Administrator:**

- Reconciling sponsored projects financial reports.
- Submitting all journal entries and cost transfers necessary to adjust award expenditures.
- Making fringe benefit or indirect cost adjustments (up to $1,000 for SOM RAS units; no cap for other schools/units)
- Determining the final reportable expenses, utilizing the ART Template.
- Obtaining PI approval of the final reportable expenses.
- Developing the final FFR or the Final Financial Report in the appropriate sponsor format.
- Forwarding the completed ART Template and final FFR or final Financial Report in the appropriate sponsor format to FGC.
- Updating financial milestones on the FSR Milestone page.

**Finance, Grants and Contracts (FGC):**

- Generating the final invoice if required by sponsor.
- Setting up or changing milestones on the FSR Milestone and Invoice Milestone pages.
- Submit federal annual and financial reports (FFRs) to sponsor.

**RAS Director or Post Award Lead**

- Reviewing, signing and submitting official financial report to FGC once received via Post Award Administrator.

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