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PURPOSE OF GUIDELINES

This document explains administrative requirements and financial procedures for maintaining compliance with government and other regulations regarding the timely submission of financial reporting to sponsors. This document also provides guidance in accessing and using internal financial reports to monitor financial activity.

Failure to follow these guidelines may have serious consequences, including disallowed costs, which would require reimbursement to the sponsor from unrestricted departmental funds; increased Federal oversight, monitoring, and audits; and loss of future Federal funding.

POLICY

All SF-425, SF-425A, and SF-270 financial reports shall be administered in accordance with standards set forth in Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance), SUBPART D – Post Federal Award Requirements, §200.327 Financial reporting; and in applicable sections of SUBPART E - Cost Principles.

PeopleSoft, the University of Maine System’s (UMS) accounting system listed in the Cost Accounting Standards Board Disclosure Statement, shall be the primary source for information listed in Federal financial reports.

WHO IS RESPONSIBLE

Responsibility for following financial reporting guidelines is a coordinated effort among the University Services Accounting Department, campus Sponsored Programs or other designated personnel, principal investigators or project managers, their department chairs or other direct supervisors, and unit-level fiscal personnel with general guidance and oversight of the colleges, schools and divisions. See the section of this document titled, ‘Responsibilities and Procedures’ for detailed responsibilities.
RESPONSIBILITIES AND PROCEDURES

A. Federal Reports

OMB Uniform Guidance, §200.327 indicates Federal awarding agencies may solicit only the standard, OMB-approved government-wide data elements for the collection of financial information. The Federal Financial Reports (SF-425 and SF-425A) as well as all other OMB-approved data collection forms are listed on the OMB website.

Financial information must be provided to the Federal awarding agencies with the frequency required by the terms and conditions of the Federal award which should be no less frequently than annually nor more frequently than quarterly except in unusual circumstances where more frequent reporting is required for the effective monitoring of the Federal award.

B. Responsibilities

1. University of Maine System Administration:
   a. Provide an administrative practice letter with guidance on financial reporting.
   c. Establish procedures for removing uncollectible costs from sponsored projects.
   d. Coordinate compliance through periodic internal and external audits.
   e. Maintain the integrity of GL Inquiry financial information.

2. System Accounting Department:
   a. Compile and submit SF-425 Federal Cash Transactions Reports (FCTR) per Federal agency requirements in accordance with OMB Uniform Guidance, §200.327 Financial reporting:
      1) Submit the SF-425 and, when necessary, its continuation sheet, SF-425A, when the UMS receives Federal funds.
      2) When applicable, submit forecasts of Federal cash requirements in the “Remarks” section of the SF-425 report when so required by the Federal awarding agency.
      3) When applicable, submit the amount of cash advances received in excess of three days and provide short narrative explanations of actions to reduce the excess balances when practical and the Federal awarding agency deems necessary.
SUBJECT: FINANCIAL REPORTING

4) Submit the SF-425 within 30 calendar days following the end of each quarter.

5) When applicable, submit a monthly report when advances total $1 million or more per year and when required by a Federal awarding agency.

6) Compile no report when a Federal awarding agency waives the requirement to submit the SF-272 report because:

   i. monthly advances do not exceed $25,000, or
   ii. UMS accounting controls are deemed adequate to minimize excessive Federal advances, or
   iii. Electronic payment mechanisms provide adequate data.

b. Has authorization to request as needed, documentation in support of any questioned charge, and to exclude from reports costs deemed questionable and/or unsupported.

c. Monitor project financial activity on GL Inquiry.

d. Return ending balances on letter-of-credit sponsored projects to the Federal awarding agency, when appropriate.

e. Run a query that lists project end dates in order to prevent delinquent submission of final reports.

3. Sponsored Programs Office, or other responsible department:

   a. Compile and submit Federal Financial Report SF-425, as required by the terms and conditions of the Federal award and in accordance with OMB Uniform Guidance, §200.327 Financial reporting:

      1) The Sponsored Programs Office, or other responsible department, shall use the SF-425 to report the status of funds for all non-construction projects as required.
      2) Submit the report on a cash or accrual basis as prescribed by the Federal awarding agency.
      3) Submit the report as frequently as required by the Federal awarding agency.
      4) The Sponsored Programs Office, or other responsible department, shall submit the SF-425:

         i. no later than 30 days after the end of each specified reporting period for quarterly and semi-annual reports, and
         ii. 90 calendar days for annual and final reports.
         iii. to the System Accounting Department, as well as to the Sponsor, for letter-of-credit projects.
b. Has authorization to request as needed, documentation in support of any questioned charge, and to exclude from reports costs deemed questionable and/or unsupported.

c. Monitor project financial activity in the general ledger, as needed.

d. Return ending balances on campus-billed projects to the Federal awarding agency, when appropriate.

e. Run a query that lists project end dates in order to prevent delinquent submission of final reports.

f. Coordinate periodic financial reviews.

4. **Principal Investigator or Project Manager of a sponsored project and unit-level fiscal personnel:**

   a. Review project expenditures and revenue on **GL Inquiry** no less frequently than once a month. Review accuracy and completeness of current month transactions and initiate corrections, when appropriate, no later than 90 days from date of original transaction.

   b. Investigate and resolve significant budget variances.

   c. Complete and submit periodic financial review adjustments to the Sponsored Programs Office or other responsible department in a timely manner.

   d. Monitor project end dates, on **GL Inquiry**.

   e. Submit one-time extension requests to the Sponsored Programs Office or other responsible department, in a timely manner when appropriate.

   f. Provide documentation in support of any charge questioned by the Sponsored Programs Office, or other responsible department.

   g. Remove uncollectible or questionable costs from sponsored projects.

**DEFINITIONS AND TERMS**

**Budget Overruns:** Amounts spent in excess of the budget approved in the terms and conditions of the award.

**GL Inquiry:** The University of Maine System’s web-based report of general ledger activity. GL Inquiry provides up-to-date transaction and detail summary by project. It includes budgeted award amounts, actual award, expenditures (current month, year-to-date, and project-to-date), encumbrances, and budget variance. It shows the name of the Principal Investigator or Program Director and project end date.

**PeopleSoft:** The University of Maine System’s cost accounting system listed in the Cost Accounting Standards Board Disclosure Statement. It is the official record for all required financial reports.
Unallocable Costs: Costs that are allowable but are not assignable to a sponsored project because they do not provide relative benefit to the project, or were otherwise not deemed allocable under sponsor guidelines or the specific sponsor agreement.

Unallowable Costs: Costs that cannot be charged to a project per sponsor guidelines or any other costs incurred by the University that OMB Uniform Guidance – Subpart E specifies cannot be included in the development of the indirect cost rate charged, nor as a direct cost to a Federally sponsored project, nor included in Service Center rates.

Uncollectible Costs: Any costs charged to a sponsored project that will not be reimbursed by the sponsor. Uncollectible costs include budget overruns, unallowable costs, and unallocable costs.

RELATED DOCUMENTS

OMB Grant Management Forms Library – link to Federal financial forms:
  - Form SF-425 Federal Financial Report
  - Form SF-425A Federal Financial Report Attachment
  - Form SF-270 Request for Advance or Reimbursement

Accounting for Grants and Contracts - business process document

APL I-G General Accounting for Capital Assets
APL VIII-K Cost Transfers
APL VIII-L Closeout Procedures
APL VIII-I Revision of Budget and Program Plans

HISTORY OF POLICY

Issue 1: Effective 04/02/2007
Issue 2: Effective 12/26/2014 (Updated for implementation of OMB Uniform Guidance)

APPROVED:

Signature on file in the Office of Finance and Administration

Vice Chancellor for Finance and Administration