

ADMINISTRATIVE PRACTICE LETTER

SUBJECT: FINANCIAL REPORTING

Section VIII-J
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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.

Policy

All SF-272, SF-269, SF-270 and SF-269A financial reports shall be administered in accordance with standards set forth in Office of Management and Budget (OMB) Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non Profit Organizations," SUBPART C - Post-Award Requirements, Reports and Records, [Section .52 Financial reporting](#); and in applicable sections of OMB Circular A-21, "Cost Principles for Educational Institutions."

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

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.

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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 Circular A-21 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.

Responsibilities and Procedures

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.

Federal Awarding Agency:

- OMB Circular A-110, Section .52 (b) indicates Federal awarding agencies are responsible for following the procedures listed below when they need additional or more frequent information from what they receive through standard SF-269, SF-269A, or SF-272 submissions:
 - The Federal awarding agency shall issue instructions under the "Remarks" section of the reports per Section .52 (b) (1).
 - Additional information may be obtained upon written notice to the recipient when the Federal awarding agency determines that the University System's accounting system does not meet the standard in OMB Circular A-110, Section .21 Standard for financial management systems per Section .52 (b) (2).

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University of Maine System Administration:

- Provides an administrative practice letter with guidance on financial reporting.
- Maintains the “Accounting for Grants and Contracts” business process document.
- Establishes procedures for removing uncollectible costs from sponsored projects.
- Coordinates compliance through periodic internal and external audits.
- Maintains the integrity of **GL Inquiry** financial information.

System Accounting Department:

- Compiles and submits [SF-272](#) Federal Cash Transactions Report in accordance with OMB Circular A-110, Section .52 (a) (2):
 - Submits the SF-272 and, when necessary, its continuation sheet, SF-272a, when the University of Maine System receives advance funds.
 - Submits forecasts of Federal cash requirements in the “Remarks” section of the SF-272 report when so required by the Federal awarding agency.
 - Submits the amount of cash advances received in excess of three days and provides short narrative explanations of actions to reduce the excess balances when practical and the Federal awarding agency deems necessary.
 - Submits the SF-272 15 calendar days following the end of each quarter.
 - Submits a monthly report when advances total \$1 million or more per year and when required by a Federal awarding agency.
 - Compiles no report when a Federal awarding agency waives the requirement to submit the SF-272 report because:
 - monthly advances do not exceed \$25,000, or
 - University of Maine System accounting controls are deemed adequate to minimize excessive Federal advances, or
 - Electronic payment mechanisms provide adequate data.
- Has authority to request documentation in support of any questioned charge, and may exclude from reports costs deemed questionable and/or unsupported.
- Monitors project financial activity on **GL Inquiry**.
- Returns ending balances on letter-of-credit sponsored projects to the Federal awarding agency, when appropriate.
- Runs a query that lists project end dates in order to prevent delinquent submission of final reports.

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Sponsored Programs Office, or other responsible department:

- Compiles and submits Financial Status Report [SF-269](#) long form, or [SF-269A](#) short form, in accordance with OMB Circular A-110, Section .52 (a) (1):
 - The Sponsored Programs Office, or other responsible department, shall use the SF-269 or SF-269A to report the status of funds for all non-construction projects. The SF-269 or SF-269A may not be required when the awarding agency determines the SF-272 (filed by SAD) provides adequate information.
 - Submits the report on a cash or accrual basis as prescribed by the Federal awarding agency.
 - Submits the report as frequently as required by the Federal awarding agency. However, Section .52 states the report shall:
 - not be required more frequently than quarterly, or
 - less frequently than annually, and
 - shall be required at the completion of the agreement.
 - The Sponsored Programs Office, or other responsible department, shall submit the SF-269 or SF-269A:
 - no later than 30 days after the end of each specified reporting period for quarterly and semi-annual reports, and
 - 90 calendar days for annual and final reports.
 - to the System Accounting Department, as well as to the Sponsor, for letter-of-credit projects.
- Has authority to request documentation in support of any questioned charge, as well as authority to exclude from reports costs deemed questionable and/or unsupported.
- Monitors project financial activity, as needed, on **GL Inquiry**.
- Returns ending balances on campus-billed projects to the Federal awarding agency, when appropriate.
- Runs a query that lists project end dates in order to prevent delinquent submission of final reports.
- Coordinates periodic financial reviews.

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

- Reviews project expenditures and revenue on **GL Inquiry** no less frequently than once a month. Reviews accuracy and completeness of current month transactions and initiates corrections, when appropriate, no later than 90 days from date of original transaction.
- Investigates and resolves significant budget variances.

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- Completes and submits periodic financial review adjustments to the Sponsored Programs Office or other responsible department in a timely manner.
- Monitors project end dates, on **GL Inquiry**.
- Submits one-time extension requests to the Sponsored Programs Office or other responsible department, in a timely manner when appropriate.
- Provides documentation in support of any charge questioned by the Sponsored Programs Office, or other responsible department.
- Removes uncollectible or questionable costs from sponsored projects.

History of Policy

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Related Documents

[GSA Forms Library](#) – link to Federal financial forms:
Form SF-269 Financial Status Report (Long Form)
Form SF-269A Financial Status Report (Short Form)
Form SF-272 Federal Cash Transactions Report

[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](#)

APPROVED:

Chief Financial Officer and Treasurer