

BootCamp:
Financial Reporting and
Invoicing

September 17, 2020

2:00 pm – 3:00 pm



**Northeastern
University**

Agenda

- Overview
- Definitions
- Financial Reporting Timeline
- FFR Examples
- Federal Draws
- Banner Billing
- Final Invoicing Timeline
- Carryover
- Quiz
- Q&A

Overview

Recipients of sponsored awards are required to report the use of funds on a monthly, quarterly, annual or other basis. Financial reporting schedules and invoicing requirements vary by sponsor and by federal agency. The terms and conditions of the award/contract will speak to these requirements.

Financial reports and invoices are prepared and submitted by Research Finance (RF) and are based on actual expenditures applicable to the reporting period. The timely reconciliation of financial reports and invoices are a shared responsibility between Principal Investigators, Research Administrators, and Research Finance.

Process	RF Contact
Financial Reports	Research Finance Analyst
Invoicing	Research Account Analyst
Letter of Credit (LOC) draws	Research Account Analyst
Account Receivables	Research Account Analyst
Payment application	Cash Management Accountant
Collections	Research Account Analyst Cash Management Accountant

Definitions

FFR = Federal Financial Report

A statement of expenditures associated with a grant award for a given period of time. Recipients of federal funds are required to report the status of funds for grants or assistance agreements to the funding agency of the grant using the Federal Financial Report expenditure data.

Unobligated Balance

The amount of funds authorized under an award that the recipient has not yet obligated. The amount is computed by subtracting the cumulative amount of the unliquidated obligations and expenditures from the cumulative amount of funds that the Federal awarding agency authorized the recipient to obligate: $\text{Unobligated Balance} = \text{Authorized amount} - \text{Expenditures} - \text{Unliquidated Balance}$

Carryover

The process through which unobligated funds remaining at the end of the budget period may be carried forward to the next budget period. The carryover of funds allows the Grantees to use the unused prior year funds in the current budget period.

Cost Reimbursement Projects

Awards or contracts where NU is paid for all incurred expenses, up to the budget limit. Cost-reimbursement invoices generally include a breakdown of expenditures grouped by cost categories (e.g. Salary, Fringe, Supplies, Equipment, Tuition, etc.)

Fixed Price Projects

Awards or contracts where NU receives payments based on completed milestones or a set schedule, regardless of incurred expenses. Fixed-price invoices include a description of the event or milestone for the amount being billed.

Financial Reporting

Financial Reports document expenditures for a given timeframe on a grant or contract. Communication between the College Research Administrator and Research Finance is critical to ensure that the appropriate expenses are being reported.

Common due dates:

- **NIH:** annual FFRs due within 90 days of budget end date; final FFRs due within 120 days of the project end date
- **NSF:** FFRs are not required; final draws are due within 120 days of project end date
- **DOD:** quarterly/annual/final reporting may be required
- **Foundations:** due dates vary by sponsor, see NOA for specific requirements

Report Type	Research Finance	Department/College
1. Interim FFR (Quarterly, Semi-Annual) 2. Annual FFR with <u>automatic</u> carryover (one index/fund for entire project period)	<ul style="list-style-type: none"> • FFR submitted based on expenditures posted through the last month of reporting period 	N/A
3. Annual FFR with <u>restricted</u> carryover (one index/fund per budget period)	<ul style="list-style-type: none"> • FFR draft sent to Research Administrator for review • Pending adjustments are coordinated with department • FFR is submitted and Banner budget is reduced to match reported expenditures 	<ul style="list-style-type: none"> • Department approval required • Identify and provide support for pending expenditures • Submit carryover request to NU-RES Administration for review/submission
4. Final FFR for project period	<ul style="list-style-type: none"> • FFR draft sent to Research Administrator for review • Pending expenditures are coordinated with department • FFR is submitted and Banner budget is reduced to match reported expenditures • Final draw is processed 	<ul style="list-style-type: none"> • Department approval required • Identify and provide support for pending expenditures • Reoccurring charges are stopped or redirected from the award to ensure timely closure • Grant closeout procedure/checklist is completed

Financial Reporting Timeline

Final FFR Timeline



RESEARCH FINANCE		Distribute Closeout notification and checklist 15 days prior to end date	Send FFR draft to Research Administrator	Submit FFR to sponsor	Receive and apply final draw
			Coordinate final reconciling adjustments with department	Reduce Banner budget to match reported expenditures	Reconcile and close project in Banner
				Submit final LOC draw request	

PI / Research Administrator	Review progress of work, determine if NCE is needed.	Review Closeout checklist	Review FFR draft	Stop reoccurring charges or redirect from the award	
	Verify project will not continue and review financials to date	Request final invoices from subcontractors	Identify and communicate final pending adjustments to RF. Include supporting documentation.	Complete outstanding items on closeout checklist	
	Review salary allocations, encumbrances and subaward spending and determine if any final costs need to be allocated	Reconcile final expenditures	Approve FFR Draft		
	Submit final PDCs, Concur reimbursements, Cost Transfers, etc				

FFR Example

- RF reporting template
- Annual FFR for U01 grant
- Final FFR for R01 grant

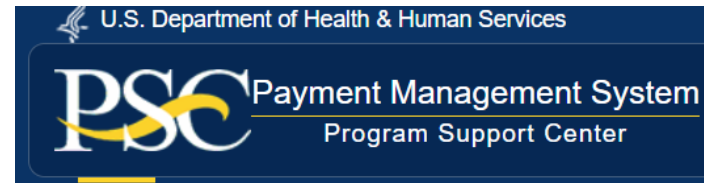
Federal Draws

For federal awards issued directly to the University, NU-RES Finance is able to perform monthly draws from agencies that utilize the Letter of Credit (LOC) payment mechanism.

LOC draws are completed on a monthly basis and submitted online via specific portals (e.g. Payment Management System, ASAP, ACM\$ in Research.gov, etc.) The amount to be drawn is determined by the award's total expenditures incurred in the prior month (i.e. a lump sum by grant).

Agencies with LOC draws:

- Department of Health and Human Services (HHS)
- National Science Foundation (NSF)
- Department of Homeland Security (DHS)
- Department of Justice (DOJ)
- National Aeronautics and Space Administration (NASA)
- Department of Energy
- Department of Interior
- Other federal: USDA, NIST, EPA, NOAA, USBR, NEH



Banner Billing

NU-RES Finance implemented new Banner billing procedures in January 2019 for Grants with project end dates in March 2019 and beyond.

Changes under the new billing system include:

- Timely invoices to funding agencies; Systematic approach to invoicing.
- New Banner billing formats and events are assigned at the time of account setup (see table).
- Banner Billing jobs are run on a monthly schedule (after each financial close) and invoices or events are generated for each billing format.
- Final bills are not auto-generated and require reconciliation with the College/PI.

Bill Format Code	Bill Format Name	RAA	Description
COST REIMBURSEMENT			
CRST	Cost Standard	Jose Hernandez	Grants are billed dollar for dollar on a monthly basis. Invoices are sent directly to funding agencies on NU template.
CRSP	Cost Special	Jose Hernandez	Grants are billed dollar for dollar, but submission is through a funding agency portal or funding agency-mandated template.
LOCS	LOC Standard	Kruti Desai	Letter of Credit draws for direct-federal awards from HHS, NSF, DHS.
LOCO	LOC OTHER	Kruti Desai	Letter of Credit draws for direct-federal awards for all other agencies (non LOCS)
FIXED PRICE			
FXP	Fixed Price Standard	Linda Carfagna	Billing is based on contract milestones, units, scheduled deliverables, etc. and funding agency requires an invoice.
FPA	Fixed Price Advance	Linda Carfagna	Funding agency releases payment installments and do not require invoices.

Banner Billing Timeline

Final Invoice Timeline



RESEARCH FINANCE		Distribute Closeout notification and checklist 15 days prior to end date	Distribute final invoice notifications	Send final invoice draft to Research Administrator	Submit Final Invoice to sponsor
		Send out preliminary list of final invoices due within 60 days following the monthly financial close	Coordinate final reconciling adjustments with department		Reduce Banner budget to match reported expenditures
			Draft final invoices		

PI / Research Administrator	Review progress of work, determine if NCE is needed.	Review Closeout checklist	Confirm that final invoice list is accurate	Review final invoice draft	Stop reoccurring charges or redirect from the award
	Verify project will not continue and review financials to date	Identify and advise Research Finance if project is ending, continuing with NCE, or continuing with new increment	Identify and communicate final pending adjustments to Research Finance. Include supporting documentation.	Approve final invoice draft	Complete outstanding items on closeout checklist
	Review salary allocations and encumbrances and determine if any final costs need to be allocated	Request final invoices from vendors/consultants			Submit Carry-forward request, if applicable
	Submit final PDCs, Concur reimbursements, Cost Transfers, etc	Reconcile final expenditures			



Carryover

- Carryover is the process by which unobligated funds remaining at the end of a budget period may be carried forward to the next budget period to cover allowable costs in that budget period. The carryover of funds enables grantees to use unexpended prior year grant funds in the current budget period.
- Grantees that do not have automatic carryover authority are required to submit a written request.
- Carryover requests must be limited to actual needs for the current budget period. Subsequent needs would be considered in future budget periods.
- If carryover requires funding agency prior approval, a carryover request with a completed Transaction Form (T-Form) should be submitted to GO / NU-RES@northeastern.edu.

Quiz

True or False

1. All Federal awards require an annual FFR.
2. Carryover requests can be submitted prior to the annual FFR / budget period final invoice.
3. Final invoices are always due to the sponsor within 60 days.
4. Research finance will reduce Banner budget upon submission of final FFR / Invoice.
5. Research Finance requires supporting documentation for reconciling items for final FFRs / Invoices.

Quiz

Question 2:

Which of the following NU awards would be eligible for Letter of Credit (LOC) draws?

- a. A contract from the Department of Public Health
- b. A grant from the National Science Foundation
- c. A subcontract from Boston University (originating funding agency: NIH)
- d. Both b and c

Quiz

Question 3:

If cost-share is part of the project budget / contract, are we required to report it on the final FFR / invoice?

- a. What is “cost share”?
- b. We can report it but it’s not mandatory.
- c. No, because my cost share fund has no spending.
- d. No, because it was voluntary.
- e. Yes, because once it’s in the contract, it’s mandatory.

Quiz

Question 4:

If cost-share is part of the project budget / contract, are we required to report it on the final FFR / invoice?

- a. What is “cost share”?
- b. We can report it but it’s not mandatory.
- c. No, because my cost share fund has no spending.
- d. No, because it was voluntary.
- e. Yes, because once it’s in the contract, it’s mandatory.

Q & A
