

# Adjustments on Finals

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**Sponsored Projects Administration**  
**UNIVERSITY OF GEORGIA**

**Effective:** 10/01/2022  
**Last Reviewed:** 09/23/2022  
**Owner:** Jill Frazier Tincer  
**Area:** Sponsored Projects Admin  
**Applicability:** UGA System-Wide

## **POLICY AND PROCEDURE**

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### **PURPOSE:**

The purpose of this policy is to ensure compliance with the standards set forth in the Federal Office of Management and Budget 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200), Federal and State regulations, and sponsor-specific requirements. This policy provides guidance, which will assist University of Georgia (UGA) personnel proposing, performing, and managing sponsored activities. Direct costs on sponsored projects must be allowable, allocable, and reasonable.

Failure to comply with UGA policies and procedures may result in audit findings, suspension of sponsored activities, closer monitoring by the sponsor, delays in final payments, and/or other enforcement actions imposed by the sponsor. This policy applies to all Federal and non-Federal sponsored activities, including all externally funded activities.

### **SCOPE:**

All UGA personnel must be aware of the complex and detailed rules provided under Federal, State regulations, as well as terms and conditions of individual sponsored activities.

### **POLICY:**

Sponsored projects will comply with all applicable Federal, State and/or sponsor-specific policies. This is applicable to initiating, approving, invoicing, collecting, and reporting costs.

Sponsored Projects Administration (SPA) must submit all final invoices and financial reports on sponsored activities timely and accurately in accordance with the sponsor-specific requirements. Final invoices and financial reports are submitted to the sponsor when required and are prepared based upon the required format, form, and frequency.

To ensure invoices/financial reports are accurate, all expenses charged to sponsored projects must adhere to the [Direct Cost Policy](#). According to the university [Financial Review and Analysis](#) policy, all University of Georgia departments are responsible for reviewing reasonableness and accuracy of financial transactions recorded in the University's financial systems within 30 days of the prior month end. Additionally, the [Proactivity for Budget Year and Award Closeout Tool](#) is available and recommended for use by PIs/units to ensure all projects are regularly reviewed. This enables the PI/unit to confirm all direct expenses are allowable, allocable, and reasonable. If discrepancies are identified, the discrepancy/ies can be immediately corrected.

To meet the sponsor requirements for timely submission of financial invoices/reports, SPA Post Award will generate invoices/reports based upon expenditures posted to the sponsored project in the UGA Financial Management System within 45 days after the project end date. This ensures accurate invoicing, recording of revenue and aging of accounts receivable. Manual adjustments on finals will be approved in rare circumstances as described in the Procedures section of this policy.

## **DEFINITIONS:**

Department Administrator has responsibility for assisting PIs (Principal Investigators) in discharging their monitoring responsibilities, for reviewing invoices from subrecipients, and seeking clarification on questionable expenditures, if/when necessary, and for maintaining appropriate documentation.

Direct Costs are reasonable, allowable, and allocable. They can be easily identified with a specific sponsored project and can be directly assigned based upon proportional benefit with relative ease and a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct cost or indirect costs. Typical costs charged directly to sponsored activities include personnel (salaries and fringe benefits); materials and supplies; scientific equipment; travel; and other expenses necessary to conduct the sponsored activity.

Indirect Costs (Facilities & Administrative) are costs incurred for a common or joint purpose benefiting more than one activity/project and therefore, cannot be easily and readily assignable. Indirect Costs include the costs of operating and maintaining general-purpose equipment and facilities, general administration (human resources, departmental administration, procurement, accounting, and sponsored project administration) as well as general expenses (general-purpose supplies, postage, telephones, and other office equipment).

Principal Investigator (PI) has primary responsibility for overseeing the scientific and financial aspects of a sponsored project including monitoring subrecipients to ensure compliance with Federal regulations regarding both prime and subrecipient award terms and conditions.

Sponsored Projects are externally funded activities that must be separately budgeted and accounted for according to terms of the sponsoring organization, State regulation, and UGA policy. Sponsored Activities are provided through grants, contracts, and agreements with any Federal Agency, State Agency, or non-Governmental Organization that supports research, training, instruction, public service, and other activities.

Sponsor-specific Requirements include requirements stated within the sponsor rules/regulations, funding opportunity announcement, award/grant or contract/agreement and amendments.

## **PROCEDURE:**

1. During the life of all sponsored projects, PI/unit must:
  - a. Initiate expenses consistent with the [Direct Cost Policy](#).
  - b. Analyze all transactions monthly to confirm budget, expense and encumbrances are allowable, allocable, and reasonable.
  - c. Regularly follow the [Proactive Steps for Award Management](#)

- d. Ensure all expenses are posted to the project within 45 days following the project end date. Manual adjustments will only be considered on rare occasions.
2. On the rare occasion where a sponsor has a stricter reporting/invoicing requirement, which is, less than 45 days following the project end date, PI/Unit can initiate and submit the [Adjustments on Finals Request Form](#) to the SPA invoicing team member. This form should identify expenses, which have not yet been posted but should be included in the final invoice/report.
3. SPA Post Award will review the form.
  - a. If approved, those expenses will be included within the final invoice/report.
  - b. If the form is not approved, those expenses must be moved to a departmental fund.

**RESOURCES:**

2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards



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