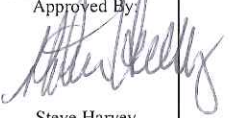


FINANCIAL MEMORANDUM		
Memorandum No. 181	MOUNT SINAI SCHOOL OF MEDICINE SUBJECT: Sponsored Projects Financial Reporting and Financial Closeout	Page 1 of 2
Approved By:  Steve Harvey		Date Issued 12/22/09, 12/13/11
		Replaces: 12/22/09

This policy applies to all sponsored awards at Mount Sinai School of Medicine (MSSM) and sets forth the requirements for both interim and final financial reporting of expenditures and closeout in accordance with the sponsor's terms and conditions.

In general, sponsors require a financial accounting of the funds expended in support of a project and in accordance with a sponsor approved budget. The timing and detail for such reports is specified in the award document. Interim, final financial reports and invoices provide the sponsor with evidence of good stewardship of the funding. Failure to report in the manner and on the timeline prescribed by the sponsor may call into question the ability of the PI to manage the project and/or the financial controls of MSSM.

Financial Report

A financial report [e.g., Federal Financial Report (FFR), invoice, etc.] is an accounting of expenditures and obligations incurred during the period of performance and/or at the conclusion of the sponsored project. The financial report reflects MSSM's official accounting records.

Financial Closeout

The process at the end of a sponsored award by which MSSM completes any required accounting to the sponsor and prevents any further expenses from being incurred on the award.

It is the responsibility of Sponsored Projects Accounting (SPA) to prepare interim, final financial reports and invoices based on institutional financial records and in accordance with the terms and conditions of the sponsored award. It is the responsibility of the PI and the departmental administrator for projects such as clinical trials which are funded by Industry as well as federal sponsors, where the payment is based on milestone, patient accruals or deliverables, to submit all reports including invoices to the sponsor.

MSSM shall submit financial reports to the sponsors of research and other projects that:

- accurately reflect the actual use of sponsored funds as recorded in the financial records of MSSM and
- are in compliance with the sponsor's terms and conditions.

Achieving compliance with this policy is a responsibility shared by Principal Investigators (PI), departmental Administrators and SPA.

- The principal investigator and the departmental administrators must ensure that, prior to financial reporting, all expenses are allowable and allocable to the project and that any required adjustments to expenses are posted in compliance with accounting, reporting and close-out policies and procedures.

- SPA has the authority to request and, in the absence of timely resolution, to post journal entries to fund cost sharing, unallowable costs or other disallowances from the departmental account or the default account provided at the time the account was set up.
- SPA, after approval by the PI and/or the administrator will issue financial reports based upon the general ledger activity at the close of an interim and/or final budget period, consistent with established financial reporting, and account closeout procedures

The PI and/or departmental Administrator must sign off on the interim financial reports prepared and emailed to them by SPA and return to SPA within the time period specified by SPA. Draft interim reports not returned within the specified period will be submitted to the sponsor based on MSSM's financial records without departmental approval.

Department Administrators and the PI of an award will review and verify draft final FSRs, communicate changes and additional information to SPA, and return the draft FSR, with approval by the PI early enough to meet the sponsor's reporting deadline.

At the time of closeout, SPA is responsible for changing the award status in MSSM financial system to "Closed" to prevent further charges to the account.

MSSM will refund any balances of unobligated cash that the Federal agency or sponsor has advanced or paid that are not authorized to be retained. MSSM will return any funds due to the Federal agency or sponsor as a result of later refunds, corrections, or other transactions.

SPA will close out the project account when final payment has been received by MSSM, and there are no outstanding issues.

Industry Projects and accounts that don't require a FSR

If the remaining balance in the account is \$2,500 or less; - the PI and the departmental administrator shall submit a memo certifying that the project has been completed, all obligations to the sponsor have been fulfilled and final project report submitted to the GCO along with a request that the remaining balance be transferred to the departmental account.

If the remaining balance is greater than \$2,500; in addition to the above, a letter from the sponsor is required confirming that the PI and MSSM have fulfilled all obligations under the project.

For Fixed Fee Contracts whose terms and conditions do not require the return of unspent cash balances, funds remaining will be retained in the departmental account.

Overhead will be charged on the remaining balance before the net unexpended balance is transferred to the departmental account as above.

If the account balance is negative, the PI and the departmental administrator has to provide a funding source or the default account will be charged to cover the deficit so the account can be closed out.

If additional information is required, please contact Sponsored Projects Accounting at 212-731-3338.