

# **University of South Alabama**

## **Policy on Reporting Responsibility**

### **I. Purpose**

This Policy Statement establishes the University of South Alabama (University) policies for reporting of sponsored projects.

### **II. Types of Reports**

Typical reports normally required as a part of the award terms and conditions are; financial reports, management reports, reports of findings or progress, case reports (clinical trials), and/or invention disclosures. Most formal agreements will specify the type, form and frequency of reports.

### **III. Responsibility for Reporting**

Responsibility for reporting is typically the responsibility of the Principal Investigator/Project Director (PI/PD) and/or Office of Grants and Contracts (OGCA) depending of the nature of the report. The PI/PD is solely responsible for meeting technical and all other programmatic reporting. OGCA is generally responsible for billings and expenditure reporting.

In some cases sponsored projects have unusual financial reporting requirements (typically due to programmatic complexities) requiring the department or particular program to assume all or part of the reporting responsibility that is generally the responsibility of the Office of Grants and Contracts Accounting. When departments or specific programs have increased financial reporting responsibility the following must be observed:

- Reporting must be coordinated with OGCA.
- The Universities financial accounting system must be the basis for financial reporting.
- Projections must be fully supported and documented.
- All financial reports must be fully supported and documented.
- Documentation and support for financial reports is to be maintained by the originating department.
- Copies of the financial report including documentation must be provided to OGCA.
- OGCA has signature authority to sign as business officer for the University.

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### IV. Reporting Requirements

Financial reporting should be in compliance with regulatory requirements which includes: Following Generally Accepted Accounting Practices (GAAP), Financial Accounting Standards Board (FASB) Statements, Governmental Accounting Standards Board (GASB) Statements, and Cost Accounting Standards Board (CASB) Statements. The basic requirements of these standards include the following:

- Sources and uses of funds must be aggregated by the type of activity they support, and in accordance with any restrictions imposed on their use.
- Revenue is reported when earned, and expenditures are reported when goods or services are received.
  - In general, revenue is earned when the University provides goods or services; for example, on a cost-reimbursement research grant, revenue is earned as the costs are incurred for the conduct of the research.
  - Likewise, expenses are incurred as the University uses goods or services; for example, when laboratory supplies are received, the University incurs the expense. Holding an invoice does not prevent the expense from being incurred.
- Accounting principles must be applied consistently, both within fiscal years and between fiscal years. OGCA is charged with ensuring consistent application of these accounting principles.
- Transactions must be classified and recorded consistently.

### V. Reporting to Sponsors

Reporting to sponsoring entities according to the specific reporting requirements. In general, most sponsoring entities require adherence to GAAP. Additionally, federal agencies and entities which serve as conduits for federal funds require adherence to either Office of Management and Budget Circulars (OMB) and/or Federal Acquisition Regulations (FAR). Two primary OMB circulars include:

- OMB Circular A-21, provides the cost principles for educational institutions. These principles define allowable costs as those which are reasonable, allocable, consistently treated and in conformance with any special limitations. Circular A-21 also defines direct versus indirect costs, and provides guidelines for calculating indirect costs; and
- OMB Circular A-110, provides uniform administrative requirements for grants and other agreements with institutions of higher education, including financial reporting requirements.

### VI. Audits of Reports

External auditors must be cleared and coordinated by OGCA.