MEMORANDUM

TO: Deans, Chairs, Directors and Business Managers

FROM: John R. Raymond, M.D.
John C. Sutusky, Ph.D.

RE: Policy/Procedure for Financial Closeout of Sponsored Projects

DATE: July 9, 2002

MUSC is required to submit financial reports and/or final invoices to project sponsors, usually within sixty or ninety days after the termination date of the project, depending on the terms of the agreement. In order to minimize MUSC’s risk of audit findings, not being paid by the sponsor, or reduced/lost funding, a new policy/procedure will become effective on August 1, 2002 as follows:

POLICY

The responsible administrators (Department Chair, Principal Investigator, Business Manager, etc.) of the department where the project resides must have the project ready for financial closeout at least ten (10) working days prior to the due date of the final financial report or invoice.

PROCEDURE

Expenses charged to the project must be for legitimate expenses included in the agreement, within the project period, and within the budget limits. If the project is not ready for financial closeout by 10 working days before the due date of the final financial report or invoice, Grants and Contracts Accounting will financially close the project before completion of final financial reporting to the sponsor. This means that any inappropriate charges will be transferred to the responsible unit’s IDC revenue UDAK if funds are available. If funds are not available from IDC revenue, a State UDAK will be charged.

We strongly believe the implementation of this policy will: (1) improve MUSC’s stewardship of external funds, (2) eliminate or reduce audit findings and inquiries from sponsors for late financial reports/invoices, (3) improve MUSC’s cash flow, and (4) reduce the risk of lost funding because of late financial reporting. As always, your cooperation is appreciated.

cc: Raymond S. Greenberg, M.D., Ph.D.
   Associate Provosts
   Associate/Assistant Deans for Finance
   Mr. Patrick J. Wamsley
   Mr. Dillard C. Marshall
   Mr. David V. Welch