PURPOSE

· To establish a standard operating procedure to best handle and respond to requests to unfreeze grants after the adjustment period end date to ensure that all adjustments are allocable and allowable and are made prior to the report date of the grant.

POLICY STATEMENT

· While the sponsor agency policy states the PI is solely responsible, it is the policy of the School of Medicine that it is the joint responsibility of the Principal Investigator and the department as well as the School of Medicine and Research Services to ensure the accuracy of all costs to be reported to the sponsor. A request to unfreeze represents the final opportunity to make accounting adjustments and/or corrections for the fund to be reported. These instances should be rare since the department, center or institute have, in most cases, a 60 day adjustment period for making necessary adjustments. Specifically, after the adjustment period, ORS will proceed under the working assumption that the grant is ready to be reported to the sponsor.

ORS will submit the FSR no later than 90 days (or other required timeframe) after termination date of the award.

REASON FOR PROCEDURE

· To provide timely and accurate reporting to sponsors
· To ensure that transactions posted after the project end date are consistent with university and sponsor policies for allowability, allocability and reasonableness.
· To allow for a preliminary review by the Office of Research Support Services (ORSS), and assist ORS in receiving unfreeze requests that contain all necessary information.
· To reduce the number of requests and/or multiple requests to unfreeze the same fund made to Penn Research Services (ORS).

WHO SHOULD KNOW THIS PROCEDURE

· School of Medicine Administration
· Departmental Chairs, Center and Institute Directors
· School of Medicine Faculty/Investigators
· Business Administrators
· Office of Research Support Services
· Office of Research Services
· Accounts Payable
· Bursar
· Payroll
GENERAL INSTRUCTIONS

· It is imperative to work with your designated research accountant to be sure that the final report is accurate and on time and that the department and investigator agree with the number to be reported.
· The department will be held accountable for any unposted adjustments. Be sure to verify that all corrections have properly posted to the fund by the designated refreeze date.
· Although ORS prepares the Summary Financial Reports, it is the departments and School of Medicine's responsibility to ensure the accuracy of all costs to be reported.
· New POs: The fund freezes for new POs on the date the project ends, and no new POs can be created on the fund beyond the account end date. This freeze is irrevocable unless the project end date is extended.
· The fund becomes fully frozen automatically only after the adjustment period has ended.

PROCEDURES

· Who should request Unfreeze:
The request to unfreeze should be made by the Responsible ORG only to ensure the RESP ORG is aware of the changes to be made on their fund. An exception for this is when the RESP ORG is outside the School of Medicine and you are trying to remove wayward transactions.

· Who to notify of request to Unfreeze:
Submit requests to unfreeze to your ORSS research manager. Once approved, ORSS will send the approved request to ORS and all parties will be copied on the email. ORS will notify all parties when the grant has been unfrozen and specify when the grant will refreeze. A response should be expected within two business days. Unfreeze actions last for 5 calendar days (to accommodate Payroll unfreeze requests, ORS will always automatically update for a refreeze to occur on the Tuesday eight days after the payroll run).

· What to include in the email request:
Subject line of the email should read "Unfreeze [fund #], [P.I.], [Sponsor I.D.]") to ensure that the fund # has been typed correctly. There should be one email for each fund unfreeze request.

The body of the email request should specify the following:

· Type of unfreeze needed (manual journals, payroll, C forms, etc.)
· An indication that you have attached a spreadsheet reconciling all expenditures, including current total expense (direct and indirect), adjustments and related employee benefits and F&A costs, and final expense to be reported (direct and indirect). If an EB or F&A adjustment is necessary, specify that clearly in your e-mail. Otherwise adjustments will always default to whatever the current rates are. Do not round to whole dollars when reconciling the fund. ORS will need to report to the penny.
· On the spreadsheet when listing adjustments, specify which fund(s) are to be credited and which fund(s) are to be debited.
· Payroll reallocations need to be identified by pay end date in order for the employee benefits to be reconciled using the correct EB rate. (see bullet 3 above)
· The final balance to be reported must match the final balance on your reconciliation worksheet.
· The Unfreeze request should be accompanied by a closeout package, including all necessary supporting closeout documentation, which varies by sponsor and award type. Refer to Closeout SOP.

Helpful hints:

Remember that when Research Services notifies you that the fund has been unfrozen, it is a manual
process and should be verified by checking View Grant Attributes that the unfreeze has taken effect.

Also if requesting an unfreeze to make payroll adjustments, it is best to request the unfreeze on Wednesdays since Payroll is a day behind FinMIS in terms of "knowing" about the unfreeze/freeze status of a grant. In order for Payroll to "know" on Monday (when Payroll generates transactions) that an account is unfrozen/frozen, it must be unfrozen/frozen in FinMIS by the preceding Friday.

Payments to be made after termination for goods received or services rendered during the project period, (for which funds are not encumbered), can be made via C form.

Remember if your grant has a subcontract and the final invoice will not be received in time for adjustment and close-out and reporting, relieve the remaining encumbrance and once the invoice is received pay on a C-368 form on the next year's fund number. (Research Services will have reported that remaining amount as unliquidated obligations and the dollars will have been carried over to the next year's fund number.) However, every effort should be made to ensure that the final invoice has been received and processed for payment prior to the end of the adjustment period.

Tuition adjustments need to be coordinated with Associate Director of Finance & Data Management in the Biomedical Graduate (usually need approximately 2 weeks). Tuition payments entered into the SAM system update every Friday evening. Payments are posted to the student's account in the Bursar system the following Tuesday, and post to the fund being charged the next Tuesday. So it takes 7 working days from any given Friday before the tuition charge appears on the fund. In the case of grants specifically unfrozen for tuition payments to be posted, the grant should be unfrozen on a Friday, with the tuition payments being processed into the system the same day. The grant would then need to remain unfrozen for 12 calendar days including the Friday it was first unfrozen.

**When unfreeze requests are NOT necessary:**
- To prepare budget journals, even after the project has ended
- To pay encumbered amounts
- To relieve encumbrances (address these requests to apsup@pobox) unless the PO has finally closed, in which case a request to unfreeze Manual Journals must be made, and a manual encumbrance journal created. Refer to Encumbrance SOP.

After the account has been unfrozen and you have made the necessary reallocations and journal entries, you MUST verify that the adjustments have been posted as expected.

To verify that payroll reallocations have been processed: Access the on-line payroll system and view reallocations from the browse reallocations screen. If none appear, then the reallocations have been processed. If reallocations appear in the browse screen, contact Payroll to determine the reason.

To verify that payroll reallocations have posted to the correct fund(s), use on-line account detail inquiry, or run an account detail salary management report.

**CONTACTS**
- Departmental Business Administrators
- Office of Research Support Services
- Office of Research Services
· Biomedical Graduate Studies
· Accounts Payable
· Payroll Department
· Office of the Comptroller

FORMS AND ATTACHMENTS
· Sample spreadsheet
  http://www.med.upenn.edu/research/penn/formag.htm

MISCELLANEOUS

Refer to Freeze grants SOP
Refer to Closeout SOP
Refer to Cost Transfers SOP
Refer to Payroll Reallocations SOP
Refer to Wayward Transactions SOP
Refer to Encumbrance SOP
Refer to Effort Reporting SOP
Refer to Revision of FSR SOP