**Sponsored Project Exception Reports**

These reports are prepared to identify the projects/funds where unit financial managers are to take actions as described below:

1. Over Budget Projects/funds: Charges posted to sponsored projects/funds in excess of the authorized budgets cannot be invoiced to sponsors and must be removed from the project ledgers.

2. Post Term Projects/funds: Charges posted to a sponsored project/fund after the term date typically cannot be invoiced to a sponsor and are therefore considered to be unallowable charges.

As per the requirements of Business & Finance Policy 3.5 “Unbillable Sponsored Costs”, appropriate and timely action (typically within 30-60 days) must be taken to resolve all unbillable amounts, including Over Budget and Post Term Project/fund costs.

Fixed-price sponsored projects will be closed in accordance with the terms and conditions of the sponsored award agreement and in the same manner as standard cost-reimbursable projects. In accordance with 200.201 (b)(3) of the OMB Uniform Requirements (2 CFR 200), written certification that the project or activity was completed or the level of effort expended must be obtained. If the required level of effort or activity was not carried out, the amount of the award must be adjusted. The PI Fixed Price Close-Out Certification form must be completed and submitted to G&C within 60 days of the award end date. For additional details, please refer to [G&C policy 3.11](http://policies.gatech.edu/business-finance/project-close-out-grants-management-system), [G&C Notice 16-I](http://www.grants.gatech.edu/sites/default/files/documents/main/gc_notice_16-i_fixed_price.pdf) and the [PI Fixed Price Close-Out Certification form](http://www.grants.gatech.edu/files/FFP_PICertification_Form.pdf).

Residual funds (if any) remaining on fixed price projects, after certification, will be transferred to a departmental GTRC allocation fund, net of applicable F&A expenses, to be managed by the Chair/Director of the department.

These and other policy statements may be accessed from the Grants & Contracts Accounting web-site: http://www.grants.gatech.edu/admin\_policies\_and\_procedures.php

Note 1: The Exception Reports contain information on non-GTRI awards. [See note 3] The Exception Reports contain information on awards in which the prime project is active.

Note 2: Encumbrance amounts are excluded from the LTD Gross Balance, which is used to determine whether a project is Over Budget. (LTD Gross Balance = LTD Budget less LTD Expenses)

Note 3: The LTD Gross Balance for the Fund Prime-Project report does include inactive projects as well as GTRI projects. GIT-administered GTRC funds/ projects are included in the LTD Gross Balance. Non-sponsored Cost Sharing and GTF projects are excluded from the LTD Gross Balance.

Note 4: The award’s prime project expiration date is used to determine if a fund has expired 60 days. A fund/project is deemed to be expired 60 days if the expiration date recorded in the Grants Management systems at the time the report is prepared predates the first day of the prior month being evaluated.

Note 5: Funds and projects with a LTD Gross Balance greater than $1.00 are not included in Exception Status report even if they are determined to be expired 60 days.

Note 6: The Sub-project Detail report uses the Project Expiration date of the specified project and uses the financials of the project itself for the determination of Exception Status (contrast to Note 4).