

Review of Process for Stop Work Orders, Terminations & Appeals

presentation to RAC on 04/10/25
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HOW TO HANDLE A NOTIFICATION



ADMINISTRATION AND FINANCE

❑ Departments need to notify SPA and SPAC AVP'S immediately and forward all notifications received to

- Jill Frankenfield – SPA jill.frankenfield@umaryland.edu
- Laura Scarantino – SPAC lscarantino@umaryland.edu

❑ SPA and SPAC AVP's will review and determine next steps

STOP WORK ORDERS (SWO)

SETUP TEAM:

1. Setup team will reduce the contract limit to reflect the expense in the financial system on the SWO's effective date. The reduction of the contract limit will prohibit any further billing to the federal government or other type of sponsor
2. Will amend Project Name with "SWO" inserted in front of the award and Project ID titles in the financial system and notify responsible department and respective billing team once completed.

STOP WORK ORDERS (SWO)

BILLING TEAM:

1. Billing Team contacts the responsible department to ensure that all trailing charges incurred **prior** to the effective date of the SWO can be finalized
2. Ask for an ROE or FFR to be signed by the department to ensure that there is an agreement on the charges that were incurred **prior** to the SWO effective date. (this does not mean that the award is closed)
3. Billing team will bill or draw approved upon charges

NOTE: SPAC will not adjust the project/award end date until the SWO is lifted or termination is received.

STOP WORK ORDERS (SWO)

RESPONSIBILITIES OF THE DEPARTMENT:

1. Departments must send all notifications to both SPA and SPAC AVPs
2. Departments to work with billing teams to provide all trailing charges incurred up to the effective date of the SWO
3. Departments to provide signed ROE and FFR to billing teams, ensuring that all charges allowable are included up to the effective of the SWO
4. The department can continue to charge the award with the necessary expenses since SPAC is not rescinding the end date until the SWO is lifted and the award is terminated. However, these charges are at the risk of the department if not funded.

TERMINATIONS(TERM)

SETUP TEAM:

1. Setup team will reduce the contract limit to reflect the expense in the financial system on the termination effective date. The reduction of the contract limit will prohibit any further billing to the federal government or other type of sponsor
2. Will amend Project Name with “TERM” inserted in front of the award and Project ID titles in the financial system and notify responsible department and respective billing team once completed
3. Will create after confirmation with SPA a PID to account for unavoidable closure costs (UAC), such as allowable patient safety costs and costs that are reasonable and allowable to ensure orderly close-out

TERMINATIONS (TERM)

SETUP TEAM (continued):

4. If notified that UAC were approved, the Setup Team will set up a separate project noted as the Quantum award number ending in UAC (xxxxxxUAC)
 - a. This will segregate the unavoidable closure costs listed above from the normal allowable operating project costs.
 - b. All costs that are for UAC closure costs would be coded to the new PID.***
5. Notify the department that the UAC project has been created and to set up the appropriate EFPs for labor.

TERMINATIONS(TERM)

BILLING TEAM:

1. Billing Team contacts the department to ensure that all trailing charges incurred **prior** to the termination effective date can be finalized
2. Billing Team will bill UAC costs, upon approval by SPA, the GMS, and/or the sponsor authorized official
3. Remind the department that they have to rescind their EFP's for the terminated project. This will be to the date of termination

NOTE:

- If departments have costs on a PO that are allowable for closure only, they will need to post to the normal operating project and perform a DM (Debit Memo) to move costs to the UAC closure project
- All costs that fall within the effective date of the project prior to the termination should be tracked in the regular PID

TERMINATIONS(TERM)

BILLING TEAM (continued):

To finalize all charges on the award (both normal operating and allowable UAC's costs)

- a. SPAC will provide the department with an FFR or ROE immediately following the termination date (or within **20 days** prior to the required date provided by the sponsor)
- b. SPAC will adjust this schedule according to the termination notice requirements (make sure we are able to comply with any date request)
- c. The report will need to be returned to SPAC 10 days prior to the required reporting date of the sponsor. (or adjusted for shorter dates)
- d. SPAC will keep the project/award open for this time period to allow the department to post the UAC costs.

TERMINATIONS(TERM)

RESPONSIBILITIES OF THE DEPARTMENT:

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1. The department will **Consult with SPA** to prepare documentation for submission to the GMS government (or other type of sponsor – if allowable) to obtain prior approval for unavoidable closure costs (UAC)
2. When the UAC project is set up, the department must adjust their EFP's accordingly
3. Complete all necessary Debit Memos and Direct Retros to account for all charges incurred on the project
4. Departments to provide signed ROE and FFR to billing teams, ensuring that all charges such as the below are included:
 - a. Normal operations trailing costs
 - b. Approved UAC costs

Note: SPAC requires a signature from the department for all trailing charges and allowable closure costs

SPA APPEALS (APP)

SETUP TEAM:

1. Will treat the award like the termination process
2. Will reduce the contract limit to reflect the expense in the financial system on the termination effective date.
3. Will amend Project Name with “APP” inserted in front of the award and Project ID titles in the financial system
4. Will set up a separate project noted as the Quantum award number ending in APP (xxxxxxAPP)
5. If APP project is setup and allowed, notify the department to set up the appropriate EFPs for labor.
6. The award could potentially have a UAC project and an APP project.
 - All charges in the UAC should be billed or drawn if approved
 - All charges incurred during the appeal process should be charged to the APP project and will only be drawn or billed if the appeal is successful

SPA APPEALS (APP)

BILLING TEAM:

1. Will proceed the same as above for a termination. Proceed with normal termination procedure.

RESPONSIBILITIES OF THE DEPARTMENT

1. The department can continue to charge the award with necessary charges because we are not rescinding the end date until the appeal process is exhausted.
2. The unallowable costs should be posted to the APP project.
3. All costs that are incurred after the termination effective date and during the appeal process will become a risk to the department if the appeal is not successful.



REMINDERS:

- Departments need to notify SPA and SPAC AVP'S immediately if there is any change in the status of the award.
- Departments need to terminate EFP's to the effective termination date for the normal operating expense project for terminations and appeals.
- Departments must make sure all trailing charges posted are allowable within the new termination date so that SPAC can send the appropriate expense totals on ROE's or FFR's.

- If a department has charges outside of the termination effective date which are for orderly closeout costs, those costs must be approved by the sponsor in order to bill or report.
- SPA will notify the appropriate subrecipients of the termination and discuss future steps with the department.
- Any expense incurred after the termination date will become the responsibility of the department.
- Departments will work with SPAC to finalize ROE or FFR with all allowable charges.



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