**UPDATED Sponsored Stop Work Order or Termination Procedures April 2025 (4/16/2025)**

Greetings All –

Please see below THE UPDATED information about steps to take when you receive a termination notice, or a stop work order (SWO) from a sponsor.

**Sharing Information:**

If you receive **any communication** from a sponsor that refers to a stop work order or termination, please make sure that this notification is routed to the following:

Jill Frankenfield – SPA jill.frankenfield@umaryland.edu

Laura Scarantino – SPAC lscarantino@umaryland.edu

*\*\*\*Note –* ***do not*** *contact the SPAC Billing Teams, Directors, or AD’s.*

***It is important that the department provide the following information.***

1. Type of communication – SWO, Termination, or Other
2. The effective date of the SWO or Termination which may be different from the date on the notice.
3. Award Number if Active.
4. KR Number if Pending and an award has not been set up in the financial system.
5. The value of the negotiation/award
6. Note if there are any outgoing subawards issued by SPA or procurement actions handled by SSAS under the award.
7. Does this award involve any human subjects?
8. Any additional information that you would like SPA/SPAC to know about the communication.

**Actions by SPAC**

1. SPAC will verify, as needed, with SPA that these are actionable.
2. **For SWO’s**
	1. SPAC team will adjust the contract limit to reflect the expense in the financial system on the SWO’s effective date.
	2. SPAC will amend Project Name with “SWO” inserted in front of the award and Project ID titles in the financial system and notify responsible department once complete.
	3. SPAC will contact the responsible department to ensure that all trailing charges incurred prior to the effective date of the SWO can be finalized.
	4. SPAC may 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)
	5. Once all costs have been determined, the contract limit will be adjusted to reflect the approved charges.
	6. SPAC will bill or draw the approved upon charges.
	7. All costs that are incurred after the SWO effective date will become a risk to the department.
	8. You can continue to charge the award with necessary charges because we are not rescinding the end date until the SWO is lifted and the award is terminated.
	9. The reduction of the contract limit will prohibit any further billing to the federal government or other type of sponsor.
	10. SPAC will not adjust the project/award end date until the SWO is lifted or a termination is received.
3. **For Terminations**
	1. SPAC will adjust the contract limit to reflect the expense in the financial system on the termination effective date.
	2. SPAC will amend Project Name with “TERM” inserted in front of the award and Project ID titles in the financial system and notify responsible department once complete.
	3. SPAC will contact the department to ensure that all trailing charges incurred prior to the termination effective date can be finalized.
	4. Unavoidable Closure Costs (UAC) may be allowable with approval of the GMS, or the sponsors authorized official to obtain prior approval for UAC Costs
		1. Allowable patient safety costs
		2. Reasonable and allowable costs to ensure an orderly closeout.
	5. **Consult with SPA** to prepare documentation for SPA submission to the GMS government (or other type of sponsor – if allowable) to obtain prior approval for UAC costs.
	6. SPAC will set up a separate project noted as the Quantum award number ending in UAC (xxxxxxUAC)
		* 1. This will segregate the unavoidable closure costs listed above from the normal allowable operating project costs.
			2. All costs that are for UAC closure costs would be coded to the new PID.
* Set up the appropriate EFPs for labor.
* If you have costs on a PO that are allowable for closure only, you will need to post to the normal operating project and perform a DR to move costs 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.
	1. All costs that are incurred after the termination effective date will become a risk to the department.
	2. All of current costs must be reported to SPAC **10 days prior to the final invoice or FFR date required by the sponsor** in the termination notice (with the exception of “iv” below).
		1. This will Allow SPAC to perform an initial final draw or invoice NOT marked final (if possible).
		2. These expenses should be posted in the financial system if possible, we are aware there are challenges with subrecipients.
		3. The best expense information that we have at time of the required invoice or FFR will minimize the risk to the University.
		4. We recognize that there are some short termination requirements – after the AVP’s of SPA & SPAC has determined that this is a valid termination, we will assign a SPAC Billing Financial Analyst to work closely with you to finalize all costs.
	3. In order to finalize all charges on the award (both normal operating and allowable UAC’s costs)
		1. SPAC will provide you with an FFR or ROE immediately following the termination date. (Or within 20 days prior to the required date provided by the sponsor.
		2. We will adjust this schedule for according to the termination notice requirements – (make sure you are able to comply with any date request.)
		3. This report will need to be returned to SPAC 10 days prior to the required reporting date of the sponsor. (or adjusted for shorter dates)
		4. SPAC will keep the project/award open for this time period to allow your department to post the UAC costs.
		5. If you are unable to meet this deadline, contact your SPAC billing team Financial Analyst that has been assigned to you for this reconciliation.
	4. What should be included in the final department signed ROE or FFR?
		1. Normal operations trailing costs
		2. Approved UAC costs should be reflected in the ROE or FFR requested from your SPAC representative.
		3. SPAC requires a signature from the department for all trailing charges and allowable closure costs.
	5. Once it is determined that the termination is fully executed:
		1. SPAC will adjust to the contract limit to the allowable costs.
		2. SPAC will rescind the end date to the date of either:
			+ The termination date (or)
			+ The last allowable closure cost effective date (whichever is sooner)
			+ SPAC will be tracking the actual termination date in an adjusted effective date field that we have in Quantum.
1. If you have **appealed** the termination
	* 1. SPAC will treat the award similar to the termination process.
		2. SPAC will amend Project Name with “APP” inserted in front of the award and Project ID titles in the financial system.
		3. SPAC will set up a separate project noted as the Quantum award number ending in APP (xxxxxxAPP).
		4. Your department 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.
		1. The contract limit will be adjusted to the costs allowable prior to the termination effective date, and any approved UAC charges.
		2. The reduction of the contract limit will prohibit any further billing to the federal government or other type of sponsor.
		3. You can continue to charge the award with necessary charges because we are not rescinding the end date until the appeal process is exhausted.
		4. These costs should be posted to the APP project.
		5. All costs that are incurred after the termination effective date and during the appeal process will become a risk to the department.
		6. Departments need to notify SPA and SPAC AVP’S immediately if there is any change in the status of the appeal.
2. If your **termination is rescinded**
3. Setup team will adjust the contract limit back to the original award amount.
4. Will amend Project Name with “RT” inserted in front of the award and Project ID titles in the financial system and notify responsible department once complete.
5. If there is a UAC and APP cost project set up on the award, the department can continue to use the APP project for all new costs. Remember
* The UAC project was set up with an expiration date shorter of the last project period or 6 months after the project period if the project is expiring in the next 3 months.
* The expiration date of the APP project will be the end date of the award.
1. Depending on the terms of the reinstatement:
	* + If there has not been an APP project set up, the setup team will adjust the end date of the project back to the original end date. OR
		+ If an APP project is setup, the end date should be adjusted to the end date of the current funding of the award or award end date, whichever is sooner. OR
		+ The setup team will determine if an APP project needs to be set up.
2. The setup team will notify the billing team that they have received rescinded termination so that they can continue to bill and perform catch up billing.

**Actions by the Department**

1. For SWO’s
	1. Keep SPA & SPAC AVP’S updated with any changes in the SWO and notify any change (rescinding SWO or change to termination)
	2. SPA will notify appropriate subrecipients of the SWO’s.
	3. Any expense incurred after the SWO effective date that were not billed or approved by the sponsor will become the responsibility of the department.
	4. You can continue to charge the award after the SWO; however, you should continually review awards under SWO’s to measure risk to the department.
2. For Terminations
	1. Keep SPA & SPAC AVP’s updated with any changes in the termination and notify any change.
	2. Terminate your EFP’s to effective termination date for the normal operating expense project.
	3. Get all trailing charges posted that are allowable within the new termination date so that SPAC can send you the appropriate expense totals on your ROE’s or FFR’s.
	4. If you have charges outside of the termination effective date which are for orderly closeout costs, make sure that you have approval to bill the sponsor, and post those expenses in the OAC project.
	5. SPA will notify appropriate subrecipients of the termination and discuss future steps with the department.
	6. Any expense incurred after the termination date will become the responsibility of the department.
	7. Work with SPAC to finalize ROE or FFR with all allowable charges.
	8. Inform SASS of any mods that would need to be processed to the PO’s
3. For Appeals
	1. Keep SPA & SPAC AVP’s updated with any changes in the appeal process and notify us of any change.
	2. If you have charges outside of the termination effective date or approved orderly closeout costs but are unavoidable. post those expenses in the APP project.
4. If Your Termination is Rescinded
	1. Keep SPA & SPAC AVP’s updated with any changes in the termination and notify any change.
	2. If you have an APP project you do not have to amend the EFP’s, continue to spend on that project.
	3. Confer with SPAC if you are not sure which project to charge.
	4. All costs that are incurred after the termination effective date may become a risk to the department.