



Fact Sheet

Refunds

What You Need to Know

- ▶ Award recipients must report the amount of federal funds returned (i.e., unobligated balance of federal funds) in line 10(h) of the final Federal Financial Report (FFR) SF-425. Additionally, recipients must report and returned unexpended program income in line 10(o) of the final FFR.
- ▶ Final reports are due 120 days after the end of the project period.
- ▶ The Department of Justice (DOJ) strongly encourages electronic submission of refunds using either the Automated Clearing House (ACH) or Fedwire.
- ▶ If the electronic fund transfer (EFT) is returned for insufficient funds, DOJ will attempt to process two additional times and may charge a processing fee.

Returning Funds at Award Closeout

If funds must be returned at award closeout, the following items must be remitted.

- ▶ A check made payable to DOJ and the name of grant-making component office (e.g., OJP), including the award number.
- ▶ A cover letter or voucher containing the award number for the refund, the unobligated balance, and an itemization of funds (e.g., the amount to be applied to excess payments, interest-income, program income, questioned costs).
- ▶ A copy of the final SF-425 report, which reconciles the amount of the refund.

Refunds

- ▶ If the financial reconciliation process reveals that a refund is due, the DOJ grant-making component will contact the recipient to request the funds owed.
- ▶ The recipient must submit all refunds by check, which will be converted into an EFT.
- ▶ The account information from the check will be scanned and stored. DOJ will debit the account, within 24 hours, for the amount specified.
- ▶ Recipients will not receive a cancelled check from the bank.
- ▶ DOJ will destroy all checks; however, the information from the check that is necessary to process the payment, will be stored electronically.
- ▶ If the EFT is returned for insufficient funds, DOJ will process the transfer two additional times. DOJ may charge a processing fee for insufficient funds.

All refund checks and letters for OJP awards should be submitted to:

Office of Justice Programs, Office of the Chief Financial Officer
ATTENTION: Accounting Control Branch
810 Seventh Street, NW
Washington, DC 20531



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Failure to Remit Funds Owed

- ▶ Any funds paid to the recipient that exceeds the amount to which the organization is finally determined to be entitled under the federal award, constitutes a debt to the federal government. If this debt is not paid within 90 calendar days after the demand for payment, DOJ may take a range of actions, including administratively setting the debt against other requests for reimbursement, withholding advance payments otherwise due to the recipient, or other action permitted by federal laws.
- ▶ To the extent permitted under federal law, DOJ will charge interest on an overdue debt, in accordance with the Federal Claim Collection Standards (31 CFR parts 900 through 904). The date from which interest is computed is not extended by litigation or the filing of any form of appeal (see [2 CFR 200.346](#)). If the recipient does not pay the amount owed to DOJ, the debt may be referred to the U.S. Department of the Treasury for collection, as provided by federal laws.
- ▶ The Treasury may add fees, fines, and penalties to the original amount of the debt owed to the federal agency.
- ▶ Failure to return any funds, due to DOJ, may result in a high-risk designation for future awards; withholding or freezing of funds; or adding award conditions on all other awards to the organization. It may also impact future financial integrity reviews, which in turn will affect future grant awards.

Resource

DOJ Financial Grants Guide (2022). U.S. Department of Justice, Office of Justice Programs, Office on Violence Against Women, Community Oriented Policing Services. <https://www.ojp.gov/doj-financial-guide-2022>

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The **Office of Justice Programs Financial Management and Support Center (OJP FMSC)** is composed of the **Tribal Financial Management Center (TFMC)** and the **Territories Financial Support Center (TFSC)**. Together they provide high-quality training and support to increase the financial management capacity for OJP grantees operating from American Indian/Alaska Native (AI/AN) communities and in the U.S. territories.