Closeout Procedures for Sponsored Projects

Purpose
OMB Circular A-110 sets forth detailed requirements with respect to the complete and timely submission of financial reports and other closeout procedures for sponsored projects (e.g., grants, contracts, cooperative agreements, etc.). Failure to adhere to these reporting guidelines in connection with a specific sponsored project may result in the withholding of new awards. To comply with these regulations, the following guidelines were developed.

Guidelines
Principal Investigators and others involved in the management of awards should at all times assure that expenditures are allowable, allocable, reasonable, consistent, and timely. Expenditures should be posted on a timely basis, but at times, there are delays in being able to post a transaction or to make a required adjustment. Because of this, there is a period of time after the end date of the sponsored project performance period in which adjustments and final postings can be made. This period is defined through OMB Circular A-110 as 90 days.

Project Termination Notices
Ninety days prior to the project end date, a project termination notice and a closeout checklist will be sent to the Principal Investigator. The notice is a reminder of the reporting requirements and due dates, and the checklist outlines items that need to be addressed prior to the project end date. After receipt of the project term notice, the Principal Investigator should review the project closeout checklist and begin to finalize all project activities. If you have questions regarding the termination of your project, contact the Office of Compliance Services – Grants and Contracts Administration at 801-863-8156.

End Date
The end date of the award will be set based on the end date under the sponsored agreement. Modification of the end date can only be made with approval of the sponsor as follows:

Federal Grants
If the project falls under expanded authorities, UVU is permitted to approve a one-time, no cost extension of up to one year. Under expanded authorities the request for extension can be made through the University Prior Approval Process. Once the University approves the extension, the Sponsored Programs Office notifies the agency of the extension. If the project does not fall under expanded authorities, written approval from the agency must be obtained. Check the sponsoring agency guidelines for specific requirements. Most agencies require a request for the extension be made no later than 10 days prior to the award end date. The Office of Compliance Services – Grants and Contracts Administration will revise the end date following receipt of the University Prior Approval Form or if necessary agency approval.

Federal Contracts
Written approval for an extension must be obtained from the sponsoring agency at least 10 days prior to the contract end date. Some agencies may require additional notice of up to 60 days.
Check the sponsoring agency guidelines for specific requirements. Request for extension must be processed through the Sponsored Programs Office and the Office of Compliance Services – Grants and Contracts Administration. The Office of Compliance Services – Grants and Contracts Administration will revise the end date following receipt of agency approval.

**Other Sponsored Projects**
Written approval for an extension must be obtained from the sponsoring agency prior to the end date of the sponsored project in accordance with agency guidelines. The Office of Compliance Services – Grants and Contracts Administration will revise the end date following receipt of agency approval.

Agencies require that the request for extension be approved prior to the end date, so requests for extension must be filed early enough for the agency to respond prior to the end date of a project. The University recommends filing for an extension at least 60 days prior to the end date of the project.

**Expense Close Date**
The expense close date is the last day on which expenditures can be posted to the account. All expenses must be allowable and incurred prior to the actual end date of the project. The only postings typically permitted after the expense close dates are journal corrections, payment vouchers, credit adjustments, and F&A corrections. These dates are based on project reporting dates of 90 days after the project end date. If an agreement requires a shorter period between the end date and expense close date, the period of time stated in the agreement will override.

The following are guidelines for the timing of final expenditures or adjustments for the most common project closeout dates.

<table>
<thead>
<tr>
<th>Agency Close Out Requirement</th>
<th>Final Submission of Transactions</th>
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<tbody>
<tr>
<td>30 days</td>
<td>15 days after project end date</td>
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<tr>
<td>60 days</td>
<td>45 days after project end date</td>
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<tr>
<td>90 days</td>
<td>75 days after project end date</td>
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These expense close dates allow time for a review by the Principal Investigator and the Sponsored Programs Accountant of final project expenditures, prior to submission of the final financial report to the sponsor.

**Closeout Reports**
Reports required at the close of a project vary by the type of sponsored project and by the sponsor. Most federal sponsors will require financial, invention, and technical reports. Most federal contracts may also require a property report, contractor’s release form, and a contractor’s assignment of refunds, rebates, and credits form. Generally these reports are due 30 to 90 days from the expiration date shown on the award document.
**Final Technical Reports**
Upon termination of the project, the Principal Investigator is responsible for submitting the final technical/performance report to the sponsor within the time frame specified by the agency. Failure to submit this report in a timely manner could jeopardize future funding by the agency. Some sponsors require use of their own form for final technical reports, or encourage electronic submission of final reports. These forms are available in the sponsor’s application packets, with the award document or on-line. Follow the sponsor’s instructions for the preparation of final technical reports, which normally include a list of publications resulting from the sponsored projects. A copy of the final report and its transmittal letter should be forwarded to the Office of Compliance Services – Grants and Contracts Administration to be retained for audit purposes.

**Final Financial Reports**
Upon termination of the project, the Sponsored Programs Accounting Office is responsible for submitting the final financial report to the agency within the time frame specified in the award document. The final report is reviewed with the Principal Investigator prior to submission to the agency.

**Final Invention Reports**
Copies of the final invention report or a certification form will be sent to the Principal Investigator by the Office of Compliance Services – Grants and Contracts Administration. The Principal Investigator must complete, mail the final invention report to the sponsor, and return a copy of the form to the Office of Compliance Services – Grants and Contracts Administration.

**Final Property Reports**
Final property reports will be prepared, certified, and mailed by the Sponsored Programs Accountant.

**Other Reports**
Most federal contracts require a contractor’s release, and a contractor’s assignment of refunds, rebates, and credits form. The Office of Compliance Services – Grants and Contracts Administration will work with the Principal Investigator to complete these forms and sends them to the agency.

**Surplus and Deficit Balances**
University policies for transferring surplus or deficit balances of sponsored projects are influenced by external sponsors’ guidelines and differ not only among agencies and sponsors, but also between continuation (non-competing) years and renewal (competing) years.

**Surplus Balances**
Surplus balances occur when revenue is greater than expenditures. If the project is a continuation, some agencies will allow for carry-forward of unexpended funds to the next budget period. The Office of Compliance Services – Grants and Contracts Administration and the Sponsored Programs Accountant can assist in determining whether sponsor regulations require prior approval. In general, if the project is assigned a new University account number each year,
carrying-forward of the balance requires sponsor approval. Of those sponsors that do allow transfer of surplus balance, some require specific notification of the carry-forward. There may be limits set on the amount that can be carried forward without sponsor notification.

**Deficit Balances**
Deficit balances occur when cumulative expenses exceed the amount awarded by the sponsor and could be considered voluntary uncommitted cost sharing. Under some circumstances, and with adequate justification, some agencies will allow institutions to transfer a deficit balance from one budget period to the next, within the project period only. In these situations the estimated deficit carry-forward must be stated in the Principal Investigator’s progress reports or continuation application. Most federal sponsors provide for the charging of “pre-award” costs on grants, provided the costs meet certain criteria. Generally, “pre-award” costs must be allocable to the time period of the forthcoming new or competing award and must be incurred, within 90 days of the beginning date of the award or budget period. As well, pre-award costs must be adequately justified to indicate that advanced funding is necessary for the effective and economical conduct of the project and must be allowable under the terms of the forthcoming grant.

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Any unallowed pre-award costs will be the responsibility of the department. Deficit balances must be cleared within 90 days of the end date of the sponsored project. Deficit balances are the responsibility of the Principal Investigator and his/her department and should be written off to unrestricted accounts. If departments do not respond in a timely manner to clear deficit balances, the Sponsored Program Accounting Office may automatically write-off the deficit to a related departmental account.

**Uncollectible Costs**
Costs charged to sponsored projects that will not be collected from the sponsor for reasons of unallowability, unallocability, a dispute with or bankruptcy by the sponsor or other reasons must be paid for with university funds. Unallowable and unallocable expenses will be charged back to the department. In case of disputes with sponsors or bankruptcy by the sponsor, a review of the circumstances will determine the proper closeout of the project.

**Record Retention**
Departments must retain copies of expenditure documentation, and all supporting source documents that are charged as a direct cost on a sponsored project, for a period of at least three (3) years following final closeout of the award and payment. Final closeout, for the purposes of record retention, is defined as final payment by the sponsor. Longer retention periods may be required if an audit or litigation is in process, or an agency requires a longer record retention period. Check the sponsoring agency guidelines for specific requirements.

**Closeout Audit**
Some sponsors may ask DHHS or their auditors to perform a closeout audit before any final payment of a contract or grant is made, or before it is administratively closed by the sponsor. If the Principal Investigator is contacted by the sponsor who would like to perform a closeout audit,
please contact the Office of Compliance Services – Grants and Contracts Administration at 801-863-8156. Any questioned costs as a result of an audit will be charged back to the department.

Sources of Federal Guidelines
OMB Circular A-110 “Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations”
http://www.whitehouse.gov/omb/circulars/a110/a110.html
Principal Investigator’s
Sponsored Program Closeout Checklist

Funding Agency ___________________________ End Date ________________

As you start thinking about completing your project, first consider if you need to request a no-cost extension. If so, submit your request and rationale to Sponsored Research and Programs, in accordance with agency guidelines/deadlines.

For sponsored projects to be properly closed out and reported to the sponsor, the items below need to be reviewed prior to closeout.

- Have you properly maintained and stored all records/documents? You are required to maintain all official records and supporting documentation pertaining to your grant, for a period of five (5) years.

- Have you prepared all required agency reports (final performance, etc.)?

- Have you turned in all match (cash, in-kind, personnel, and space) documentation to Sponsored Programs Accounting? Make sure all paperwork is complete with true signatures and properly supported (copy of Purchase Requisitions, Purchase Orders, Invoices, etc.). If the match is paid by a budget other than one identified as match, provide PR number, date of PR, amount of PR, expenditure code, budget number, etc.

- Have you had all personnel complete Time and Effort Certification Reports for the final time-period and submit to the Sponsored Programs Accounting Office?

- Have you signed certification of work completed?

- Have you completed paperwork to release payment on all sub-contracts?

- Have all petty-cash reimbursements been turned in to the Cashiers Office in a timely manner?

- Have you cleared out all open encumbrances from your budget? Inform Sponsored Programs Accounting of any pending items. Follow up on open purchase requisitions/purchase orders to ensure timely receipt of goods and services and/or timely receipt of invoices from vendors. Keep in mind, that all supplies necessary for project completion should be purchased at least 30 days prior to the project end date, and all equipment necessary for project completion should be purchased at least 60 days prior to the project end date. Make sure all receiving reports are turned in to Purchasing.

- If your grant budget paid for telephone expenses, have you notified Telephone Services of your project end?
☐ If you have a copy card assigned to your grant budget, have you notified ID Services of your project end?

☐ If you have a travel advance for grant related travel, have you returned any unspent money to the Travel Office?

☐ If applicable, have you verified that all personnel, including those with release time, have been properly charged to your grant/match? Contact your department administrative assistant of your end date relating to release and buy-out time for faculty, staff, and student labor.

☐ If you have a grant that is on-going, but changes budget numbers yearly, have you verified if roll-over of unspent funds is allowed?

☐ If so, have you worked with Sponsored Program Accounting to roll the funds over in appropriate categories?
Principal Investigator’s
Sponsored Program Closeout Timeline

There are seven areas of management that need particular attention at the close of a funded project: budget, personnel, purchasing activities, inventory, grant files, final reports, and documentation storage.

Pre-Closeout

☐ Six months prior to end of grant, meet with the Office of Compliance Services – Grants and Contracts Administrator and the Sponsored Programs Accountant about projected expenditure plan.

☐ At least two months prior: Set date for closeout meeting with the Office of Compliance Services – Grants and Contracts Administration.

Budget

☐ Six months prior, review all encumbrances and projected expenditures.

☐ One month prior, inform staff in writing that no more charges can be made against the grant account so that accounts may be closed at grant end.

Personnel

☐ Two months prior, complete ePAFs terminating all staff at end of grant.
☐ Two months prior, if required, complete payroll changes for staff members being transferred to other cost centers.

Purchasing Activities/Inventory

☐ Two months prior, finalize all equipment purchases, match equipment purchases with requisitions, and check receipt of items.
☐ One month prior, make sure all goods and services will be/have been received by the grant end date, although payment may occur soon after grant end.
☐ At least two weeks prior, ensure that all grant equipment and supplies are accounted for and on campus for IT and Fixed Asset Review.

Grant Files

☐ Two months prior, review grant documents, personnel records, purchase orders and requisitions, and budget records, including necessary documentation for changes.
Final Reports

- Submit a copy of final reports, both programmatic and fiscal, to the Office of Compliance Services – Grant and Contracts Administration.

Document Storage

- Two months prior, work with the Office of Compliance Services – Grants and Contracts Administration regarding storage arrangements for retention of grant files, records and other documentation.

General

- Double and triple check publications to be certain that the source of funding (sponsor) is properly credited before printing is approved.
- Avoid supplanting issues: Do NOT make unusual expenditures at the end of the grant project. Purchases of supplies or equipment may be disallowed by auditors if they occur too late in the program to be legitimately needed by the project.