Sponsored Program Closeout Procedure

OVERVIEW

Sponsored program closeout is the culmination of the sponsored program life cycle and ultimately results in the completion of required financial and technical deliverables/reports, final billing, the collection of outstanding accounts receivable, the submission of the final financial report, and the return or disposition of any residual funds.

The University of North Dakota (UND) has the responsibility to close out a sponsored program in accordance with the Code of Federal Regulations, 2 CFR Part 200 and other sponsor requirements. Principal Investigators (PIs) should refer to the sponsored program award document for the final closeout timeline. The closeout period typically begins 90 days before the end of the award period and concludes 90-120 days after the award end date.

DEFINITIONS

Advanced Pay Award is a type of grant, cooperative agreement, or contract in which the awarding agency provides payment in advance of allowable incurred costs, to the extent prescribed in the award document. Unexpended balances at the close of the award are returned to the awarding agency.

Cost Reimbursable Award is a type of grant, cooperative agreement, or contract in which the awarding agency provides for payment of allowable incurred costs, to the extent prescribed in the award document.

Fixed Amount Award is a type of grant, cooperative agreement, or contract in which the awarding agency provides a specific level of support without regard to actual costs incurred under the award.

Closeout is the process by which the awarding agency determines all applicable administrative actions and all required work of the award have been completed and the grant may be closed.

Closeout Period is the timeframe, typically 90 days prior to the end date and 90-120 days after the award end date, where final billing and final reports are prepared and submitted.

Closeout Reports are reports required by the sponsor at the close of an award. The reports vary by sponsor but federal sponsors most often require financial, property, invention, and technical reports.

Residual Balance is the unobligated cash balance at the end of the performance period, after all project costs have been allocated to the award, all deliverables and financial obligations have been completed and final payment from the sponsor has been received.

Unexpended Balance is the amount of awarded funds not spent. The total expenditure for an award was less than the amount awarded.

RESPONSIBILITIES

It is the responsibility of the PI to ensure all expenditures are accurately and appropriately charged to the correct project(s), based on the benefit to the project and all expenditures are consistent with university and sponsor regulations. The PI and/or department administrator will review all sponsored project expenditures, including payroll, on a monthly basis. This will ensure all expenditures charged to a sponsored project are in accordance with the award terms and conditions. If funds are encumbered during
the closeout period, the PI and/or department administrator should work with Procurement & Payment Services to unencumber the funds or close the purchase order.

The PI and/or department/college are responsible for any adverse financial consequences (i.e., unallowable costs, overages, sponsor default on payment, etc.). An entry to correct any adverse financial consequence must be submitted as soon as possible. Should Grant & Contact Accounting (GCA) notify the department of the adverse financial consequence and it is not resolved within 30 calendar days, GCA will select a non-sponsored fund under the PI’s department/college and submit the correcting entry.

**PROCEDURE**

To facilitate the closeout process, approximately 90 days in advance of the award end date, Grant & Contact Accounting will notify the PI, Co-PI, department administrator and/or business office by sending a Notice of Expiring Award, attached hereto as Appendix A. This notification identifies tasks to be completed in preparation of award closeout. A notification will not be sent for awards already in the process of a No-Cost Extension (NCE) request unless GCA is unaware of said request.

Prior to the final invoice due date, GCA will contact the PI, Co-PI, department administrator and/or business office for verification of final expenses. Upon confirmation, GCA will reconcile the General Ledger with Project Resource and prepare the final invoice. It is during this time; GCA and the PI will prepare Closeout Reports required by the sponsor as indicated in the Sponsored Program Closeout Policy. Upon receipt of final payment and successful submission or acceptance of final reports, the award may be financially closed in PeopleSoft.

**Advanced Pay Award**

If an unexpended balance exists at the conclusion of an advanced pay award, meaning the total amount paid from the sponsor exceeds total expenditures, the unexpended funds will be returned to the sponsor. G&C will review sponsor guidelines for proper return of the funds, initiate a payment request through UND Marketplace, and notify the sponsor as needed.

**Cost Reimbursable Award**

At the end of the closeout period of a cost reimbursable award, the total expenditure should equal the total amount paid from the awarding agency.

**Fixed Amount Award**

In the event of a residual balance on a fixed amount award, the Residual Balance Transfer Form must be initiated and completed by the PI’s department/college. The form should include all projects under the fixed amount award. The portion of the remaining balance attributable to indirect costs, based on the full indirect cost rate, will be transferred to Resource Planning & Allocation. The portion of the funds available for direct costs may be transferred to the requesting department.

If the PI has overspent on a project budget or is responsible for a cash deficit on another project, the residual balance transfer will be withheld until the matter is resolved.

**Award Closure in PeopleSoft Finance**

The award will be closed in PeopleSoft Finance approximately 60 days after successful submission or acceptance of all required reports, receipt of final payment, and resolution of all budget deficit, surplus or outstanding encumbrances.
Appendix A

The Associate Director of Grant & Contact Accounting will email the Grant Officers (GOs) around the 28th each month with a list of awards only, ending in approximately 90 days. The Grant Officer of the main award will review the list for accuracy and send the following Notice of Expiring Award email notification to the PI, Co-PI, department administrator and/or business office. The email notification will be electronically filed with the award.

Notice of Expiring Award

TO: PI and Department Administrator
CC: Co-Investigators that have a project line under the award
FROM: Grant Officer
DATE: MM/DD/YYYY
SUBJECT: Award Title / UND00XXXXX – 90 Day Notice of Expiring Award

Award [Sponsor Award #] funded by [Sponsor] is ending [Month, Day, Year]. Please review the steps below for proper closeout of the award. Instructions to run sponsored project reports, including PI Reports, may be found here.

1. Determine if a No Cost Extension (NCE) is needed. The Research & Sponsored Program Development (RSPD) Request for Modification form must be completed for all NCE requests. If you are already processing a NCE request, notify your grants officer. If a NCE is not necessary, follow Steps 2 through 6.

2. Review all charges, including payroll and outstanding encumbrances, to ensure they are allowable and properly allocated. Excessive spending within the last 90 days of the award may be scrutinized.

3. Update the fund or account string for payroll, printing, postage, telecom, etc. to prevent charges from being posted outside the award period.

4. Review cost share to ensure commitments will be met and the expenses are allowable.

5. Review subrecipient’s expenses to ensure they are allowable, deliverables are up to date, billing is current, final invoicing and reporting deadlines will be met.

6. Review the award terms and conditions for final deliverables or reporting.

Please share this notification with others as you see fit. If you have any questions, feel free to contact me.