

Award Closeout Policy

Policy Number: 600-037
Effective Date: April 3, 2007
Last Updated: March 10, 2010
Issuing Authority: Vice President for Research and Compliance
Responsible Offices: Office of Sponsored Programs/Research Administration and Grants and
Contracts Accounting

Purpose:

To ensure the prudent and compliant management of sponsored programs at Howard University and all related entities, business units, subsidiaries and affiliated organizations including, but not limited to, Howard University Hospital (hereinafter referred to collectively as “Howard University”) by providing for the accurate and timely closeout of sponsored awards including, but not limited to, the filing of reports, account reconciliation, and deactivation of the accounts in the accounting system.

Policy:

It is the policy of Howard University to ensure that there is prudent and compliant management of sponsored programs. This policy outlines the award closeout process to be followed when a sponsored program is scheduled to end in order to ensure that Howard University meets all of the sponsor’s requirements. This policy includes guidance on:

- Final expenditures entered into the university accounting system prior to the final invoice and financial report being submitted to the sponsor;
- Completing all sponsor requirements (e.g., technical report, financial report, etc.);
- Reconciling receipts with final expenses and the final report (Cash Receipts = Expenses = Final Report); and
- Deactivating sponsored program accounts to avoid after-the-award expenditure postings.

Business Process Description:

Reporting and closeouts are functions that are tested as part of the annual [OMB A-133](#) audit and are monitored by numerous awarding agencies. Tight controls over reporting and award closeouts are pertinent to maintaining a compliant culture, as well as to ensure Howard University’s sponsors that the university is appropriately accounting for sponsored program funds. As such, the preparation for closeout begins upon receipt of an award. The notice of award includes terms and conditions that must be reviewed to ensure the accuracy and compliance of required reports.

Final Invoice & Financial Report

Federal agencies subject to OMB A-110 have a deadline for submission of final documents no later than 90 days after the end date of the project. This allows for a 60-day adjustment period. Thus, the 90-day deadline is a default deadline used by Howard University. If specific sponsor requirements differ from the default deadline of 90 days, the Accountant must make a notation at the time that the award is set-up in the accounting system (see Award Set-up Policy) to ensure compliance. For awards that require final documents to be submitted earlier than 90 days following the end date of the period of performance, GCA will notify the PI/PD, OSP/PASU, and OSP/RA by email (as a reminder). If a sponsor did not

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indicate a due date for the final financial report, the financial report due date will be assigned as 60 days after the expiration date of the project. In this case, the adjustment period is 30 days.

GCA completes the following activities in preparation of the final invoice and financial report and works with the OSP/PASU Accountant and the PI/PD to coordinate the closeout:

Prior to the end of the award's period of performance, the Accountant completes the following, if applicable:

- Approximately 90 days prior to the end of the period of performance, send a form letter to the PI/PD notifying him/her that the award is currently scheduled for closeout and the possible action that may be required
- Approximately 15 days prior to the end date of the period of performance, cross-check the project end date listed in the university accounting system with the information in the award file or sponsor's online system (e.g., NIH Commons) for accuracy
- After confirming the end date of the period of performance, GCA contacts the PI/PD and OSP/PASU Accountant and RA to coordinate a time for a meeting (either in person or by phone) to review final closeout issues (see bulleted list below for meeting agenda topics)

After the end of the award's period of performance, the OSP/PASU Accountant, the RA and the GCA Accountant meet with the PI/PD to identify the following, if applicable:

- Possible outstanding no-cost extension or supplemental funding requests;
- All outstanding reports that will need to be completed to meet sponsor requirements:
 - Financial reports
 - Non-financial reports
 - Invention
 - Technical report
 - Equipment inventories
- Unmet cost sharing;
- Termination of salary allocations to the sponsored award (ensuring that all personnel appointments have not extended beyond the end of the period of performance);
- Sponsored program appointments that will have salary moved to another budget period/sponsored program/unit;
- Encumbrances that have not been fully liquidated (e.g., subcontracts, purchase orders, etc.);

Reconciling Expenditures

Two weeks before the final report is due, the GCA Accountant generates a draft report based on the information listed in the accounting system. This draft is sent to the OSP/PASU Accountant, the RA and the PI/PD to verify that the amount listed on the draft report should be reported to the sponsor.

- Include the residual funds credit balance or the residual deficit balance of funds in the letter so that the RA and the PI/PD are aware of any funds that may need to be refunded or possibly retained, or deficit funds that may require a transfer of funds from the PI/PD's unit or other guarantor fund (see [Residual Fund Policy](#)).

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- If the RA and PI/PD have no issues with the draft report, they notify the Accountant to proceed with the submission of the final report. **If no response is received within 5 business days, the report will be submitted to the sponsor (see financial reporting and invoicing policies).**
- If the RA or the PI/PD identifies any changes or additions to incorporate into the draft report, the Accountant, the RA, and the PI/PD work together to reconcile the remaining issues before the final report is sent to the sponsor.

Fiscal Monitoring of Sponsored Programs

Following the submission of the final invoice and report to the sponsor, RFA-OSP/GCA review sponsored program accounts in the financial system on a monthly basis to determine whether the final payment, if required, has been made. If the sponsored funds are not received timely, the Accountant investigates and follows up with the University Cashier, OSP/RA, the PI/PD, or the sponsor to identify any cause for a delay in payment. Examples of follow-up items include, but are not limited to:

- The technical reports are not submitted
- The sponsor disallowed certain charges
- The sponsor never received the final report/invoice

Once GCA collects all funds from the sponsor and confirms the final residual funds or deficit balance on the account, the GCA Accountant contacts the PI/PD to inform them of any changes to the original residual balance. (See the Residual Funds Policy for further details).

When all accounts receivable are collected on the sponsored program and the account is balanced (Cash Receipts = Expenses = Final Report), the GCA Accountant sends an email to the Assistant Director of GCA to deactivate the sponsored program account in the university accounting system. When the account is deactivated, notification is sent to the PI/PD, the RA, and the OSP/PASU Accountant.

The OSP/PASU Accountant reviews all sponsored programs that need to be closed on a monthly basis and completes the Closeout Checklist for each sponsored program. This includes verifying the following:

- All Technical Reports are sent to the sponsor
- All financial reports are sent to the sponsor
- All uncollected Accounts Receivable have been collected
- Account was deactivated in the university accounting system

GCA conducts a monthly review of sponsored programs that are scheduled to end the next subsequent month. This report is distributed to the OSP Manager for review to ensure that sponsored programs are appropriately closed out and that all the sponsored program requirements are met.

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Roles and Responsibilities:

Office of Sponsored Programs/Research Administration (OSP/RA)

- **Research Administrator (RA):** The RA works with the RFA Accountant and the PI/PD on the tasks necessary for closeout of the award.

Office of Sponsored Programs/Post Award Services Unit (OSP/PASU)

- **Accountant:** The Accountant works with the RA, the GCAA Accountant and the PI/PD on the tasks necessary for closeout of the award. The Accountant completes and obtains the OSP Managers approval on Equipment and Intellectual Property Closeout reports.

Office of Sponsored Programs

- **Manager:** The Manager receives monthly report from GCA and distributes to OSP/RA and OSP/PASU. The OSP Managers approves all Equipment and Intellectual Property Closeout reports on behalf of the University.

Academic Department

- **Principal Investigator/Project Director (PI/PD):** The Principal Investigator/Project Director is responsible for communicating any expense related, management related, or budget related issues to the Accountant before the end date of an award. When the award has ended, the PI/PD is responsible for submitting the necessary technical reports and meeting any other technical/programmatic requirements of the award agreement.

Grants and Contracts Accounting (GCA)

- **Assistant Director:** The Assistant Director deactivates the project in the accounting system once the sponsored program is officially closed and oversees the responsibilities of the Accountant.
- **Accountant:** The Accountant is responsible for coordinating the closeout of the award with the RA and the PI/PD. The Accountant provides notification to the PI/PD, OSP/PASU Accountant, and RA 90 days before the scheduled end date of the award with a list of items to consider as the end of the period of performance draws near. Fifteen days prior to the end of the performance period, the Accountant initiates a meeting with the OSP/PASU Accountant, the RA and the PI/PD to address specific closeout issues. As necessary, the Accountant provides guidance and assistance to the PI/PD in order to resolve any outstanding items. The Accountant is responsible for preparing and submitting all invoices and financial reports before the sponsor's deadline. After the final report and invoice are submitted, the Accountant ensures that all remaining cash is collected.

Related Processes/Events:

- Financial Status Reports Policy
- Award Closeout Procedure
- OSP/RA Closeout Checklist
- Accounts Receivable Policy
- Residual Funds Policy

Forms and Links:

- OVPRC Website: <http://ovprc.howard.edu>