Closeout Process

November 2021

Welcome!

Thank you for joining us today for the Sponsored Project Closeout Exchange. The presentation will start at 2:00 p.m.

Presenter: Bryce Kelley

Provide general guidelines to follow, in order to facilitate the closeout process in a timely manner in accordance with Federal and non-Federal requirements.

WHY DOES CLOSEOUT NEED TO HAPPEN?

- Helps to minimize financial risk to Boston College – Uniform Guidance (§ 200.343 Closeout)

- OMB (Office of Management and Budget) 2 CFR §200.343 details the University's requirements for a complete and timely submission of financial reports and other documents necessary for the closure of federal grants and contracts. Failure to adhere to the requirements for one project can result in the sponsor withholding funding from the entire University. Regardless of the funding source a sponsored project will likely have closeout requirements consisting of final technical and financial reports. Sponsors usually detail closeout requirements in the award document.

- Ensure compliance with sponsor guidelines.

- Impacts ability to collect funds and receive future funding.

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Where does that fit into the award lifecycle?

Closeout is closing of a sponsored award that has ended and will no longer be continued or funded. Closeout is the last step in the life cycle. It is the process by which all administrative actions and all required work of the award have been completed by the awardee, and it requires the awardee to submit certain reports and documents within forty-five and one hundred twenty (45-120) calendar days after the end of an award's period of performance.

The University has an obligation to sponsors to submit a final technical and financial report. Reports are prepared in collaboration with the Principal Investigator, the Department Research Administrator and the Office for Sponsored Programs.

This includes awards:
- That are relinquished/transferred

- With a new competitive segment

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CLOSE GRANT ACCOUNT

Project Closing Options

As the project period comes to a close, ask yourself:
- *What options do I have?*
- *Can I continue with the project? Who do I have to contact to make aware of my plans?*
- *What about no-cost extensions to continue working on the project? Are there requirements and permissions needed to request a no-cost extension?*
- *Can I request additional funds from the sponsor to continue my research?*

Project Closeouts

As your project nears completion, you should start planning ahead as to the various things necessary for the project's end. Who needs to be contacted and what reporting requirements are Needed.

Final Technical Report
The Project's Principal Investigator is responsible for timely submission of final technical reports. Specific sponsor requirements for the technical reports are usually defined in the award package.

Final Financial Report
The final financial report is generally due within 60-90 days after the expiration date of the award and is completed by OSP.

Final Report of Inventions
Many sponsors require reports about inventions made during the conduct of research to ensure proper disclosure.

Final Property Report
Final property reports account for all excess supplies left on hand after the completion of a project.

All categories of direct cost (salaries, equipment, supplies, tuition, etc.) must be reviewed for completeness, accuracy, and allowability before the close of the award. All necessary adjusting journal entries and/or payroll reallocations should be made during the course of the project period and before the close of the project period.

For an allowable charge to be posted to a grant, the cost must be incurred during the award period and meet the following standards:

• Allowable

• Reasonable

• Allocable

• Consistent

Must be reasonable

A cost is considered reasonable if a "prudent person" would have purchased this item for this price. Some questions that should be asked before purchasing the item include:

- Was this cost necessary?

- Did it comply with federal and state laws and regulations and did it meet the sponsors' agreement terms and conditions?

- Did the individual act in accordance with institutional policies/practices and sponsored agreements?

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Must be allocable

A cost for goods or services is allocable if it can be assigned to the activity on some reasonable basis. It also must fit into a budget line item and be consistent with budget narrative language. A cost is allocable to a sponsored agreement if:

- The cost is incurred solely to advance the work.

Must be treated consistently

- Costs incurred for the same purpose in like circumstances must be treated the same.

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Operating Expenses

Allowable Cost Transfers:

To be acceptable, cost transfers into a sponsored project fund must meet the following criteria:

- Occur in a timely manner.
- Allowable under sponsor and University policies.
- Adequately describe the purpose of the entry, including an explanation of the reason for the entry.
- Are necessary to appropriately allocate expenses to a correct fund.

Types of Allowable Cost Transfers:

- To correct clerical or accounting errors, such as transposition of numbers or posted to the incorrect expense description; however, a specific reason must be given ("correction of clerical error" is insufficient).

- Amend internal charges posted to the wrong fund by different University departments.

- Resolve any misunderstanding of instructions from the PI to the department research administrator.

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Operating Expenses
Unallowable Cost Transfers:

Funds in Overdraft Status:

In accordance with OMB 2 CFR 200, the transfer of charges from a fund in overdraft status to a federal award (including federal awards passed through another sponsor) is expressly unallowable.

- This includes any amount charged in excess of the federal share of costs for the project period.

- Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overdrafts are not allowable. Costs allocable to a new competing segment should be moved to a newly created account number in anticipation of the award.

- Regardless of sponsor, costs may only be charged to projects benefiting from that expense.

90 days prior to End Date

- An End Date Notification email is generated in PeopleSoft and sent to the PI and DRA 90 days prior to a project end date. This email reminds PI's and OSP that the project is approaching expiration and instructs them to begin the necessary technical and administrative actions to closeout the sponsored award.

- PI should communicate with OSP Pre-Award if a no cost extension is being considered, or to verify the status of award renewal or continuation.

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Bryce Kelley <kelleycz@bc.edu>

Award 5109391 Milestone END is due on 2022-02-02.
1 message

psfinprd@bc.edu <psfinprd@bc.edu>   Thu, Nov 4, 2021 at 4:02 AM
To: kelleycz@bc.edu

Award 5109391 Milestone END is due on 2022-02-02. Please take an appropriate action to complete this task.

Please go to the link below and complete the Department Closeout Checklist to ensure a successful project close.
https://www.bc.edu/content/dam/files/research/osp/DeptCloseoutChecklist.pdf

Subject: PI Last Name, First Name. Award Ending Notice. XXXXXX

Body: Our records indicate that award XXXXXX is scheduled to end on 12/31/21 with a final progress and/or financial report due 2/28/21.

Please go to the link below to review the award ending notice to ensure a successful project closeout.

["Award Ending Notice link"]

Award Ending Notice

Our records indicate that the award listed in the subject line is scheduled to end in ninety days. The process to financially close this account must begin now.

The present available budget can be determined using the ACR Report or by working with your Department Administrator.

If you are planning to request an extension, you must contact your pre-award Sponsored Program Administrator immediately to initiate the extension process.

You, as the Principal Investigator, and your Department Research Administrator are responsible for reviewing the allocability and allowability of all expenses. An expenditure summary can be found using the PeopleSoft financial transaction detail report.

Please review the following with your Department Research Administrator to ensure that the award is ready for a timely closeout. Please seek guidance from your OSP pre-award administrator on specific agency requirements should any questions arise when initiating the closeout process.

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Budget

- Review budget and other line-item restrictions as noted in the award notice.

- Identification of deficits and surpluses on projects, while ensuring any budget category variances are within sponsored defined variance.

- Reconcile and confirm that expenses and project salary over the next three months are within budget.

Payroll

- Confirm that salaries have been charged to the account according to the budget or within sponsor permitted re-budgeting and properly charged in accordance with the level of effort proposed to the awarding agency.

- Prepare to stop all ECRs as of the budget end date and change the ECRs of salaried individuals on the award to another chart string. All salary distributions must be reallocated as of the budget end date.

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Operating Expenses

- Verify departmental encumbrances and track all outstanding items, such as outstanding invoices from vendors and purchases that have not arrived.

- Remind all project personnel to submit any last minute expenses so that these are processed before the end date of the award. All goods and services should be received by the budget end date.

- Work with the Procurement office to close out all open purchase orders.

- All expenses are to be submitted within the thirty days following the budget end date.

- Identify and remove unallowable expenses.

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Regular Recurring Expenditures

- Notify those departments to discontinue charging recurring expenditures as of the end date of the award. For example: Telecommunications, Animal Charges, Mail Services, etc.

Cost Sharing

- Verify that all required cost sharing has been met and properly documented.

- Review and ensure that any committed cost sharing has been incurred, if applicable.

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Subawards

- Remind subrecipients to submit final invoices as outlined in their agreement based on requirements for BC to submit final reports.

- If the subaward is complete, please work with your pre-award administrator to close out any open balance.

Equipment

- If this award has Federally-owned or Government-furnished equipment, the OSP pre-award administrator will complete the required property reports and coordinate final disposition instructions with the procurement office and the Federal Government if needed.

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Final Reports

- Review programmatic deliverables/reporting schedule, based on terms and conditions of the award. OSP post-award administrator will submit the final financial report/invoice after verifying the ending balance with your department.

- If you have any questions regarding non financial reports, please contact your OSP pre-award administrator.

Over expenditures

- Any over expenditure must be resolved prior to the budget/award end date. This needs to be done before the award can be moved to closed status.

- If applicable, complete a Cost Transfer Request form in order to identify a funding source for over-expenditures. You can download the Cost Transfer Request form from the OSP website under assistance documentation and forms.

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30 Days prior to Project end date

▪ Closeout reminder is sent with a Department Closeout Checklist.

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30 days from Contract end date: (Department Closeout Checklist)

PSF Milestone notification:

Subject: PI Last Name, First Name. Department Closeout Checklist. XXXXXX

Body: Our records indicate that award XXXXXX is scheduled to end on 12/31/21 with a final progress and/or financial report due 2/28/21.

Please go to the link below, complete the Department Closeout Checklist and return to ospcloseouts@bc.edu by 2/28/21.

"Department closeout checklist link"

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Project end date

- At the project end date a Project End Date a reminder email will go out to return the closeout checklist to **ospcloseouts@bc.edu** within 60 days. (subsequent emails from **ospcloseouts@bc.edu** will follow if not returned)

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Contract End Date: (Department Closeout Checklist Reminder)

PSF Milestone notification:

Subject: PI Last Name, First Name. REMINDER Department Closeout Checklist. XXXXXX

Body: Our records indicate that the award XXXXXX has ended, please return the signed and completed Department Closeout by 02/28/21.
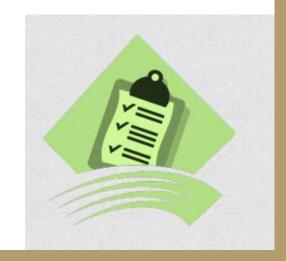
Please go to the link below and complete the Department Closeout Checklist and return to ospcloseouts@bc.edu

"Department closeout checklist link"

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Department Closeout Checklist

- All project-related expenses have posted and have been confirmed as accurate and allowable.

- Any unallowable costs charged have been moved to a BC funded account, including inapplicable charges posted after the project end date. Purchase Orders have been closed or changed.

- Encumbrances, not anticipated to be expended by the budget end date, have been closed or removed.

- Travel advances have been reconciled.

- Salary costs charged for each employee reasonably reflect work performed. Remember to do ECRs for salary after this project's end date. HR appointments have been changed.

- Project's P-Card has been cancelled or destroyed and all P-Card statements have been reconciled and documents scanned into PeopleSoft.

Department Closeout Checklist

- Subaward/Subrecipient's final invoice has been paid, and final modification for reduction has been sent to OSP Pre-Award administrator.

- Cost-share expenses, and associated funding, have been properly recorded and documented.

- If project generated any Program income, it has been expended using Fund 510 (where applicable).

- All tuition remission costs have been processed.

- Sponsor required PI reports have been submitted and proof of submission sent to the OSP Pre-Award administrator (e.g., Progress, Invention, Patent, Property, etc.).

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Closeout Requirements:

- Unused funds should be returned to the sponsor, unless the sponsor has pre-approved one of two options:

  1) A No Cost Extension, approved at least 30 days prior to the project end date.

  2) Allowability of retaining residual funds per the sponsor's terms and conditions- which must be clearly stated in the agreement.

  Please refer to OSP's Residual Balance Policy for further guidance, found here:
  https://www.bc.edu/content/dam/files/research/osp/ResidualBalanceProcedures.pdf

- Be advised, the sponsor has the right to recover unallowable expenses.

Why is timely project closeout critical

• Ensure receipt of final payment

• Save time, money, and reputation of the University

• Protect withholding of new awards campus-wide by the awarding agency

• Prevent suspension of payments for costs incurred on other projects funded

 by the same agency

• It's a Federal Compliance Requirement

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Conclusion

Thank you!