Closeout Policy

Background

The Boston College Office for Sponsored Programs provides administration and support for sponsored programs. Sponsored programs, or the term sponsored awards, may be used in this document interchangeably and mean any agreement, contract, or grant that is funded by a source other than Boston College. Activities related to sponsored programs must comply with Boston College’s policies and procedures, the sponsor’s terms and conditions, and Federal regulations. Federal regulations include the Code of Federal Register (CFR) Vol. 78 No. 248 issued December 26, 2013, and Vol. 79 No. 244 issued December 19, 2014, also known as the Uniform Guidance and which contains the requirements set forth by the Office of Management and Budget (OMB) and the implementation plans of Federal agencies. The effective date for most parts of the Uniform Guidance is on or after December 26, 2014.

Purpose

The purpose of this policy is to provide guidelines to facilitate the timely and accurate closeout of a sponsored award in accordance with Federal and non-Federal requirements.

Scope

This policy is applicable to all sponsored awards and must be followed by schools, departments, centers, institutes, and personnel of Boston College involved with sponsored awards.

Effective Date

The effective date of this policy is April 2015, and replaces the July 2013 OSP Closeout Procedures.

Definitions

Allowable Costs are charges for goods or services that are permitted on a sponsored award, agreement, contract, or grant. In other words, these costs are in compliance with Boston College’s policies and procedures, the sponsor’s terms and conditions, and Federal regulations, and therefore the allowable costs may be paid from the sponsor’s funds. Allowability also includes the concepts that costs must be: (a) necessary and reasonable for performance of the sponsored award; allocable to the sponsored award; (b) in compliance with the sponsor’s terms and conditions; (c) consistent with policies and procedures that apply uniformly to both Federally-financed and other activities at Boston College; (d) accorded consistent treatment (for example, a cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost; (e) in accordance with generally accepted accounting principles (GAAP); (f) only charged
once (for example, the cost must not be included as a cost or used to meet cost sharing or matching requirements of any other Federally-financed program in either the current or a prior period. See also OSP website for Allowable and Unallowable Costs Policy.

Allocable Costs: A cost is allocable to a particular award if the goods or services [the costs] involved are chargeable or assignable to that award in accordance with relative benefits received. This standard is met if the cost: 1) is incurred specifically for the award, 2) benefits both the award and other work of Boston College and can be distributed in proportions that may be approximated using reasonable methods; and 3) is necessary to the overall operation of Boston College and is assignable in part to the award. See also OSP website for Cost Allocation Methodologies Guide.

Closeout means the process by which Boston College determines that all applicable administrative actions and all required work of the sponsored award have been completed, including financial, performance, and other reports or deliverables as required by the terms and conditions of the sponsored award.

Direct Costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.

Indirect Costs / Facilities & Administrative Costs (F&A) are costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. “Facilities” is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. “Administration” is defined as general administration and general expenses such as accounting, personnel and all other types of expenditures not listed specifically under one of the subcategories of “Facilities.”

Overdraft/ Cost Overruns are charges that exceed the sponsor’s funding amount. These costs should be removed from the sponsored award and charged to a non-sponsored chart string via a cost transfer; see Cost Transfer Policy.

Reasonable Costs: A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Consideration must be given to: (a) whether the cost is generally recognized as ordinary and necessary for the proper and efficient performance of the award, (b) sound business practices, arm’s-length bargaining, Federal, State, and other laws and regulations, and terms and conditions of the award, (c) market prices for comparable goods or services for the geographic area, (d) whether the individuals concerned acted with prudence in the circumstances, and (e) whether Boston College deviates from its established practices and policies regarding the incurrence of the costs.
Sponsored awards, or the term sponsored programs, may be used in this document interchangeably and mean any agreement, contract, or grant that is funded by a source other than Boston College.

Status of awards in PeopleSoft:

**Active (O)** – A sponsored award in “Active” status means that all costs, provided they are allowable, allocable, and reasonable, are permitted, and the research is in progress.

**Accounting Only (A)** – A sponsored award in “Accounting Only” status means that the award is only open for accounting purposes. Accounting Only status allows only for financial reconciliation of the award. This status typically begins the month after the award’s end date.

**Reporting Only (R)** – A sponsored award in “Reporting Only” status means that the award is only open for reporting purposes, and no costs may be charged to the award. This status typically begins the 90 days after the award’s end date. An award cannot be put into “Reporting Only” status in the system until the final FSR/invoice is submitted, and the cash received and the project’s cumulative expenditures are equal and in balance.

**Closed (K)** – A sponsored award in closed status means that the award has been closed; no further activity on the award.

Unallowable Costs are expenditures on sponsored award that are not in compliance with Boston College policy, Federal regulations, or specific sponsor terms and conditions. Costs that are deemed unallowable must be removed from the sponsored award via a cost transfer; see OSP’s Cost Transfer Policy.

**Closeout Policy**

Boston College must ensure, prior to sponsored award closeout, that all applicable administrative actions and all required work of the sponsored award have been completed, including financial reports (see OSP’s Reporting Policy), performance reports, and other reports, and deliverables as required by the terms and conditions of the sponsored award. Responsibility for ensuring compliance with sponsored awards’ terms and conditions is shared between the Office for Sponsored Programs (OSP) and the Principal Investigator (PI).

**Closeout Procedures**

Award closeout is the final phase of a project in which activities are finalized, funding stream ends and administrative tasks are completed. In general, sponsors require a basic set of reports in order to close an award and it is important to complete all the requirements in the timeframe stipulated by the sponsor. The closeout documentation and the timeframe for submission are
stated in the terms and conditions of the sponsored award. The general terms of an award require
that the following reports be submitted within 90 days of expiration of the award, if Federal and
60 days, if non-Federal:

- Final technical report
- Final financial report or final invoice; see OSP’s Reporting Policy
- Final inventions report
- Final disposition of equipment as required by award sponsor
- Assignment and releases for contracts and subcontracts

To comply with sponsor closeout deadlines, OSP, the Principal Investigator (PI) and the
Department Research Administrator (DRA) are required to submit deliverables and financial
information for the project.

An award cannot be put into “Reporting Only” status in the accounting system until the final
invoice is submitted, and the cash received and the project’s cumulative expenditures are equal
and in balance.

The following timeline is meant to provide guidance for timely and accurate closeout of
sponsored awards.

90 days prior to End Date

An End Date Notification email is generated in PeopleSoft and sent to the PI 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 (or request a No Cost Extension, if appropriate). PI should communicate with
OSP Pre-Award if a no cost extension is needed, or to verify the status of award renewal or
continuation.

90 to 0 days prior to End Date

OSP Post-Award reviews project fund balances and rates of expenditure and works with PI and
DRA to address them. Process allowable cost transfer requests.

PI reviews, with the assistance of the DRA as needed, outstanding purchase orders (POs),
outgoing subcontracts, and purchases, submits appropriate journal entries and data changes to
remove personnel and expenses from the project.

In addition, PI’s and DRA’s should:
• Communicate with OSP Pre-Award: discuss 1) the status of the award’s renewal or continuation, or 2) the request of a No Cost Extension, if appropriate.
• Review any outstanding invoices and follow up on purchases that have not arrived.
• Ensure all project costs are incurred by the project end date. Review project expenses for allowability, allocability, and reasonableness; see also OSP’s Allowable and Unallowable Costs Policy.
• Ensure any subcontractor(s) on the award have completed all necessary deliverables, submitted all required reports and will submit their final invoice within forty-five (45) calendar days of the subcontract end date.
• Verify all payroll charges are correct. Review all salaries and associated fringe to ensure they have been expensed correctly. Ensure personnel are transferred off the award by the end of the project period.
• Process cost transfers and labor distributions if necessary; see OSP’s Cost Transfer Policy.
• Verify all cost share commitments have been fulfilled, and are properly recorded; see Cost Sharing Policy.
• Ensure any adjusting journal entries have been posted, including the elimination of deficits indicated in the Grants Balance Summary report; see OSP’s Cost Transfer Policy.
• Reconcile any travel advances charged to the award.
• Notify users (student employees, recharge centers, etc.) that the sponsored award is ending and the chart string should not be used after the award end date.
• Cancel and destroy any Procurement Cards (P-Cards) for the award. Reconcile all monthly P-Card statements. All reconciled statements and receipts should be kept in the department and must be available for audit review.
• Cancel and destroy the Pitney Bowes postage bar code, if the award had one.
• PI prepares the Final Progress Report and any other required deliverables.
• Work with OSP to confirm the disposition of any equipment.
• Complete and sign the Closeout Checklist attesting to its completion, also ensure the above listed bullet points are completed.

**After Award End Date**

**30 to 60 days after End Date**

OSP Post Award verifies that PeopleSoft placed project into “Accounting Only” status (award is coded by OSP as “A” in PeopleSoft). Drafts Final Financial Report / Invoice and sends to Department and PI for review. Verifies payments of invoices, receipt and payment of subcontract invoices, and verify receipt of the Closeout Checklist from Department.

PI’s and DRA’s should:

• Ensure all deliverables have been submitted, or will be submitted as required by the terms and conditions of the sponsored award.
• All technical reporting requirements have been met, and a copy of the final technical report has been sent to OSP.
- Update OSP and Capital Equipment Accounting (Controller’s Office) about the status and location of equipment, see also Boston College’s Capital Equipment Policy.
- Maintain P-Card documentation (monthly credit card statements, reconciliations, receipts, etc.) so that it is available for audit review, if needed in the future.

**60 to 90 days after End Date**

PI/DRA/OSP Pre-award submits the Final Progress Report, Final Invention Statement and other required deliverables to the sponsor. The signed Closeout Checklist will be sent to OSP for inclusion in the file. After OSP receives the signed and completed Closeout Checklist, OSP will send Assignment and Release Forms to subcontracts, as applicable.

OSP Post Award Review Accounts Receivable – is it $0, no encumbrances, complete final financial report, prepare write-off, if necessary, in accordance with the Write-Off procedures in the OSP [Cash Management Policy](#), prepare refund, if necessary, and submits the Final Financial Report / Invoice to sponsor. Updates milestones in PeopleSoft.

The A/R is $0 and encumbrance is closed: Reporting Only status (award is coded by OSP as “R” in PeopleSoft) for the remainder of the current fiscal year +1 fiscal year (R).

OSP is responsible for obtaining a letter from the sponsor stating that Boston College has satisfied the closeout requirements.

PI assists OSP with any audit inquiries.

**After 90 days**

OSP Post Award changes the project status to “Reporting Only”. Follows up with the department if the Closeout Checklist has not been received.

PI assists OSP with any audit inquiries.

Once all obligations under the award have been met and confirmed with sponsor. The award is put into “Closed Status” (award is coded by OSP as “K” in PeopleSoft). Award documents are retained in accordance with Boston College and sponsor requirements.

**Federal Awards**

Boston College must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested by Boston College.
Unless the Federal awarding agency or pass-through entity authorizes an extension, a Boston College must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

Boston College must promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid that are not authorized to be retained by Boston College for use in other projects.

Boston College must account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with Uniform Guidance §200.310 Insurance Coverage through §200.316 Property Trust Relationship, and Uniform Guidance §200.329 Reporting on Real Property.

The closeout of a Federal award does not affect any of the following:

(1) The right of the Federal awarding agency or pass-through entity to disallow costs and recover funds on the basis of a later audit or other review. The Federal awarding agency or pass-through entity must make any cost disallowance determination and notify the non-Federal entity within the record retention period.
(2) The obligation of Boston College to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments.
(3) Audit requirements as noted in the Uniform Guidance (Subpart F—Audit Requirements).
(4) Property management and disposition requirements in the Uniform Guidance Subpart D—Post Federal Award Requirements, § 200.310 Insurance Coverage through 200.316 Property Trust Relationship.

Contacts

If you have any questions about this policy, how to treat a specific cost, or need additional information, please contact the Office for Sponsored Programs main number at 617-552-3344 or directly contact your area’s OSP Liaison (OSP Staff).