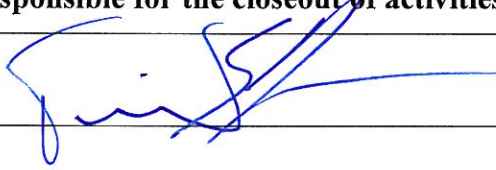




Florida Agricultural & Mechanical University
Division of Research
Office of Sponsored Programs

INTERNAL OPERATING MEMORANDUM

Memorandum No. 16A.002

Subject:	Closeout of Contracts and Grants	
Authority:	Sections 1001.74 and 1001.75, Florida Statutes, FAMU Policy entitled "Sponsors Grants and Contracts Policy"	Original Date: 7/19/10 Revised Date: 7/30/12 Revised Date: 3/15/13 Revised Date: 5/20/15
Related References	2 CFR 200.343, Uniform Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)	
Purpose	The purpose of this procedure is to provide guidance to University staff responsible for the closeout of activities of sponsored projects.	
Signature of Approving Authority		

1.0 GENERAL INFORMATION

- 1.1 The closeout of a grant/contract involves fairly routine administrative actions completed by both the awardee and the awarding agency. Contract Terms & Conditions on each grant/contract specifies the requirements to closeout an award at the end of the funding period. Non-compliance with closeout requirements can lead to debarment of the principal investigator (PI) from receiving subsequent awards from the sponsor. Ultimately, it can even lead to the debarment of the University from receiving awards from the sponsor, because the University is held responsible for all required closeout documents.
- 1.2 Documentation of all Sponsored awards is compiled in hard and/or scanned files prepared for each project. Files are maintained in the Office of Sponsored Programs (OSP) file room, by FAMU iRATTler project number. Closeout requirements are listed in the Contract Terms & Conditions of each project.
- 1.3 The award is not typically "closed out" until the project period is concluded and FAMU has submitted all required reports.
- 1.4 Most federal sponsors require final financial, invention, property, and technical reports. Other sponsors require at least a financial and technical report. Generally, these reports are due within 30- 90 days (120 days for NIH Final progress report and Invention Statement) from the expiration date shown on the award document. Failure to submit the reports in a complete and timely manner can delay payment for final project expenses and result in unfavorable consideration of pending proposals.

- 1.5 In order to ensure the University meets reporting requirements imposed by sponsoring agencies certain procedures must be followed. Costs charged to the project should be stopped by the project end date with very limited exceptions.
- 1.6 The “Closeout Period” represents the time during which the OSP and Contracts and Grants (C&G) account coordinators must work with the PI to complete all closeout activities for the sponsored project. This period includes the 3 months (90 day expiring notice) before the project ends and runs through the Sponsor Due Date (for the final report/invoice). During the Closeout Period, all project expenses should be confirmed for allowability, allocability and reasonableness; closeout documents should be submitted to the Office of Sponsored Programs prior to the agency due date to ensure the final report/invoice are submitted by the Sponsor Due Date.
- 1.7 Once the work on the project is completed and all final reports are completed and submitted as required by the terms of the agreement, the project is considered closed, and the record retention period begins (generally three years).

2.0 DEFINITIONS

- 2.1 **Closeout** is the act of completing all internal procedures and sponsor requirements to terminate or complete a research project.

3.0 RESPONSIBILITIES

- 3.1 **Principal Investigator (PI)** is responsible for determining the validity of charges and clearing all encumbrances. In addition, the PI is responsible for completion of the final technical report. To support the timely and accurate close-out of sponsored projects and submission of applicable bills and reports, the PI should work closely with his/her department to reconcile their financial statements monthly, ensure the timely and accurate submission of effort reports, and follow all applicable policies and procedures regarding allowability of expenditures.
- 3.2 **Office of Sponsored Programs (OSP)** is responsible for ensuring that all required closing documents are completed by the appropriate areas and sent to the sponsoring agency in a timely manner and according to the sponsoring agency’s guidelines. The OSP is responsible for assisting in the proper management and retention of documents.
- 3.3 **Office of Technology Transfer (OTT)** is responsible for completing the DD882 or other closeout reports as to whether or not any inventions were disclosed for the project.
- 3.4 **Office of Contracts and Grants (C&G)** is responsible for the preparation of required fiscal reports in a timely manner and according to the sponsoring agency’s guidelines. C&G is responsible for coordinating and facilitating the PI’s closing activities as they relate to the financial aspect of the contract/grant. This process includes coordinating with the appropriate areas regarding deleting invalid encumbrances.
- 3.5 **Office of Procurement Services (OPS)** is responsible for providing assistance to the University by facilitating the acquisition of supplies, materials, equipment, maintenance services, contractual services, lease of space, construction services, proper management and retention of documents and insuring that all purchase orders are processed timely.
- 3.6 **Property Office (PO)** is responsible for all property/inventory and reports of property acquired under the contract/grant.
- 3.7 **Controller’s Office (CO)** is responsible for ensuring proper management and retention of documents.

- 3.8 **Organizational Development and Training (ODT)** is responsible for the development and coordination of training on regulatory requirements for all individuals with closeout responsibilities on contracts and grants, including but not limited to PIs, OSP staff, C&G staff and grants' administrators.

4.0 PROCEDURES

4.1 OFFICE OF SPONSORED PROGRAMS

- Consult the program regulations governing the grant/contract to ensure that all reporting requirements will be met.
- Submit 90, 60, and 30 day notification letters of expiring projects to PI, C&G, CO, and PO.
- Coordinator work with the PI and peer institutions/partners to obtain final invoices prior to the due date and warn late invoices may be at risk for none payment. Subrecipient is required to submit final invoices and reports 45 days after subcontract end date.
- Submit no cost extension approvals to PI, C&G, CO, and PO.
- Verify the information on the disposition of equipment. If the agency did not include language about the disposition of equipment in the Contract Terms & Conditions, contact the agency to request written disposition regulations if required.
- Coordinate the submission of the final reports (technical, property, and patent). C&G is responsible for completion and submission of final financial reports.
- Submit final closeout notification and disposition of property to PI, C&G, CO, and PO.

4.2 CONTRACTS AND GRANTS - FINAL FINANCIAL REPORTS

A Summary Report of Expenditures (federal financial and other agencies reports) is prepared by the Office of Contracts and Grants. In most cases, federal financial reports must be submitted to the sponsoring agency no later than 90 days after the close of each budget period. Failure to meet financial report deadlines may result in the loss of funds that would otherwise be available for future budget periods.

- C&G consults with OSP to determine whether an extension has been formally requested or granted.
- C&G provides an outstanding encumbrance report to the PI to determine whether all encumbrances have been paid or cancelled.
- For goods received, but not paid, the PI will contact the respective Accounts Payable employee to ensure all necessary documentation is received to properly pay the outstanding liability.

NOTE: To minimize delays in effectively closing out grants, the PI is contacted via email and phone twice to identify all encumbrances which have been received or cancelled. As the grace period for closing grants approaches, if the PI has been contacted twice but encumbrances remain, the PI will receive a memorandum from the Vice President for Research informing them that no additional charges can be made from the specific grant and that all outstanding encumbrances will be cancelled. Depending on the grantor agency, some grants have 30, 45, 60, 90 or (120 days for NIH Final progress report and Invention Statement) days to: 1) pay all outstanding obligations previously

encumbered, 2) reconcile the revenues and expenditures, and 3) request additional funds to ensure the University receives all funds for which expenditures were incurred during the grant period.

- The Accounting Coordinator will run a life-to-date management report to reconcile revenues and expenditures for each account. If expenditures exceed revenues, an immediate electronic draw funds will be initiated or the required “Request for Reimbursement or Advance” or “Invoice” will be prepared to request the funds to ensure the cash balance is zero.
- The Accounting Coordinator will prepare a final report of expenditures in accordance with the project requirements. The method of funding is important in determining the method for closing out a grant or agreement. All required data is contained in the management report for the specified projects. There are seven types of funding categories:
 - * reimbursable
 - * letter-of-credit
 - * scheduled payment
 - * fixed price
 - * percentage of completion/task order
 - * lump sum payment
 - * fixed schedule
- To prepare a final report of expenditures, the Accounting Coordinator: 1) prepares a supporting worksheet to identify expenditures per category, 2) calculates workers’ and unemployment compensation by adding all salaries (711XXX object codes) and Other Personnel Services (OPS) (712XXX object codes) together and then multiplying them by .003, (These charges are overhead charges for personnel related activities) and, 3) calculates Indirect Cost (F&A) at the rate approved in the agreement.
- Copies of vouchers or other supporting documentation are attached, as required by the grantor agency (i.e., Florida Departments of Transportation, Health and Children & Families).
- A copy of the final report is sent to the PI for review before being submitted to the grantor agency. The PI is asked to review the report and contact the respective Accounting Coordinator with any questions on amounts being reported before final submission to the grantor agency.
- The required copies are submitted to the grantor agency, PI, and a copy is placed in the OSP’s file.
- For all grant types, except fixed priced, if funds remain after grant expiration, a refund must be made to the grantor agency.
- Final reports consist of: SF425 (Federal Financial Report), FA499 (Report of Budget and Expenditures for Florida DoE grants, only) or other format, as required by the grantor agency.
- The report, supporting worksheets, management reports, and outstanding encumbrance reports are reviewed and approved by the Director of Financial Services to ensure timeliness and accuracy.
- Review the All Funds Ledger to ensure that the balance is zero.
- The appropriate closeout stages are initiated in iRATTLER.

4.4. PRINCIPAL INVESTIGATOR - FINAL TECHNICAL REPORT

- Some sponsoring agencies require use of their own forms for final technical reports. These forms are often included in the sponsor's application package, with the award document, or are available directly from the sponsoring agency. Follow the sponsor's instructions for the preparation of technical reports, which should include a list of publications, published or in press, resulting from the sponsored project.
- Some sponsoring agencies require submission of technical reports electronically. The OSP can assist with any questions.
- A copy of the final report should be forwarded to the assigned Post-Award Coordinator in the OSP. It is recommended that the OSP mail the final technical reports as some sponsoring agencies require additional institutional forms to be included with the report. This also ensures that the official file contains a copy of this report. When submitted electronically by the PI to the National Science Foundation or other agencies, the OSP receives an automatic email informing us that a technical report has been submitted.

4.5 PROPERTY OFFICE - PROPERTY REPORT-

- The OSP coordinates the completion of the property report. A property/inventory report on property acquired under the contract/grant is requested from the FAMU property manager. The information in the report is used to prepare the final property report, which is signed by the VP for Research.

4.6 OFFICE OF TECHNOLOGY TRANSFER - PATENT REPORT

- The Office of Technology Transfer will work with the PI on the completion of the final invention form and required reporting tool.
- Review and complete the invention documents for correctness of data and reporting requirements.
- The OSP is responsible for endorsing and mailing the appropriate invention form to the sponsor; emailing, mailing, or uploading the documents to the sponsoring agency; and placing a copy of all documents in the project file.

5.0 RECORDS

- The appropriate record retention guidelines should be followed for the retention and disposition of documents. Generally, documentation should be maintained for three years following the submission of the final financial report unless sponsoring agency requires it to be maintained for a longer time period.
- Federal regulations including 2 CFR Part 200.343; Internal Revenue Service (IRS) requirements: Federal Acquisition Regulations (FAR) require grantees and contractors to prepare, maintain, and keep adequate records of sponsored project activities. For government grants and contracts, academic units must maintain original copies of budget documentation expenditure statements signed by the PI, and all source documents and invoices which are used to charge direct costs on a grant or contract, for a period of three years following the date of submission of the final expenditure report for the grant or contract, except when there is an audit or litigation in process.