

California State University Channel Islands

Sponsored Projects

Close Out Procedures

Overview

Award close out procedures at the University are primarily focused on achieving the following goals in accordance with Agency and University requirements:

1. Preparing all final reports (including cost share reports) and invoices for submission to the awarding agency.
2. Inactivating the project in the PeopleSoft financial system.

Agencies of the federal government, as well as non-federal organizations, demand strict adherence to the reporting requirements set forth in the award document. Federal and Non-federal sponsors often require periodic interim financial reports in addition to final financial statements.

Failure to submit a financial report within the specified time frame puts the University at risk of having remedial actions imposed. Such actions can include an awarding agency withholding an award(s) to an investigator or to the entire University, withholding payments on invoices, or revocation of the Expanded Authorities Agreement. The Expanded Authorities Agreement affords the University latitude in the budgeting and management of federally awarded grant funds. Situations giving rise to such actions would undermine the University's research and training functions.

Requirements

Most contracts and grants require a final report of the award's project costs. This report is usually submitted to the agency at the end of the award period. In addition, some awards also require interim reports to be submitted to the agency during the life of the award. For grants or contracts sponsored by federal and non-federal agencies, financial reports will be submitted to the agency by the Grants and Contracts Financial Analyst no later than the due date specified in the award document.

Responsibilities

The Grants and Contracts Financial Analyst is responsible for preparing and submitting all interim and final financial reports to awarding agencies. The financial reports are prepared based on the financial information in PeopleSoft which is reviewed monthly by the Principal Investigator and department.

The Principal Investigator (PI) must ensure that all costs are correctly recorded on a timely basis in the general ledger. If there are additional costs or adjustments to costs

that are not yet recorded in the correct general ledger chartstring for the award, it is the responsibility of the PI to notify the Grants and Contracts Financial Analyst.

The PI is ultimately responsible for management of the award and, as such, must ensure that all expenses charged are accurate and allowable under the terms of the award and expenses are correctly recorded in the general ledger in a timely manner.

Reporting Criteria

The reporting process is based on the premise that all expenses posted to the general ledger for that award are accurate and allowable under the terms of the award. This assumption is made with the understanding that grant and contract funds are actively managed on an ongoing basis from the date of activation to the date of final termination. Periodic reviews of the costs incurred during the budget period must be routinely undertaken by the department and adjusting entries processed as needed and before the end of the budget period. Direct cost expenses that are considered erroneous or unallowable amounts must be adjusted and journalized to the appropriate source of funding within 90-days of the original transaction. In order to transfer a transaction that is posted past the 90-day period the PI must fill out the transfer justification form.

Pre-Close out Review

At least three months prior to expiration of the budget period the PI and department should review the funds relating to the award. All direct cost categories (salaries, equipment, supplies, etc.) should be reviewed for completeness, accuracy and allowability before the end of the budget period. All necessary adjusting journal entries and payroll adjustments should be made before the end of the budget period if possible. If more than the allotted time is needed to close out an award, the PI needs to contact the agency to request an extension.

Final Close Out Procedures

The following procedures should be followed by the department/PI during the close out period:

1. All activity must be concluded prior to the award closing and never beyond the last day of the performance period of the award.
2. Ensure that Pro-card and recharge center transactions are authorized and acceptable.
3. Subcontract/subaward balances should be verified to be correct. Verify that subcontractors have submitted all reports and completed all deliverables.
4. All required adjustments must be posted either during the budget period or no later than 60 days after the end of the budget period.
5. Submit change notice to close-out all open purchase orders.
6. Submit Sponsored Projects Close-out Checklist within 60 days of project end date.

7. Submit copy of the following reports to both ORSP and G&C Financial Analyst (if applicable):
 - a. All technical & program reports including final report
 - b. Final Report of Patent and Inventions
 - c. Final Property and Inventory Report

The following procedures will be followed by the Grants and Contracts Financial Analyst:

1. Send PI via e-mail a notification when the award ending period is within 90-days.
2. Send PI Sponsored Projects Close-Out Checklist.
3. Prepare final financial reports.
4. Verify that all encumbrances have been cancelled.
5. Verify that all required reports have been completed.
6. Depending upon contract- return residual funds to either the funder or department.
7. Request Budget Office to close out project number.

Record Retention

Funding agencies require that records on closed out projects be retained for a specified period of time so that they may access the records for audit purposes. Time periods can range from three to seven years or more.