



Sponsored Project Administration

Procedure: Financial Closeout of Sponsored Projects

Owner: Sponsored Project Administration

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Background

The University has an obligation to ensure we are in compliance accordance with the Sponsor and University policies. The closeout of a project or a budget period requires all related financial reporting to be completed and effort commitments for all key personnel are met. Collaboration between Principal Investigators, Sponsored Project Administration Office, Grant Managers, Unit Administrator, Unit Pre/Post Award, and other support across campus is essential to ensure we meet the internal and sponsor reporting requirement deadlines. Financial closeout is the process by which the University determines all allowable and applicable expenses are properly accounted for under the award's terms and conditions. Upon award expiration, the final financial deliverable must be completed within the timeframe indicated in the agreement. Noncompliance may result in unrecovered sponsored project costs, non-compliant reporting, cause more restrictive financial requirements and audits, or place the University at risk of securing future funding from sponsors.

The financial closeout steps set forth in this procedure are intended to facilitate the timely and accurate closeout of sponsored projects in accordance with the terms and conditions of the award.

Maintaining a timely and accurate closeout process within 120 days after award end date substantiates:

- Compliance with the terms and conditions of the award and sponsor specific guidelines.
- Completion and submission of all administrative and financial deliverables.
- Confirmation of required effort commitment.
- Completion of accounting adjustments to ensure revenues and expenditures reconcile.
- Collection and reconciliation of outstanding account receivables.
- Confirming appropriate record retention measures.
- Closing out projects that have ended.

Purpose

This document sets forth the procedure for award closeout and outlines standards for obtaining consistency, uniformity, and compliance in the administration of grants, contracts, and agreements.

This procedure applies to all federal and non-federal sponsored projects at UVM, in accordance with applicable federal, state, and other regulatory guidance. The closeout of Federal or Federal pass-through awards is governed by Uniform guidance [2 CFR 200.343](#). In the event there is a difference between this procedure and the terms and conditions of the award, the more restrictive requirement shall govern the close out of the award.



Roles and Responsibilities

Principal Investigator (PI)

- Primary responsibility for overseeing the progressive steps and related activities in the life cycle of the sponsored project.
- Ensures Scope of Work is completed.
- Prepares institutional final technical/progress report and incorporates subrecipient information as necessary.
- Primary responsibility for approving all final invoices and reports from subrecipients.
- Reviews and verifies costs charged to the project are allowable, allocable, reasonable, and consistently treated.
- Reviews and verifies that all cost sharing or matching requirements have been met.
- Ensures their effort commitment has been met.
- Communicates to the SPA RA if the project requires extra time to complete the research and a No Cost-Extension will be required.
- Identifies, submits, and documents Intellectual Property (IP) information when required as part of the final financial report.
- Identifies, locates, and logs all equipment and inventory, when applicable, in conjunction with the institutional tagging process. Provides the current fair market value of equipment reported on Federal SF-428 form.

Unit Administrator (UA)

- **Assists the PI with the following:**
 - ✓ Confirming salaries and non-salary expenses charged to the award are appropriate, allowable, reasonable, and consistently treated.
 - ✓ Reviewing and adjusting budgets and expenses as needed to avoid untimely changes or transfers.
 - ✓ Review of all effort commitments to ensure they are accurate and allowable.
 - ✓ Review and verify cost sharing or matching requirements, providing all required documentation to the SPA FA.
 - ✓ Obtaining final invoice from the subrecipient.
 - ✓ Coordinating with the PI to approve all the subrecipient final invoices.
 - ✓ Preparation of final patent reports, Invention Statements, and property reports, when required.
 - ✓ Requesting a No Cost Extension (NCE), when appropriate.
 - ✓ Notifies SPA of a PI termination, PI transfer to another institution, or of a stop work order associated with the project. Notification initiates financial closeout of the award to coincide with the termination of the project.
 - ✓ Verifies any expenditures posted in the general ledger past the end date of the project were incurred within the grant period of performance and provides necessary backup to the SPA FA.
 - ✓ Ensures all vouchers are paid prior to final financial reporting due date.
 - ✓ Processes all journal entries, cost transfers and payroll distributions as necessary.
 - ✓ Removes any remaining overdrafts or unallowable expenses onto departmental funds.
 - ✓ Verifies to ensure all foreign airfare complies with Fly America Act.
 - ✓ For large supply, equipment or computer purchases within the last 90 days, a written justification must be submitted to the SPA FA explaining the circumstances or the reason they are essential to support the scope of the project to the end of the award.
 - ✓ Reclassifying any expenses coded incorrectly in the general ledger.
 - ✓ Providing additional documentation and justification for expenses when requested to the SPA FA.



- ✓ Providing justification for approval requests, if needed.
- ✓ Contact the PI to confirm the submission of the final technical report.
- ✓ For budget bump awards, ensures all sponsored revenue is received, documented, and invoiced as applicable.

Sponsored Project Administration (SPA)

- Submits no-cost extension requests to sponsor, when applicable.
- Prepares and submits the final financial report or the final invoice to the sponsor.
- Prepares final internal report when the sponsor does not require a final report or a final invoice.
- Certifies equipment and inventory disposition, Intellectual Property (IP) disclosures, and other administrative deliverables within 90 days of the project end date.
- Certifies and submits final progress reports or technical reports when an institutional signature is required.
- Monitors payments and follows up with the sponsor on any outstanding payments.
- Performs final accounting adjustments in PeopleSoft as necessary.
- Verifies final invoice is received from the subrecipient.
- Reviews cost sharing commitment to ensure it has been met.
- Submits approval notification/requests to the sponsor, if needed.
- Verifies that all financial data reconciles and closes out the project in PeopleSoft including hard close.
- Collects, reviews, validates, and retains the official financial record for the project.

Definitions

Award Closeout: Process in which the awarding agency determines that all applicable administrative actions and all required work with the award have been completed by the recipient. Post award activity that officially ends the award relationship.

Sponsored Project: A project funded by a grant, contract, or cooperative agreement under which the University agrees to perform a certain scope of work, according to specified terms and conditions, and for Specific budget compensation. Sponsored projects include funds from Federal, State, and private sources.

Subrecipient: A legal entity designated by a UVM PI to perform a portion of an agreed upon scope of work.

Final Adjustment period: The 30-day period commencing on the award end date upon which the Unit Administrators conduct a final review of the general ledger to ensure all expenses are posted and accurate. Any cost transfers or labor transfers must be completed within this period.

Final Financial Report: An accounting of expenditures and obligations incurred during the period of performance and/or at the conclusion of the sponsored project. A Final Financial Report (an SF-425, FFR), invoice, statement of expenditures, or similar item.

Financial Closeout: The process at the conclusion of the sponsored project in which UVM closes the existing project to further expenditures and prepares required reports for the sponsor.

PeopleSoft: The University of Vermont financial system. All soft close and hard close milestones are setup in the award module by SPA at initial award setup and marked complete by the SPA FA upon close of the award.

Facilities & Administrative (F&A) Costs: Costs charged to the grant award that are incurred for common or joint purposes and that cannot be identified as readily and specifically with a particular sponsored project, an



instructional activity, or any other institutional activity. F&A costs are synonymous with "indirect" or "overhead" costs.

General Ledger (GL): Represents the table in PeopleSoft where all non-budget financial transactions are posted. Also refers to the PeopleSoft module containing functionality such as journal entries and actuals ledger-based reports and inquiries.

Chartstring: A set of chartfields “strung” together to represent the proper categorization of a financial transaction. The use of multiple chartfields allows for flexible reporting of the financial aspects of projects, activities, programs, events, etc., that occur across UVM organizations or funds.

Commitment Control (KK) - The part of PeopleSoft Financials that deals with budgets. Reports are drawn on Commitment Control generally show budget, revenue, and expenses.

Encumbrance – The name given to funds that have been reserved for a future planned transaction. The available budget is decreased by the amount of funds reserved.

Cost Sharing: A general term describing an arrangement in which the University commits to pay a portion of the costs of a research project.

Third-Party Cost Sharing: Third-party (not UVM) contributions being formally used to directly support a sponsored project. This may be cash or non-cash contributions.

Program Income: Gross Income earned that is directly generated by a supported activity or earned as a result of the award during the period of performance.

Closeout report: A financial overview report found in PeopleSoft. This report gives information on budgets, expenses, encumbrances, and available funds to date. It is divided into sponsored and cost share. This report will also list any expenses that have been entered into PeopleSoft but not yet posted. This report can be found in the following location: Main Menu > UVM Reports > Closeout Report.

Project End Date: The end date of the sponsored project as stated in the sponsored agreement. For expenditures to be allowable and allocable to the sponsored project, expenses must be incurred prior to the project end date.

Soft Close: This typically occurs along with the final report unless pending transactions exist. An award can be soft closed when PeopleSoft expenses match expenses reported on the final financial report and no open purchase orders, requisitions, travel authorizations or pending transactions remain.

Hard Close: This typically occurs 120 days after the final financial report has been approved. It is necessary to ensure no additional expenses post to the award and it is closed out in PeopleSoft. An award can be hard closed when expenses match revenue and billing and no outstanding items remain open or pending.

SPA: Sponsored Project Administration Office

AA: Award Acceptance Specialist

FA: Financial Analyst



RA: Research Administrator

PI: Principal Investigator

ARS: Accounts Receivable Specialist

CMA: Cash Management Analyst

UA: Unit Administrator (For the purpose of all procedures, Business Unit Administrator, Business Manager, Grant Administrator, Unit pre/post Award SPA 2.0, and Department Administrator are all used interchangeably and refer to the person assisting the PI in the Department.)

Procedure

The final financial closeout process relies on a number of administrative and financial actions described in the following procedures:

- [Award Closeout Report](#)
- [Cost Share](#)
- [Carryover of Unobligated Balances](#)
- [Final Financial Report and Invoice](#)
- [No Cost Extension](#)
- [Non-Payroll Cost Transfer](#)
- [Residual Balances on Sponsored Projects](#)
- [SPA EDU PeopleSoft Tools and Best Practices](#)
- [Records Management and Retention Policy](#)

Overall

- When a project or award has ended, it is important to ensure financial closeout is completed in the UVM financial and administrative systems in accordance with sponsor guidelines. The Unit Administrator refers to the terms of the award and consults with the PI and if appropriate SPA to determine when closeout is required and initiates the closeout process as outlined below.
- PI, UA ensure that spending within the last 90 days of the award will provide the necessary benefit to the project during the applicable period of performance.
- For large supply, equipment or computer purchases within the last 90 days, a written justification must be submitted to the SPA FA explaining the circumstances or the reason they are essential to support the scope of the project close to the end of the award.
- Any time during this process, the PI or UA can initiate a No Cost Extension (NCE) if the project's scope of work will not be completed on time, per the University's [No Cost Extension Procedure](#).

90 Days prior to Award End Date

- PI receives an automated email notification from PeopleSoft that the award is expiring in 90 days.
- If an NCE will not be requested, the PI should begin reviewing technical and administrative actions to close out the project.



- PI or UA review cost share commitments, referring to the Universities [Cost Share Procedure](#) and [2 CFR 200.306](#) for guidance, and
 - ✓ Ensure cost share expenditures are posted correctly to the cost share chartstring per the cost share agreements.
 - ✓ Obtain all documentation from any third-party contributions and provide it to the SPA FA.
 - ✓ Confirm with all subrecipients that their cost share commitment will be fulfilled and reported to UVM within 30 days of the project end date.
- PI, UA, or UPA review the award's financial records to ensure all valid, allowable expenditures are recorded no later than 30-days after the award end date, as follows:
 - ✓ Verify all personnel are correctly distributed onto the grant. Utilize the PI Portal Payroll Information tab to ensure distributions are not active past the end date of the project.
 - ✓ Confirm all key personnel have met their effort commitments per the award/proposal.
 - ✓ Verify all administrative salaries were either included in the proposal/award or approval has been obtained from the sponsor.
 - ✓ Identify any expenses that have not been allocated correctly to the project and correct it as appropriate.
 - ✓ Make sure we have approval from the sponsor to use unrecovered indirect costs, including indirect costs as cost share match.
 - ✓ Ensure no expenses were incurred prior to the start date unless there is an approved pre-award form on file.
 - ✓ Remove any expense(s) found to be unallowable onto a non-sponsored chart string.
 - ✓ If the award has subrecipients, confirm the project will be completed on time and final subrecipient invoices will be submitted to UVM within 30-60 days of the project end date.
 - ✓ Confirm UVM is within rebudgeting authority according to award terms and conditions.
 - ✓ Confirm all remaining encumbrances for salary and project expenses are appropriate.
- UA reviews the general ledger (GL) and verifies expenditures requiring additional documentation and justification are recorded appropriately and forwarded to the SPA FA, if applicable.
 - ✓ Submits justification for foreign travel, non-employee travel, business meals, sponsored provisions, parking expenses, and any expenses not allowable per the award document terms & conditions.
 - ✓ For Federal awards, ensures approved direct cost justification form is on file for all normally indirect costs, per [UVM Cost Policy](#) and [2 CFR 200 Subpart E](#).
 - ✓ Confirm travel expenses are only for personnel paid on the project.
 - ✓ Confirms allowable business meal expenses are sufficiently documented and justified.
 - ✓ For large supply, equipment or computer purchases within the last 90 days, a written justification must be submitted to the SPA FA explaining the circumstances or the reason they are essential to support the scope of the project to the end of the award.

45 Days prior to Award End Date:

- PI receives an automated email notification from PeopleSoft that the award is expiring in 45 days.
- At this time the PI should request additional time following the [No Cost Extension Procedure](#) if needed to complete the scope of the project as proposed to the sponsor.
- If an NCE will not be requested, the PI should begin reviewing technical and administrative actions to close out the project.
- PI, UA, or UPA review all expenditures and labor posted since the last review to ensure they are allowable, allocable, reasonable, and consistent with the terms of the agreement, including cost share obligations, if applicable.
- UA performs final closeout functions.



- Runs PeopleSoft award closeout report, following up on pending items to:
 - ✓ Finalize all pending expense transactions and resolve any remaining errors.
 - ✓ Ensure all completed purchase orders and requisitions are closed.
 - ✓ Ensure all personnel are distributed correctly and no pending distributions exist.
 - ✓ Ensure all unpaid vouchers have been cleared.
- Submits salary distribution changes for personnel that should no longer be posted to the project, if necessary, with PI approval.
- Completes any necessary final financial adjustments in PeopleSoft by the end of the award.
- Ensures subrecipient's final invoice will be received and processed within 30 days of the award end date.
- Close out all the encumbrances that are no longer required.
- Ensure any required cost sharing is documented.
- Ensure that all cash advances are reconciled.

0 - 30 Days after Award End Date (Final Adjustment Period)

- PI receives an automated email notification from PeopleSoft that the award has expired.
 - No additional charges or obligations should post against the award after the end date, except for any outstanding final invoices from subrecipients, pending obligations via Purchasing or service from UVMCMC and recharge centers such as animal resources.
- UA performs a final review of GL to ensure that all posted transactions are award-related and accurate.
 - Runs Award Closeout Report and confirms all expenses have been posted.
 - ✓ There are no pending budget checking errors.
 - ✓ All journals were submitted and approved.
 - ✓ All pending salary distributions have been posted.
 - ✓ All purchase orders and requisitions have been closed.
 - ✓ All unpaid vouchers have been cleared.
 - Transfers any spending excess of the authorized amount to an appropriate non-sponsored chart string.
 - Submits a cost transfer to remove any expenses that are deemed unallowable.
 - Ensures final purchase card transactions are appropriately allocated to the award.
 - Where applicable, verifies final transactions from other departments have posted.
 - Where applicable, verifies cost sharing expenditures have been properly coded and recorded.
 - If the award has program income, confirms it has been fully accounted for and administered per the terms & conditions of the award. Refer to [2 CFR 200.307](#) for further guidance.
- UA confirms all required payroll has been posted in the GL.
 - Labor transfers must be completed such that final labor expenditures are posted in the GL during the final adjustment period.
 - Ensures all distributions allocated against the sponsored project have ended and hourly employees are no longer recording time against the project.
 - Ensures all UVMCMC invoices have been received and paid.
 - Ensures all subaward and contractor invoices have been received and paid.
- UA notifies SPA FA that the award is ready for final financial report and award closeout.

30 Days after Award End Date and prior to Financial and Administrative Deliverable Due Date

Federal Awards generally require financial and administrative deliverables 90 days after the award end date. Required due dates vary by the sponsor and some require deliverables within 30-60 days after the award end date.



- SPA FA prepares the Final Financial Report or Final Invoice as outlined in the award agreement terms and conditions, per the [Final Financial Report Procedure](#).
 - Any overages or unallowable expenses remaining on the grant at the time the final report is due, will not be included in the report and the UA or UPA will be responsible for transferring expenses to an appropriate non-sponsored chartstring.
- SPA FA works with UA, PI, or UPA to complete and submit additional required closeout documents, as specified in the terms and conditions of the award. Certifies equipment and inventory disposition, Intellectual Property (IP) disclosures, sub award certification forms and other administrative deliverables as necessary.

30 Days after the Final Financial Report Submission

- SPA FA performs a final reconciliation to confirm final expenses match what was reported on the final financial report or the final invoice.
 - Once the Final Financial Report or the Final Invoice is submitted to the sponsor, no further expenses will be allowed to post to the project. The responsibility will fall on the Unit to absorb these costs.
- SPA FA performs Award Soft Close functions in PeopleSoft.
 - Award Profile Milestone updated to “completed” once final expenses reported on the final invoice or final financial report match expenses in the general ledger.
 - Project is closed in PeopleSoft.

120 Days after Award End Date

- ✓ Before hard closing the award, SPA Cash Management Analyst (CMA) will make sure all payments have been received.
- ✓ SPA ARS notifies SPA FA of any outstanding payments and SPA FA will work with the UA or PI to collect the remaining funds when applicable. Hard close cannot be completed if payments are outstanding.
- ✓ All expenses and events have been billed through PeopleSoft.
- ✓ All account balances are cleared or match the reported amount, including, Prepaid Accounts, Acct 21615 Deferred Revenue, Acct 30000 Net Assets, and Acct 42001 Sponsored Revenue. Any issues identified need to be resolved before the award can be hard closed.
- SPA CMA performs final close of PeopleSoft project record.
- SPA CMA updates Award Profile Hard Close Milestone to “completed” in PeopleSoft.
- SPA Operations Support maintains the filing and storage of the completed award financial record, per the Universities [Records Management and Retention policy](#) and [2 CFR 200.333-337](#)

Helpful Links

External:

- Federal Uniform Guidance: [2 CFR 200.343 Closeout](#)
- National Institutes of Health (NIH): [Closeout Grants](#)
- USDA National Institute of Food and Agriculture (NIFA): [Close a Grant](#)
- National Science Foundation (NSF): [Financial Reporting Requirements](#)
- Health Resources and Services Administration (HRSA): [Reporting Requirements](#)
- Department of Defense - Office of Naval Research: [Closeout of Awards](#)
- NASA Grant and Cooperative Agreement Manual (GCAM): [Closeout](#)



Document Change Record

Date	Version	Author	Change Details
5/3/2019	1	SPA	Initial release
7/2/24	1.2	SPA	Update Information
7/22/24	1.3	SPA	Updated formatting