Sponsored Project
Financial Reporting and
Award Closeout

Presented by
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4/21/2022
Agenda

• Importance of award closeout
• Closeout & final financial reporting process
• Educational resources available
## SPA EDU Offerings

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UVM Sponsored Project Life Cycle

Apply
- Find opportunities
- Application forms
- Budget development
- Proposal routing
- Submission

Award
- Award receipt
- Award acceptance
- Set up notification
- Subawards issuance

Manage
- Scope performed
- Ongoing financial review
- Budget revisions
- Budget projections
- Project changes

Report
- Financial reports
- Technical reports
- Effort & cost sharing
- Acct. payable (subs)

Close
- Award and Budget closeout
- Final project, and property reports
- Patent report

UVM Research Community
Financial Report and Award Closeout
UVM Research Community

- 300+ Active Principal Investigators (PIs)
- 100+ Departments with Sponsored Projects from 300+ Sponsors
- $204M+ annual volume of awards on 700+/- award actions
- 370 final financial reports processed in FY21
- 300+ subawards issued annually
- Office of Vice President for Research
- Many supporting departments
Purpose of the Presentation

• Recommendation for best timelines and best practices for award closeout and an overview of the processes involved in preparing final financial report.

• Learning Objectives:
  - Learn roles and responsibilities for financial reporting and closeout.
  - Understand best-practice timelines and steps for successful closeouts.
  - Understand the process for financial closeout and final financial reporting on sponsored projects.
Published Procedures

- SPA published three procedures in FY19 that cover the final financial reporting and closeout process on sponsored projects:
  - Financial Closeout on Sponsored Projects
  - Final Financial Report
  - Residual Balances on Sponsored Projects
What is Award Closeout?
• Process to finalize all sponsor requirements at the conclusion of the award time period.
  ➢ Each award will detail the requirements but typically these can include:
    ✓ Final technical/progress report
    ✓ Final invention and patent report
    ✓ Equipment/property report
    ✓ Final financial report
    ✓ Closeout certification forms
Why are Closeouts Necessary?

- The University has an obligation to sponsors and funding agencies to bring funded projects to closure in a timely manner.

  - The award closeout process is a collaborative effort of all parties involved (PI, UA, and SPA) in ensuring all project work has been completed, required reports filed, and all financial matters resolved.
Why are Closeouts Necessary? Cont.

**Ensuring Compliance**

- Uniform Guidance 2 CFR 200.343

  - The non-federal entity 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..

  - NIH and NSF have adopted 120 days.

  - While federal agencies provide 90 days for reports to be submitted, subawards from other institutions as well as other sponsoring agencies (i.e., state and foundation awards) often require a shorter timeline.
Why are Closeouts Necessary? Cont.

- **Reduce Audit Risk**
  - Ensure financial report submitted matches general ledger (GL).
  - Ensure allowable expenses are posted to the project during approved period of performance.
  - Ensure expenditures are in compliance with UVM Policy, Sponsor Terms and Conditions, and Federal Uniform Guidance.
Why are Closeouts Necessary? Cont.

- **Key Performance Indicator**
  - Sponsors may withhold incremental funding or final payments until all outstanding financial or technical reports are received.
  - Awards not issued under expanded authorities* could lose carryover funding.

* A limited number of actions that normally require awarding agency prior approval, but for which the agency has waived it authority and given this authority to the grantee.
Why are Closeouts Necessary? Cont.

- **Cash draw process implications**
  - Agency & payment management groups are enforcing limitations on drawdowns 90 (120 - NIH/NSF) days after the end date.
    - Payment management system (PMS) will hold payment request until agency authorizes payment that is requested after this date.
  - Agency can proceed to a unilateral closeout if the grantee is non-communicative.
    - If final financial report is not submitted on time, agency can close at the last draw amount for the award.
# Financial Reporting & Closeout Roles and Responsibilities

<table>
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<tr>
<th>Role</th>
<th>Expenditures</th>
<th>Project Changes</th>
<th>Financial Reporting &amp; Invoicing</th>
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| **Principal Investigator (PI)** | • Clearly states destination of expense to UA.  
• Ensures expenses are allowable per sponsor and institution regulations/guidelines. | • Communicates changes in project scope or timelines  
  ✔ No Cost Extension requests.  
  ✔ Rebudgeting  
  ✔ Continuations  
  ✔ Prior Approvals | • Approves all final invoices and reports for subrecipients.  
• Reviews and verifies all cost sharing requirements have been met and documented.  
• Completes all project objectives stated in award document.  
  ✔ Progress Report  
  ✔ Final Deliverables  
  ✔ Patent Reports |
| **Unit Administrator (UA)** | • Assists PI in ensuring expenses are allowable and incurred within project period.  
• Ensures expenses are posted to appropriate chartstring in PeopleSoft.  
• Reviews budgets and expenses as needed to avoid untimely transfers.  
• Reviews all effort commitments to ensure they are accurate and allowable. | • Assists PI in making project changes.  
• Works with SPA on all project change requests. | • Processes all journal entries, cost transfers, and payroll distributions as necessary for closeout.  
• Provides SPA all cost share/matching documentation.  
• Removes any overdraft or unallowable expenses onto departmental funds.  
• Ensures all vouchers are paid prior to final report.  
• Notifies SPA FA project is ready to close and all expenses are posted to GL. |
| **SPA Financial Analyst (SPA FA)** | • Verifies all expenses posted are in compliance with award and sponsor’s terms & conditions and University policies.  
• Timely approval/review of expenses requiring authorization. | • Submits any project change requests to the sponsor.  
• Makes appropriate budget/date changes in PeopleSoft. | • Prepares and submits an accurate final report/invoice to the sponsor based on the schedule and format in the award document.  
• Closes project in PeopleSoft. |
Financial Closeout Process Overview

**Sponsored Project Financial Timeline**

- **Ongoing Financial Tasks**
  - Day 1 to 91 days BEFORE award ends

- **90 Day Closeout Tasks**
  - 90 days BEFORE award ends

- **45 Day Closeout Tasks**
  - 45 days BEFORE award ends

- **Adjustment Period Tasks**
  - 0 to 30 days AFTER Award Ends

- **SPA Financial Tasks**
  - 31 days and up to 90 days AFTER Award Ends

**Department Tasks**

**SPA Tasks**
Ongoing Financial Tasks - Day 1 to 91 days Prior to the End of the Award

Ongoing Financial Tasks
Day 1 to 91 days BEFORE award ends

90 day Closeout Tasks
90 days BEFORE award ends

45 Day Closeout Tasks
45 days BEFORE award ends

Award Period

Award End Date
Ongoing Department Financial Tasks - Award Start to 91 days Prior to the End of the Award

Department to ensure all expenses are:

- **Allowable, Reasonable, Allocable, Treated Consistently, Timely** (See SPA’s website for Cost Policy on Sponsored Agreements for more info)

- **Charged to the correct account code** (tip: Always put a description of the good or service in the description line in JE/Pcard).

- In line with approved **Direct Cost Justification Form (DCJF)** on file with SPA.

- Within sponsor **rebudgeting authority** per the terms & conditions of the award.

- Included in the proposal/award or approval has been obtained from the federal prime sponsor for all **administrative salaries**.

- **Monitor Cost Share expenditures** and ensure they are posted to the correct chart string and are **In line** to meet any required cost share commitments by the end of the award.
90 Days Prior to Award End Date

Ongoing Financial Tasks
Day 1 to 91 days BEFORE award ends

90 day Closeout Tasks
90 days BEFORE award ends

45 Day Closeout Tasks
45 days BEFORE award ends

Award End Date
Closeout Process - PI Notification Email

Award Expiring in 90 Days (Sample)

From: spa@uvm.edu
Sent: Wednesday, February 14, 2018 2:00 PM
To: Principal Investigator
Subject: Award Expiring in 90 Days (PeopleSoft Award #TEST)

Award Identifiers:

Expiration Date: 05/15/2018
PI Name: Test
Sponsor Name: Test
Ref Award #: Test
Award Title: Test

Our records indicate your award will expire in approximately 90 days. Please forward this email to your business unit administrator for assistance, as needed.

Principal Investigators (PIs) are responsible for overseeing the proper closeout of sponsored projects and timely submission of all required reports. There are typically three items to submit at closeout:

1. Final Technical Report: responsibility of the PI
2. Final Financial Report: responsibility of SPA in collaboration with the PI and business unit administrator
3. Final Invention Statement (if applicable): responsibility of SPA in collaboration with the PI and business unit administrator

There may be other sponsor specific requirements but the first two are always required.
90 Day Department Closeout Tasks

- **Request NCE** if projects scope of work will not be completed on time, per the University's No-Cost Extension Procedure.

- **Request an Advance Account** for a Renewal Award to allow for continued spending until the renewal has been executed.
90 Day Department Closeout Tasks

If an NCE will not be requested:

- Review the technical and administrative actions required to close out the project.

- **Review charges already posted and create Journal Entries** to adjust any expenses that need to be charged to a different chart string or removed.

- Ensure all labor (**including those from another department**) is in line to post no later than 30 days after the award ends.

- Verify all personnel are correctly distributed (**including those from another department**) and process any necessary distributions.

- Equipment, supplies or computer purchases within the last 90 days, are highly scrutinized. Additional written justification may be needed.

- Review **Cost Share Commitments** to ensure CS Posted correctly, CS has been met, obtain CS documentation for any 3rd Party CS and provide it to FA, confirm w/all subrecepients any required CS has been fulfilled.
45 Days Prior to Award End Date

- **Ongoing Financial Tasks**
  Day 1 to 91 days BEFORE award ends

- **90 day Closeout Tasks**
  90 days BEFORE award ends

- **45 Day Closeout Tasks**
  45 days BEFORE award ends
45 Days Department Closeout Tasks

Review again whether an NCE is necessary and request an NCE if projects scope of work will not be completed on time, per the University's No Cost Extension policy.

If no NCE will be needed:

- Review all expenses posted since last review to ensure they are allowable, allocable, reasonable and consistent.

- Run the PS Closeout Report and:
  - Finalize any pending transactions.
  - Resolve any budget checking errors shown in Section XXX.
  - Close all non-subrecipients POs and Reqs that have all expenses posted against them.

- Ensure all personnel are distributed correctly.

- Ensure any pending salary distributions will be posted within the next 30 days.

- Verify any tuition charges are on the award and associated w/correct student.

- Verify w/subrecipients they will be completing project on time and submitting invoice marked final within the next 30 days.
Department Adjustment Period - 0-30 Days AFTER Award Ends

- Adjustment Period Tasks: 0 to 30 days AFTER Award Ends
- SPA Financial Tasks: 31 days and up to 90 days AFTER Award Ends

Post Award Period
Department Adjustment Period - 0-30 Days AFTER Award Ends

- All of these tasks must be completed by the department prior to the end of this adjustment period:
  - NO NEW EXPENDITURES CAN BE INTIATED FROM THIS POINT FORWARD.
  - Confirm there are no employees paid or scheduled to be paid beyond the end date of the award. Can be seen in PI Portal under Payroll Distributions (Message should be in red on screen). Any adjustments must be posted by the end of this adjustment period.
  - Labor transfers must be completed such that final labor expenditures are posted in the GL by the end of this adjustment period.
  - Ensure all expenses including Purcard transactions have been posted and are appropriately allocated to the award.
  - Ensure all subrecipient invoices have been signed and submitted to your SPA Financial Analyst.
  - Cost transfer off the award any expenses deemed unallowable or to remove any overdraft.
Department Adjustment Period - 0-30 Days AFTER Award Ends

✓ Where applicable, verify final transactions from other departments have posted.

✓ Review any Flevels requiring a DCJF (Federal prime awards) and ensure DCJF is on file in SPA for those specific expenses.

✓ Perform Final Review of the general ledger (GL) to ensure all expenses have posted to the correct account, are award related, allowable, reasonable, allocable and treated consistently.

✓ Re-run the PS Closeout Report and ensure there are no pending transactions, no budget checking errors and all non-subrecipient POs and Requestions have been closed.

Email your SPA Financial Analyst when all expenses are in and posted. *Failure to notify SPA could result in the exclusion of expenses in the financial report and those expenses will then need to be assumed by the department.
SPA Financial Tasks - 31 days & up to 90 days after Award Ends
SPA Financial Tasks - 31 days & up to 90 days after Award Ends

The SPA FA will do the following:

- **Review the award document** and note any special terms & conditions, cost sharing requirements, program income or budget restrictions.

- **Analyze all expenses**, billing and effort charged to the award.
  - **Salaries** to confirm key personnel committed effort shown in Award Document.
  - **Subrecipient** final invoices to ensure all received and paid.
  - Review **budget authority** to ensure in compliance.
  - Review **cost share** to ensure commitments have been met.
SPA Financial Tasks - 31 days & up to 90 days after Award Ends

✓ Run Closeout Report in PeopleSoft:
  ▶ Outstanding encumbrances
  ▶ Open purchase orders or requisitions
  ▶ Outstanding budget checking errors
  ▶ Pending expenses (not yet posted in PeopleSoft)

✓ Look for Department’s email that all expenses are in and final.
SPA Financial Tasks - 31 days & up to 90 days after Award Ends

• All closeout steps must be completed, all expenses/labor posted prior to submission of the final financial report.

• SPA FA will prepare and submit the Final Financial Report (FFR) or Final Invoice as outlined in the award terms & conditions with all required backup and forms.

  ➢ Report is usually submitted within 60-90 days after the project end date. If sponsor requires sooner, timelines in PeopleSoft are adjusted accordingly to meet the requirement.
Sometimes the sponsor does not require a final financial report.

- When a final report or invoice is not required by the sponsor, the SPA FA will prepare a final internal report following the same processes as outlined previously.
- If it is a firm fixed price agreement or fixed rate agreement (budget bump), the SPA FA will transfer any remaining unobligated balance as outlined in the Residual Balance Procedure.
SPA Financial Tasks - 31 days & up to 90 days after Award Ends

The final SPA steps to closing out the award encompass:

• The FA performing award “soft close” functions in PeopleSoft.
  ➢ Project is closed in commitment control (KK).
  ➢ No new expenses are able to be posted.

• The FA performing award “hard close” functions in PeopleSoft to confirm:
  ➢ All payments have been received
  ➢ All expenses and events have been billed through in PeopleSoft
  ➢ All account balances are cleared or match reported amount

• SPA maintains the filing and storage of the completed award financial record per the University’s Records Management and Retention policy and 2 CFR 200.333-337.
Current Tools Available in PeopleSoft

- Automated PeopleSoft notifications at 90, 45, 0 days.
- SPA notification of awards ending in 90 days.
- PI Portal (PeopleSoft Financials)
  - Main Menu > Grants > PI Portal
- PeopleSoft Financial Reports
  - Closeout Report - Main Menu > UVM Reports > Closeout Report
  - Monthly Budget Report - Main Menu > UVM Reports > Budget Reports > Monthly Budget Rpt - Projects
Current Tools Available in PeopleSoft

- **PeopleSoft Financial Queries** - Main Menu > Reporting Tools> Query > Query Viewer
  - UV_GCA_PROJ_RESOURCE - Lists all expenses posted to the project (can be run for a specific time period)
  - UV_DIST_PAST_PROJECT_END_DATE - Lists all distributions posted after project end date
  - UV_GM_KK_ERRORS - Lists all budget checking errors for GCA
  - UV_GM_REPORTS_DUE_BY_ADMIN - Query for financial reporting
  - GL_HR_ACCNTG_LN - Includes salary information by person along with GL accounting dates
Current Tools Available in PeopleSoft Cont.

• **PeopleSoft HR Queries** - Main Menu > Reporting Tools> Query > Query Viewer
  
  - **UV_PAY_ERN_DIST** - HR history for any given period of time, run by project ID, empl ID, account number, etc.
  - **UV_TL_PAYABLE_TIME_DETAIL** - Hourly staff payment detail
  - **UV__FY_ENCUMBRANCES** - Remaining encumbrances by person for any given fiscal year

• Refer to [PeopleSoft Tools and Best Practices for Financial Management](#) training for additional information on tools available.
Award Closeout FAQ

Q: Am I correct in assuming closeout activities start after the award period of performance has ended?

A: No, the closeout activities should begin 90 days before the award expiration date to allow for a smooth closeout and to meet the sponsor deadlines as outlined in the award terms & conditions.
Award Closeout FAQ

Q: Can we continue to charge salary costs to an expired award until a renewal award* is received? * Renewal award is additional funding for a period subsequent to that provided by a current award. Renewal applications compete for funds with all other peer reviewed applications, and must be developed as fully as though the applicant is applying for the first time.

A: No, this practice is never allowed. An advance account should be requested for the renewal award to allow for continued spending until the award is received.
Award Closeout FAQ Cont.

Q: How can the PI/UA comply with the policy of closing awards within 90 days?

A: Monthly review and reconciliations throughout the life of the project and facilitating the project closeout 90 days before the award end date.
Award Closeout FAQ Cont.

Q: If my project scope is not complete by the end date, when should I submit my request for a no-cost extension?

A: As soon as you know your project scope will not be complete on time (but no later than 30 days before the end date), you should contact SPA to start the NCE process. Some sponsors, like NSF, require notifications be sent at least 30 days prior to the end date.
Award Closeout FAQ Cont.

Q: When do I notify my SPA FA that all expenses are posted in PeopleSoft and the project is ready to close?

A: As soon as you complete the closeout process, but no later than 30 days after the award end date.

Can be found on SPA’s web site under Resources - A-Z Topics and it is entitled Financial Reporting and Closeout Resource Guide.
Resources for Answering Questions

- Sponsor Guidelines
- SPA Financial Closeout Procedure: [https://www.uvm.edu/uvmweb/sponsored_programs/spa-procedures](https://www.uvm.edu/uvmweb/sponsored_programs/spa-procedures)
- SPA Final Financial Report Procedure: [https://www.uvm.edu/uvmweb/sponsored_programs/spa-procedures](https://www.uvm.edu/uvmweb/sponsored_programs/spa-procedures)
- SPA Residual Balances Procedure: [https://www.uvm.edu/uvmweb/sponsored_programs/spa-procedures](https://www.uvm.edu/uvmweb/sponsored_programs/spa-procedures)
- SPA No-Cost Extension Procedure: [https://www.uvm.edu/uvmweb/sponsored_programs/spa-procedures](https://www.uvm.edu/uvmweb/sponsored_programs/spa-procedures)
- Uniform Guidance: 2 CFR 200.343
Educational Resources Available - NCURA

- The National Council of University Research Administrators (NCURA) strives to make advances in the field of research administration through professional development, the sharing of knowledge, and by fostering a sense of community via multiple venues:

- [https://onlinelearning.ncura.edu/](https://onlinelearning.ncura.edu/) Tutorials, on-line publications, magazine, industry news are available to NCURA members

- [http://www.ncura.edu/travelingworkshops/Home.aspx](http://www.ncura.edu/travelingworkshops/Home.aspx) These workshops are taught by experienced leaders in the areas of compliance, department research administration, global research management, post-award administration and pre-award administration; the expertise depends on the workshop.

- [https://onlinelearning.ncura.edu/free-resources](https://onlinelearning.ncura.edu/free-resources) Education available to the public at No-Cost, NCURA membership is not required
Educational Resources Available - RACC

- **Research Administrators Certification Council** (RACC) is an independent non-profit organization composed of active certified research administrators whose role is to certify that an individual, through experience and testing, has the fundamental knowledge necessary to be a professional research or sponsored programs administrator.

Educational Resources Available - Federal

- **Federal Demonstration Partnership (FDP)** is a cooperative initiative among 10 federal agencies and 154 institutional recipients of federal funds and is a program convened by the Government-University-Industry Research Roundtable of the National Academies. Its purpose is to reduce the administrative burdens associated with research grants and contracts. Many institutions utilize FDP’s templates, including one for outgoing subawards [http://thefdp.org/default/subaward-forms/](http://thefdp.org/default/subaward-forms/)

- **National Institute of Health** publishes YouTube videos which cover all sorts of information relevant to NIH grants [https://www.youtube.com/user/nihgrants](https://www.youtube.com/user/nihgrants)
Some University's have developed educational videos on various aspects of sponsored research administration, which they make accessible to the public. Vanderbilt University offers a “Getting Started in Sponsored Research” series of webinars at No-Cost. [http://www.vanderbiltlinkages.org/gssr-1/](http://www.vanderbiltlinkages.org/gssr-1/)