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ANSWERS FOR YOU

Sponsored Projects Closeout

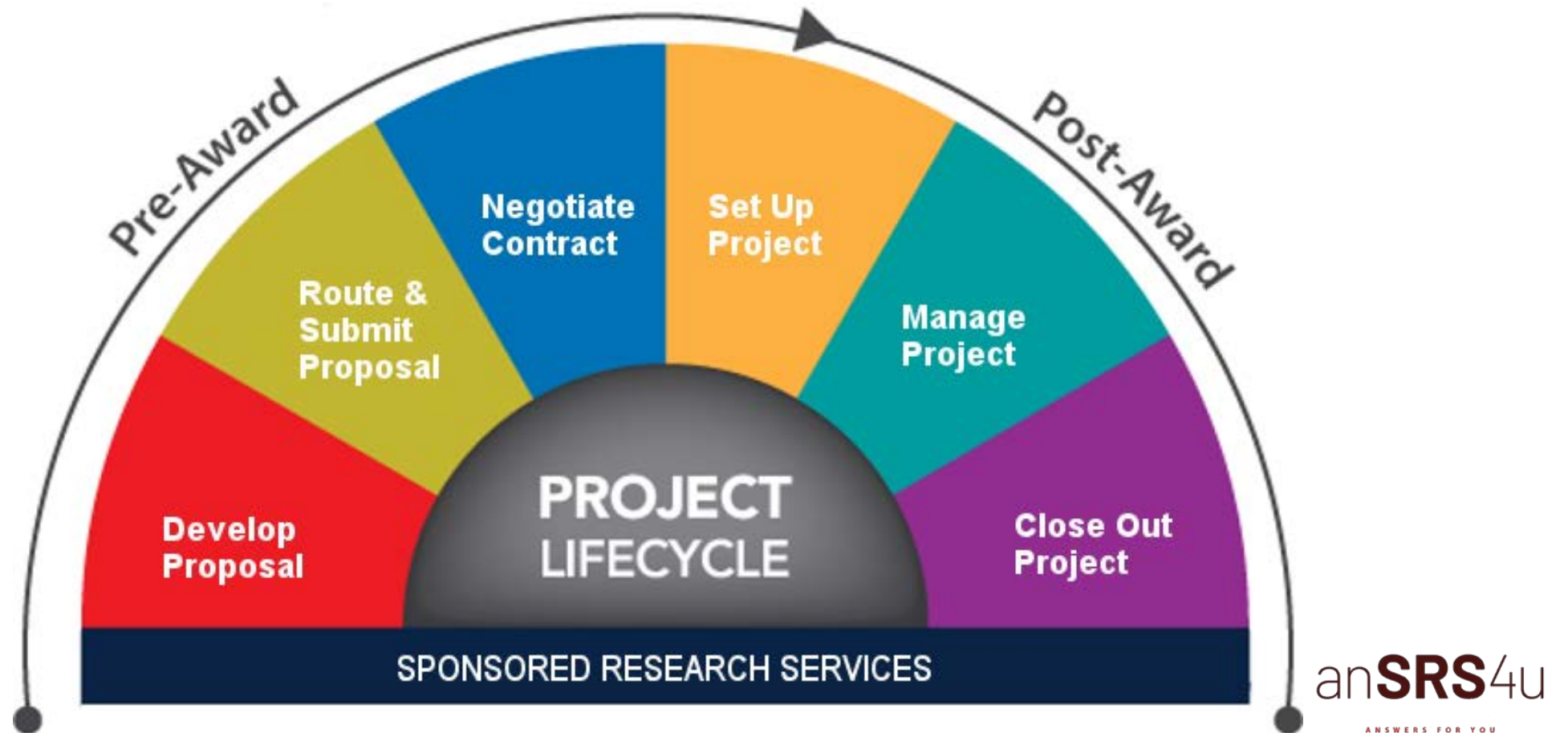
Presenters:
Sucheta Das & Carolyn Franklin

Presented by **Sponsored Research Services**



TEXAS A&M UNIVERSITY
Division of Research

Project Life Cycle



What is Close Out?

- Project Closeout is the last major phase of a project's life cycle and is the process in which we determine if all applicable administrative actions and all required work has been completed.
- Principal Investigator (PI) will be notified prior to the termination date of the project.
- SRS Project Administrator (PA) will communicate with the PI to determine if a no cost extension will be requested or if an extension with additional funds is pending.
- If it is determined that no further time is needed to complete the project goals, then the project will be sent for close out. The key feature to close any sponsored project is the submission of all the technical, financial and other reports as requested to the sponsoring agency in time.

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Closeout Overview

- PA will be in contact with the department Business Administrators (BA), Research Development Office (RDO) and PI regarding the close out of a project beginning ~ 90 days before the end date.
- The PA will inform the PI/department of the end date, freeze date (the last day to submit expenses) and final technical report due dates.
- Once the PI, BA and/or Admin Support have confirmed that all expenses are posted to the account, the account will be frozen and the close out process will begin.

Closeout Overview

- Two integral parts of close outs: Financial & Contractual
 - **Financial:** Confirm all expenses that incurred within the period of performance are posted, all encumbrances have been liquidated, account is not overspent and cost share (if applicable) has been met.

Note: It is crucial that all expenses or corrections (PCT, DCR) are posted to the account in a timely manner. If any expenses are disallowed, it is advisable that department does corrections to remove them at their earliest convenience. Cost share, if applicable, needs to be met since it is part of terms and conditions of the award. It is important to note that only allowable expenses to the project can be used to meet cost share.

Closeout Overview

➤ **Contractual:** Final technical reports, invention reports etc.

PI's responsibility. The PIs can upload the technical reports in Maestro and mark the deliverable as complete. If they are finding any difficulty in uploading the reports, please forward those to the PA so that they can upload the reports. Projects cannot be terminated unless all deliverables are completed. PAs will send emails to PIs regarding delinquent technical reports. If they are unavailable, they will reach out to their BA and/or RDO for further assistance.

Uniform Guidance (2CFR 200.344)

Applicable to Federal and Federal flow through awards.

- Non-Federal entity must submit, no later than 120 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the award.
- Federal agency should complete all closeout actions no later than one year after receipt and acceptance of all required final reports.

Post Close Out Adjustments

- Refunds: Refunds can be needed as a result of corrections after the final invoice was submitted and also includes corrections resulting from Indirect Cost (IDC) audits. Refunds can also arise in cost reimbursable projects which are paid in installments.
- Record Retention: All financial documents and all non-technical reports must be retained after the project closes. PIs are responsible for maintaining technical or performance reports in accordance with the sponsoring agency guidelines. Retention periods vary by funding source and may be found referenced in individual award documents.
- Property Report: Complete all applicable forms as per the sponsor guidelines.

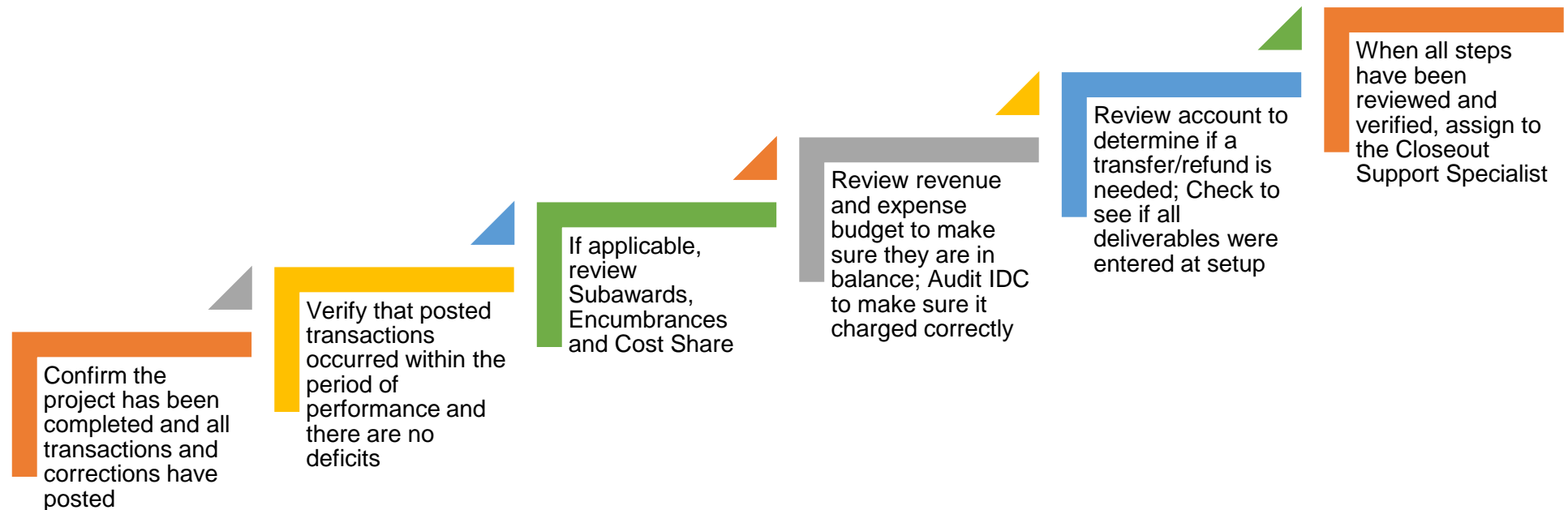
Close Out Challenges/Important Reminders

- Timely submission of final invoice to sponsor
- Sub award invoices
- Credit cards/pro cards – challenge can be not receiving a credit card statement ~30 days after the purchase
- After end date expenditures - avoid new expenses charging the account after final expenses confirmed
- Cost share (if applicable)
- Final Technical/Progress reports as outlined in sponsor agreement

Why is Close Out Important

- Ensure timely reporting of expenses and cost share (if applicable) to sponsor.
- When payments are tied to PI's deliverables, it is critical that we receive the necessary reports so that we can submit invoices timely.
- Risk loss of current and future funding with delayed submission of reports.
- Audit issues - No account activity is advisable after the sponsor's specific closeout period.

SRS Closeout Process (PA)



SRS Closeout Process (PA)

- The PA is responsible for initiating and monitoring the closeout process from beginning to end. I will be going over the general closeout process here at SRS. For questions pertaining to your specific system member, you can always contact your PA.
- The closeout process is automated through the Closeout Module in Maestro. On the General Screen in Maestro, there is a “Closeout Setup” section that includes, sponsored required closing days, the BA, whether to send an email for a closeout decision to the PI, and whether to use the Maestro closeout module.

SRS Closeout Process (PA)

- Maestro and/or PA sends out a 90, 60 and 30 notification to the PI/BA/RDO to accept or revoke the closeout decision. If the PI/BA/RDO revokes the decision, a note must be entered explaining why the project is not closing on the current end date.
- If the closeout decision has not been made in Maestro, the PA is to contact the PI/BA/RDO to remind them that the project is scheduled to close, inquire as to if they anticipate requesting an extension and remind them of the date the final deliverable, if applicable, needs to be submitted.

SRS Closeout Process (PA)

- If an extension is needed, the PA will assist the PI/BA/RDO with the request. Most sponsors require an extension request to be submitted within 30 days before the period of performance (POP) end date.
- When the POP end date to the project has officially passed, an email is sent to the PI/BA/Admin Support to confirm that all expenses and corrections have been processed and applied to the account. If corrections need to be made, it is important to get them done in a timely manner.

SRS Closeout Process (PA)

- When confirmation has been received, the account will be reviewed to make sure all transactions occurred during the project POP. If any transactions are posted to the account that occurred after the POP, the PA will have to contact the PI/BA/Admin Support so the charges can be moved from the account.
- If all transactions occurred within the period of performance, the PA will review the account for any deficits. Deficits on the account would need to be cleared by working with the BA/Admin Support. Again, it is important to have the corrections done within a timely manner to avoid audit flags.

SRS Closeout Process (PA)

- If a Subaward exists, the PA will review to make sure the Subaward final invoice has been received, approved by the PI and payment has posted. Once this step is completed, Maestro automatically terminates the Subaward account(s).
- The project may or may not have encumbrances. The PA will verify that all encumbrances on the account have been liquidated. If the encumbrance is not to be liquidated, it must be released from the account. The encumbrance should be released by the BA and/or Admin Support. The actual process of releasing the encumbrance is according to the specific system member guidelines.

SRS Closeout Process (PA)

- Verify that the revenue budget and the expense budget are in balance. In other words, the revenue and expense budgets have to match.
- Perform an IDC audit to verify the IDC was expensed correctly throughout the life of the project. If the IDC was not charged correctly, the PA will review the account to see where the offset occurred. If the amount is within the allowable threshold (+/- \$5), the closeout process can continue. If not, an IDC correction form has to be completed by the PA and processed by the Closeout Support Specialist (CSS).

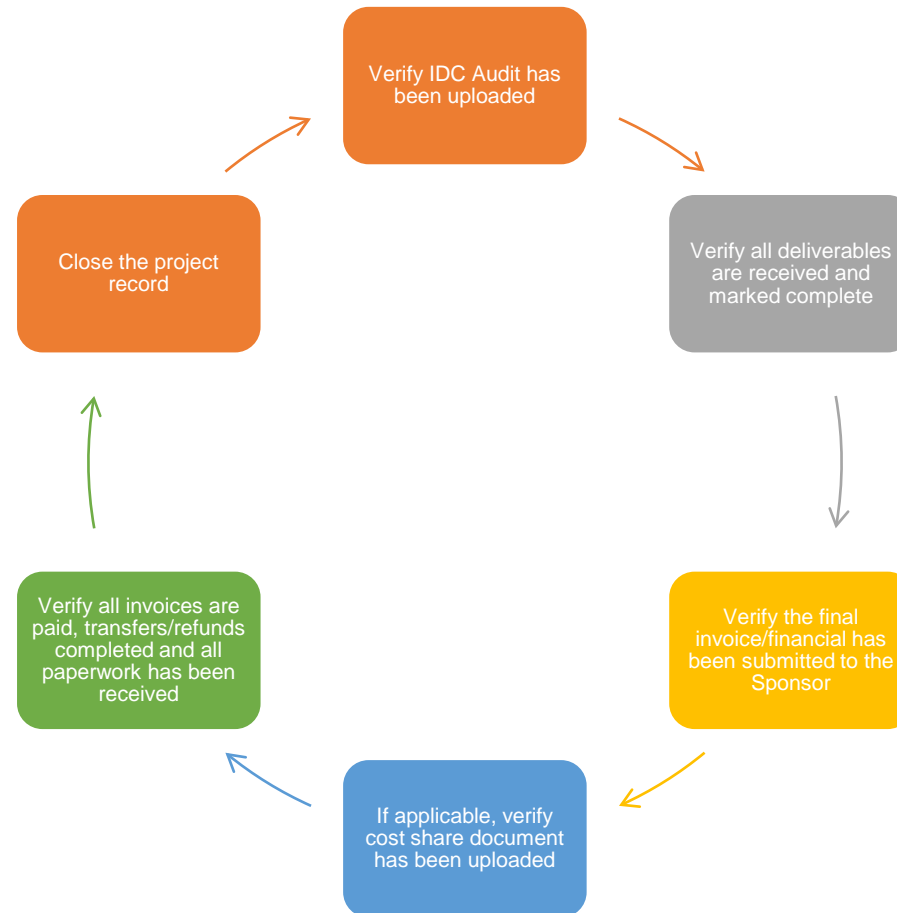
SRS Closeout Process (PA)

- If applicable, review the project to make sure any required cost share commitments have been met. If required cost share is not met, the PA contacts the BA and/or RDO and work with them to resolve any issues.
- If the project funding type is fixed price, the remaining funds will be allocated according to the system member policy. A justification for remaining funds over 25% the total direct budget will be needed from the PI.
- If the project funding type is cost reimbursable and an overpayment is received from the Sponsor, the remaining funds will be refunded.

SRS Closeout Process (PA)

- All deliverables, including finals are entered into Maestro at setup. The closeout process cannot be completed if a final deliverable has not been submitted. Follow ups with the PI will be consistent until the report(s) has been submitted.
- Maestro will automatically freeze the account for direct expenses and this can be found on the General Screen in Maestro in the “Closeout Setup” section by “Closeout Team Period (Days)”. It is usually 45, 60 or 90 days after project end date.

SRS Closeout Process (CSS)



SRS Closeout Process (CSS)

- When all the previous steps are completed, the closeout will be assigned to the Closeout Support Specialist (CSS). The CSS will complete the closeout process by performing the following steps.
- Verify that IDC Audit is uploaded and review any closeout comments from the PA.
- Verify that all deliverables are received and are marked complete in the “Deliverables” section in Maestro. PI’s are welcome to submit their reports to the PA or send an email confirmation that the report was submitted through the Sponsor portal, etc. The PA will upload the report or email in Maestro.

SRS Closeout Process (CSS)

- Verify the final invoice/financial has been submitted to the Sponsor. If not, the PA is notified so they can work with Accounts Receivables (A/R) to resolve any issues.
- Verify that all invoices have been paid. If not, will be contacted to follow up on the invoice payment.
- If applicable, verify the cost share screen from FAMIS is uploaded.

SRS Closeout Process (CSS)

- Fixed Price Projects – When actual revenue is greater than actual expenses and the residual funds are under the specific member threshold, the funds will be transferred to the appropriate system member account. Verify there is a justification if the residual is over 25% of the current direct cost budget. If not attached in Maestro, notify the PA. The transfer steps will not proceed if the final technical deliverable has not been submitted to the sponsor. If it is submitted, a journal entry form is completed, and specific member instructions are followed to complete the transfer of residual funds.
- Any paperwork that has been completed will be uploaded for system member review.

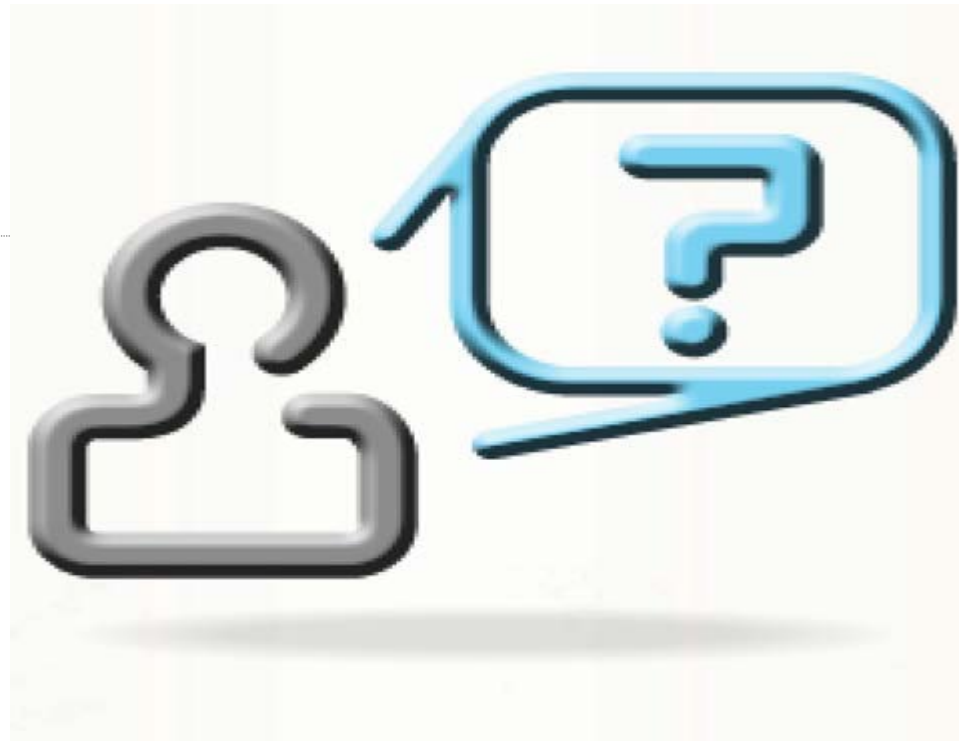
SRS Closeout Process (CSS)

- Verify that all final entries are correct and transfers/refunds are made.
- Set the billing project status to terminated.
- If there are no other active billing projects, set the project status on the General screen to terminated.
- All documents are retained in Maestro after the project has been terminated. The records are kept according to TAMU Record Retention policy and/or the Sponsor's requirements.

Our Contact Information

- If you have any more questions after the presentation, you can send us an email or contact your specific PA.
- Sucheta Das – sdas@tamu.edu
- Carolyn Franklin – carfranklin@tamu.edu

Questions



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THANK YOU

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