

FIRST UIC ADMINISTRATIVE STAFF LEADERSHIP CONFERENCE

Striving for Excellence

March 8th & 9th, 2007

Workshop Session: 3 D

Best Practices for Sponsored Project Closeout

Presenters: Mee Mee Lee-Choi & Fuller Lyons

Objectives/Learning Outcomes

To provide general guidelines to follow in facilitating the closeout process on a timely basis.

The presentation will cover:

- Compliance and administration
- Purpose of closeout
- Close-out responsibilities
- Tools to enable close-out process
- Overview of Report of Expenditure Worksheet (ROE)
- Other close-out issues
- Project close-out checklist
- Summary

Compliance and Administration

Complete and timely submission of financial reports and other such closeout procedures is required to ensure the University's compliance with federal requirements as defined by the United States Office of Management and Budget (OMB) Circular A-110. These guidelines set forth detailed requirements with respect to federal grants and contracts.

Here is the link to the Circular:

<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

Purpose of Sponsored Project Closeout

- The University has an obligation to sponsors and funding agencies to bring funded projects to closure on a timely basis.
- The award close-out process is a collaborative effort of all parties involved in ensuring all project work has been completed, required reports filed and financial matter resolved.
- Closing policies, procedures and required documentation vary depending on the sponsoring agency, therefore, it is difficult to initiate a single closing form or procedure as a general guideline.

Close-Out Responsibilities

Responsibility of the Principal Investigator	Deliverables
Review Award Expenditures	Financial Report
Review and Approve Sub-recipient Reports	Final Technical Report
Finalize all related forms and reports	<ul style="list-style-type: none">• Technical Report• Invention Report• Patent Report• Effort Report

Please note that not all actions will apply to all projects.

Close-Out Responsibilities

Responsibility of Unit Financial Manager	Deliverable/ Implication
Confirm with funding agency that project is indeed ending	Timely closeout
Review award expenditures (over the life of project and at close-out)	Financial Report
Remit final payment to sub-awardees	Financial Report
Receive Final Invoice from Sub-awardees and remit payment	Final invoice to prime agency and financial report
Reconcile grant fund – ensure costs are allowable, allocable, reasonable and consistent with the terms of agreement	Financial Report

Please note that not all actions will apply to all projects.

Close-Out Responsibilities

Responsibility of Unit Financial Manager (cont'd)	Deliverable/ Implication
Resolve overdrafts	Final invoice and financial report
Review who has spending authority and notify individuals to stop processing charges to the project	<ul style="list-style-type: none">• Collect P-cards• Close recurring charges (BRL, telecom, etc.)• Close standing orders (PO for lab supplies, printing, etc)• Close or transfer payroll encumbrances
Provide cost share report	Final Invoice/report

Please note that not all actions will apply to all projects.

Close-Out Responsibilities

Responsibility of Office of Grants & Contracts	Deliverable/ Implication
Send the final invoice to sponsors/funding agencies	Cash receipt
Prepare and submit financial status report	FSR
Return unexpended balance per final report	Refund check
Prepare supporting forms and reports	<ul style="list-style-type: none"> •Property Report •Contractor's release form
Close sub-award/consultant encumbrances	Terminate grant/fund
Prepare and process closing entries	Terminate grant/fund

Please note that not all actions will apply to all projects.

Tools To Enable Close-out Process:

- ✓ Termination Notice:

A reminder sent from G&C to financial managers 90 days before the project end date.

- ✓ Overdraft Notice:

A report sent from G&C that identifies cost overruns throughout project period

- ✓ Report of Expenditure Worksheet (ROE)

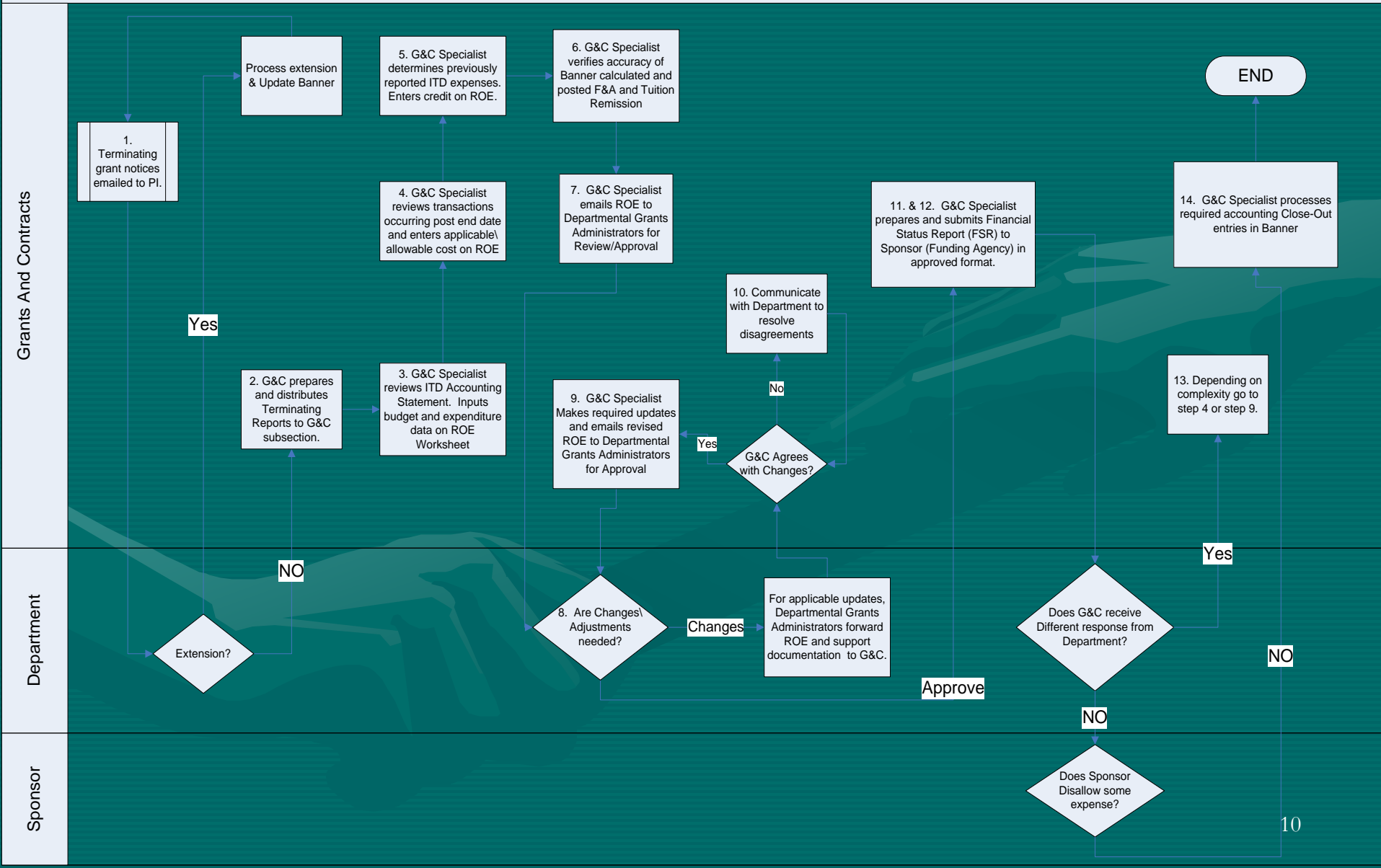
An analysis of costs posted to the project is prepared as an initial step in assisting departments with determining the final reportable costs and project balance.

Overview of Report of Expenditure

Worksheet

ROE Process Flow

Prepared by UIC Grants and Contracts Office



Other Close-out Issues

- Fixed Price Agreements
 - Large residual balances should raise questions
 - Was the budget prepared in compliance with A-21 which required all costs to be reasonable?
 - Does the balance exist because the expenses were never placed on the award? Were related expenses posted to another project or the state budget?
- Disposition of Program Income (where applicable)

Other Close-out Issues (cont'd)

- Early Termination
 - May occur a result of:
 - Mutual agreement by the parties
 - Termination for convenience
 - Termination for cause (non-conformance with terms and conditions)
 - Grants versus contracts

- Record Retention

Sponsored Project Close-out Checklist

Changes that need to be processed	Complete
HR appointments have been changed	<input checked="" type="checkbox"/>
Purchase Orders have been closed or changed	<input checked="" type="checkbox"/>
Service units have been notified about change of C-FOAP	<input checked="" type="checkbox"/>
P-card default C-FOAP have been changed	<input checked="" type="checkbox"/>
Users have been notified that project has ended	<input checked="" type="checkbox"/>

Sponsored Project Close-out Checklist

Expenses related to the project	Complete
All project related expenses have been posted	<input checked="" type="checkbox"/>
All unallowable late charges have been removed	<input checked="" type="checkbox"/>
All lump-sum advances have been cleared	<input checked="" type="checkbox"/>
All sub-recipients' final invoices have been paid	<input checked="" type="checkbox"/>
All encumbrances have been closed or removed	<input checked="" type="checkbox"/>
All facilities and administrative costs and tuition remission costs have been assessed	<input checked="" type="checkbox"/>
All adjusting journal entries have been posted	<input checked="" type="checkbox"/>

Sponsored Project Close-out Checklist

Revenue related to the project	Complete
All payments have been received from sponsor	<input checked="" type="checkbox"/>
All cost-share funding have been properly recorded	<input checked="" type="checkbox"/>

Reporting related to the project	Complete
All technical reporting requirements have been met	<input checked="" type="checkbox"/>
All financial reporting requirements have been met	<input checked="" type="checkbox"/>

Project Closeout Summary

Why Timely Project Close-out Is Critical?

- To ensure receipt of final payment
- Save time, money, and reputation of the institution
- Protect withholding of new awards campus-wide by the awarding agency
- Prevent suspension of payments for costs incurred on other projects funded by the same agency

Q&A