

# Vanderbilt University

## Closeout of Sponsored Project

Vanderbilt University has a responsibility to closeout completed sponsored projects in a timely and accurate manner. Sponsoring agencies have a requirement that closeout documents be submitted within 90 days (or sooner if specified) after the end of the period of performance. For sponsoring agencies not requiring closeout documents to be submitted, the procedures described below still apply.

This policy and the following procedures apply to the closeout of project centers managed by the Office of Contract and Grant Accounting (OCGA). OCGA will adhere to the procedures outlined in this policy and will process project closeouts upon receipt of the Project Closeout Package in a timely manner.

### **Purpose**

The intent of this policy is to:

- ◆ Streamline the process of closing out expired projects and improve stewardship of external funds,
- ◆ Enhance University compliance with OMB Circulars A-110 and A-133,
- ◆ Enhance compliance with sponsor guidelines,
- ◆ Improve the University's cash flow,
- ◆ Reduce risk of delay, loss, reduction or withholding of future funding by sponsors.

**Costs charged to project center(s) must be stopped as of the project end date.**

### **Procedures**

Certain procedures must be followed when a sponsored project is ending to ensure that the University meets reporting requirements imposed by the sponsoring agencies.

### **Prior to the Project End Date**

OCGA will send notification to the Principal Investigator, Departmental Administrator, Dean's Office, and Division of Sponsor Research of the project(s) ending **60** days prior to the end date. If needed, an extension of the project end date should be requested and submitted during this period. If approval by the sponsor for the extension has not been received before the **75th** day after the end date, closeout procedures as described below will go into effect in order to comply with the reporting requirement of the sponsor.

#### **1. VU No-Cost Extension Procedures**

No-cost extensions (NCE) are processed through the Division of Sponsored Research (DSR). No-cost extension requests are time-sensitive and should be

sought immediately after receiving the above referenced Project End Date notification from OCGA.

A NCE request is made through the normal department/dean approval chain. It should be accomplished using the 'Document Transmittal and Approval Form' found on the DSR website at [http://www.vanderbilt.edu/dsr/vu\\_forms.php](http://www.vanderbilt.edu/dsr/vu_forms.php)

The form must -

- 1) be complete. Partial information will slow the processing of the request.
- 2) include a clear statement of why the NCE is necessary. This statement must satisfy all sponsor requirements. **[Unexpended project fund balances are not sufficient reason to extend a project. Extensions are approved for work-scope related reasons, only.]**
- 3) a clearly stated number of months for the NCE and an expression of the requested new end date.
- 4) be signed by all of the parties in the normal University approval chain for research related documents.
- 5) received by DSR at least two working days prior to the sponsor notification deadline.

## 2. Expenditure Review

All earnings distributions, blanket purchase orders, monthly telecommunication charges, etc., must be changed to an appropriate funding source or terminated effective as of the project end date. All cost transfers to the soon-to-be expired project center must be submitted to OCGA with appropriate signatures within this time period. All cost transfers from the expired project center to another project center or unrestricted center must also be recorded within this time period. Transfers to another project during this period will be subject to increased scrutiny by OCGA.

## 3. Interim Center

If a new award is anticipated, an interim center should be created prior to the end date to facilitate the redirection of expenses during this period.

## 4. Subaward (Subcontract)

If a subaward (subcontract) is being continued, a budget revision form requesting the end date to be extended and a detailed justification of the extension must be submitted during this period, found on DSR website at [http://www.vanderbilt.edu/dsr/vu\\_forms.php](http://www.vanderbilt.edu/dsr/vu_forms.php). If the budget revision form is not received within **60** days after the end date, closeout procedures as described below will go into effect.

## **Closeout Period – After the end date**

Being proactive in reviewing expenses prior to the end of the project should result in minimal cost transfers initiated during this time.

- For a pending no cost extension, the department should begin the closeout process. This will facilitate a timely closeout in the event the request for the extension is denied by the sponsor.
- OCGA will contact the department administrator **60** days after the end date if a Project Closeout Package has not yet been received.
- If a Project Closeout Package is not received by the **75<sup>th</sup>** day after the end date and prior to the report due date, OCGA will advise the department administrator that a final financial report will be submitted based on cumulative expenses as of the end date or up to the award amount if the grant is overspent. **A revision to the final financial report will only be allowed in the event cumulative expenses reported are to be decreased.**
- If there is a deficit on the project center, it will be the responsibility of the principal investigator and the department administrator to clear that deficit in a timely manner during the closeout process.

## **Unspent or Deficit Balances After Submission of Final Financial Report**

All unspent or deficit balances on project centers **must be cleared within 90 days after the project has ended.**

### **1. Unspent Balances**

Unspent balances occur when cumulative expenses are less than the amount of the award by the sponsor. Generally, unspent balances are returned to the sponsor after submission of the final financial report. However, for fixed priced grants/contracts or excess program income, OCGA will automatically transfer the balance to an unrestricted center designated by the School/Provost. If the award terms and conditions are not clear, OCGA will consult with the sponsor regarding the disposition of the funds.

### **2. Deficit Balances**

Deficit balances occur when cumulative expenses exceed the amount of the award by the sponsor or when cumulative expenses exceed the reported total on the final financial report. Deficit balances are the responsibility of the principal investigator and the department administrator and should either be cost shared, if expenses are legitimate to the project and occurred before the end date, or transferred off to an unrestricted center. **The department must provide OCGA with an unrestricted center within 90 days of the end date to clear the deficit balance. No deficit balance will be allowed to be carried forward beyond 90 days of the end date.**

## Assistance

Contact the responsible accountant of expired grant or contract,  
<http://www.vanderbilt.edu/ocga/staff/restrictedcontact.htm>.

Contact the sponsored research liaison of the expired grant or contract,  
<http://www.vanderbilt.edu/dsr/bystaff.php>

## Terminology

<b>Project Closeout Package</b>	A memo, with supporting documentation as appropriate, from the department to Contract and Grant Accounting requesting a restricted center for a sponsored project to be closed. Signatures of the Department Administrator, Principal Investigator, and Dean's Office are required on the memo before processing.
<b>Principal Investigator</b>	The primary individual responsible for all actions required for managing and completing the financial, scientific, and programmatic aspects of the sponsored project.
<b>Departmental Administrator</b>	Administrative staff individual who provides administrative support for one or more sponsored projects.
<b>Dean's Office</b>	An academic leader with programmatic, managerial, and fiscal responsibilities for a school. Oversees the sponsored projects management at the school level.
<b>Division of Sponsored Research</b>	Authorized Institutional Official – Legally able to submit proposals to external entities for financial support in the form of contract, grant, or cooperative agreement, and legally able to commit the University on behalf of the University in the event an award is made. Serves as a liaison between sponsors and principal investigators.
<b>Contract and Grant Accounting</b>	Authorized Business Official – Responsible for managing the external financial reporting and invoicing requirements of sponsored projects. Other functions include collections, letter of credit, audits, and closeout of sponsored projects.
<b>No-Cost Extension</b>	An approved change, without additional funding, in the end date of a project. The no-cost extension

(NCE) is used when no additional funding for the project is anticipated from the sponsor and sufficient funds are available to support unfinished project work that will be performed during the NCE period.

- ◆ Grantee-approved extensions are possible if the sponsor permits them and if the request is received in the specified time before the expiration of the grant – usually 10 days – however there can be timing variations from sponsor to sponsor. Specific agency notification requirements for obtaining a grantee-approved NCE must be observed and should be verified immediately after the decision has been made to seek an extension. Though the NCE is approved by the University, the University's approval has to be reported to the sponsor prior to the end date of the grant.
- ◆ Sponsor-approved NCE's are required when a) the required deadline was not satisfied for the sponsor notification requirement for the grantee-approved NCE, or b) the sponsor doesn't permit grantee approval of NCE's. These requests can be quite elaborate and time-consuming and should be avoided unless the specific circumstances require them.

**Contracts** rarely provide clear-cut NCE options because of the time constraints normally associated with contract performance. Though contract NCE's may be possible, the timing of the request to the contract-sponsor is even more critical and should be accomplished well before the end of the contract.

### Interim Center

A restricted center when the project start date occurs before the award process has been completed.

- The project must have a proposal.
- The principal investigator must have assurance from the sponsor that the award will be made.
- The department must accept the financial risk in the event that the award is not made or the start date is changed.

**Budget Revision Form**

Form used to rebudget funds in an existing restricted center or add new funds to an existing restricted center.

**Cost Transfer**

A cost transfer is a transfer of an expenditure from one project to another project.

**Final Financial Status Report**

A report required by the sponsor stating the final total cumulative expenses for the sponsored project.