PURPOSE

The purpose of this operating procedure is to clarify and define the roles of the Principal Investigator (PI), Department Administrator (DA), and the Research Administrator (RA), with regard to administratively and financially closing an award.

INTRODUCTION

Grants and contracts for sponsored projects represent a contractual obligation between the grantor and the University for the performance of a specific activity through which the grantor, or sponsor, is entitled to receive some consideration or benefit. The contractual obligation is normally documented by a proposal and award combination, contract, or a written memorandum of agreement. The University assumes full legal responsibility for complying with all requirements imposed by the grantor or sponsor upon acceptance of grants and contracts for sponsored projects, including a requirement for a report of expenditures or a provision for an audit (refer to VCU’s policy Sponsored Programs Award Review, Negotiation, Acceptance and Notification). In turn, the School of Medicine must ensure its investigators and personnel are in compliance with all VCU and sponsor requirements for the administration of these sponsored programs.

VCU Grants & Contracts Accounting policy Post-Award Financial Management outlines the University’s upper-level expectations for the oversight of sponsored program awards during the life of the project. When a project has ended, it is expected that the PI, RA, & DA will carry out a thorough review of final expenses and both sponsor and VCU final reporting requirements.

PROCEDURE

Prior to Award End Date

The closeout review of spending on an expiring award needs to begin at least 90 days prior to the award’s end date. The PI and RA should review financial expenditures and commitments on the project together, project final expenses, and prepare to make adjustments as needed. Any collaborating departments with internal subprojects on the award should submit final expense projections to the PI and primary department RA. Plans should be made in conjunction with the DA to terminate any recurring non-personnel expenses (telecommunications, blanket orders, animal care costs, etc.) and review all unliquidated commitments.

90 to 30 days prior to project end date:
- Receive 90 Day Notice from DA or other Fiscal Administrator, work with PI to complete
- Contact collaborating departments to ensure their 90 Day Notices are completed accurately and timely
- Review financial expenditures and commitments against project with PI, adjust as needed
- Ensure PI has a copy of sponsor’s final reporting requirements
- Request all subaward sites submit a final invoice within 30 days of the project period end date
- For clinical research and clinical trials: notify CTFINANCE@vcuhealth.org that the study is ending so the CT Finance team can proactively request final billing from the VCU Health System

30 to 0 days prior to project end date:
• Verify G&C Accounting has received signed copies of all 90 Day Notices
  o If a No Cost Extension is being requested: ensure appropriate paperwork has been filed with OSP and sponsor (see “SOP TBD: No-Cost Extension Request”)
  o If a continuation is expected: Ensure accounts for the next project year have been established if new index(es) required
• Review final expense projection with PI, make spending adjustments as needed
• Contact collaborating departments for their final expense projections
• Contact external subawardees to remind them of final reporting and invoicing requirements and deadlines
• Key PAFs in Banner to prevent salaries from hitting the expiring index(es)
• Remind collaborating departments to key PAF changes
• Terminate any reoccurring non-personnel expenses (telecommunications, blanket orders, animal care costs, etc)
• Review unliquidated commitments and follow-up with vendors or travelers as needed
• Remind PI of any Sponsor final report deadlines

After Award End Date Has Passed

0 to 60 days post project end date:
• Confirm PAFs have been keyed in Banner to remove all salary charges – Use the “Projects in Closeout” portlet in the RA Dashboard to view a list of any personnel with salary still hitting the project
• Request confirmation from collaborating departments PAF changes have been keyed
• Verify reoccurring non-personnel expenses have been terminated
• Review unliquidated commitments and follow-up with vendors or travelers as needed – Use the “Projects in Closeout” portlet in the RA Dashboard to view a list of open, unliquidated encumbrances on the project
• Pursue outstanding invoices from external subawardees
• Pursue outstanding invoices from vendors, if applicable
• Prepare final expense projection including all outstanding commitments, review with PI
• Prepare any necessary final cost transfers or payroll adjustments

60 to 90 days post project end date:
• Verify all expenses have been paid, all payroll adjustments and other transfers processed
• Perform final reconciliation and review with PI to ensure:
  o Salaries are commensurate with effort and do not exceed DHHS or other sponsor salary cap as applicable
  o Expenses are allocable and fall within the project period
  o Final expenses for subawards and all other non-personnel commitments are included
  o Cost share as applicable has been properly documented
  o Fringe benefit and F&A rates have been accurately calculated
  o The authorized budget is correct and includes carryforwards from prior years as applicable
• Provide G&C any information necessary to complete final financial reporting/invoicing with the sponsor

90 days or more post project end date:
• Request G&C "freeze" index(es) so no new charges can post
- Review Final Expense Report with PI and return to G&C with signature
- Review department grant file to ensure all reconciliations and supporting documentation is complete
- Move grant file to inactive status, store files for time specified in agreement or no less than five years
- As applicable, prepare additional closeout paperwork for pooling residual balances on fixed price agreements (see “SOP 304: Fixed Price Closeouts”)
- Submit Administrative Action in RAMS-SPOT to notify OSP that project is complete
  - PI may need to provide to RA dates any final reports were submitted to the sponsor

**Grants & Contracts Accounting Required Closeout Paperwork**

**90 Day Notice**

The 90 Day Notice is sent from Grants and Contracts Accounting to the PI and department (Fiscal Administrator listed on the grant in Banner, usually the DA) and signals that it is time to begin the award closeout process. Using this form, the PI can communicate to Grants and Contracts if the award will be continuing with additional budget periods and additional funds, or if a no-cost extension will be requested. If it is the final budget period for the project, the PI can indicate this on the 90 Day Notice by signing and returning the document to Grants and Contracts. If the closing award is a fixed-price agreement, please refer to the best practice guides on fixed-price agreement closeouts in the School of Medicine.

**Final Expenditure Report**

G&C will issue a Final Expenditure Report to be reviewed and signed by the PI. Use Banner to verify the total budget, total expenses, total remaining balance, and F&A rate and calculation. Verify Banner totals match department reconciliation records. The Final Expenditure Report is an internal document and is not sent to the sponsor.

**Record Retention, Reporting, and External Subawards**

**Record Retention**

All records related to the award, including all closeout paperwork, should be retained in accordance with the contract or grant stipulations or for no less than five years, whichever is greater. Both G&C Accounting and Technology Services maintain policies on record retention for sponsored projects. Departments and Investigators are required to retain personnel records, transaction level non-personnel support documents (purchase orders, subaward reporting), as well as technical materials such as lab notebooks, data collected, and technical reports.

**Reporting**

Make sure the PI has a copy of the final reporting requirements. Generally the PI is responsible for meeting all technical and programmatic reporting requirements. The RA should assist the PI in generating and submitting any required technical reports to the sponsor, as needed. Final Invention Report or Final Inventory Report may be required and will need to be reviewed and submitted by OSP.
Any Final Financial Status Reports will be submitted to the sponsor by G&C. G&C typically does not submit this report until after receiving a signed Final Expense Report from the PI.

When all final reports have been sent to the sponsor, inform OSP that the project can be closed by submitting an Administrative Action in RAMS-SPOT.

External Subawards

Both PI and RA should be in contact with subawardees about final reporting and invoicing requirements. At the time of an award ending, any outstanding invoices from subawardees should be pursued, received, and processed for payment. All subaward related commitments should be liquidated.

RESPONSIBILITY

Principal Investigator (PI) The PI is primarily responsible for:

- Providing information to the RA to aid in projecting any final expenses on the project
- Reviewing and signing the Final Expense Report
- Reviewing and signing the 90 Day Notice
- Receiving any required technical reports from all collaborators
- Submitting any required final technical reports to the sponsor
- Providing, or having CRC provide, information as necessary to assist RA with RAMS-SPOT closeout

Research Administrator (RA) The RA is primarily responsible for:

- Monitoring spending on the award during the closeout period
- Providing projections of final expenditures and remaining balance to the PI
- Facilitating submission of all required G&C Accounting closeout documents
- Providing information to G&C Accounting for any required final financial reporting or invoicing to the sponsor
- Submitting Administrative Action in RAMS-SPOT to notify OSP of project closeout status

Department Administrator (DA) The DA is primarily responsible for:

- Providing any 90 Day Notices to the RA for review and completion
- Assisting with termination of any reoccurring non-personnel expenses
- Assisting with pursuance of any outstanding vendor invoices
- Ensuring department reconciliation files are complete and properly retained