

Financial Closeout Guidelines – Non-Federal Agencies

December 2022 (updated v1.1)

The following guidelines for the financial closeout of an award apply to all non-federal agencies including private institutions, city/state funding, and federal-pass through agencies. A Federal pass-through agency is defined as: a non-federal agency which has received a direct award from a Federal agency and has subsequently issued a sub-award for all or a part of the project to another non-federal agency.

Timing

The due date for the final cost reimbursable invoice varies from agreement to agreement, but the standard is **45 days** from the project end date. Certain agencies may stipulate a shorter time frame for the final invoice, therefore, the terms in the agreement should be consulted during the final phases of the project period. Shorter time frames reduce the amount of time the PI/Dept. and SPA have to complete and submit the final invoice. Additionally, agreements issued by these types of agencies may also involve the receipt of Installment payments which do not correspond to expenses incurred or require billing/payment on a cost reimbursement basis.

Responsibilities

Principal Investigator and/or Departmental Administrative Staff

The functions noted below should be performed and completed within **30 days** of the project end date, unless the agreement requires a shorter period.

- Review the entire award and all grant lines allocated to other PIs/Cost Centers to ensure all expenses have been applied in WD. All expenses must be in “ready to bill” status in order to be included on a Cost reimbursable invoice in Workday (WD).
- Process all Payroll Costing Allocations (PCA) and Payroll Accounting Adjustments (PAA) to ensure all applicable effort has been accurately posted to the grant line(s).
- Process all Workday documents (manual journals, budget adjustments, expense reports, miscellaneous payments, supplier invoices, internal service delivery charges (ISD) etc...) and ensure that the appropriate department personnel approve them. Documents submitted after the end date of the award/grant should contain sufficient detail, which clearly states the applicability of the transaction to the project.
- Remove or transfer open commitments or obligations to a proper cost center/grant.
- Remove overdraft amounts (expenditures exceed available funding). If the overdraft contains expenses that were erroneously posted to the grant, they should be reclassified to the proper cost center/grant. If the overdraft contains expenses which actually relate to the project, a voluntary cost sharing grant line should be established and the expenses subsequently reclassified to it.

- Review the actual amounts posted to the cost sharing grant lines and compare them to the amounts obligated in the proposal and/or stated in the award/sponsored agreement. Process additional adjustments, as necessary, to ensure that the cost sharing obligations have been met.
- Review the subaward expenditures (SC462) and ensure that all invoices have been received and paid. Final invoice from subaward should be marked "FINAL".
- Some agencies require prior written approval to carry over funds from one grant period to the next. Typically, the PI must submit a written request which describes the reason for the remaining balance and how it will be utilized in future (competitive) grant periods. All requests of this nature should be co-signed by the PI and the designated official in Sponsored Projects Accounting (SPA). Please consult the award/contract document and contact SPA if there are any questions.
- Cost reimbursable agreements will require the return of any income received in excess of expenses incurred to the sponsor. Review Billing & Receivables -> RPT5868 for the Award for paid invoices to determine total income received.

Sponsored Projects Accounting

The functions noted below should be performed and completed within **45 days** of the project end date (based on the requirement for the award).

- Prepare and submit the financial report and/or final invoice based upon the expenditure data contained in the Workday. Cost sharing expenses will be included in the report or invoice, as applicable. Recalculate and verify the Facilities and Administrative (F&A) costs and adjust as necessary. Calculate the remaining (unobligated/unspent) balance and determine if the funds should be returned (via a refund check) or carried forward to a new segment of the project.
- Post a closing F&A expense adjustment, as necessary.
- Process and post budget adjustments related to carryover amounts.
- Change Lifecycle status to Closed on both Overview and Individual Grant lines
- Monitor the fund to ensure that the final invoice has been paid.
- If income exceeds expenses and agreement is cost reimbursable, process a refund to return unspent balance to sponsor.