

Financial Closeout of Sponsored Programs

1. Overview

Project closeout is the final phase of a sponsored program in which project activities are finalized and funding ends. In order to successfully close a sponsored program, the University must document that it has satisfied all project deliverables and financial requirements as stated in the terms and conditions of the agreement.

Research Financial Services (RFS), in conjunction with department personnel and Principal Investigators, shall reconcile and closeout all sponsored programs in accordance with sponsor requirements and within the required timeframe or days from project end date, whichever is sooner.

Timeliness and accuracy of report submission is key in ensuring a successful closeout process. Failure to submit reports within the sponsor specified timeframe may result in findings or penalties including suspension of the PI and/or Rutgers from the receipt of additional funding or submission of future proposals and non-reimbursement for current expenses.

2. Purpose

To provide guidance for all sponsored program closeouts in compliance with Federal regulations (2CFR 200.343) and other sponsors requirements.

3. Who Must Comply

Department Personnel
Research Financial Services
Research Contract Services
Principal Investigators
Research and Sponsored Programs

4. Definitions

Project Closeout Adjustment Period: Period of time immediately following the project end date and concluding with the submission of the final financial report (as indicated in the award terms and conditions) during which transactions are posted to the ledger to ensure all final expenses are accurately captured. All expenses must occur within the period of performance, no new expenditures can be initiated during the closeout adjustment period.

Project Pre-Closeout Period (90 days prior to project end date): Period of time leading up to the project end date, where pending closeout notices are communicated to the appropriate parties, no cost extensions are requested (if needed), and project spending is concluded.

Final Financial Report (FFR): A final statement of expenditure report associated with a specific project submitted to the sponsor only after all expenditures have been accurately recorded to the respective project.

Final Inventions Report: Declares all inventions which were conceived and/or first utilized during the project's period of performance to the sponsor.

Final Property Report: Informs the sponsor of all materials and equipment acquired under this project during the respective period of performance, including property provided by the sponsor.

Final Technical (Progress) Report: A final status report submitted to the respective sponsor detailing the significant results of a project including examples of progress, as well as technical difficulties and solutions.

No Cost Extension: A sponsor approved extension of project dates, without supplemental funding, to allow the Principal Investigator more time to meet project obligations.

System Closeout Period: Period of time immediately following the final reporting period during which RFS closes out the project in Rutgers' financial system (Oracle). Projects cannot close in Oracle until project expenses = revenue = applied cash = budget, and all open commitments are closed.

5. Procedure

Please note that this procedure addresses only the financial closeout of sponsored programs. For additional information on the non-financial closeout of sponsored programs, please refer to the relevant office's website. This includes, but is not limited to, Innovation Ventures, the Office of Property Management, and Research and Sponsored Programs.

Project Pre-Closeout Period

Research Financial Services

- Send out periodic notices of pending closeouts.

Principal Investigators / Designee

- Request no cost extension, if needed.
- Conclude all project spending and ensure all expenses have posted to the project ledger
- Review open encumbrances, follow up on purchases not received and close those that are complete.
- Confirm any subcontractor(s) on the project have completed all necessary deliverables, submitted all required reports and will submit their final invoice within the terms and conditions of their subaward agreement.
- Update Employee Charging Instructions (ECI) to reflect new payroll distributions.
- Notify any relevant service/recharge centers of the impending end date to avoid delayed charges. Provide a new/alternate project code for any recurring charges.
- Verify all applicable cost share commitments have been fulfilled and are properly recorded; see *Cost Share Policy* for guidance.

Financial Project Closeout Adjustment Period

Principal Investigators / Designee

- Review project expenses to ensure all are reasonable, allocable, and allowable made in support of the performance of the project. Please refer to the RFS Procedure - *Allowable Costs on Sponsored Programs* for specific guidance regarding allowable costs.
- Process any necessary cost transfers; see the RFS Procedure - *Cost Transfers on Sponsored programs* for guidance.
- Resolve deficit balances in accordance with the RFS Procedure - *Overspending on Sponsored Programs*
- Verify all payroll charges have posted and are correct.
- Reconcile any travel advances charged to the project.
- Notify users (student employees, recharge centers, postage, etc.) that the sponsored program has ended and the project code should not be used.
- Prepare the Final Progress Report and any other required deliverables.

Final Financial Reporting Period
Research Financial Services

- Prepare and submit the final financial report or invoice. See the RFS Procedure - *Financial Reporting on Sponsored Programs* for guidance.

Principal Investigator / Designee

- Prepare and submit all technical reports, certifications and disclosures (e.g. Invention Report).
- Work with Research and Sponsored Programs to confirm the disposition of any equipment and complete Property Reports as required by sponsor. See RFS Procedure - *Capital Equipment on Sponsored Programs* for guidance.

System Closeout Period
Research Financial Services

- Resolve cash balances on fixed price awards by (a) processing a refund or (b) transferring the balance to a discretionary project for PI research, in accordance with the RFS Procedure - *Residual Balances on Fixed Price Sponsored Programs*.
- Process any necessary write-offs in accordance with the RFS Procedure - *Accounts Receivables Management on Sponsored Programs*.
- Confirm the project expenses = revenue = cash and update the project status in Oracle to "Closed."

6. Roles and Responsibilities

Department Personnel	<ul style="list-style-type: none"> • Support the PI in ensuring that all appropriate expenditures have posted to the project • Maintain project closeout records and documents
Research Financial Services	<ul style="list-style-type: none"> • Prepare and submit final financial report and/or final invoice • Closeout the project in University's financial system (Oracle) • Maintain project closeout records and documents
Research Contract Services	<ul style="list-style-type: none"> • Process any necessary contract extensions or amendments
Principal Investigators	<ul style="list-style-type: none"> • Ensure compliance with sponsored program terms and conditions • Prepare final technical reports and monitor submission to sponsor
Research and Sponsored Programs	<ul style="list-style-type: none"> • Ensure compliance with sponsored program terms and conditions • Process any necessary project extensions or amendments

7. Resources

Related Procedures

- Allowable Costs on Sponsored programs
- Cost Share on Sponsored programs
- Cost Transfers on Sponsored programs
- Financial Reporting on Sponsored programs
- Overspending on Sponsored programs
- Residual Balances on Fixed Price Sponsored programs

Federal Regulations

- Uniform Guidance 200.343 Closeout
- Uniform Guidance 200.344 Post-Closeout Adjustments and Continuing Responsibilities