



Western Michigan University  
Kalamazoo, MI 49008

August 1, 2019

## PROJECT CLOSEOUT PROCEDURE

### 1. **Project Termination Notices**

After receipt of the project termination notice, the Principal Investigator should review the project closeout checklist in Section 4 and begin to finalize all project activities. If you have questions regarding the termination of your project, contact the Grants and Contracts Office at 387-8292.

### 2. **End Date of Award**

If modification of the end date of award is allowed by the Project Closeout Policy:

- 2.1. Federal Grants – Under expanded authorities the request for modification can be made through the University Prior Approval Process. Once the University approves the extension, the Research and Sponsored Programs Office notifies the agency of the extension. If the project does not fall under expanded authorities, written approval from the agency must be obtained. Check the sponsoring agency guidelines for specific requirements. Most agencies require a request for the extension be made no later than 10 days prior to the award end date. The Grants and Contracts Office will revise the end date following receipt of the University Prior Approval Form or if necessary agency approval.
- 2.2. Federal Contracts – Check the sponsoring agency guidelines for specific requirements. Request for extension must be processed through the Office of Research and Innovation and the Grants and Contracts Office. The Grants and Contracts Office will revise the end date following receipt of agency approval.
- 2.3. Other Sponsored Projects – The Grants and Contracts Office will revise the end date following receipt of agency approval
- 2.4. Agencies require that the request for extension be approved prior to the end date, so requests for extension must be filed early enough for the agency to respond prior to the end date of a project.

### 3. **Expense Close Date**

The expense close date is the last day on which expenditures can be posted to the account. All expenses must be allowable and incurred prior to the actual end date of the project. The expense close date will be automatically set by the PeopleSoft system at 60 days after the project end date. The Grants and Contracts Office is the only office authorized to allow expenditures beyond the 60 days. The only postings typically permitted after 60 days are journal corrections, payment vouchers, credit adjustments, and Facilities & Administrative corrections. These dates are based on project reporting dates of 90 days after the project end date. If an agreement requires a shorter period between the end date and expense close date; the period of time stated in the agreement will override.

- 3.1.** The following are guidelines for the timing of final expenditures or adjustments for the most common project closeout dates.
- 3.1.1. 30 days agency close out required – last date for expense transactions is 15 days after project end date.
  - 3.1.2. 60 days agency close out required – last date for expense transactions is 45 days after project end date.
  - 3.1.3. 90 days agency close out required – last date for expense transaction is 75 days after project end date.
  - 3.1.4. These expense close dates allow time for a review by the Principal Investigator and the Grants and Contracts Office of final project expenditures prior to submission of the final financial report to the sponsor.

**3.2. Closeout Reports**

Reports required at the close of a project vary by the type of sponsored project and by the sponsor. Most federal sponsors will require financial, invention, and technical reports. Most federal contracts may also require a property report, contractor's release form, and a contractor's assignment of refunds, rebates, and credits form. Generally these reports are due 30 – 90 days from the expiration date shown on the award document.

- 3.2.1. Final Technical Reports – Upon termination of the project, the Principal Investigator is responsible for submitting the final technical report to the sponsor within the time frame specified by the agency. Failure to submit this report in a timely manner could jeopardize future funding by the agency. Some sponsors require use of their own form for final technical reports, or encourage electronic submission of final reports. These forms are available in the sponsor's application packets, with the award document or on-line. Follow the sponsor's instructions for the preparation of final technical reports, which normally include a list of publications resulting from the sponsored projects. A copy of the face page of the final report or its transmittal letter must be forwarded to the Office of Research and Innovation to be retained for audit purposes.
- 3.2.2. Final Financial Reports – Upon termination of the project, the Grants and Contracts Office is responsible for submitting the final financial report to the agency within the time frame specified in the award document. The final report is reviewed with the Principal Investigator prior to submission to the agency.
- 3.2.3. Final Invention Reports – Copies of the final invention report or a certification form will be sent to the Principal Investigator by the Grants and Contracts Office. The Principal Investigator must complete and return the form to the Grants and Contracts Office; who will submit the final invention report to the sponsor.
- 3.2.4. Final Property Reports – Final property reports will be prepared, certified, and mailed by the Grants and Contracts Office.
- 3.2.5. Other Reports – Most federal contracts require a contractor's release, and a contractor's assignment of refunds, rebates, and credits form. The Grants and Contracts Office completes these forms and sends them to the agency.

### 3.3. Surplus and Deficit Balances

University policies for transferring surplus or deficit balances of sponsored projects are influenced by external sponsors' guidelines and differ not only among agencies and sponsors, but also between continuation (non-competing) years and renewal (competing) years.

- 3.3.1. Surplus Balances – If the project is a continuation, some agencies will allow for carry-forward of unexpended funds to the next budget period. The Grants and Contracts Office can assist in determining whether sponsor regulations require prior approval.

In general, if the project is assigned a new University account number each year, carry-forward of the balance requires sponsor approval. Of those sponsors that do allow transfer of surplus balance, some require specific notification of the carry-forward. There may be limits set on the amount that can be carried forward without sponsor notification.

- 3.3.2. Deficit Balances – Under some circumstances, and with adequate justification, some agencies will allow institutions to transfer a deficit balance from one budget period to the next, within the project period only. In these situations the estimated deficit carry-forward must be stated in the Principal Investigators progress report's or continuation application.

Most federal sponsors provide for the charging of “pre-award” costs on grants, provided the costs meet certain criteria. Generally, “pre-award” costs must be allocable to the time period of the forthcoming new or competing award and must be incurred, within 90 days of the beginning date of the award or budget period. As well, pre-award costs must be adequately justified to indicate that advanced funding is necessary for the effective and economical conduct of the project and must be allowable under the terms of the forthcoming grant..

**Deficit balances must be cleared within 90 days of the end date of the sponsored project. Deficit balances are the responsibility of the Principal Investigator and his/her department and should be written off to unrestricted accounts, typically fund 23 accounts. If departments do not respond in a timely manner to clear deficit balances, the Grants and Contracts Office will automatically write-off the deficit to a related departmental account.**

- 3.3.3. Uncollectible Costs – Costs charged to sponsored projects that will not be collected **from the sponsor for reasons of unallowability, unallocability, dispute with or bankruptcy by the sponsor, or other reasons must be paid for with University funds. Unallowable and unallocable expenses will be charged back to the department. In case** of disputes with sponsors or bankruptcy by the sponsor, a review of the circumstances by the Office of Research and Innovation will determine the proper closeout of the project.
- 3.3.4. Record Retention – Departments must retain copies of expenditure documentation and all supporting source documents that are charged as a direct cost on a sponsored project for a period of at least three years following final closeout of the award and payment. Final closeout, for the purposes of

record retention, is defined as final payment by the sponsor. Longer retention periods may be required if an audit or litigation is in process or an agency requires a longer record retention period. Check the sponsoring agency guidelines for specific requirements.

- 3.3.5. **Closeout Audit** – Some sponsors may ask DHHS or their auditors to perform a closeout audit before any final payment of a contract or grant is made or before it is administratively closed by the sponsor. If the Principal Investigator is contacted by the sponsor who would like to perform a closeout audit, please contact the Grants and Contracts Office at 387-8292 immediately .

#### **4. Principal Investigator's Project Closeout Checklist**

- 4.1.** Does the budget have an extension and/or supplement? If yes, the project cannot be closed at this time.
- 4.1.1. If you are requesting an extension, submit your request to the Grants and Contracts Office in accordance with agency guidelines.
- 4.1.2. Allow adequate lead time to meet sponsor deadlines.
- 4.1.3. Inform the Grants and Contracts Office that an extension request is in process.
- 4.2.** Are all the expenses allowable?
- 4.2.1. Ensure that all charges for goods received and services performed within the project sponsored period are processed and reflected in the University accounting system (GLOW).
- 4.2.2. Remove any unallowable costs.
- 4.2.3. Resolve all deficit balances.
- 4.3.** Are there any un-posted charges and/or credits?
- 4.3.1. Inform the Grants and Contracts Office of any pending payments documents, payroll charges, internal service billings (Bernhard Center, Fetzer Center, Bronco Technology Center, Transportation Services, copy and telephone charges, etc.) and any other outstanding documents.
- 4.3.2. Follow up on open purchase requisitions to ensure timely receipt of goods and services and/or timely receipt of invoices from vendors.
- 4.4.** Cancel all ongoing services
- 4.4.1. If a procurement card was approved for use on the project contact the Purchasing Department to cancel the card and destroy the card.
- 4.4.2. If a telephone line was approved for use on the project contact Telecommunications to cancel the telephone.
- 4.5.** Purchase all final supplies necessary for project completion at least 30 days prior to the project end date. Supplies purchased less than 30 days prior to project termination will not be allowed unless the sponsor approves the purchase
- 4.6.** Purchase all final equipment necessary for project completion at least 90 days prior to the project end date. Equipment purchased less than 90 days prior to project termination will not be allowed unless the sponsor pre-approves the purchase.
- 4.7.** Do employees have an annual leave balance? If yes, they should exhaust their annual leave prior to the ending date of the project.
- 4.8.** If personnel were paid directly on the sponsored project either verify the termination date with employee or move the employee to another funding source.
- 4.9.** Have all the time and effort certification forms been certified and returned to the Grants and Contracts Office?

- 4.10.** Are there subcontracts on the project? If yes, see below for subcontract closeout.
  - 4.10.1. Has the final invoice been received from the subcontractor?
  - 4.10.2. If salaries were included in subcontract, has documentation of time and effort been entered on ecrt?
  - 4.10.3. If the subcontract included cost sharing, has the cost share amount been met?
  - 4.10.4. Have the performance goals been achieved?
  - 4.10.5. Are subcontractor's expenditure reports on file in the Grants and Contracts Office?
- 4.11.** Is there cost sharing on the project? If yes, see below for cost sharing requirements.
  - 4.11.1. Has all of the committed and voluntary committed cost sharing been met?
  - 4.11.2. Is the cost sharing adequately documented?
  - 4.11.3. Did the cost share cost fall within the beginning and ending dates of the project?
- 4.12.** Is there a final technical report due? If yes, submit to the sponsor by the agency due date and forward a copy of the cover page to the Research and Sponsored Programs Office.
- 4.13.** Are there other reports due, such as invention or property reports? If yes, the Grants and Contracts Office will assist with the completion and submission of the report.

**5. Related Policies**

[Project Closeout Policy](#)

[Prior Approval Request Policy](#)