

## Sponsored Projects Accounting

**TO:** Business Managers and Research Administrators  
**FROM:** Joseph M. Gindhart, Director  
**DATE:** January 31, 2002  
**SUBJECT:** Financial Closeout Guidelines for Sponsored Funds

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The Sponsored Projects Accounting Department (SPA), the Principal Investigator (PI) and the supporting financial and/or administrative personnel in the academic department are responsible for the financial closeout of a sponsored agreements (grants, contracts and cooperative agreements). In most cases, the sponsoring agency has stipulated in the award that a final financial report and/or invoice is due at the end of the grant/project period. The agency will also indicate the submission due date for these documents (i.e., XX days from the end of the grant/project period). The University is required to submit the final financial documents to the agency under the terms of the agreement, therefore, it is imperative that each group is cognizant of their responsibility in this process. Additionally, final payment can be delayed or denied if the documents are not submitted in a timely and accurate manner.

The Financial Closeout Guidelines for Sponsored Funds apply to all faculty and staff that have a fiscal role and/or responsibility to a sponsored project.

## GUIDELINES

### Timing

#### **NIH/NSF/NASA and other Federal Agencies:**

The general rule for Federal agencies is stipulated in OMB Circular A-110 and states, "Recipients shall submit, within **90 calendar days** after the completion of the award, all financial, performance and other reports as required under the terms and conditions of the award." Most Federal agencies go on to clarify what kind of reports are required (invoice, SF 270, SF 269, SF 272...) and the submission deadline (XX days after the end of *grant* period, XX days after the end of *project* period...) in their own specific administrative guideline (i.e., the NIH Grants Policy Statement) or in the actual sponsored agreement.

#### **Private, City/State and Federal Pass-Through Agencies:**

Agreements issued by these types of agencies usually involve billing and recovering payment on a cost reimbursement basis. The due date for the final invoice varies from agreement to agreement, but the standard is **45 days** from the project end date. Certain agencies may stipulate a shorter timeframe for the final invoice, therefore, the terms in the agreement should be consulted during the final phases of the project period.

Note: 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.

**Principal Investigator and/or  
Departmental Administrative Staff**

**NIH/NSF/NASA and other Federal Agencies** – the functions noted below should be performed and completed within **60 days** of the project end date.

**Private, City/State and Federal Pass-Through Agencies** – the functions noted below should be performed and completed within **30 days** of the project end date, unless the agreement requires a shorter period.

- Submit all payroll cost transfer (PCT) documents and ensure that the adjustments have been posted to the fund.
- Submit all on-line documents (journals, budget adjustment, travel request, check requests, inter-department charges...) and ensure that the appropriate department personnel approve them. Documents submitted after the end date of the fund should contain sufficient detail, which clearly states the applicability of the transaction to the project.
- Remove or transfer open encumbrances to a proper account/fund.
- Remove overdraft amounts (expenditures exceed available funding). If the overdraft contains expenses that were erroneously posted to the fund, they should be reclassified to the proper account/fund. If the overdraft contains expenses which actually relate to the project, a voluntary costs sharing allocation (V) should be established and the expenses subsequently journaled to it.
- Review the actual amounts posted to the cost sharing funds (X & V) 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 subcontract expenditures (BUOB 38XX) and ensure that all invoices have been received and paid.
- 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 the Research Office (Hilltop) or Grants and Contracts (Medical School). Please consult the award/contract document and contact the Research Office or Grants and Contracts if there are any questions.
  - NIH awards which are not included under “Expanded Authorities” require written approval of carryover amounts.
  - Balances remaining on NIH Fellowship awards (F31/32’s) cannot be carried forward.
- **Subsequent to 60 Days:** If the department is required to post transactions to the fund that will directly effect expenses (payroll cost transfer, inter-department, journal...) the responsible individual within SPA should be notified so that the amounts are properly included in the financial report or final invoice.

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**NIH/NSF/NASA and other Federal Agencies** – the functions noted below should be performed and completed within **90 days** of the project end date.

**Private, City/State and Federal Pass-Through Agencies** – the functions noted below should be performed and completed within **45 days** of the project end date, unless the agreement requires a shorter period.

- ◆ Prepare and submit the financial report and/or final invoice based upon the expenditure data contained in the general ledger (FIS). 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) 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. Post a closing adjustment to Accounts Receivable for NIH and NSF awards.
- ◆ Process and post budget adjustments related to carryover amounts.
  - NIH Awards: Carryover adjustments will not be processed until the financial report has been “accepted” by the agency (approximately 90 to 120 days after the end date of the fund).
- ◆ Monitor the fund to ensure that the final invoice has been paid.
- ◆ Purge the account/fund after all postings, filings, closing entries have been completed

If you have any questions or comments about the information presented above, please feel free to contact me at 314-935-7089 or [joe\\_gindhart@aismail.wustl.edu](mailto:joe_gindhart@aismail.wustl.edu). This memo, as well as other policies and procedures related to sponsored projects, will be posted on Sponsored Projects Accounting’s web page (<http://spa.wustl.edu/admin.html>) and the Research News’ web page (<http://researchnews.wustl.edu>, see Message Library).

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