

Office of Sponsored Programs

Procedure 30005 Sponsored Award Files – Closeout

Revision Date 3/15/2021

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1. Introduction

Responsible Officials: Senior Director of Post Award

Effective Date: June 29, 2002

Revision Date: March 15, 2021

2. Scope

The sponsor provides a closeout period and terms/conditions for closeout for each sponsored award. It is the expectation of the sponsor that Virginia Tech will finalize all financial, performance, and other reports as required by the terms and conditions of the award in the time stipulated. This procedure outlines the requirements necessary to closeout a sponsored award for Virginia Tech.

This procedure is closely related with [OSP Procedure 30006 Sponsored Award Technical Performance Reports – Administration](#).

3. Procedure Statement

The Office of Sponsored Programs (OSP) functions as the steward of Virginia Tech’s research portfolio and is responsible for ensuring that all research proposals and projects comply with university, federal, and sponsor regulations, policies, and procedures. This procedure relates to award handling to assure that all award requirements are met and awards are closed in a timely manner in accordance with [2 CFR Part 200.344](#) and award documents. Most contracts and grants require a final report of the award's costs. Agencies of the federal government, as well as non-federal organizations, demand strict adherence to the reporting requirements set forth in the award document. Final financial reports will be based on information recorded in [Banner](#). OSP staff will submit the Final Financial Report to the sponsor no later than the due date specified in the award document.

4. Reason for the Procedure

When an award is accepted, Virginia Tech accepts responsibility for timely completion and closeout in accordance with the specific terms of the award and, if the award is federal, the general conditions

of [2 CFR Part 200.344](#). Should circumstances prevent timely closeout or completion by the end date or in accordance with the award, the university has an obligation to notify the sponsor and secure an appropriate award modification or extension.

5. Definitions

Adjustment Period An “Adjustment Period” is provided after the expiration of an award for the purpose of ensuring all final accounts payable transactions, payroll, recharge center (or service center) and other final adjusting entries that could not be processed previously, are posted to the Banner Financial System prior to preparing the Final Financial Report or Final Invoice. The Adjustment Period is used by the PI and departmental staff to record any additional award expenses that were previously incurred, encumbered or otherwise obligated during the performance period but not posted, as only transactions recorded in Banner can be included on the Final Financial Report. The adjustment period represents half of the time allowed by the sponsor for submission of final invoice/report. For example, if the sponsor provides 120 calendar days after the end date of the period of performance for all financial, performance, and other reports, then the adjustment period provided to the PI and departmental staff is 60 calendar days. OSP will use the remaining half of the sponsor allotted time to process subcontract invoices, F&A entries or any other adjustments needed to prepare the final invoice/report and submit it to the sponsor.

Banner – Banner is the university’s business management software suite with integrated applications for finance, student, and human resources. The system is integrated with other internal and third-party software to provide a more comprehensive suite of enterprise systems for the university.

Closeout – The process of submitting all the required final administrative and financial reports and certifications required by an award such that the award can be terminated in Banner. For federal awards in accordance with [2 CFR Part 200.1](#), “closeout means the process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes actions as described in [2 CFR Part 200.344](#) Closeout.”

Closeout Period – This is the time provided by the sponsor to perform all the closeout functions of an award. The Federal awarding agency must make every effort to complete closeout actions such as approval of the Financial report and performance report no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes per Uniform Guidance 200.344 section g.

Cost Sharing Commitment – Principal Investigator (PI) and Virginia Tech commit to contribute university resources towards the performance of the project.

No-Cost Time Extension – Extends the budget period end date of an award/ fund without additional funding.

Overdraft – Expenses incurred in excess of awarded budget amount during the period of performance.

Technical Performance Report (TPR) – Commonly referred to as a Technical Performance Report, Technical Report, Performance Progress Reports, or Research Performance Progress Report (see [2 CFR Part 200.329](#)). A TPR is a report of project accomplishments as required by the

award documents or other award governing writ (i.e. Federal law or statute). The TPR highlights progress and/or community impact of the award as it progresses throughout its lifespan. The TPR may include both expense related data and quantitative information about the award's impact.

6. Award Pre-completion Actions

- Before the award expiration date, the department should conclude all expenditures and make all necessary adjustments to general ledger journal entries and/or payroll adjustments to correct award transactions.
- Closeout notices are system generated as a project approaches at least **60 and 30 days prior** to its end date in Banner and distributed to Principal Investigators (PIs) and business managers. The notice serves as a reminder to take all actions required to extend or allow timely closure of the award.
- When the PI confirms the project is in fact ending, the Post Award Associate will initiate review of expenditures for completion of final invoice/report.
- The department and/or PI should advise all appropriate parties of any actions necessary to facilitate timely closure of the award. These include, but are not limited to:
 - Recharge or service centers must be notified of a fund's closing before or immediately upon the expiration date of the award to avoid unallowable charges.
 - Subcontractors should be notified in a timely fashion to allow them to submit their final invoice by the due date provided in the agreement.
 - Initiate payroll distribution changes to end payroll charges as of the end date of the period of performance.
 - Initiate any necessary journal entry cost transfers to assure all expenditures are complete, accurate and are allowable and allocable.
- When the PIs response indicates that a no cost time extension is appropriate, the Post Award Associate advises the PI on the necessary steps to request a No Cost Time Extension from the sponsor.
- If PI fails to respond to inquiries, the Post Award Associate, will assume that the award is ending.

7. Award Closeout

- At the end of the Adjustment Period, the PI and department should confirm that all award costs – payroll charges, supplies, subaward costs, recharges or service center costs, cost sharing, etc. – have been recorded in Banner. The department will be responsible for all expenses that post after the Adjustment Period (please see the definition to know how much time the PI/departments have for the adjustment period in the section 5 definitions).
- When closing projects with fixed price subawards, the sub awardee must certify in writing to Virginia Tech at the end of the federal award that the project or activity was completed or

the level of effort was expended. If the required level of activity or effort was not carried out, the amount of the federal award must be adjusted, per [2 CFR Part 200.201](#).

- If Virginia Tech has committed cost share for an award, the Post Award Associate should ensure these obligations have been met and recorded within the period of prior to the submission of final invoice/report to the sponsor per policy [3245: Cost Sharing on Sponsored Projects](#).
- Close any remaining open purchase orders, encumbrances, or other commitments to prevent inadvertent charges against the award. Note: until all encumbrance are cleared, the award remains open allowing transactions to be posted. If the PI/department staff do not clear all encumbrances and/or commitments during the adjustment period, OSP staff will contact the Procurement Office to remove encumbrances so that Final invoice/report can be submitted timely.
- Depart and PI must ensure that all supplies, equipment, service center charges, etc. received close to the end date must benefit the project. Please follow [Policy 3240 Costing Principles for Sponsored Programs](#).
- Department must remove all cost overruns, unallowable costs, unallocable costs and all costs incurred after the period of performance to a non-sponsored fund to facilitate submission of final invoice/report-
- Department and PI must review all charges posted after the period of performance to ensure that the charges are allowable, allocable and benefit the project. All supplies/services received after the end date of the period of performance must be removed during the adjustment period.
- OSP will review all expenses posted to the award after the period of performance to ensure that expenditures are allowable, allocable and benefit the project prior to submission of final invoice/report.
- OSP will complete the following when all expenses and cost transfers have been posted.:
 - Prepare and submit final financial report/final invoice to sponsor.
 - Include cost sharing report, if applicable.
 - Include any equipment or invention report. If applicable.
 - Process any refund due to the sponsor
- Post Award Associates will attempt to confirm submission of the final Technical Performance Report (see [OSP 30006 Sponsored Award Technical Performance Reports – Administration](#)) by the PI. If after a multiple attempts' confirmation is not obtained, Post Award Associates will proceed with closeout. If, however the final payment from the sponsor is pending due to non-submission of the final performance report, then Post Award Associate will escalate to Post Award Management. If the sponsor takes remedial action for non-submission of the final performance report, it will be the department's responsibility.

- Post Award Associates will follow the OSP Project Closeout checklist to document the performance of key steps in the closing of each project. When all checklist items are complete, the Post Award Associates should initiate the process to terminate all funds including cost share funds in Banner.

8. Roles and Responsibilities

- **Principal Investigators (PIs):**
 - Assure all costs are correctly recorded on a timely basis within the period of performance in the Banner Financial System.
 - Should additional time be required for award activities, it is the PIs responsibility to request a no cost extension by sending an email to the applicable Post Award Associates or by responding to the award expiration notice email to meet the sponsor deadlines.
 - The PI is ultimately responsible for management of the award and, as such, must assure that all expenses charged are accurate, allowable, allocable and benefit the project (see [Policy 3240 Costing Principles for Sponsored Programs](#))
 - Ensure that cost sharing requirements are met.
 - Complete all technical/programmatic reporting and any other reports required under the terms and conditions of the award by the deadline provided.
- **Department Administrator/Business Support Center/Fiscal Officer (Department)**
 - Review Banner activity to assure that all posted transactions are accurate and allocable to the award. Especially expenses charged at the end of the award and after the award end date.
 - Clear overdrafts and transfer expenses deemed unallowable during the adjustment period. Please see the definition of adjustment period in Section 5.
 - Verify final transactions from recharge or service centers are posted during the adjustment period. Please see the definition of adjustment period in Section 5.
 - Confirm all payroll charges are within the period of performance. Last payroll charge must be split to only charge for the number of days that fall within the period of performance. Process all Labor redistribution entries during the adjustment period.
 - Verify cost sharing commitments are met and expenditures, are properly coded and recorded in Banner and incurred within the period of performance.
 - Close all encumbrance during the adjustment period.
- **Office of Sponsored Programs**
 - Submit required financial reports/invoices to the sponsor by the due date specified in the award document. OSP is responsible for preparing and submitting all interim and final financial reports/invoices to awarding sponsors using information provided in the Banner Financial System.
 - Notify the department of any unallowable overdrafts and expenses to be cleared during the adjustment period.
 - Proof F&A charges and make any necessary adjustment to indirect costs.

- Submit all invoices, closeout releases and certifications, final financial reports, invention statements, property reports, and other required documentation under the terms of the award in a timely manner.

9. References

- Policy [3245: Cost Sharing on Sponsored Projects](#).
- [Policy 3240 Costing Principles for Sponsored Programs](#)
- [OSP 30006](#) Sponsored Award Technical Performance Reports - Administration

10. Contacts

- **Senior Director of Post Award**
Office of Sponsored Programs
North End Center, Suite 4200
300 Turner Street NW
Blacksburg, VA 24061
540.231.9372
- **Associate Vice President for Research and Innovation, Sponsored Programs**
540.231.5281

11. Dissemination

This procedure may be posted on a Virginia Tech internet accessible site. Open public dissemination of this procedure is allowed.

12. Approval and Revisions

This procedure was originally approved by the Director, Office of Sponsored Programs, June 29, 2002.

This procedure was revised and approved by the Interim Director, Office of Sponsored Programs, March 29, 2007.

This procedure was revised to reflect working processes. The revision was approved by the Assistant Vice President for Sponsored Programs Administration, October 16, 2011.

This procedure was revised and approved effective September 1, 2016 by Assistant Vice President for Sponsored Programs. This major revision updates the formatting of the procedure, brings the procedure into compliance with [2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(Uniform Guidance\)](#) and other edits for clarity and title changes.

This procedure was revised to change the closeout timeline available to PI and Department staff so that the final invoice/report can be submitted by the due date. The revision was approved by the Associate Vice President for Research and Innovation, Sponsored Programs on March 15, 2021.

The official version of this information will only be maintained in an on-line web format.

Any and all printed copies of this material are dated as of the print date.

Please make certain to review the material on-line prior to placing reliance on a dated printed version.
