

**Office of Sponsored Programs**  
**Procedure 30005 Sponsored Award Files – Closeout**

Revision Date: 6/28/17

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**1. Introduction**

**Responsible Officials: Assistant Vice President for Sponsored Programs**

**Effective Date:** June 29, 2002

**Revision Date:** June 28, 2017

**IMPORTANT:** For federal awards/subawards issued to Virginia Tech with a start date prior to December 26, 2014, 2 CFR Part 215 (OMB Circular A-110) and 2 CFR, Part 220 (OMB Circular A-21) apply. For all new funds (new awards and new monies, such as continuation awards, supplements, etc. received for existing awards) with a start date on or after December 26, 2014, these new funds are subject to [2 CFR Part 200](#) (commonly referred to as Uniform Guidance—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) but hereinafter referred to as “[2 CFR Part 200](#)”).

**2. Scope**

This procedure outlines the requirements necessary to closeout a sponsored award. This procedure applies to all Office of Sponsored Programs staff but particularly Post Award Associates (PAAs) that are involved in the administration of the sponsored award funds.

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 ensure that all award requirements are met and awards are closed in a timely manner in accordance with [2 CFR Part 200.343](#) and award documents.

## 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 the general conditions of [2 CFR Part 200.343](#). 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.

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## 5. Definitions

**Adjustment Period** – An “Adjustment Period” is provided after the end date of an award to the departmental business managers for the purpose of ensuring all final expenditure transactions including travel, invoices, 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 any required final financial report/invoice. The Adjustment Period is used to record any additional allowable award expenses not previously recorded, as only these transactions can be included on the report/invoice. The Adjustment Period begins the day after the award end date and concludes upon the Banner close of the 2nd month after the award end date. The adjustment period may be shorter based on the sponsor guidelines for submission of the final invoice/report.

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

**Closeout** – Closeout occurs when the PAA has completed all the steps in the Project Closeout Checklist and has terminated the grant fund in the Banner system.

**Cost Sharing Commitment** – Principal Investigator (PI) and Virginia Tech commit to contribute university or other third-party provided resources towards the performance of the project.

**Cut-off Date** – The final business day of the 2nd month after the award end date. This is provided for the departmental business managers to process necessary transactions to facilitate submission of the final invoice or reports.

**No-Cost Time Extension** – Extends the end date of an award/fund without additional funding from the sponsor.

**OSP Award File** – The paper award file including any related sub-folder. The particular sub-folder used is dependent upon internal process manuals.

**OSP Official Electronic File** – The electronic file is a mechanism for storage of electronic documents regarding awards associated with Virginia Tech sponsored research. This repository may change its format as technology changes, but the duty of organization, maintenance, upkeep and implementation resides with OSP.

**Overdraft** – Expenses incurred in excess of the award amount.

**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 200.328](#)). 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.

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## 6. Award Pre-completion Actions

- Before the award end date, the PI and the department should conclude all expenditures and make all necessary adjusting journal entries and/or payroll adjustments to correct award transactions.
- Closeout notices are system-generated as a project approaches **75 days prior** to an award end date in Banner and distributed by email to Principal Investigators (PIs) and business managers. The notice serves as a reminder to take all actions required to allow timely closure of the award/fund or to request no-cost time extensions. The [OSP Project Expiration Notice website](#) allows fund managers, PIs, and others to quickly and easily provide PAAs guidance on the status/disposition of award/fund(s) as their completion (project end) dates approach. Additional information regarding the project expiration notices website and the closeout process can be found on the [OSP website](#).
- 45 days before an award end date OSP will send a second project expiration notice to the PI and business managers as a reminder to take all actions required to allow timely closure of the award. Federal agencies require no-cost time extension notices at least 30 days prior to the award end date.
- When the PI confirms the project is in fact ending, the PAA will initiate closeout procedures and undertake actions to work with departments to ensure all requirements of the award are complete.
- 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 the end date of the award to avoid unallowable charges.
  - Ensure that subcontractors have completed their assigned work scope.
  - Ensure all necessary payroll adjustments have been processed.
  - Initiate any necessary journal entry cost transfers to ensure all expenditures are complete, accurate and allowable.
- When the PIs response indicates that a no-cost time extension is appropriate, the PAA advises the PI on the necessary steps to secure the extension.

When a PI fails to respond, the PAA will contact the PI in an attempt to obtain the required information to determine the appropriate course of action.

## 7. Award Closeout

- By the cut-off date, the PI and department need to confirm that all award costs – subaward costs, recharges or service center costs, commitments, cost sharing, etc. – have been recorded in Banner (i.e., no “surprise” expenses will surface later).
- When closing projects with fixed price subawards, PAA will ensure that the sub awardee is in compliance with the [2 CFR Part 200.201](#) of Uniform Guidance.
- If Virginia Tech has committed cost share for an award, the department must have recorded all cost sharing expenditures in Banner or documented third part contributions to the PAA by the cut-off date.
- Close any remaining open purchase orders or commitments to prevent inadvertent vouchers against the award. Note: until all commitments are cleared, the award remains open, potentially allowing transactions to be posted.
- Unallowable costs or overdrafts should be cleared by the department to an appropriate fund, or these balances may be arbitrarily posted to the department’s overhead fund on or after 120 days.
- There may be rare instances where the PI/Department needs to charge the award for expenditures that were not posted prior to the cut-off date. The corrective actions OSP can take depend on the reason for late charge and the deadline for submission of the final invoice/report.
- Banner Report FZRSAPL, “Active Project Listing by Admin., End Date, and Fund Number” will be run and electronically distribute on the first of every month to the responsible PAA’s. The report is a list of projects by administrator sorted by end date. This report will be used to identify those projects which are candidates for closeout.
- PAAs will attempt to confirm submission of the final Technical Performance Report (see [OSP 30006 Sponsored Award Technical Performance Reports – Administration](#)) by the PI.
- PAAs will verify all expenses have been posted to the fund and consider freezing the fund if it is in overdrawn status. Departments should be notified to remove overdraft items. If departments fail to respond or remove charges as requested, PAAs may move non-salaried expenditures to the departmental returned overhead fund as necessary in accordance with [OSP 30004 Cost Transfers Associated with Sponsored Awards](#). Department personnel must initiate salary cost transfers.
- Awards which have unmet cost sharing commitments or have delinquent Technical Performance Reports should be brought to the attention of the appropriate Post Award Team Leader.
- PAAs will follow the OSP Project Closeout Checklist to document the performance of key steps in the closing of the project. This Closeout Checklist is only required for OSP

restricted funds. It is not required for Residual funds, VT Foundation funds, Various Funds and all other unrestricted funds handled by OSP.

- If OSP has not received final payment due to an unaccepted or not-submitted technical report, the fund cannot be terminated in Banner. The issue should be escalated to the Senior Director of Post Award.
- PAA's will review the OSP Award File and supporting documents for completeness, compliance, and accuracy before submitting the fund for termination on FTMFUND.

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## 8. OSP Award Closeout Oversight

- Following the Adjustment Period, OSP reviews award transactions for accuracy and compliance, in order to prepare the final expenditure report and/or invoice no later than 90 days after the award end date or sooner, if the sponsor deadline is less than 90 days.
- PAA will complete the following:
  - Verify subcontract/subaward balances are correct.
  - Verify overhead posted to the award for accuracy.
  - Verify that cost share commitments are met.
  - Prepare and submit Final Financial Report or Final Invoice to the sponsor.
  - Processes any refund due to the sponsor.
  - Follow up with sponsor to receive payment.
  - Complete all other Closeout Checklist requirements.
- On a monthly basis, PAA reviews all expired awards where the Final Financial Report has been issued to the sponsor and automatically terminates award fund numbers with a zero balance (i.e., there are no commitments pending, deficits or fund balances).
- Spending in excess of the authorized award amount must be transferred to an appropriate funding source within 120 days from the award end date. If the department has not cleared these charges, PAA will transfer the overdraft balance to the departmental overhead fund.
- At 120 days after an award expires, PAA will determine whether or not the fund should be frozen to ensure no additional costs can be changed.
- Requests to revise Final Financial Reports will be based on applicable university and/or sponsor policy.
- Post Award management will use the quarterly closeout report of awards expired over 6 months ago and the comments recorded by each PAA to ensure timely closeout in accordance with [2 CFR Part 200.343](#).

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## 9. Roles and Responsibilities

- **Principal Investigators (PIs):**
  - Ensure all costs are correctly recorded on a timely basis in the Banner Financial System. If additional time is required for award activities, it is the PIs responsibility to request a no-cost extension through OSP no later than 60 days prior to award end date.
  - The PI is ultimately responsible for management of the award and, as such, must ensure that all expenses charged are accurate and allowable under the terms of the award, and that expenses are correctly recorded in a timely manner.
  
- **Department Administrator/Business Support Center/Fiscal Officer (Department):**
  - Coordinate pre-closeout and adjustment period tasks and procedures to facilitate award closeout.
  - Review Banner activity to ensure that all posted transactions are award related and accurate. Ensure any purchase card (p-card) transactions are authorized and acceptable. Address any erroneous postings via journal entry cost transfer.
  - Clear overdrafts and transfer expenses deemed unallowable by the cut-off date of the 2nd accounting period after the award end date.
  - Verify final transactions from recharge or service centers are posted by the cut-off date.
  - Confirm all required payroll adjustments requested have been posted in Banner.
  - Verify cost sharing expenditures, if required, are properly coded and recorded in Banner or proper documentation of cost share is provided to PAA.
  - Close all open purchase orders and or commitments for which all invoices have been paid by the end of the adjustment period.
  
- **Office of Sponsored Programs:**
  - Submit required financial reports/final invoice to the sponsor no later than the due date specified in the award document. OSP is responsible for preparing and submitting all interim and final financial reports and invoices to the sponsors using information provided in the Banner Financial System.
  - Notify the department of any unallowable overdrafts and expenses to be cleared.
  - Closeout awards.

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## 10. References

- [2 CFR Part 200](#), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- [OSP 30004 Cost Transfers Associated with Sponsored Awards](#)
- [OSP 30006 Sponsored Award Technical Performance Reports - Administration](#)

## 11. Contacts

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

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## 12. Dissemination

This procedure may be posted on a Virginia Tech associates-only intranet accessible site. Open public dissemination of this procedure is not prescribed.

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## 13. 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 revision was approved by the Assistant Vice President and Interim Director of Sponsored Programs, June 28, 2017. 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.

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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.

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