# Closeout Procedures

## For Sponsored Projects

New Mexico Tech Sponsored Projects Administration

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The purpose of this document is to provide instructions for the closing of sponsored agreements that have terminated and for transferring surpluses and deficits. Special provisions for fixed price contracts, refunds to sponsors, and requirements for record retention are also discussed.

This document is continually being updated. We would appreciate any information and/or insight which would help us develop stronger policies for NMIMT's research community.

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## I. Introduction

The New Mexico Institute of Mining and Technology (NMIMT) is obligated to close out all sponsored projects and submit any final technical and financial reports in a manner consistent with the terms and conditions of a given award. The necessary closeout procedures will vary by agency and whether the award was issued in the form of a grant, a cooperative agreement, or a contract. Final deliverable requirements are usually identified in the individual award terms and conditions. They may appear as an appendix, as a data requirements list, or as a simple attachment. These attachments will generally include instructions relative to the distribution of these final deliverables, including number of copies and mailing addresses.

Since sponsors do not send expiration letters, it is the Sponsored Projects Administration (SPA) Financial Administrator's responsibility to check the award documentation for all pertinent details about closeout procedures, required documents, and relevant dates. Notices are sent to Principal Investigators (PIs) on a monthly basis identifying projects that are nearing their termination dates. When signing the award termination notice, the Financial Administrator will examine the award for open encumbrances and will notify the PI, the Purchasing office, the Property office, Accounts Payable and Travel office as necessary to disencumber funding.

The closeout of a project is the process by which the sponsor determines that all applicable administrative actions and all scientific work on the award have been completed.

**Note:** For awards governed by Office of Management and Budget's (OMB) CFR Title 2 Part 200: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", recipients must submit all financial, performance, and other reports (as required by the terms and conditions of the award) within 120 calendar days after the date of completion of the award. Refer to Section 200.344. The federal awarding agency may approve extensions when requested by the Institute. Using the procedures described below, the financial closeout activities for all awards include:

- Closing open encumbrances (handled through the Purchasing and Travel Departments),
- Closing recurring charges (e.g., gas cylinder refills and ITC charges),
- Closing standing orders (e.g., lab supplies, chemicals, or postal service charges),
- Reconciling accounts,
- Resolving overdrafts or surpluses,
- Conducting a final review of financial reports,
- Suspending FUND usage,
- Balancing related general ledger (GL) account codes and revenue records (FGITBSR and FRAAREV), and
- Closing and deactivating of FUND(s).

## II. Standard Reports Required for Closeout

When a sponsored project ends, certain administrative actions are required to ensure an orderly closing of the award. Specific report and deliverable requirements are typically stated in the sponsor's award documents or in the agency's policy brochure or manual. The award documents will identify the specific reporting requirements and should be reviewed by the PI and Financial Administrator at the time the award is funded by the sponsor.

It is important to complete all requirements and do so in the timeframe specified by the sponsor. Non-compliance in this regard can lead to debarment of the PI from receiving subsequent awards from the sponsor. Ultimately, it can even lead to the debarment of NMIMT from receiving awards from the sponsor, because the university is ultimately held responsible for all required closeout documents.

Although there is no standard closeout instruction list because each agency has different requirements, the basic reports detailed below are the types of documentation generally required by the sponsoring agency. If appropriate, a cover letter should be prepared and included with the closeout package (i.e., reports) submitted to the agency.

### A. Final Technical Report

Most awards require the submission of a final report describing the work accomplished during the period of performance. Such reports range from a brief summary and list of publications to a complete, exhaustive compilation of the project and its results.

The PI is responsible for submitting all technical reports required under the terms of an award as well as any other agreed-upon deliverables, such as graphs or software. The sponsor usually indicates the format and deadline for these reports. If any information in a report or any deliverable is submitted to a sponsor that should be treated as confidential or proprietary, the PI should clearly mark and identify it as "proprietary."

> Note: The Sponsored Projects Administration does not require a copy of the final technical report but may request a copy of the transmittal letter or dated face page of the report to document its submission.

Failure on the part of the PI to deliver any required technical reports or deliverables to the sponsor in a timely matter may affect the collection of funds for the project and future funding from that sponsor to NMIMT.

## B. Final Report of Patents and Inventions

Most sponsors require reports about any patents and/or inventions created during over the course of a sponsored project. Usually such declarations are made via a pre-printed form, annually and/or at the end of the project period, and are required, even if the report is negative. The format/forms required vary by sponsor. For example, Department of Defense awards use *DD Form 882*, while NASA requires recipients to report new technology through their NASA New Technology Reporting Website (eNTRe) located at http://invention.nasa.gov. Timely filing of these reports is critical in order to preserve NMIMT's rights to the invention.

The final report of patents and inventions requires the signatures of both the PI and the authorized representative of the university (e.g., the Vice President of Administration and Finance).

If a patentable idea, invention, or discovery is made as a result of a sponsored project, this information must be disclosed to the Office of Innovation Commercialization (OIC) and the SPA Research Administrator within a specified time frame, or NMIMT may lose its rights to the invention. The PI must contact the OIC as soon as it is practical to discuss the disclosure, must avoid premature public disclosure and, if appropriate, start the patent process.

## C. Final Inventory of Equipment Report

NMIMT must account for any real or personal property acquired under a sponsored project, including government furnished property. The Financial Administrator should obtain a final property report from the Property Office that identifies the equipment purchased, acquisition costs, make, model number, serial number, NMIMT inventory number, and condition.

The report, along with any specific agency forms, is submitted to the sponsor. A copy should be provided to NMIMT's Property Office. When the Office of Naval Research has been assigned the administration of any DoD contract, then ONR should also be provided with a copy of the final property report. The Financial Administrator is responsible for sending and confirming the receipt of the reports to ONR and the funding agency. Note that ONR expects the reports to be submitted 60-90 days after the award has terminated, so if delays are anticipated, both the agency and ONR should be notified.

Title to equipment should have been negotiated at the proposal/award stage. If, however, the terms of the award do not automatically give title to the university, the Financial Administrator sends a letter to the agency, along with the final inventory of property, requesting transfer of title to the university or other disposition instructions. The PI may be required to assist by answering any questions or addressing any issues that arise regarding equipment or property.

## D. Final Financial Status Report

The expiration of an award usually requires the submission of a final financial status report. The Sponsored Projects office is responsible for submitting any financial reports required to close out the award. The format and forms vary by agency. For example, Department of Defense awards commonly use *SF 1034/SF 1035* for contracts and *SF 425* for grants.

Agencies may conduct some type of final financial review of the costs incurred under a given award to ensure that all costs are reasonable, allocable, and allowable. The review may take the form of one of the following:

- **Desk review**. Cost elements originally budgeted in the proposal are compared and contrasted with costs actually incurred.
- **Full audit.** The individual award is audited by the cognizant federal agency for audit of the awardee's institution. This review is generally reserved for high-dollar awards, with the audit being conducted by Defense Contract Audit Agency (DCAA).
- **Reliance on the Uniform Guidance annual single audit (Refer to Section 200.514)**. This audit characterizes the overall abilitie of NMIMT's management control and incurred cost systems. This report is based upon generally accepted accounting principles and establishes a benchmark of transactional acceptance by reliance on the overall systemic tests of NMIMT's financial system.

> **Note:** It is advisable that the PI monitor project obligations closely by carefully reviewing the monthly expenditure report (available online) to ensure that all expenditures are accurately recorded.

## E. Final Cost Sharing Contribution Report (If Appropriate)

The PI must review and certify all NMIMT cost share contributions related to a project by reviewing and signing the monthly expenditure report available online. When the PI certifies the report, he or she is assuring NMIMT and the sponsor that the following facts are true:

- The costs recorded in the report are true and accurate;
- the costs were contributed to the identified project during the reporting period; and
- the costs have not been, and will not be, used as cost sharing contributions on any other projects or for any other periods relating to the identified project.

The Financial Administrator is responsible for balancing the cost share fund, for "funding" the cost share by JV, if required, for recording memo entry overhead, and for providing all of the backup documentation requested by the agency.

## III. Prior to Closeout

If the project cannot be completed by the end date, the PI may request, in consultation with Sponsored Projects, a no-cost extension from the agency. No-cost extensions should be requested at a minimum of 45 days prior to termination of award. Refer to individual agency requirements. A no-cost extension means that the sponsoring agency will allow the PI an additional period of time to complete the project and file reports but will not provide additional funding. Requests for extensions must be submitted far enough in advance of the original end date to allow for processing time. The process for each agency will vary, but all agencies require a justification for why the project could not be finished in the planned amount of time, and why the project warrants an extension.

> **Note:** Failure to spend all available budget is not an acceptable reason for requesting a no-cost extension.

Principal investigators must consider lead time when ordering goods and services. Delivery and utilization of goods and services must occur before the project's end date. If an item is not received during the award period, then the benefit to the project is highly questionable. Such items are routinely disallowed upon audit even if the purchase would have been a legitimate charge at the time the order was placed.

If a large number of orders are requisitioned toward the end of a project, it may appear to auditors that excess funds are being used to purchase goods for use in future research. This practice is called "stockpiling" and is not allowable.

Departments that maintain inventory must charge an award at the time inventory is drawn down during the performance of an award. Charging an award for stock replenishment near to or after the project ends is not an allowable cost on a sponsored project.

> **Note:** Stock replenishment is accomplished by a department using the revenue received from inventory that has been drawn down whether it was charged to an external award, to another department, or used internally.

## IV. Special Provisions for Closing Fixed Price Contracts

A **fixed price** award is an award in which the sponsor provides NMIMT a fixed amount of funding to complete a mutually agreed upon scope of work. The amount of the award is based on an estimate of the costs of performing the work, using costing methodology that conforms to federal cost principles and NMIMT policy. Once the award is accepted, the PI is obligated to perform the work, whether or not the funding provided is adequate, but is not obligated to return any unused funds.

Fixed price contracts are subject to the following requirements:

- All expenses associated with a fixed price project are to be charged to the project, even if they are in excess of the project budget. Expenses cannot be charged to any other source of funds.
- If the cash funding is inadequate, the Sponsored Projects Financial Administrator is to transfer the overdraft to either the PI's discretionary fund, preferably overhead return (122xxx) or other suitable discretionary monies (23xxxx), or the department's P&L and code the transfer as described in Section IX. Sponsored Projects will then close the fund.
- If residual funds remain on a firm, fixed price agreement and the deliverables have been satisfied, the Financial Administrator will do an adjusting entry to maximize overhead, applying the appropriate F&A rate to the total award amount not to exceed the residual balance of the surplus.
- If there is a residual cash balance after the adjustment discussed above, then that amount is transferred out of the award and into either the Sponsored Projects Write Off fund (formerly called Research Reserve), the PI's discretionary fund (23xxxx), or the department P&L as described in Section V.
- If the residual balance is in excess of 25 percent of the total value of the contract, written justification must be provided by the PI to ensure that the estimate used to arrive at the projected cost of the project was consistent with federal cost principles and NMIMT policy, and that costs associated with the project were not charged elsewhere.
- If a wire transfer fee has reduced the revenue received to an amount less than the amount invoiced, the deficit should be charged by JV to the PI's discretionary fund or the appropriate P&L and processed by the Business Administrative Specialist through ZZZ010 to bring revenue and expense into balance. Use a description of "wire transfer fee" on the JV, and attach a copy of the wire transfer payment to the adjusting entry to document the expense.
- Fixed price awards with zero or negative balances will normally be closed out two months after the termination date in order to ensure that all allowable residual costs have been posted.

## V. Transfers of Surpluses and Deficits

Surpluses realized on fixed price sponsored projects with the exception of EMRTC, Playas, PRRC, ICASA, Langmuir, and the Bureau of Geology (research units that have P&L funds) are normally to be split 50/50 between NMIMT and the PI. The purpose of this administrative policy is to avoid creating an incentive for padding a budget on a firm fixed priced agreement to achieve a surplus. This is also called "defective pricing" when a violation of the Truth In Negotiation Act (TINA) has occurred. TINA is invoked on a federal contract greater than $750,000 and when one of four FAR clauses has been incorporated into the agreement. Refer to Sponsored Projects Administration Overview for a complete discussion.

In the event the PI has sustained losses on other projects and NMIMT has absorbed the loss, the split of a surplus should be discussed with the Vice President of Finance and Administration who may wish to receive a larger portion of the surplus.

The institute's share of the surplus after maximizing overhead as described in Section IV is to be transferred to the Sponsored Projects Write Off fund 121003 (formerly called the Research Reserve). The PI's share of the surplus after maximizing overhead as described in Section IV is to be transferred out of the award and into a 23xxxx discretionary fund for the PI's use.

Surpluses remaining after maximizing overhead as described in Section IV on EMRTC, Playas, PRRC, ICASA, Langmuir, and the Bureau of Geology funds are to be transferred to the appropriate research unit P&L.

Deficits are to be absorbed by the PI using discretionary funds. When none are available, the deficit can be written off to the Sponsored Projects Write Off fund 121003 (formerly call the Research Reserve).

Deficits on EMRTC, Playas, PRRC, ICASA, Langmuir, and the Bureau of Geology funds are to be transferred to the appropriate research unit P&L.

Write-off of a surplus or deficit going to any P&L 121xxx fund or other non-restricted fund is handled using the following BANNER account codes:

- **Surplus:** Debit the award using account code 782040 and Credit the 121xxx fund using account code 582040.
- **Deficit:** Credit the award using account code 782040 and Debit the 121xxx fund also using account code 782040. For deficits the same account code is used for both sides of the transaction.

Questions should be directed to the Cost Accounting office.

Example 1: Main Campus FFP with surplus

1. Maximize overhead
2. Transfer surplus split 50/50 with main campus

| *INDEX (6)* | *ACCT (6)* | DEBIT | CREDIT | DESCRIPTION |
|---|---|---|---|---|
| ABCDxx | 740001 | $100.00 | | Overhead |
| R56103 | 560103 | | $100.00 | Main Campus Overhead |
| | | | | |
| ABCDxx | 782040 | 50% | | Transfer Surplus |
| 121003 | 582040 | | 50% | ABCDxx Closing Adjustment |
| | | | | |
| ABCDxx | 782040 | 50% | | Transfer Surplus |
| R56103 | 560103 | | 50% | ABCDxx Closing Adjustment Closing |

Example 2: EMRTC FFP **using EMRTC overhead rate prior to July 2021** with surplus
Step 1 of Closeout Entry

1. Maximize overhead and wait for fixed fee to post

| *INDEX (6)* | *ACCT (6)* | DEBIT | CREDIT | DESCRIPTION |
|---|---|---|---|---|
| ABCDxx | 740001 | $100.00 | | Total F&A portion |
| | | | | |
| 280000 | 560103 | | $50.00 | EMRTC Overhead |
| | | | | |
| R56103 | 560103 | | $50.00 | Main Campus Overhead |

Example 2 for EMRTC FFP with surplus
Step 2 of Closeout Entry:

1. Maximize EMRTC Fixed Fee to amount agreed upon with agency (must match contract)
2. Transfer surplus to EMRTC P&L

| *INDEX (6)* | *ACCT (6)* | DEBIT | CREDIT | DESCRIPTION |
|---|---|---|---|---|
| ABCDxx | 740004 | $100.00 | | Fixed Fee Adj to ceiling amt |
| 121100 | 560104 | | $100.00 | Fixed Fee Adj to ceiling amt |
| | | | | |
| ABCDxx | 782040 | 100% | | Transfer Surplus ABCDxx to |
| 121500 | 582040 | | 100% | Transfer Surplus ABCDxx |

NOTE: There are some Playas awards that utilize EMRTC overhead and some Playas awards that utilize main campus overhead. The following example is for a Playas fund that is using EMRTC overhead.

Example 3 for Playas FFP with surplus
Step 1 of Closeout Entry:

1. Maximize overhead and wait for fixed fee, if any, to post.

| *INDEX (6)* | *ACCT (6)* | DEBIT | CREDIT | DESCRIPTION |
|---|---|---|---|---|
| ABCDxx | 740001 | $100.00 | | Overhead |
| 280000 | 560103 | | $33.00 | EMRTC Overhead |
| R56103 | 560103 | | $67.00 | Main Campus Overhead |

Example 3 for Playas FFP with surplus
Step 2 of Closeout Entry:

1. Maximize Playas Fixed Fee, if applicable, to amount agreed upon with agency (must match contract)
2. Transfer surplus to Playas P&L

| *INDEX (6)* | *ACCT (6)* | DEBIT | CREDIT | DESCRIPTION |
|---|---|---|---|---|
| ABCDxx | 740004 | $100.00 | | Fixed Fee Adj to ceiling amt |
| 121102 | 560104 | | $100.00 | Fixed Fee Adj to ceiling amt |
| | | | | |
| ABCDxx | 782040 | 100% | | Transfer Surplus ABCDxx |
| 121504 | 582040 | | 100% | Transfer Surplus ABCDxx |

**NOTE: After July 1, 2020 there is only one overhead rate for the entire campus. EMRTC and Playas funds will be using the same overhead rate as all other departments and research centers. FFP awards for both EMRTC and Playas will have overhead maximized as in Example 1.**

## VI. Refunds to Sponsor

At the end of a **cost-reimbursement** project, the Sponsored Projects Administration will refund to the sponsor any monies received that were in excess of expenditures.

If a refund is required after an award has been closed, the requesting department should send a memo to Sponsored Projects explaining the need for the refund, and a copy of the memo should be maintained in the award file.

A direct payment form is required. Charge the refund on the DP to ZZZ010- 230408 (G&C Suspense), rather than the actual fund and account code which created a need for a refund transaction. The Business Administrative Specialist will verify that the amount to be refunded has been posted by General Accounting by checking the information through FGITBSR. Once posted, the Business Administrative Specialist will enter the amount in FRAAREV as a "negative" value directly into the affected grant/fund using the "GTRF" (grant refund/transfer) detail code. The use of "GTRF" in FRAAREV offsets the Accounts Payable entry that occurs when the check is issued from ZZZ010-230408.

**Note:** Be sure to keep a file copy of any documents that were sent.

## VII. STATUS Code Options

The STATUS code field in BANNER FRAGRNT should be updated throughout the lifecycle of the award whenever the status changes using the appropriate two-character code from the following list:

- CV – Contract voided/retracted
- FP – Final pending/awaiting closing JV
- AC – Active
- AD – Adjustment required for closeout purposes
- AR – File has been archived
- BR – Bridge funding/contract to be definitized
- CO – Complete and in balance
- ED – Waiting on equipment disposition instructions
- EX – Extension pending
- FI – Final invoice sent but unpaid
- HD – Account on hold – contract/invoice/collections issues
- IA – Inactive; pending closeout process
- IC – Invoice paid but closeout to be performed
- RD – Refund due to closing/OH adjustments

## VIII. Record Retention Requirements

### A. State and Federal Awards

All financial, technical, and other records pertinent to the project must be retained for three years following submission of the final financial report (CFR Title 2, Part 200, Section 200.334), unless the terms of the award provide for a different period.

Additionally, the CFR Title 2, Part 200, Section 200.334(a) states, "If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken."

### B. Other Sponsors

Record retention for other sponsors is as specified in the award or in sponsor policy.

## IX. Closeout Procedures

The following section describes NMIMT's closeout procedures.

1. Determine which agreements need to be closed by reviewing contracts which are terminating. Normally, the closeout process should be started the month before the award is scheduled to terminate. This review ensures that all allocable residual costs are processed in a timely manner to allow for submission of the final invoice within the 90 day closeout period and allows all encumbrances to be closed.

   a. If a PI indicates that supplies or equipment have been received, but there is still an encumbrance and payment has not posted to the award, contact the Comptroller and the Property office with any information that can be gathered about the PO number, the vendor, and the amount that hasn't cleared. This will make certain that POs are paid within the period of performance of the award, and it will ensure that all charges are invoiced.

   b. If travel is still encumbered, work with the PI to submit a zero reimbursement request so the Travel office can disencumber travel. It sometimes happens that an employee will just forget to request reimbursement for travel but would still like to be reimbursed. That needs to happen before a final invoice is submitted to prevent write-offs.

2. Check the original contract for the following items:

   - Amendments and/or modifications to the term date and amount of the contract.
   - Documents required for closing.
   - Any other relevant information necessary to close out the award such as final property and equipment listings with a request for disposition instructions or a schedule of claimed costs and a comparison of overhead charged versus rate negotiated (analysis) by fund.

3. Ensure the fund is closed on the termination date so no other costs may be posted. Freeze financial activity by completing the "TERM" (i.e., termination) and "EXPENDITURE END" date fields in FTMFUND and FTMACCI. The "EXPENDITURE END" date should coincide with the Fiscal Year End (FYE), (e.g., 6/30/####, where #### is replaced with the appropriate year). The "TERM" date field in YYRFUND should remain blank in order to process payments received after the award terminates. Also, the budget period in YYRFUND should always mirror the period of performance of the award.

   If the "TERM" date is recent, i.e., within the past thirty days, make sure the PI has not requested an extension. If an extension was requested and approved by the agency, then there is no need to freeze the fund to further financial activity.

   If a fund needs to be re-opened after it has been closed to allow payroll or a trailing entry to post, or to allow an error to be corrected, change the term dates in FTMFUND and FTMACCI, but note that the effective date of the change will always be the date on which the record was modified. To allow payroll to post, an IT database administrator will need

to "sql" (i.e., date retroactively) the effective date of the new entry so there is no gap between the original term date and the date the fund is re-opened. The new term date must be set far enough out to allow the correction to post in the current month and run through billing in the month following.

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The Sponsored Projects Financial Administrator assigned to the agreement is the only individual authorized to terminate and re-open grant FUNDs. If that person is unavailable, a fund may be opened by anyone in Sponsored Projects, but please remember to notify the award administrator that the fund has been re-opened.

4. Examine the expenditure details and/or FRIGITD for costs incurred after the end of the period of performance and find out if the contract is over budget. Some costs appearing to be after the term date may be valid but must be documented through time sheets or receipts as being within the period of performance.

> **Note:** Large-volume purchases or single item purchases of significant cost made at the end of a project are usually not allowable because auditors contend that late purchases do not significantly benefit the project.

If there are costs that appear after the term date of the award, or if the contract is over budget, the Financial Administrator should communicate with the PI to determine whether the expenditures were appropriately charged. When the past term or over budget charges are written off, see Section V, Transfers of Surpluses and Deficits, on page 9 of this document and use the appropriate PI discretionary fund or P&L for the deficit JV. Following is a list of available P&L funds:

- 121003 – Sponsored Projects Write Off
- 121500 - EMRTC Deficit (Surplus)
- 121504 - Playas Deficit (Surplus)
- 121506 - ICASA Deficit (Surplus)
- 121550 - Bureau Deficit (Surplus)
- 121551 - Langmuir P&L

5. Compare indirect cost rate(s) charged to the negotiated indirect cost rate agreement applicable to the award to ensure that the rate(s) were charged correctly (refer to example closeout package).
   a. If the charges are correct, then proceed to step 6.
   b. If charges are incorrect, use Microsoft Excel to calculate the correct amounts and do a JV to correct the error.
6. Check the final invoice calculation to see whether the total fixed fee, if applicable, has been charged to the award.

a. If yes, continue to step 8.

b. If no, then create a JV to charge the final amount of the fixed fee.

7. If the contract includes a fixed fee with an 85% limitation, proceed to 6.a and 6.b.

   If this is not applicable, skip to Step 8.

   a. Begin the final invoice calculation and determine whether the funding agency has been billed for 100 percent of costs and 85 percent of the fixed fee, if applicable per the terms of the agreement.

      i) If the funding agency has been billed appropriately, then the final invoice is made for 15 percent of the fixed fee.

      ii) If the funding agency has **not** been billed, then two invoices are made. One is for 100 percent of costs, plus 85 percent of the fixed fee. The second invoice is for 15 percent of the fixed fee or other withholding as determined by the funding agency.

   b. If there is **no fixed fee**, then perform the final invoice calculation and determine if the funding agency has been billed for 100 percent of costs.

      i) If the funding agency has been billed appropriately, then prepare an invoice marked "final" with a "zero" amount due.

      ii) If the funding agency has **not** been billed, then prepare the final invoice for any remaining costs.

8. Request either 1) title to any equipment acquired for the project if title to the equipment has **not** already been given to NMIMT or 2) equipment disposition instructions from the funding agency. If equipment was fabricated for the project, then work with the PI to identify all costs to be categorized as equipment, do a JV to move all fabricated equipment costs to account code 730101, and notify the Property Office so the equipment can be tagged appropriately.

9. SPA does not handle the disposition of hazardous materials or waste. These items must be disposed of through R&ED's Hazardous Waste Department. Other sensitive items include data storage devices, proprietary data, ordnance, weapons, classified materials and data, and test range residue. Departments and organizations that routinely handle sensitive or hazardous materials must have proper handling and disposition procedures in place and/or their own standard operating procedures (SOPs) for handling and disposing of these items.

10. Prepare any necessary supporting documents, such as Invoice Reconciliation, etc.

11. Prepare the closeout documents, such as Contractor's Release, Contractor's Assignment of Refunds Rebates and Credits, etc. (refer to example closeout package). Request closeout documentation from subrecipient(s) via submission of the Subrecipient Closeout Letter.

**Note:** Refer to section II below for an overview of standard closeout reports.

12. Prepare any documents that the funding agency requires, such as form DD 250. Get appropriate signatures, make copies, and transmit to the proper locations.
13. Contact the sponsoring agency to ensure that it has received the final invoice and that all of the required documents were included. Also, request an estimated payment date.
14. Ask the PI to send proof of submission of the technical report, such as a copy of the e-mail in which the report was sent, a cover letter, a confirmation receipt from the agency, etc.
15. Upon receipt of final payment, any necessary adjusting JV entries should be created, including those transferring surplus or deficit on a firm fixed price agreement, as well as making any final adjustments necessary to zero out FRAAREV. For cost reimbursement awards, wire transfer fees that have reduced the revenue received to an amount less than the amount invoiced should be charged by JV to the PI's discretionary fund or the appropriate P&L and processed by the Business Administrative Specialist through ZZZ010 to bring revenue and expense into balance. Using a description of "wire transfer fee" on the JV, debit the discretionary or P&L fund to book the fee using a 710013 account code and credit ZZZ010- 230408. Provide a copy of the JV to the Business Administrative Specialist for entry into FRAAREV.
16. After all closing entries have posted and billing has been run, complete the Banner system closeout which consists of the following:

    a) Check FRIGSUM to verify that the billed and paid amounts are in balance. Print this screen.

    b) Check FRAAREV to verify that the query balance and the grant balance are zero. The agency balance will not be zero if the system identifies more than one award from the same agency. Print this screen.

    c) Check FRIBDET to verify that total expenditures, total billed, and total payments are equal. Print this screen.

    d) Check FGITBSR to verify that the following GL account codes have a trial balance amount of zero. This must be done for each fund on a grant.

    - 119000 - Claim On Cash
    - 130012 - A/R Billed Grants
    - 130013 - A/R Unbilled Grants
    - 210000 - Accounts Payable
    - 230401 - Unapplied Payments

    e) Once the closeout process is complete and all above screens are balanced, populate the status code field in FRAGRNT with code "CO" (complete and in balance) and update the status date to the last day of the month in which the closeout is complete. If a de-obligation

was received from the agency, update the current, cumulative, and maximum fields in FRAGRNT to reflect changes in the award. Print this screen.

f) Submit the Banner closeout package to the Business Administrative Specialist for entry in the closed award log.

## X. References

*Code of Federal Regulations* (CFR), Title 2 Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. "