

# Program Management by PI: Award Close-Out Procedures

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## Procedure Statement

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This procedure document provides guidance to PIs on the financial and non-financial aspects of post-award management at the end of a project period.

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## Financial Maintenance

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**No-Cost Extensions:** If the project cannot be completed by the end date, the PI can continue the work by requesting an extension.

### Federal

A no-cost extension means that a sponsor will allow the PI an additional period of time, usually no more than one year, to complete the project and file reports, but will not provide additional funding. Requests for extensions must be submitted far enough in advance to allow proper processing prior to the original end date; 30 days before the end of the award.

Most federal sponsors allow institutions to grant a **first** no-cost extension if a letter of request and explanation is submitted to the institution by the PI. The explanation should:

- Include the grant number and new project date for the extension
- Describe why the project could not be finished in the planned amount of time
- Explain how the remaining funds will be used (budget)

The letter should be addressed to the Director of Grants & Contracts and forwarded to the appropriate Grants & Contracts Specialist. Since not all federal sponsors have delegated authority to institutions to grant no-cost extensions, PIs should contact the appropriate Grants & Contracts Specialist for information about their particular funding agency. Grants and Contracts will forward the no-cost extension request to the sponsor, and will notify the PI and Finance if the extension is approved.

**Note:** *Not having spent all the allotted funds is not an acceptable reason for requesting a no-cost extension.*

### Other Sponsored

For sponsors other than federal agencies, refer to the sponsor guidelines to determine if extensions are allowed. If the sponsor's guidelines permit a no cost extension, Grants & Contracts will review and sign off on the request. The PI is then responsible for submitting a request to the sponsor for a no-cost extension for approval, if the sponsor is nonfederal.

Fixed-fee and fixed price contracts must be extended if the project will not be completed by the date on the agreement.

The award agreement with the sponsor establishes a project timeline and creates a schedule for the submission of reports and other deliverables. If a project will not be completed by the end-date on the agreement, then the schedule for deliverables will need to be revised. An extension request is required from the PI because this type of change to the agreement requires mutual written consent by both WMC and the sponsor. If an extension is not requested, WMC could be in breach of the agreement, which increases the risk of nonpayment or the potential for a lawsuit.

**Closeout Activities:** The PI and department administrator are responsible for the following closeout activities for all sponsored awards.

### **Close open encumbrances**

- All encumbrances should be closed within 30-60 days (depending on the reporting requirements of the award)
- Supply funds encumbered as of the closing date can normally be held open until invoices are received.
- Encumbrances related solely to the preparation of a final report, e.g., printing and duplicating costs, can normally be held open.
- Other encumbrances, i.e., for equipment, cannot normally be held open.
- Make sure last payment is marked 'final.'

### **Close recurring charges**

Recurring charges are charges that continue to hit on an ongoing basis without continued paperwork being processed. Example: gas cylinder refills or human subject advance payments.

### **Close standing orders**

Make sure that all department administrators that have an account number on file for charging standing orders remove that number, for example, lab supplies or chemicals.

### **Reconcile account**

Departments should start reviewing their accounts for charges processed against the project long before it ends. By the time the project ends, it could be too late for timely posting of expenses to the account. Some sponsors will not accept invoices that are a single day late.

### **Resolve overdrafts**

- As they are preparing the final financial reports, Finance will alert the department administrator or the PI if overdrafts exist on the account.
- The PI is responsible for proposing a resolution for the removal of over-expenditures. They must be removed before the final reports are submitted.
- Finance will review the proposed resolution of overdrafts and either approve them or return them to the PI for issue resolution.

### **Review financial reports**

Finance prepares and submits a final financial report. The PI reviews the financial report before Finance submits to the sponsor. Since some sponsors require final financial reports within 60 - 90 days, all project charges should appear on WMC's accounting system by the termination date.

### **Suspend account use**

Verify that each person who has been delegated authority to spend on the account stops spending.

### **Close or Inactivate Account**

Departments do not delete sponsored accounts. Finance performs this function. After Finance determines that all revenue has been received and expenses incurred, they will mark the account as closed.

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## **Non-Financial Maintenance**

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### **Intellectual Property**

The PI is responsible for disclosing any patent and intellectual property developments to the Office of Technology Development. Technology Development will then report inventions to the sponsors. The PI must complete the standard, final invention disclosure form for federal sponsors

### **Materials and Equipment**

- **Review Equipment Inventory:** Make sure all equipment assigned to the project is where it belongs.
- **Dispose of University Equipment and Materials:** To dispose of equipment, materials or biological, chemical, and radiological research-generated waste, contact Environmental Health and Safety. Environmental Health and Safety and Health Physics will ensure the appropriate off-site handling and disposal of all biological, chemical, and radiological research waste, including disposal and record retention.
- **Submit Inventory and Equipment Reports**

### **Reporting**

**Prepare Technical Report:** PIs are responsible for completing and submitting final technical reports. The PI receives notification of need for the final technical report from the sponsoring agency. The sponsor usually indicates the format and deadline for these reports. When notified by the sponsor that there is a delinquent report, Grants and Contracts will work with departments and PIs to ensure their completion.

### **Post-Project Record Retention**

Under the legal terms of awards to WMC, auditors have the right of access to all official records associated with a project. WMC is obligated to make such records readily available for examination.

Because auditors may visit departments to review supporting documentation and interview personnel who have certified effort on projects, departments must maintain complete records. In addition, individuals who have signed Effort Certification Statements must be able to confirm that the effort as certified was accurate at the time it was signed.

PI must retain:

- Scientific records and data (primary research data should be retained permanently and should not be removed from the laboratory)

- Animal and human subjects materials:
  - Initial submission to the Committee (copy of original signed application form, copy of original consent form, copy of original protocol).
  - Written (original) response from the Committee following the initial review.
  - Copy of the response to stipulations/additional information requested by the Committee, including cover letters, etc.
  - Notice of Final Approval.
  - Copies of all correspondence sent to the Committee requesting consideration of changes or reporting adverse events.
  - Original responses from the Committee to all requests for changes, etc.
  - Original notice of renewal of approval and certification, where applicable.

The department must retain financial and personnel records.

Grants and Contracts and Finance keep copies of materials sent to investigators, but the investigator must keep any originals, and both the PI's and the central offices' records should be the same.

- Grants and Contracts sends the materials for rejected proposals, or proposals approved but not funded, to the investigators, who retain the files.
- Pending proposals are retained in Grants and Contracts for approximately two years after the fiscal year in which they were submitted.
- Finance retains awarded proposals and award files for three years after project closeout.

## Roles & Responsibilities

Responsibilities	PI	Dept Admin	Dept Chair	Grants & Contracts	Finance
Request an extension of project period for a no-cost extension	P	S			
Review request for extension and approve locally		I	P		
Approve request for extension of project period				P	
Submit request for no-cost extension to sponsor if federal award				P	
Submit request for no-cost extension to sponsor if other than federal award	P	S			
Notify Finance of approved no-cost extension				P	
Receive notification of need for final technical report from sponsoring agency	P				
Prepare and submit final technical reports	P				
Propose resolution of overdraft	P	S			
Provide information for closing financial reports	I	I			P
Request from sponsor that remaining balances be carried forward	P			O	I
Provide information on other closing reports, such as for patents and on equipment	P				
Retain the scientific data	P				
Resolve issues related to late payment and problems with collection of awarded funds	S	S		I	P
Relinquish the grant	P	S		S	S

KEY
P = PRIMARY RESPONSIBILITY
S = SECONDARY RESPONSIBILITY
O = INSTITUTIONAL OVERSIGHT
O - L = LOCAL OVERSIGHT
I = PROVIDE INPUT