New York University
UNIVERSITY POLICIES

Title: Award Closeout Policy for Sponsored Programs

Effective Date: December 1, 2017

Supersedes: September 1, 2013

Issuing Authority: Sponsored Programs Administration

Responsible Officer: Assistant Vice President for Post-Award Administration

Policy

It is the policy of New York University (NYU, "the University") to comply with the requirements of the *Federal Office of Management and Budget Uniform Guidance* (OMB Uniform Guidance) for the financial management of sponsored projects including the timely and accurate closeout for awards.

Purpose of this Policy

The purpose of this policy is to provide guidance on the Federal and other sponsor requirements for award closeout.

Scope of this Policy

This policy is applicable to all schools, departments units and personnel of the University involved in managing sponsored awards and contracts.

Procedures for Implementation

On a timely basis, Department Administrators (DA's) should run reports to identify projects expiring within 90 days. The Principal Investigators (PIs) and the DA should ensure that all project costs have been appropriately charged. As the project nears termination, it is important to review all costs and remove those that are unallowable or inappropriate.

Listed below are the responsibilities for award closeout by area.

Sponsored Programs Administration (SPA) Responsibilities

- The financial analyst in SPA works with the DA and PI to clear any open items remaining on a project after the final report/invoice has been completed, i.e., encumbrance balance release, transfer of surplus or deficit.

- The SPA financial analyst completes the *NYU SPA Project Closeout Checklist* when expenses on the Budget Summary Report (BSR) match the final financial reports/invoices submitted to the sponsor.

- To document that the award has been closed out, the SPA financial analyst attaches to the checklist the updated BSR and cash position.

Departmental Responsibilities

- Notify payroll and any service/recharge centers of an account change for future costs such as salary/fringe, printing, telephone, and scientific computing.

- Resolve any outstanding budget overrun on the Budget Exception Report.

- Promptly transfer all erroneous charges and clear any deficits.

- For Federal awards, final financial reports and final invoices generally must be submitted within 90 days after the award end date. Please note that both NIH and NSF have currently offered to extend final reporting to 120 days after the end of the project. SPA will work with the PIs and Departmental Administrators to make sure all final reports are submitted within specific agency guidelines.

- State and city sponsor deadlines are generally within 30 days after the award end date.

- Non-government sponsor deadlines may vary, but in the absence of any sponsor imposed deadlines, SPA applies the 90-day rule for internal closeout purposes.

For subaward/subcontracts where NYU is the subrecipient, the final invoice should generally be submitted to the prime grantee within 60 days after the award end date. Conversely, NYU must receive the final invoice from sub-recipients within 60 days of the award end date to allow for proper review and timely submission of the report and/or invoice to the sponsor.

a. Publication Charges

Publication charges may be made to the Federal award before closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the Federal award.

b. Charges Incurred after Award-End Date

In accordance with sponsor imposed limits, it is acceptable to process payments for costs that were incurred prior to the end of the project/award but posted to the project after the termination date but before the reporting deadline (e.g., 90 days for Federal). Such costs must be posted to the project prior to financial reporting deadline prescribed by the sponsor. Any charges posted after the termination date will need to be explained and justified for allowability.

Examples of common “after award-end date” charges include:

- Payroll expenses
- Long-distance telephone costs
- Copy services
- Other service center charges
- Subaward/subcontract invoice.

c. Request for a Service/Recharge Center Billing Code Change

If a sponsored project is about to expire, departments should notify the service/recharge center (e.g., animal care, imaging services) generally 60 days prior to expiration so charges no longer post to the sponsored project after the termination date. The department should also provide a new chartfield for any future charges. At the department's discretion, telephone charges may be posted to a default account. The default account may be used pending the set-up of a new project code to bill the telephone service.

d. Releasing Encumbrance Balances

If there is an encumbrance balance remaining on account lines after all expenses have posted, it is the department’s responsibility to notify Payroll or Purchasing to remove the encumbrance. This may require the department to submit a payroll action in PeopleSync or a change order in the i-Buy NYU system to reduce the outstanding purchase orders (PO’s)/subcontracts balances to zero. For subcontract purchase orders (PO’s) established prior to 2009, departments should contact Procurement or SPA directly to close out the PO. Procurement encumbrance balances of less than one dollar will automatically be cleared by the Financial Management Systems (FSM) at fiscal year-end.

e. Resolving Deficits: Cost Overruns and Uncollectible Accounts Receivable

Deficits (i.e., over-expenditures) occur when cumulative expenses exceed the amount awarded by the sponsor and may be considered voluntary uncommitted cost sharing. It is the department’s responsibility to transfer deficits out of sponsored awards promptly to a corresponding cost share chartfield and no later than 90 days after the termination date.

f. Unallowable and Unallocable Costs

NYU cannot request reimbursement or payment from the awarding sponsor for unallowable or unallocable costs. If audited such costs may give the appearance of inadequate financial controls and inappropriate stewardship of sponsored funds at NYU. See the *Accounting for Unallowable Costs Policy*.

Potential unallowable/unallocable costs:

- Restricted purchases without proper authorization from the sponsor and/or the University, i.e., office equipment.
- Costs that would normally be indirect but are charged as direct costs without proper justification or demonstration of exceptional circumstances. Examples of these costs on Federally funded awards are office supplies and clerical/administrative salaries. For further explanation, see the *Charging Administrative Expenses to Federal Award Policy*.
- Charges that are not in compliance with the reasonability and allocability provisions of the OMB Uniform Guidance for Federally sponsored projects.
- Costs incurred after the award terminates

g. Fixed-Price Agreements

Occasionally, fixed price agreements are entered into with sponsoring agencies by the University and permit the University to retain the unexpended (cash) balance at project expiration. These agreements should include a statement that if a cash balance exists after the project is completed and all costs have been paid in full, the University is entitled to retain surplus funds. Before any surplus will be transferred to an account designated by the department, the project will be charged the difference between the overhead rate assessed on the sponsored award and the University's Federally negotiated rate. Any remaining surplus balance will be transferred to the department's discretionary chartfield.

h. Technical and Other Reports

DA's should inform SPA of the submission dates for all final Technical Reports. SPA cannot perform award closeout if these reports are still outstanding. While the requirements vary by sponsor, the following reports may be required for projects. For Federal awards, these reports are generally due within 90 days of the project-end date:

- Final Technical Report (also referred to as *Progress* or *Narrative*) - submitted by the PI;
- Final Report of Inventions - submitted by the PI;
- Final Inventory of Equipment – submitted by the DA

i. Transfer or Termination of Sponsored Research

When a PI is leaving NYU and plans to transfer or terminate an award, the following procedures must be followed timely and efficiently to notify all individuals of required actions.

(i) Transfer of Sponsored Research to Another Institution

1. The PI notifies the Office of Sponsored Projects (OSP) Projects Officer of the intent to transfer the award.
2. SPA, with the PI and department, estimates any unliquidated expenditures and future unobligated balance up to the proposed termination date and provides this to OSP and the sponsor as appropriate.
3. OSP submits the proposal to the sponsor for relinquishing the award.
4. On receiving the transfer approval from the agency, the PI terminates the activity on the project and SPA liquidates all financial commitments outstanding on the project.
5. Transfer of property and data are done in accordance with NYU and sponsor requirements (see *NYU Policy on Retention of and Access to Research Data and Asset Management Policies and Procedures Manual*).
6. After all financial commitments have been liquidated, a final financial report will be prepared and transmitted to the sponsoring agency. Any residual funds remaining in the sponsored project will be disposed of only on written direction from the sponsoring agency's authorized representative.

(ii) Terminating the Project

When a PI permanently departs the University and is unable to transfer the project to another institution, the following steps must be taken.

The PI or Project Director, with appropriate clearances from the department and the school, submits to OSP a justification for the termination of the award. SPA, with the PI and department, estimates any unliquidated expenditures and future unobligated balance up to the proposed termination date and provides to OSP and the sponsor as appropriate.

1. OSP submits the proposal to the sponsor for terminating the award;
2. On receiving the termination notice from the agency, the PI terminates the activity on the project, and SPA liquidates all financial commitments outstanding on the project;
3. After all financial commitments have been liquidated, a final financial report is prepared and transmitted to the sponsoring agency. Any residual funds remaining in the sponsored project will be disposed of only on written direction from the sponsoring agency's authorized representative.

4. Policy Definitions

Closeout	The process by which a Federal or non-Federal awarding sponsor determines that all applicable administrative actions and all required work of the award have been completed by the recipient and sponsor. This refers both to an internal closeout as well as ensuring external sponsor requirements have been met.

Related Policies

- Accounting for Unallowable Costs Policy
  http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/accounting-for-unallowable-costs-policy.html
- Asset Management Policies and Procedures Manual
  http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/asset-management-polices-and-procedures.html
- Charging Administrative Expenses to Federal Awards Policy
  http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/charging-administrative-expenses-to-federal-awards-policy.html
- Costing Policy
  http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/costing-policy.html
- Cost Sharing Policy
  http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/cost-sharing-policy.html
- Cost Transfer Policy
  http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/cost-transfer-policy.html
- Financial Reports Policy for Sponsored Programs
  http://www.nyu.edu/policies-guidelines-compliance/policies-and-guidelines/financial-reporting-for-sponsored-programs-policy.html
- Policy on Retention of and Access to Research Data
  http://www.nyu.edu/content/nyu/en/about/policies-guidelines-compliance/policies-and-guidelines/retention-of-and-access-to-research-data.html

Federal Regulations

- OMB Uniform Guidance
  http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

Appendices

- NYU SPA Grants Closeout Checklist (PDF)
  http://www.nyu.edu/content/dam/nyu/sponsoredPrgmsAdmin/documents/SPAHdbk-GrantsCloseOutChecklist.pdf