



**Policy Chapter:** Chapter 13 Research and Innovation

**Policy Number and Title:** 13.013 Closeouts for Sponsored Projects

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**I. Policy Statement**

Sponsored projects must be closed out in a timely and accurate manner. Timeliness of reporting and closing out an award is crucial to sound award management in order to assure full compliance with sponsor requirements and regulations and to assure collection of all monetary reimbursement for costs.

**II. Application of Policy**

This policy applies to all faculty and staff engaged in sponsored project activities and to all sponsored projects, regardless as to whether funded by a federal, state, or private sponsor.

**III. Policy Definitions**

**A. Award**

“Award,” in this policy, means a grant, contract, subcontract, sub-grant, or cooperative agreement that provides funding from an external sponsor for a sponsored project and is entered into between the sponsor and UNT.

**B. Closeout**

“Closeout,” in this policy, means the process of documenting and assuring the fulfillment of the terms and conditions of the award, of certifying University compliance with applicable regulations, and making final disposition of all award by-products, such as final vouchers, reports, patent disclosures, and property inventory. In addition, the closeout process includes the collection of outstanding accounts receivable and addressing deficit or residual balances.

**C. Closeout End Date**

“Closeout End Date,” in this policy, means the last day on which closeout reports need to be received by the sponsor.

**D. Expenditure End Date**

“Expenditure End Date,” in this policy, means the last day on which expenditures can be posted to the account.

**E. Deficit Balances**

“Deficit Balances,” in this policy, means cumulative expenses exceeding the amount awarded by the sponsor.

**F. No-Cost Extension**

“No Cost - Extension” means the extension of the sponsored project end date that usually requires advance notification to or approval from the sponsor.

**G. Principal Investigator (PI)**

“Principal Investigator” and “PI,” in this policy, mean a single individual who, in the event of an award from an external funding agency, shall have the full and final responsibility for the conduct of the sponsored project as proposed and set forth in an award.

**H. Project End**

“Project End Date,” in this policy, means the end date of the sponsored project as stated in the award, including extensions and modifications.

**I. Residual Balances**

“Residual Balances,” in this policy, means the cash or unobligated balances remaining after the Sponsored Project termination and after all appropriate expenditures have been charged against the sponsored project.

**J. Significant Residual Balances**

“Significant Residual Balances,” in this policy, means residual balances when the unexpended balance is 25% or greater than the total payments received for the sponsored project.

**K. Sponsor**

“Sponsor,” in this policy, means any external entity that provides funding to UNT for sponsored projects. Sponsors may be (i) governmental agencies (for example, federal, state, or local governments or their administrative organizations); (ii) nonprofit organizations (for example, universities, nonprofit corporations, foundations, or associations); (iii) for profit organizations (for example, corporations, partnerships, sole proprietorships, and other business entities); or (iv) individuals. Governmental, nonprofit, and for-profit sponsors are sometimes referred to by themselves and others as “agencies.”

**L. Sponsored Project**

“Sponsored Project,” in this policy, means a project funded by an external sponsor through a grant or contract with UNT where one or more of the following obligations apply (examples of sponsored projects include but are not limited to instruction projects, public service projects, or research projects):

1. Financial obligation

UNT is required to comply with conditions imposed when a sponsor awards funding for the performance of services or delivery of products described in a statement of work.

2. Regulatory obligation

UNT is required to comply with sponsor regulations, which may include federal or state regulations.

3. Reporting obligation

UNT is required to provide to the sponsor technical performance reports or regulatory or administrative reports.

4. Performance Obligation

UNT is required to perform within a certain period and may be required to meet other specified requirements related to performance.

5. Accounting obligation

UNT is required to establish a separate accounting record of project expenditures to demonstrate allowance of costs to maintain financial accountability, to provide financial reports to the sponsor, and to preserve appropriate records for audit purposes.

#### **IV. Policy Responsibilities**

##### ***A. Initiation of Closeout***

It is the policy of UNT that the closeout of a sponsored project will occur in accordance with applicable, federal, state, and local government regulations, the terms of the award, and within the timeframe required by the sponsor.

1. Project Termination Notice

90, 60 and 30 days prior to the project end date, the Grants and Contracts Administration (GCA) will send a project termination notice to the Principal Investigator. The PI should review the items in the project termination notice and take action where needed.

2. No Cost Extension

After receipt of the project termination notice, the Principal Investigator must notify the GCA of any intent to request a no-cost extension. The Office of Grants & Contracts Administration and the Principal Investigator shall coordinate to request an extension from the sponsor.

##### ***B. Closeout Timeline***

All sponsored project grants and contracts have end dates that require a variety of closeout procedures. The Principal Investigator, GCA, and Grants and Contracts Specialist are responsible for coordinating in order to meet all sponsored projects close requirements for the expenditure end date and the closeout end date as required by the award.

1. Federal

Federal regulations require all performance, financial, and other required reports to be submitted within 90 calendar days after completion of the award unless a sponsoring agency approves a longer period.

2. Federal Pass-Through

Non-federal agencies that pass through federal funds to UNT are responsible for reporting to the federal agency within the federal timeline. Therefore, UNT is contractually obligated to complete closeout and final reporting to the non-federal agency in a shorter timeframe. The deadlines vary from agreement to agreement, but the standard is typically 60 days

3. State

State of Texas agencies typically allow 90-days for award closeout. However, some agencies, specific awards, and awards from other states may require a shorter timeline.

4. Private and Local Government

The closeout period for agreements issued by the private sector and local government entities varies by award.

### ***C. Principal Investigator Closeout Responsibilities***

During the closeout process, the Principal Investigator is responsible for fulfilling the following in a timely manner to meet sponsor deadlines:

1. All appropriate expenditures are charged against the sponsored project by the expenditure date.
2. Review all uncertified effort charged to the sponsored project and submit any necessary corrections. The PI is responsible for certifying that effort during the normal effort certification cycle.
3. Sub-recipient work and payments are complete.
4. Necessary cost transfers (unallowable charges, overspent projects, etc.) have been completed.
5. Remaining encumbrances have been cleared.
6. Cost share commitments have been met.
7. Deficit balances have been cleared within the timeframe required by the award for the final expenditure report or invoice/voucher to be created and submitted.
8. The PI should work with the GCA to provide any necessary information for completion of final reports. The PI is responsible for submitting any required technical reports. The GCA is responsible for submitting financial reports and any other sponsor required reports (for example, property report, report of inventions.)

#### ***D. Office of Grants and Contracts Administration Responsibilities***

During the closeout process, the and Contracts Administration is responsible for fulfilling the following:

1. Finalize sub-recipient monitoring procedures.
2. Submit closeout forms, when applicable.
3. Ensure applicable closeout reports are completed.
4. Submit the final expenditure report and final invoice/voucher as required by the terms of the award.
5. Return residual balances to the sponsor, when applicable.
6. Transfer retained, residual balances, as appropriate.
7. Deactivate the sponsored project in the UNT electronic accounting system to prevent post-closing expenditures from posting.

#### ***E. Closeout Reports***

Reports required at the close of a sponsored project vary by the type of sponsored project and by the sponsor. The exact nature of the reports required and the deadlines for their submission are typically outlined in the award. Most funding agency sponsors will require technical, financial, and invention reports. Most federal contracts also require a property report, contractor's release form, and a contractor's assignment of refunds, rebates, and credits form. Types of reports that may be required include the following:

1. Final Technical or Progress Report

This document describes the process, progress, and/or results of technical or scientific research, or the state of a technical or scientific research problem or project. The Principal Investigator is responsible for submitting the final technical or progress report to the sponsor by the date specified in the award, with a copy to the GCA.

2. Final Invention and Patent Report

This document provides a list of inventions or new technology resulting from the project. The Office of Grants and Contracts Administration is responsible for preparing and submitting the final invention, patent or royalty report in coordination with the Office of Innovation and Commercialization to the sponsor by the date specified in the award. The Grants and Contracts Administration will coordinate with the Principal Investigator to obtain the information necessary to file the report. The Office of Innovation and Commercialization will verify any inventions or patents with the Principal Investigator prior to completing and submitting these reports.

### 3. Final Financial Report

This document is the formal record of the financial activities related to the sponsored project and provides details about the amount spent by the Principal Investigator and the amount received by the sponsor. The Office of Grants and Contracts Administration is responsible for preparing and submitting the final financial report to the sponsor by the date specified in the award. The Grants and Contracts Administration will coordinate with the Principal Investigator to obtain the information necessary to file the report.

### 4. Final Invoice

This document is the claim for final payment that is due to meet expenditures. The Grants and Contracts Administration is responsible for preparing and submitting the final invoice to the sponsor by the date specified in the award.

### 5. Final Inventory Report

The Grants and Contracts Administration in coordination with the Office of Property Management is responsible for maintaining inventory records to accurately account for capital equipment purchased with federal funds. The Office of Grants and Contracts Administration will prepare, certify, and submit final property reports to the sponsor by the date specified in the award.

### 6. Other Reports

Most federal contracts also require a contractor's release and a contractor's assignment of refunds, rebates, and credits form. The Grants and Contracts Administration is responsible for completing and submitting these forms.

## ***F. Residual Balances***

1. Periodically, a Principal Investigator will not utilize the full amount of funds awarded for a sponsored project. During close out of a sponsored project, the GCA is responsible for returning or retaining residual balances in accordance with the terms and type of award. Unless the sponsor stipulates in the award that UNT must return residual funds, unexpended funds may be retained by UNT, depending on the type of agreement.
2. Some sponsors allow automatic carry over from year-to-year for certain projects. If a request for funds to be carried over is required, then the GCA is responsible for making the request in accordance with sponsor requirements.
3. Some sponsors allow UNT to retain residual balances after the closeout of awards. Transfer of retained residual balances must be to designated funds, normally available for use by the Principal Investigator. If there is a significant residual balance, the disposition will be determined after justification by the Principal Investigator and approval by the Assistant Vice President of the Grants and Contracts Administration.

**V. Revision History**

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