

**FUND MANAGEMENT**

**FOR THE**

**CLOSE-OUT PROCESS**

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## **Fund Management for the Closeout Process**

### Pre-Closeout Review

- At least 3 months prior to expiration of the budget period, attention must be devoted to the review of the fund.
- The review should be undertaken with the collaborative effort of the principal investigator and business administrator.
- All categories of direct cost (salaries, equipment, supplies, tuition, etc.) must be reviewed for completeness, accuracy and allowability before the close of the budget period.
- All necessary adjusting general journal entries and/or payroll reallocations should be made during the course of the budget period and before the close of the budget period.
- During the pre-closeout phase it is imperative that a plan be established to update the payroll and procurement systems for an orderly transition to the new funding source, whether it be the continuation of the project under a new fund number or from another funding source.

## **Summary Final Expenditure Report and Adjustment Period**

### a) SFER

- The Summary Final Expenditure Report (SFER) is available upon termination of the budget period and up to ninety days after the final budget period of the fund.
- SFER may be accessed through G/L Reporting selecting Report 13X.

### Dual Purpose

1. Summarizes status of the account to assist with closeout review.
2. Document of record from which Research Services - Post Award will produce the final financial report. The PI or BA is no longer required to certify and return the document to Research Services - Post Award.

- Detailed transaction reporting is available utilizing G/L 15X series reports. The reports provide detailed expenditure information at the selected level of review (i.e., Fund, CtrRef).
- Detailed salary data is available through the Salary Management System.

b) Adjustment Period

- The Adjustment Period is a special closing period that begins at the end of the last day of the final project budget period and concludes thirty days prior to the due date of the final financial report (refer to COA fund attribute record for financial report due date).

The Adjustment Period is provided for the purpose of capturing final Accounts Payable transactions, Service Center and Telecommunication charges or final adjusting entries that could not be processed during the final month of the budget period. It is during this period that all final adjusting entries must be processed allowing sufficient time so that results of all changes can be viewed through G/L Inquiry at the close of this period.

### Account Reconciliation

a) Salary Management System Review

- Salary distribution must be validated and/or updated for new funding source(s). This activity should be performed at least quarterly and before the close of the Effort Reporting period (Semester or Quarterly period).
- Review G/L and Salary Management Systems, to ensure that executed salary transactions have been properly posted.
- All required adjusting Payroll Reallocations must be posted either during the budget period but not later than the close of the Adjustment Period allowing sufficient processing time so that the results can be viewed through G/L inquiry of the fund by Research Services - Post Award.

b) Purchasing

- Activity must be concluded prior to grant closing and never beyond the last day of the performance period.

- Review G/L to ensure that all posted transactions are project related and that encumbrances accurately reflect open commitment status and amount.

c) Service Center Charges

- Ensure that transaction posting is authorized and acceptable and that the feeder systems contain the correct account information. Service areas must be notified of change in the account number before or immediately upon the termination date of the project.
- Review G/L and address any unauthorized or erroneous postings prior to the close of the Adjustment Period.

d) ProCard

- If the grant account is a default account, make sure the charges are appropriate and reallocate, where necessary. Notify Accounts Payable of a change in fund number before the termination date of the grant.
- Review G/L to reallocate, where necessary, and/or post correcting journal for misposting of ProCard charges. All entries must be processed prior to the close of the Adjustment Period.

e) Subcontract Balance

- Verify balance to be correct.
- If the final invoice is outstanding, the department should notify Research Services - Post Award of the amount to report. E-mail is the preferred method of communicating information.
- If the final invoice has not been received, the department business administrator should contact the subcontractor for the invoice. Request that it be immediately faxed and, in turn, fax a copy to Research Services - Post Award upon receipt.
- If future funding is available, amount will be reported as unliquidated, where authorized.

f) Training Grant Balances

- Identify appointees and amount of stipends and related costs as unliquidated to be carried forward, where applicable.

- Name of Trainee
- Description • Object Code • Amount

\* Include stipends and all other related trainee cost categorically listed.

- Information must be made available to Research Services - Post Award not later than the close of the Adjustment Period. E-mail is the preferred means of communication.

\*If there is no future funding support authorized, the amount will be reported as an unobligated balance.

g) Verify Overhead and Employee Benefit

- Overhead - O/C 5282 and Employee Benefits - O/C 5190 Full-Time and 5191 Part-Time. Amount is a sum of monthly entries posted to the account during each fiscal year. The University's fiscal year begins July 1st and ends June 30th.
- Adjustments to prior periods for Overhead are posted to O/C 5292 and to O/C 5193 for Employee Benefits.
- Only Research Services - Post Award is authorized to post adjustments to Overhead or Employee Benefits.

h) Accounts Payable

- Payment of unliquidated obligations will post to the account where the item has been encumbered.
- A manual journal entry is required to move the charge to a new funding source (account) where required (e.g., NIH competing renewal grants).
- Upon the final payment of all unliquidated obligations and journal transfers, the fund can be disabled.

l) Cost Sharing

- Identify item amount and source of Cost Sharing or In-Kind contributions.

**Final Financial Report**

- A Financial Report will be issued by Research Services - Post Award not later than the due date utilizing data on the SFER at the close of the Adjustment Period.
- Unliquidated Obligations and Unobligated Balance will be reported and disposed of in accordance with sponsor requirements.
- Where applicable, the Unexpended Balance (unliquidated or unobligated) will be reported and the carry-over made to the future year. The department will be notified of the amount of the carry-over.
- Federal regulations require that Unliquidated Obligations must be liquidated within three months of the close of the budget period.
- Unless there is carry-over provisions for the unliquidated item, the fund will be disabled upon final payment of unliquidated obligations.

**Financial Reporting Attributes**

Information critical to the reporting process can be found in the Fund Segment Attribute record. Information found there will include:

- a) *Contract End Date* - This value is the end date of the Current Budget Period.
- b) *Anticipated Project End Date* - For multiple budget period awards. Future date that fund is expected to terminate.
  - If the Contract-End Date and Project End Date agree, the fund will terminate upon that date. The Final Report will be issued, if required (see Reporting Frequency Code).
  - If the Anticipated Project End Date exceeds the Contract End Date, there remains committed future budget period(s). Interim financial reporting will be undertaken at the end of the current budget period, if required (see reporting Frequency Code) and immediately following the Contract End Date.

- c) *Date Next Financial Report Due* - Date that next financial report is due.
- Expense adjustments must be made 30 days prior to this date for both interim and final reports.
  - This field will be populated with the final report due date as the sponsor requires.
  - This field will not be populated with a date for interim reports due more frequently than annually.
- d) *Required Financial Reporting Frequency* - Sponsor imposed reporting requirements (see below).
- e) *Date Last Financial Report Filed* - Date that an interim or final report was submitted.
- If this date field is equal to the Date Next Financial Report Due Date field, the final report has been submitted.
  - For awards requiring an interim report more often than annually, this field will be populated with the Final Report Amount only.
- f) *Days to Submit Final Financial Report* - Provides information regarding the time frame allowed by the sponsor for financial reporting (see below).
- Interim reports will always be issued within 30 days of the close of the budget period, Contract End Date or otherwise, as designated by the sponsor.
  - The Final Financial Report will be submitted within the number of days specified.
- g) *Report Format Code* - Provides information relative to the sponsor approved reporting form and/or method.

## **Report Frequency Codes**

- NO - No Financial Report
- A - Annual and Final Report
- F - Final Report
- S - Semi-Annual and Final Report
- Q - Quarterly and Final Report
- I - Coordinate Report with Invoice
- PI - Coordinate Report with PI
- SC - By Specific Schedule
- Q1 - Fiscal Quarter (Jan, Apr, Jul, Oct)
- Q2 - Fiscal Quarter (Feb, May, Aug, Nov)
- Q3 - Calendar Quarter (Mar, Jun, Sep, Dec)

## **Days to Submit Final Report**

- 30 - 30 Days After Termination
- 60 - 60 Days After Termination
- 90 - 90 Days After Termination

## **Account Closeout**

- All adjusting entries must be processed not later than the final day of the Adjustment Period allowing time for viewing.
- Research Services - Post Award will prepare and process closing entries based upon the final report of expenditures.
- Should there exist an overdraft at the point of review, Research Services Post Award will write-off the amount to departmental funds. Object Code 4822 will be credited for the direct cost portion of the overdraft.
- Research Services - Post Award will transfer equipment amounts via journal to the School's surrogate account utilizing transfer object code 4826 and the applicable asset object code.
- The enabled flag will be set to NO and the disabling date entered for the fund immediately following final payment and/or resolution of overdraft or when the final payment is received.