

**CLOSE OUT**  
**September 2007**  
**Policy 2.1.16**

**Policy:**

Timely submission of the final financial and final technical/performance reports are required to account for the final activities and expenditures against an award upon the termination of a project.

**Purpose:**

Sponsors require timely reporting at the official conclusion of a project. Failure to submit a financial report within the specified time frame exposes the University of Kansas Medical Center (KUMC) to the risk of remedial actions being imposed. Close out is a shared effort between KUMC Research Institute staff, KUMC Principal Investigators and departmental staff, and sponsoring agencies. The procedures set forth in this policy are to offer general guidelines to ensure a successful close out. Specific guidelines may be obtained from your Post Award Administrator, as requirements vary per sponsor.

The proper close out of an award is also important for audit purposes. Close out of a grant does not automatically cancel any requirements for property accountability, record retention, or financial accountability. Following close out, the grantee remains obligated to return funds due as a result of later refunds, corrections, or other transactions, and the Federal Government may recover amounts based on the results of an audit covering any part of the period of grant support.

**Procedures:**

**I. Non-Clinical Trials**

Post Award Administrator

- Sixty (60) calendar days before award end date, send out notification to department and Principal Investigator(s);
- Request final invoices from subrecipients and review, then submit for payment processing;
- Submit final invoices to sponsors;
- Clean up encumbrances;
- Remind department to remove personnel from sponsored project;
- Check outstanding charges (i.e. Inter-departmental Billing, Service Centers, etc);
- Check cost matching requirements and make sure support documentations are in the file;
- Deficit balances on an account must be cleared before the sponsored project can be closed; contact the PI and the department to clear the deficit;
- Surplus balances are usually cost refundable; however, depending on the sponsor, some surplus balances may be transferred into an unrestricted fund;
- Collect and review all applicable reports;
- Submit final Financial Status Report, performance and other required reports to sponsoring agency no later than ninety (90) calendar days after award end date.

Principal Investigator(s)

- Review final expenditures and subrecipient reports;
  - Submit final Inventions/Patent Report, if applicable; and
  - Submit final Technical/Performance Report.
- If a deficit balance is left on the account, PI/Dept has sixty (60) calendar days after the grant end date to clear the deficit. If the deficit remains after this time, the Research Institute will transfer the deficit amount to the department R&D account.

Department Responsibilities

Assist Principal Investigator(s) with review of financial reports. A financial review considers the following:

- Are the expenses allowable, allocable, and reasonable?
- Are cost transfers required? If so, submit a cost transfer request.
- Are expenditures supported with the appropriate documentation?
- Are the expenditures in the correct budget category?
- Have expenditures been treated consistently?
- Are subcontracts complete and paid or the encumbrances closed or moved off the grant?
- Have cost matching requirements been met and recorded in the PeopleSoft Financial System?
- Are deficit balances on the project transferred to department account? The PI/Dept has sixty (60) calendar days before the close of the project to clear deficit accounts.

**Federal Awarding Agencies**

Performance Reports detailing the accomplishments of the project compared to the objectives and the findings, or both. The PI should also give reasons why the goals of the project were not met, if applicable.

Financial Status Report and, if applicable, Report of Federal Cash Transactions. Federal awarding agencies may request additional information.

Final reports are due ninety (90) calendar days after the expiration or termination of the award. **Failure to submit timely and accurate final reports may affect future funding to the organization or awards with the same PI.**

## Non-Federal Awarding Agencies

Contact your Post Award Administrator for sponsor guidelines indicated in the award.

### II. Clinical Trials

#### Closing Clinical Studies

To close a study with Human Subjects Committee:

- Complete Continuing Review form [http://www2.kumc.edu/researchcompliance/forms/HSC\\_Continuing\\_Review.doc](http://www2.kumc.edu/researchcompliance/forms/HSC_Continuing_Review.doc)
- Checkmark termination (at end of Section II),
- Obtain PI's signature, and
- **Submit original to Clinical Research Administration**, 6<sup>th</sup> floor Wescoe, MS 1039.

#### Financial Reconciliation of Clinical Studies

- Fill out Reconciliation form [http://www2.kumc.edu/researchinstitute/spa/SPA\\_Forms/reconciliation\\_memo.doc](http://www2.kumc.edu/researchinstitute/spa/SPA_Forms/reconciliation_memo.doc), and
- **Submit to Sponsored Programs Administration, Clinical Studies Reconciliation**, 6<sup>th</sup> floor Wescoe, MS 1039.

#### **Definitions:**

Award: The provision of funds based on an approved application and budget, to an organizational entity or an individual to carry out an activity or project. This includes both direct and indirect costs (F&A) unless otherwise indicated.

Close Out: A procedure to officially conclude a grant. Institute staff must assure that necessary scientific, administrative, and financial reports have been received, implemented and documented in compliance with federal records management policy.

Sponsor: Individual or organization that provides funds to a project.

#### **Responsible Parties:**

KUMCRI staff, Principal Investigators and departmental staff.

#### **Exemptions:**

None.

#### **Related Policies and Links:**

KUMC Research Institute <http://www2.kumc.edu/researchinstitute/>

#### **Contacts:**

Vice Chancellor for Research: 913-588-7068

Associate Vice Chancellor for Research Administration: 913-945-6636

Director of Sponsored Programs Administration: 913-588-1259

Director of Clinical Trials Administration: 913-588-0082

#### **History:**

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