

## Project Closeout

**Fiscal officers and principal investigators should be particularly cognizant of charges to grant-funded programs to assure that they are allowable by the funding agency.**

**Responsibilities:** The principal investigator (PI) is responsible for the management and administration of his/her individual award within the financial constraints outlined by the individual sponsor in the terms of the award and in accordance with SIU Carbondale's policy governing project closeout. The Fiscal Officer is responsible for approving all grant transactions and ensuring the propriety of all transactions to be posted to the project account or used as match for the project.

Grant and Contract Accounting (GCA) is responsible for monitoring expenses incurred on sponsored projects and to advise the principal investigator or fiscal officer when an expense is not allowable, including at project closeout. GCA assures that the University remains in compliance with applicable federal, state, agency and University fiscal policies.

**Definition:** Project closeout occurs after all programmatic activity has concluded on a project and therefore all expenses necessary to conduct the programmatic activity have been expended.

It is the policy of the University to comply with 2 CFR 200 (Uniform Guidance or UG) in its definition and treatment of costs and the application of costs at the close of a project. As such, it is imperative that expenses incurred as part of the project closeout meet the three primary tests for allowability of costs:

Reasonable – It must be necessary for the performance of the program.

Allocable – It must be easily identifiable with the project and be assigned to the project only in accordance with the benefits received by the program.

Consistently Applied – The cost must be treated consistently as either a direct cost or an indirect cost when incurred under like circumstances on all sponsored projects.

In the event a discrepancy exists between the provisions of 2 CFR 200 and those specified within the sponsored program, the program provisions take precedent.

**Prohibitions:** It is not acceptable to transfer costs to a project at closeout purely for the convenience of expending remaining funds in the grant or contract. This is particularly true of equipment purchases. Expenses must be incurred before the end of the project period. Normally, equipment purchased must be received before the close of the project.

End-of-project expenditures are subject to audit and, if determined to be unallowable, must be returned to the sponsoring agency. Any disallowed funds will be the responsibility of the department.

**Recordkeeping:** Detailed records, sufficient to document the purpose and nature of the expenditure, must be maintained by the project staff and/or the department. GCA does not maintain detailed records of expenditures or supporting documentation (e.g., invoices, time and effort reports).

**Departmental Process:** PIs and fiscal officers should start planning for grant close-out well in advance of the end date. Planning reduces the need for cost transfers. Planning also reduces last minute stress caused by rushing the process to determine if all appropriate costs have been included. The PI and fiscal officer should be ready to discuss final expenses with their GCA accountant after the end date of the project.

Accounts should be reconciled on a monthly basis using the Report of Transactions. Correction of posting errors should be addressed when discovered, but no later than 90 days following the transaction or the end of the project period (whichever occurs first). If a missing transaction is noticed on the monthly Report of Transactions, departmental staff should follow up immediately with the appropriate office to determine the cause. GCA can help direct inquiries to the right office to resolve the problem, but cannot resolve the problem for the department.

PIs should obtain prior approval for expenditures that are deemed to be potentially unallowable because, for instance, they are not normally considered a direct cost, were not included in the project budget, or they are unusual costs being incurred at the end of a project. Note that equipment purchases on federal projects are not allowed unless included in the budget or with prior approval of the agency. Rarely will equipment purchases be approved at the close of a project.

**GCA Process:** GCA identifies and segregates expenses on sponsored projects as part of its review of expenses conducted during the development of the facilities and administrative (F&A) proposal; during reviews of expenses conducted by GCA personnel in the daily performance of processing disbursement requests; and according to SIU Carbondale's guidelines.

In the event that GCA determines that a cost to a sponsored project is unallowable, the principal investigator and fiscal officer will be contacted to identify another account to which the cost can be charged.

#### **UG-specified 90-day Closeout Requirements**

Federal projects generally allow only 90 days to finalize costs and complete final fiscal and programmatic reporting. Other agencies have various deadlines for final cost reporting. Check the specific agreement to verify the deadline for reporting of final costs. In the case of a 90 day limit, all expenditures must be posted to the account no later than 75 days after the close of the project. Cost transfers must be completed within the same period.

Subawardees will need to invoice and submit final programmatic reports no later than 60 days after the close of the project.

GCA will not process any revised or late invoices or expenses after those specified dates.

Questions can be directed to the GCA accountant assigned to the project.