



## SPONSORED PROJECT CLOSEOUT PROCEDURES

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### **PURPOSE:**

CSUSM Corporation and the Office of Sponsored Projects (OSP) have an obligation to close all sponsored projects and to submit any final technical and financial reports in a manner consistent with the terms and conditions of the award. Closing procedures may vary depending on the policies of the sponsor. OSP has established these procedures to ensure timely closeout of sponsored projects including the submission of all sponsored required deliverables in accordance with the requirements of each sponsoring agency and in accordance with Office of Management and Budget (OMB) Uniform Guidance or 2 CFR 200 (UG) requirements and [CSU Sponsored Programs Administration Policy \(Section V. Post-Award – Implementation, Reporting, and Closeout\)](#).

### **SCOPE:**

These procedures are applicable to all CSUSM University and Corporation faculty/staff involved in processing the closeout of a CSUSM Corporation sponsored project.

### **SUMMARY:**

Federal regulation 2 CFR 200.16 defines closeout as the process by which the federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the federal award have been completed and takes actions as described in the regulations set forth in [2 CFR 200.344](#). OSP will close out awards within the required timeframe, which is usually no later than 90 calendar days after the end date of the award, unless the sponsor authorizes an extension. For awards with non-federal funding sources, OSP will follow the closeout requirements as outlined in the award agreement.

In cases where the federal agency or non-federal sponsor considers the award to be closed and all obligations of the project to be met, but OSP has not received payment on the final submitted invoice, the award will be considered closed programmatically. OSP will provide all sponsor required financial documents to close out the agreement within the required timeframe. Internally, OSP may keep the project open past this date to ensure final receipt of funder payments and processing of the closeout requirements.

OSP's closeout process reconciles project balances and documents that all applicable actions including financial reporting requirements, performance, and other reports required by the sponsor have been met. Preparation for project closeout generally begins three (3) months prior to the end date of the project to accurately forecast expenses and any adjusting entries that need to be made. It is also the benchmark where many Principal Investigators/Project Directors (PI/PD) determine whether a no-cost extension is warranted.

The sponsor's closeout requirements also apply to all subawards. Subrecipients must submit their final invoices, progress reports or other deliverables as indicated in the subagreement for the PI/PD and CSUSM Corporation to meet the sponsor's deadline.

### **PROCEDURE:**

- I. Principal Investigator/Project Director Notification
  - A. Prior to a sponsored project's scheduled end date, the PI/PD and the Sponsored Projects Analyst (SPA) will discuss outstanding project matters and determine whether a no-cost time extension or

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supplemental funding will be requested.

B. If a no-cost time extension is requested, the SPA facilitates this process with the sponsor.

### II. Award Closeout

Most sponsors require final documents to be submitted within 90 days of an award's end date. If reporting requirements for an award occur on a timeline of less than 90 days, the Closeout Procedure shall take place over a shorter period as required to meet the sponsor's deadline.

A. All expenses must be posted to the project before the final invoice or financial report can be submitted to the sponsor.

B. Financial and programmatic reports must be submitted to the sponsor in accordance with the terms and conditions of the award.

### III. Deficits, Surpluses, Project Inactivation

OSP shall work with the PI/PD during the closeout process to identify deficits or surpluses and shall provide financial information in order to assist them in reconciling financial records.

#### A. Deficits

The PI and the OSP SPA should monitor spending toward the end of an award to avoid deficits.

- i. When deficits occur, OSP shall determine the amount and source of the deficit and inform the PI/PD. OSP shall work with the PI/PD to identify the specific source of funding to cover the deficit.
- ii. If the deficit is the result of overspending, it is the responsibility of the PI/PD to provide an alternate source of funds to cover the deficit.
- iii. If the PI is unable to identify an alternate source of funds, OSP shall notify the Office of Graduate Studies and Research.

#### B. Surpluses

When a surplus is identified, OSP will follow the Residual Funds from Sponsored Projects [Policy](#) and [Procedure](#). Cost reimbursable awards will not have a surplus. Surpluses do not apply to cost-reimbursable awards.

#### C. Project Inactivation

After a project's cash deficit or surplus has been resolved, and all other requirements have been met, the OSP SPA will notify Auxiliary Accounting to inactivate the project in the financial accounting system.

### **ROLES AND RESPONSIBILITIES:**

**Principal Investigators/Project Directors and OSP** both have a shared responsibility in the management of sponsored projects during an award's lifecycle. This section outlines the role of each individual or group for the successful management and closure of a sponsored project.

**PI/PDs:** have overall responsibility for the programmatic objectives of the research. In addition, PI/PDs are

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responsible for complying with sponsors' terms and regulations and for meeting all deliverables – scientific, financial, and administrative. PI/PD's are responsible for managing an award and meeting deliverables. PI/PDs are also responsible for communicating issues to OSP throughout the award so that award terms and deliverables can be met or, if necessary, be modified. PI/PDs should keep OSP informed of any interactions with the sponsor that may impact the terms or deliverables of the award. PI/PDs should perform regular reviews of award expenditures and financial positions with their assigned Sponsored Projects Analyst in OSP and, as part of that review, discuss budget to actual variances, review allowability of charges and ensure expenditures are fully represented (complete). The PI/PD is responsible for ensuring that the project does not incur a deficit, which is defined as the total expenditures and outstanding commitments exceeding the total amount budgeted. Lastly, PI/PDs are responsible for the timely submission of non-financial reports to sponsors, i.e. scientific, technical, invention, publications and/or patent reports.

**Office of Sponsored Projects:** collaborates with the PI/PD to meet the financial terms and financial deliverables of federal and non-federal awards. This includes (1) monitoring award expenditures for compliance with sponsor guidelines or regulations, (2) cash management for awards, including interim and final invoicing, letter of credit draws, and agency reporting, and (3) reporting interim and final financial results of the award via a financial report to sponsors and closing out the award, and (4) closing out funds and/or projects in the system of record. These primary responsibilities are accomplished through ongoing engagement with the PI/PD and department/college, and staff. In conjunction with these duties, OSP maintains institutional records and documentation to support closeout.

### **RECORD RETENTION:**

The record retention period shall be either three (3) years after the final financial report and/or invoice date or per the sponsor's guideline requirement; whichever period is longer.

### **DEFINITIONS:**

**Closeout:** the process by which the awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the award have been completed and takes actions as described in §200.343 Closeout.

**Sponsored Project:** an activity sponsored, or funded, by an external organization, such as a federal, states, or private organization or agency.

**Subaward:** a grant or funding awarded by a "pass-through entity" (the primary recipient of funding) to a "subrecipient" (another organization) to perform a portion of the work outlined in the original grant.

### **REFERENCES:**

[CSUSM Corporation Policies and Procedures](#)

CSUSM Corporation Residual Funds From Sponsored Projects [Policy](#) and [Procedure](#)

[CSUSM Corporation Cost Principles for Sponsored Projects Policy](#)

[Office of Management and Budget \(OMB\) Uniform Guidance 2 CFR 200](#)