Contracts and Grants: A Guide to Successful Closeouts

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AWARD CLOSEOUT STAGES

Award Set Up: CGA
At the time of award setup, CGA Analysts enter a Milestone in the Award Profile in BFS as a 'Final' Financial Report (FFR) which includes a due date. These 'Final' due dates are based on the award documents provided to us by the sponsor and can be found on the 'Milestone' tab of the Award Profile.
REMINDER: These 'Final' due dates are the dates that Final Invoices and Final Financial Reports are due TO the sponsor! Please be sure to submit all closeout documents to CGA the day after the GL close of the month before the FFR due date to provide enough time for all required documents to be processed.

Pre-Expiration Period: RA
Email notifications are sent to the Post Award Administrator (RA) 90, 60, and 30 days prior to the award expiration date, and on the end date of the award, as a reminder that this award is expiring. This is the time to **plan ahead** and to prepare for closing out your award.
Review the expenses on your award –
Do you have a large remaining balance on your award? Do you anticipate the need for a No Cost Extension (NCE)? Do you expect additional funding?
If applicable, initiate extension requests with SPO. In order to delay the closeout of an award in the case of a NCE, CGA needs documentation that the NCE is pending.
Is the award overspent? Are any expenses unallowable per the sponsor's guidelines?
If yes, address these issues and create a plan for transferring expenses.

Adjustment Period: RA
This is the time to transfer deficits and/or unallowable expenses via Payroll Expense Transfers (PETs) and journal entries and to accrue for any necessary, allowable expenses. Also address closing any outstanding POs and start gathering cost share details, if applicable. Closeout Certification forms should include all final details on awards including cost share. RAs should complete Closeout Certification forms, forward to their manager for approval and confirm that they are approved. Once they are fully approved by the department, CGA can view them.
Please note that CGA uses the latest CLOSED ledger period when closing out awards so ideally all adjustments are made by this date. If CGA does not receive a Closeout Certification form, we prepare the closeout based on the latest closed ledger period which includes adjusting the budget in BFS and preparing and sending final invoices and financial reports to the sponsor.
Please also note that in order to produce a Final Invoice for a cost reimbursable award, the GL needs to reflect all final expenses and should tie to the amount reflected in the Closeout Certification forms submitted to CGA.

Final Closeout Period: CGA
At the beginning of each month, CGA Analysts run a query to see what awards assigned to them are due to close in the next month. At this time, CGA Analysts start reviewing awards and look for the following: Unallowable Costs, Deficits, Billing Issues, and Overhead Discrepancies. CGA Analysts start setting up our documentation for the closeout and await closeout documents from the department.
CGA Analysts focus heavily on invoiced amounts versus posted expenses when initially reviewing closeout documentation.
Award closeout due dates are considered hard deadlines by CGA as they are terms that are specified by our sponsors in our award agreements. Please view these deadlines as you would a Proposal Deadline. There are many risks associated with not meeting these deadlines – sponsors may not pay us, for example.

Why You Should Care about a Clean and Timely Closeout
The University is put at risk when closeouts are not accurate or not done in a timely manner. In addition to the possibility of non-payment, there also audit risks. In the case of Uniform Guidance, for example, external auditors have specifically validated whether we have met our deadlines by comparing closeout due dates with our actual closeout submission dates. Other risks include damaging an individual PI's relationship with a particular sponsor or even damaging the University's relationship with a particular sponsor which can impact future funding across campus.

CLOSEOUT TIMELINE EXAMPLES

Closeout Timeline
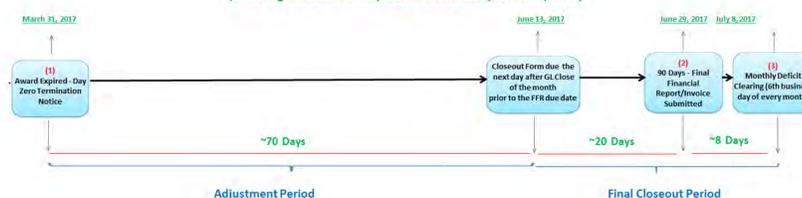(dates in green are an example based on a 30-day closeout period)

Closeout Timeline
(dates in green are an example based on a 90-day closeout period)

Award Close Out Timeline Examples for an award Ending March 31, 2017

Closeout Period (Days)	Award Types	Adjustment Period	Closeout Certification form due (day after G/L close of the month prior to the FFR due date)	Final Financial Report/Invoice Submitted	Monthly Deficit Clearing (6th business day of every month)
0	Private Foundation	20 days **before** award end date	March 11	March 31	April 8
30	Private Foundation	10 days	April 11	April 30	May 8
45	Private Foundation	10 days	April 11	May 15	June 8
60	Intercampus and Sub-award	40 days	May 11	May 30	June 8
90	Typical close out period for Federal and Private Contracts or Grants	70 days	June 13	June 29	July 8
120	NSF/NIH	100 days	July 9	July 29	August 7

COMMON ISSUES WITH CLOSEOUTS

Causes of delayed or incorrect closeouts	Why is this a problem?	Where to get help
Incorrect accruals	Delays closeout, invoicing is delayed or final invoice is incorrect	CSS Manager or Supervisor CSS training and aids CGA Website, Accrual job aid
No Closeout Certification form submitted	CGA expects confirmation that the closeout is ready and that final expenditures are accurate and complete. The Closeout Certification form ensures CGA and the RA are in agreement on closeout details	Find instructions for completing a Closeout Certification form on our website at (Berkeley Controller's Office>CGA>Award Closeout)
No signed cost share form	CGA must demonstrate to auditors that cost share requirements have been met and that cost share expenditures have been reviewed and approved for accuracy and allowability by the PI	CSS Manager or Supervisor CSS training and aids
Late closeouts	Late forms put CGA at risk of not meeting sponsor deadlines which can put the University at risk of audit findings, nonpayment of final invoices, or disallowed costs	Run query of pending closeouts on RA Workcenter (Closeout Certification forms due) every month.
Final Invoice cannot be generated because the award is in overdraft	Invoicing is delayed or final invoice is incorrect	Plan ahead and submit all adjustments during the Closeout Adjustment Period ensuring that at the time of closeout, the latest closed ledger period reflects the correct expenditures

CLOSEOUT EXCEPTION REQUESTS

Our shared goal is to close out grant awards on time with correct information. However a Closeout Exception Request may be needed.

Reasons for submitting a Closeout Exception Request:
1. Missed expenses not processed or accrued
2. A new Payroll Expense Transfer (PET) not processed or accrued
3. An incorrectly processed Payroll Expense Transfer (PET)
4. Request to change a recharge chartstring submitted but not processed or accrued
5. Retroactive payroll discovered after the award expiration
6. When actual expense is greater than the accrual