

Best Practices: How to effectively reconcile and closeout research awards

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Presenters:

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**Northeastern
University**

Agenda

NU-RES – Admin:

- Closeout Overview
- Closeout Considerations by Sponsor
- Frequent Bottlenecks
- Important Takeaways

NU-RES Finance:

- Closeout Process Overview
- Preparation timeline for Closeout
- Best Practices to Close Awards
- Financial Audit Risks/Bottlenecks
- Frequent Bottlenecks
- Common Requirements to close
- Takeaways



**Northeastern
University**

Research Admin -Overview

Closeout is the process through which a financial reconciliation is performed, and the following deliverables are completed:

- **Applicable administrative information, such as invention disclosures**
- Final financial statements
- **Final technical reports / deliverables**
- Other funding agency specific deliverables, including release of claims, government property forms, etc.

Colleges and PIs must work with NU-RES to submit final financial reports/invoices (NU-RES Finance) and **non-financial reports** (NU-RES Administration), as required by Sponsors.

Research Admin -Overview

Grant Officer reviews completed administrative closeout materials and coordinates with the appropriate offices for verification and / or signature as necessary:

- Center for Research Innovation to confirm invention disclosure reports
Accounting to confirm property and equipment reports
- Finance Director or Associate Director to confirm release of claims and de-obligation notices

Grant Officer submits completed administrative closeout materials to sponsor.

Other Requirements will be provided later in the presentation from RF.

NIH

NIH Grants Policy Statement Section 8.6 Closeout.

Administrative requirements:

Final Research Performance Progress Report –

- This report summarizes progress made toward the achievement of scientific aims and identifies significant outcomes. Investigators should note that the information submitted in Section I of this report will be made available to the public.
- Final Invention Statement and Certification –
 - The statement should include all inventions that were conceived or first reduced to practice during work under the grant or award, from the original effective date of support through the date of completion or termination.

NSF

NSF PAPPG

- Awards are administratively closed after the award is financially closed.
 - In most cases, this is automatic upon the financial closeout of the award.
- There are certain cases, e.g. cost-sharing requirement or Federally-owned equipment, where an NSF Official needs to review/approve the closeout.
 - This administrative closeout of the award is an NSF action.
- If additional documentation is required, NSF will contact the recipient.
 - **In addition to the financial/administrative closeout, all required project reports (Final Annual and Outcomes), must also be submitted to completely close the award.**
 - Awards will be financially closed out 120 days after their expiration date.

ONR/DOD

General terms and Conditions:

- [dod-research-terms-and-conditions-january-2023.pdf \(navy.mil\)](#)
- Section Article VI. Closeout.
- Usually referenced or included as part of award or subaward.

ONR/DOD

Section A. Liquidation of financial obligations. Unless the award administration office authorizes an extension of the due date, you must liquidate all financial obligations that you incurred under this award not later than 120 calendar days after the end date of the period of performance.

Section B. Refunds of unobligated balances. You must promptly refund to the award administration office any balances of unobligated cash that we have advanced or paid to you and not authorized you to use on other projects or programs.

ONR/DOD

Section C. Final reports. You must submit the:

1. Final performance report under this award no later than the date specified in Section C of REP Article I, subject to any extensions granted under Section D of that article;
2. Final financial report under this award no later than the date specified in Section C of REP Article II, subject to any extensions granted under Section D of that article;
3. Final report listing subject inventions made under the award no later than the date specified in Section B of PROP Article VI; and
4. Other final reports that are required under this award no later than 120 calendar days after the end date of the period of performance, unless you request an extension of the due date, and the award administration office approves the request.

DD 882 Invention Form

REPORT OF INVENTIONS AND SUBCONTRACTS (Pursuant to "Patent Rights" Contract Clause) (See instructions on back)						Form Approved OMB No. 0200-0005 Expires February 28, 2006		
<p>The public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Services Directorate (0200-0005). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</p> <p>PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE ABOVE ORGANIZATION. RETURN COMPLETED FORM TO THE CONTRACTING OFFICER.</p>								
1. a. NAME OF CONTRACTOR/SUBCONTRACTOR		b. CONTRACT NUMBER	2. a. NAME OF GOVERNMENT PRIME CONTRACTOR		c. CONTRACT NUMBER	3. TYPE OF REPORT (X one) <input type="checkbox"/> a. INTERIM <input type="checkbox"/> b. FINAL		
b. ADDRESS (include ZIP Code)		d. AWARD DATE (YYYYMMDD)	b. ADDRESS (include ZIP Code)		d. AWARD DATE (YYYYMMDD)	4. REPORTING PERIOD (YYYYMMDD) a. FROM b. TO		
SECTION I - SUBJECT INVENTIONS								
5. "SUBJECT INVENTIONS" REQUIRED TO BE REPORTED BY CONTRACTOR/SUBCONTRACTOR (If "None," so state)								
NAME(S) OF INVENTOR(S) (Last, First, Middle Initial) a.	TITLE OF INVENTION(S) b.	DISCLOSURE NUMBER, PATENT APPLICATION SERIAL NUMBER OR PATENT NUMBER c.	ELECTION TO FILE PATENT APPLICATION(S) (X)				CONFIRMATORY INSTRUMENT OR ASSIGNMENT FORWARDED TO CONTRACTING OFFICER (X)	
			(1) UNITED STATES		(2) FOREIGN		d.	
			(a) YES	(b) NO	(a) YES	(b) NO	(a) YES	(b) NO
7. EMPLOYER OF INVENTOR(S) NOT EMPLOYED BY CONTRACTOR/SUBCONTRACTOR		g. ELECTED FOREIGN COUNTRIES IN WHICH A PATENT APPLICATION WILL BE FILED						
(1) (a) NAME OF INVENTOR (Last, First, Middle Initial)		(2) (a) NAME OF INVENTOR (Last, First, Middle Initial)		(1) TITLE OF INVENTION		(2) FOREIGN COUNTRIES OF PATENT APPLICATION		
(b) NAME OF EMPLOYER		(b) NAME OF EMPLOYER						
(c) ADDRESS OF EMPLOYER (include ZIP Code)		(c) ADDRESS OF EMPLOYER (include ZIP Code)						
SECTION II - SUBCONTRACTS (Containing a "Patent Rights" clause)								
6. SUBCONTRACTS AWARDED BY CONTRACTOR/SUBCONTRACTOR (If "None," so state)								
NAME OF SUBCONTRACTOR(S) a.	ADDRESS (include ZIP Code) b.	SUBCONTRACT NUMBER(S) c.	FAR "PATENT RIGHTS" d.		DESCRIPTION OF WORK TO BE PERFORMED UNDER SUBCONTRACT(S) e.	SUBCONTRACT DATES (YYYYMMDD) f.		
			(1) CLAUSE NUMBER (YYYYMMDD)	(2) DATE (YYYYMMDD)		(1) AWARD	(2) ESTIMATED COMPLETION	
SECTION III - CERTIFICATION								
7. CERTIFICATION OF REPORT BY CONTRACTOR/SUBCONTRACTOR (Not required if (X as appropriate)) <input type="checkbox"/> SMALL BUSINESS or <input type="checkbox"/> NONPROFIT ORGANIZATION								
I certify that the reporting party has procedures for prompt identification and timely disclosure of "Subject Inventions," that such procedures have been followed and that all "Subject Inventions" have been reported.								
a. NAME OF AUTHORIZED CONTRACTOR/SUBCONTRACTOR OFFICIAL (Last, First, Middle Initial)		b. TITLE		c. SIGNATURE		d. DATE SIGNED (YYYYMMDD)		
DD FORM 882, JUL 2005		PREVIOUS EDITION IS OBSOLETE.				Reset		

Notes/Bottlenecks

- Late reports.
 - If report needs NURES signature and/or official submission to sponsor, please work with your department admin and GO earlier rather than later.
- Delayed reporting to CRI of inventions.
- Always refer to the award terms and conditions.
 - Issues arise if there are questions about what is needed, so please always ask!
 - Please reach out to your Research Admin and Research Finance contact with any questions.

Why it is important

- Noncompliance with Federal regulations and sponsor's terms & conditions could:
 - Delay processing of additional funding. Some sponsor portals such as Research.gov **will generate warnings upon proposal submissions if a PI or Co-PI is delinquent in submitting a final/overdue report.**
 - Result in cost disallowance to the University based on audit findings
 - Jeopardize the University's and/or Principal Investigator's future funding with sponsor
- Ensures timely grant close-out and prevents cost overruns or unallowable spending beyond the award end date
- Fulfills our obligation to the University by ensuring the proper closing of the award in Banner

NU-RES Finance - Overview

Recipients of sponsored awards are required to report the use of funds on a monthly, quarterly, annual or other basis. Financial reporting schedules and invoicing requirements vary by sponsor and by federal agency. The terms and conditions of the award/contract will speak to these requirements.

Financial reports and invoices are prepared and submitted by NU-RES Finance (RF) and are based on actual expenditures applicable to the reporting period. The timely reconciliation of financial reports and invoices is a shared responsibility between Principal Investigators, Research Administrators, and Research Finance.

Process	RF Contact
Financial Reports	Research Finance Analyst
Invoicing	Research Account Analyst
Letter of Credit (LOC) draws	Research Account Analyst
Account Receivables	Research Account Analyst
Payment application	Cash Management Team
Collections	Cash Management Team Research Account Analyst

Prepare For a Successful Closeout

Preparing your award for closeout begins at the time the award is received and is a joint responsibility between:

- PI
- Department/College
- Central Office

Understanding the award terms and conditions and monitoring expenses over the life of the award is key.

- Reconcile expenses monthly
- Monitor subaward invoices
- Review payroll report to ensure proper individuals are costing to project
- Confirm whether equipment is part of the budget (must meet the \$5K+ threshold)
- Review award for Participant Support
- Fulfilling project cost share requirement
- Understand budget revision requirements

Closeout Best Practices

- Follow-up with any subcontracts for final invoices and confirm with the PI work was completed
- Purchase Orders- If no longer needed should be closed as soon as possible
- Confirm all JV's, PDC's and Cost Transfers have been submitted and processed. Including JV's to clear deficits
- Confirm any necessary tuition has posted
- Have we fulfilled our cost share requirement (if applicable)

Closeout Best Practices

- HR appointments should end on the last day of the period of performance.
 - Identify employees to move to other non-research accounts and initiate PDC's.
 - Review final report and/or invoice from Research Finance.

It is important that departments are timely when reviewing/approving Final FFRs.

Closeout Best Practices

The most important thing we can do ensure a timely closeout is to Monitor, Monitor, Monitor. Financial monitoring during the life of award makes closeouts easier and avoids transactions that may cause “red flags” at the end of the project (increased cost transfers, PDCs, increased spending, etc.).

Financial Reporting Timeline



RESEARCH FINANCE	Distribute Closeout notification and refer to checklist ~60 days prior to end date		Send FFR draft to Research Administrator	Submit FFR to sponsor with 90 days of end date	Receive and apply final draw or sponsor payment
			Coordinate final reconciling adjustments with department	Reduce Banner budget to match reported expenditures	Process Residual Balance Transfers or Sponsor Refunds (fixed-price awards)
				Submit final LOC draw request	Reconcile and close project in Banner

PI / Research Administrator	Review progress of work, determine if NCE is needed.	Review Closeout checklist	Review FFR draft		
	Verify project will not continue and review financials to date	Request final invoices from subcontractors	Identify and communicate final pending adjustments to RF. Include supporting documentation.	Complete outstanding items on closeout checklist	
	Review salary allocations, cost share, encumbrances and subaward spending; determine if any final costs need to be allocated	Reconcile final expenditures	Approve FFR Draft		
	Submit final PDCs, Concur reimbursements, Cost Transfers, etc	Stop reoccurring charges or redirect from the award			

Final Invoice Timeline



RESEARCH FINANCE	Distribute Closeout notification and checklist ~60 days prior to end date	Send out preliminary list of final invoices due within 60 days following the monthly financial close	Distribute final invoice notifications	Send final invoice draft to Research Administrator	Submit Final Invoice to sponsor
			Coordinate final reconciling adjustments with department		Reduce Banner budget to match reported expenditures
			Draft final invoices		

PI / Research Administrator	Review progress of work, determine if NCE is needed.	Review Closeout checklist	Confirm that final invoice list is accurate	Review final invoice draft	Complete outstanding items on closeout checklist
	Verify project will not continue and review financials to date	Identify and advise Research Finance if project is ending, continuing with NCE, or continuing with new increment	Identify and communicate final pending adjustments to Research Finance. Include supporting documentation.	Approve final invoice draft	Submit Carry-forward request, if applicable
	Review salary allocations and encumbrances and determine if any final costs need to be allocated	Request final invoices from vendors/consultants			
	Submit final PDCs, Concur reimbursements, Cost Transfers, etc	Stop reoccurring charges or redirect from the award			
		Reconcile final expenditures			

Requirements for Financial Closeout

Definition

How NU-RES defines 'Closed' –

- Spending has been finalized
- Final Invoiced, FFR Complete, Budget Reconciled
- Administrative and financial obligations & reporting requirements have been met e.g.
 - Progress & Programmatic Reports
 - Administrative Non-Financial
 - Cost Share Reports (CS: met and funded)
- Award Paid-in-Full
- Residual balance Transfer/Refund Processed
- No budget balance
- No AR balance (no unbilled AR)
- GL is clear (0)
- Administrative Inactivation (Fund and Grant are inactivated)
- **Budget = Expense = Recon = Billed AR = Final Payment**



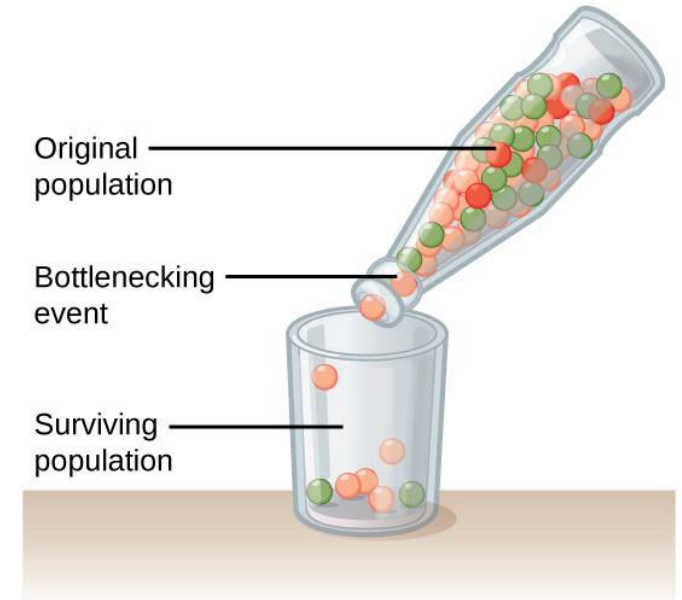
Audit Risk Areas

- Delay in expense reconciliation:
 - Final invoicing/reporting based on projections
- Project overspending/Large deficits
- Last minute supplies/equipment purchases
- Removing large balances off the award, at award end
- Last minute re-budgets
- Lack of clarity regarding project continuation



Bottlenecks In Closeout Process

- Unclear guidance regarding continuation
- Spending on project after end date
- Unresolved deficits
- Projection driven final invoices that are inaccurate (often requiring a sponsor refund)
- Delayed final Payments/potential collection issues



Common Closeout Documents

Additional Documents required to close out award:

- DD882 (Invention reports) – Potentially additional Patent reports
- SF498 (Subcontracting Report)
- SF428-B/S (Property Reports)
- SF1034/SF1035
- SF425 (Final FFR)
- SF270 (Final invoice)
- Zero Dollar Cost Voucher (DoD Contracts)
- Contractors Release
- Notice of Assignment

Please reach out to @NU-RES and @Research_Finance if you have any questions regarding submission of these reports

Current Initiatives

- In Preparation for Workday FY26 Implementation, Research Finance is diligently working to closeout ended awards over the next 9 months.
- ***Please work with your RAA/RFA's to have ended projects administratively inactivated***



Key Takeaways

- Prepare for final reporting, invoicing, and closeout in advance of the project end date
- Final invoices are not system-generated and require reconciliation with the College Research Admin
- Banner inactivation requires deficits to be resolved and sponsor payment in full.
- There are several steps following final reporting/invoicing that need to take place to consider an award “closed”
- Please work with your NU-RES Admins to closeout awards in preparation for Workday Implementation!!

Thank you!

