

Extend, Closeout or Release a Contract

Need To Extend An Account:

90 Days Memorandum

The principal investigator will be sent a memorandum that requires checking one of the following actions:

1. Additional Years/Additional Money - There will be an additional budgetary year with additional money. (Multiple-year projects with annually awarded budgets. Do not include extensions.) Assign a new Banner index number or continue current Banner index number.
2. Supplemental Money - There will be supplemental money for this project and the end date of the award will be extended.
3. Extension/No Money - There will be an extension beyond the original end date of this project without additional money.
4. Final - This is the final year of the project. A new Banner grant is not required.
5. Closeout and Pool - Close out this fixed price agreement.

Grant Closeout (Contract) Letter

Sixty days prior to the budget period end date, the principal investigator should take the appropriate action to start the closeout process.

"The Federal awarding agency shall require recipients to submit the reports no later than 30 days after the end of each specified reporting period for quarterly and semi-annual reports, and **90 calendar days** for annual and final reports. Extensions of reporting due dates may be approved by the Federal awarding agency upon request of the recipient."

Unless the Federal awarding agency authorizes an extension, the University shall liquidate all obligations incurred under the award not later than **90 calendar days** after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions.

Unobligated Balance of Federal Funds

Any balance (unrestricted on the Notice of Award) will be reflected as a carryover in the remark section on the Financial Status Report excluding Streamlined Non-competing Award Process (SNAP) awards. A revised Notice of Award will not be issued by the funding agency.

The principal investigator and fiscal administrator will receive a letter from Grants and Contracts Accounting stating the carryover amount to the next budget period. This amount will be shown as a budget increase in the Expenditures Unallocated category unrestricted categories. Restricted balances will be carried forward in the same category. **(See Carry Forward Letter)**

Public Health Service Policy Statement requires that when a grantee reports on the annual Financial Status Report a balance of unobligated funds in excess of 25 percent of the total amount awarded, the awarding office Grants Management Officer (GMO) shall review the circumstances resulting in such balances to assure that the funds are necessary to complete the project. Based on the outcome of the review, the GMO may take appropriate action, e.g.,

- restrict on future Notices of Grant Award the authority to automatically carryover unobligated balances;
- use the balance as an offset against a subsequent award; or
- allow the carryover, but reduce the next budget period award level.

The principal investigator should consult Sponsored Programs Administration on letter of justification and budget when 25 percent or more of the original direct cost budget is being requested to be carried forward.

Total Unliquidated Obligations

This includes commitments that have been made against the grant prior to the index end date. Normally, commitments should not be made during the **last two weeks** of a budget period. All commitments must be on the indexing system for the current grant index.

Unliquidated obligations (commitments) should be cleared from the index at least **six months** after the budget period. The principal investigator and fiscal administrator should follow-up open commitments using financial inquiries.

NOTE: No unliquidated obligations may be shown on the Financial Status Report of the final budget year. However, the principal investigator may contact Sponsored Programs Administration to obtain an extension without additional funds.

How to Closeout Fixed Price Agreements

Fixed Price Agreements that have been satisfactorily completed (all the terms of the agreement have been met) and have cash (budget) available must be closed-out by using the Fixed Price Agreement Closeout section of the **90 Days** letter. This letter notifies Grants and Contracts Accounting that the funds are no longer restricted based on the original agreement. Department alternatives for the use of these funds are as follows:

1. The department may extend a fixed price index end date once (with a balance of \$500 or less and no individual established pool index) and continue to charge research expenditures directly to the current index number. Facilities and administrative costs will be charged based on the original agreement. Any balance remaining after one year will be transferred automatically to the University's contingency index.
2. The department may transfer fixed price expenditures from other research index to a fixed price pool index to use the residual balance; this will close the index at the current end date; full facilities and administrative costs will be charged based on the original agreement; or;
3. If a principal investigator or department has several fixed price index, Grants and Contracts Accounting will consolidate balances into one index as each fixed price project has been satisfactorily completed; full facilities and administrative costs will be charged up to the amount stated in each agreement.

When fixed price agreement indexes are consolidated (pool-third option above), the full facilities and administrative costs will be recovered at the time of consolidation. Fixed Price Agreements profit (excess budget over expenditures) at closeout will be shared with the University up to an amount which is equal to the applicable federal negotiated Facilities and Administrative (F&A) cost rate. Therefore, the consolidated index will not have any additional facilities and administrative costs applied to it; the total budget balance will be available to the principal investigator for research purposes.

The consolidated pool index will be charged the University's fringe benefit rates for salary or wage costs incurred, rather than using the sponsored programs' rates.

Deposits may not be made to the consolidated (pool) index. Budget is available only through the closeout of other indexes handled by Grants and Contracts Accounting.

Departments will review the budget balances of consolidated indexes on a monthly basis; any deficit balances (expenditures in excess of budget balances) must be covered by the department immediately.

How to Release a Contract

Grants and Contracts Accounting has the responsibility for submitting the required contract release forms to the sponsor. The release form is related to the financial claims of reimbursement of costs under the contract.

The Office of Grants and Contracts Accounting (OGCA) will prepare any necessary financial reports for the sponsor, and will collect any funds due from the sponsor. After all necessary reports have been filed and the correct amount of funds has been received, the OGCA will terminate the index status code on the system.

The principal investigator is responsible for final technical reports.