

Extramural Funds (EMF) Award Closeout Process

Effective August 1, 2006, EMF will begin a phased approach to closing awards 90 days after the award end date. This is one of the planned actions promised in the June 2006 EMF communication about our campus' compliance mandates. These closeout procedures will improve our ability to submit accurate Financial Status Reports (FSRs) and prevent further charging of expenditures to these funds. A major impact of this new closeout process will be raising our awareness of upcoming award end dates to allow:

- 1) review time for departments
- 2) time to request a no cost extension, if needed
- 3) time to follow-up on continued funding
- 4) timely submission of final invoices and financial reports to the sponsors by EMF
- 5) a reduction in overdrafts and cost transfers due to late expenditures.

The purpose of this communication is to:

- Provide an overview of EMF's new business procedures for award closeouts
- Highlight the role departments will play in this process
- Summarize the next steps that will be taken as the closeout process is implemented.

New Closeout Procedure

60 Days Prior to Award End Date

For cost-reimbursable funds, an email notification will be sent from EMF to the PI and the department RSA. The email will request that the department perform specific review steps and actions in anticipation of the award end date (see Table 1). For installment grants, industry clinical trials, and fixed price contracts, the email notification will be sent 30 days *after* the award end date. To ensure the notification reaches the correct RSA, departments will need to keep current the award's primary project RSA in the Research Administration System (RAS). If you are not sure how to do this, call Customer Support – 514,4100, Option 3, Option 2.

Within 90 Days After Award End Date

Once the award end date has passed, EMF will begin following steps from an internal checklist to ensure all closing steps, including issuing the final financial report or final invoice take place (both of which require the department to agree with EMF on the final expenditures).

After Final Payment is Received

Once final payment is received and any overdrafts have been cleared, EMF will zero out the fund to the NCA level and update PeopleSoft RAS to reflect the award status as closed. This will prevent any additional invoices from being issued to the sponsor and will ready the fund number for potential re-use in the future.

6 Months After Award Closeout

Six months after award closeout, the EMF compliance team will conduct a post-close audit on a sample set of awards to ensure the current financial status of the award still matches the final reported or invoiced amounts and to confirm that the closeout steps were all appropriately followed.










Next Steps

August 2006: 60-day advance notifications will begin to be issued for awards with a September end date.

January 2007: The soonest date EMF will begin closing awards in RAS. We are also looking into placing STOP codes in the AFP at the time we close the award in RAS, as one of our final closeout steps. This is a process that EMF and the School of Medicine have been piloting for the past few years to stop expenses from

hitting closed awards. From now until January, we will examine the impact of using STOP codes or other mechanisms to ensure future expenses are not charged to closed funds. During this time, we will be soliciting feedback from department representatives to ensure the best possible solution.

Table 1: Closeout Notification Content

Requested Action Items	
	Determine if a no-cost extension is required for the award and submit a request for an extension to OSR, including all appropriate information that may be required.
	Review anticipated payroll distribution to ensure that charges will cease to post once the end date has been reached.
	Review any open requisitions and purchase orders and contact Accounts Payable or Materials Management to close them.
	Review for unallowable costs per A-21. Review all payroll charges, office supplies, and certain types of telephone or postages expenses for appropriateness. Remove any unallowable costs.
	Contact Accounts Payable to inactivate the speedchart(s).
	Submit any pending cost transfer requests so that they can be received and processed by the award end date.
	Determine if a carryover justification is required to move the unexpended balance from the award to the next competitive cycle.
	Coordinate with the appropriate individuals to complete equipment inventory, invention or patent report, and/or Conflict of Interest (COI) Disclosure.
	Review to see that subcontracts, including intercampus agreements with other University of California campuses, have been fully paid for invoices submitted, including the final invoice.

If you have any questions about these procedures, please contact your EMF Service Team representatives.