Table of Contents

PURPOSE ......................................................................................................................... 2
POLICY ............................................................................................................................. 2
WHO IS RESPONSIBLE .................................................................................................... 2
RESPONSIBILITIES AND PROCEDURES ........................................................................ 3
RELATED DOCUMENTS .................................................................................................... 6
HISTORY OF POLICY ....................................................................................................... 6
PURPOSE

This document explains administrative requirements and financial procedures for maintaining compliance with government and other regulations regarding sponsored programs grant and contract closeout procedures and procedures for subsequent disallowances and adjustments.

POLICY

Closeout procedures, along with subsequent adjustments and disallowances, related to projects financed in whole or in part with Federal funds shall be administered in accordance with standards set forth in Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements ("Uniform Guidance"), SUBPART D – Post Federal Award Requirements, Sections 200.343 through 200.345.

WHO IS RESPONSIBLE

Responsibility for following these guidelines is a joint effort among the Federal Awarding agency, the University Services Accounting Department, University Sponsored Programs Office or other responsible department, Principal Investigators or Project Directors, their Department Chairs or other direct supervisors, and unit-level fiscal personnel with general guidance and oversight of the colleges, schools and divisions.

The University of Maine System administration is responsible for providing guidance through administrative practice letters and business processes, and coordinating compliance monitoring through periodic internal and external audits.

Failure to follow these guidelines may have serious consequences, including disallowed costs, which would require reimbursement to the sponsor from unrestricted departmental funds; increased Federal oversight, monitoring, and audits; and loss of future Federal funding.
RESPONSIBILITIES AND PROCEDURES

OMB Uniform Guidance, SUBPART D – Post Federal Award Requirements, Sections 200.343 through 200.345 contain closeout procedures and other procedures for subsequent disallowances and adjustments. Successfully meeting post award requirements requires timely coordination among the Federal awarding agency and various System and campus employees. Responsibilities and procedures to meet these requirements are described below.

A. OMB Uniform Guidance, §200.343 Closeout

1. The Federal Awarding Agency

   a. §200.343 (c) states, “The Federal awarding agency or pass-through entity must make prompt payments to the non-Federal entity for allowable reimbursable costs under the Federal award being closed out.”

   b. §200.343 (e) states, “Consistent with the terms and conditions of the Federal award, the Federal awarding agency or pass-through entity must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.”

   c. §200.343 (g) states, “The Federal awarding agency or pass-through entity should complete all closeout actions for Federal awards no later than one year after receipt and acceptance of all required final reports.”

2. The System Office Administration:

   a. Provides guidance through administrative practice letters and business process documents.

   b. Per §200.343 (d), for projects funded by letter-of-credit, the University Services Accounting Department shall promptly refund any balances of unobligated cash (deobligates balances) that the Federal awarding agency has advanced or paid and that is not authorized to be retained by the University for use in other projects.

   c. Implements relevant closing procedures in the business process document “Accounting for Grants and Contracts”.

   d. Coordinates compliance through periodic internal and external audits.

3. Sponsored Programs Office or Other Responsible Department:
a. Provides general guidance and technical assistance to Principal Investigators or Project Directors, their Department Chairs or other direct supervisors, and unit-level fiscal personnel.

b. Per §200.343 (a), must submit, no later than 90 calendar days after the end date of the period of performance of the award, all financial reports as required by the terms and conditions of the award. The Federal awarding agency or pass-through entity may approve extensions when requested by the Principal Investigator or Program Director through the Sponsored Programs Office, or other responsible department.

c. Per §200.343 (d), for projects billed by the campus, the Sponsored Programs Office, or other responsible department, promptly refunds any balances of unobligated cash that the Federal awarding agency has advanced or paid and that is not authorized to be retained by the University for use in other projects. For projects funded by letter-of-credit, the Sponsored Programs Office, or other responsible department, adjusts budgets per closing procedures in the business process document “Accounting for Grants and Contracts.”

d. Implements relevant closing procedures described in the business process document “Accounting for Grants and Contracts” which include but are not limited to the following:

- Ensuring all outstanding invoices have been paid
- Ensuring all necessary expense transfers are completed
- Verifying Project-to-Date allocations for Facilities and Administrative (F&A) expenses and Fringe Benefit expenses reflect the intent and specifications of the grant award
- Verifying all revenue due from the sponsor has been received
- Verifying all necessary direct cost sharing has been funded and any excess has been returned to the original funding source

4. Principal Investigators or Project Directors, their Department Chairs or Other Direct Supervisors, and Unit-level Fiscal Personnel:

a. Per §200.343 (a), submits, no later than 90 calendar days after the end date of the period of performance of the award, all performance and other reports (except financial reports) as required by the terms and conditions of the award. The Federal awarding agency or pass-through entity may approve extensions when requested by the Principal
Investigator or Program Director through the Sponsored Programs Office, or other responsible department.

b. Per §200.343 (b), liquidates all obligations incurred under the award not later than 90 calendar days after the end date of the period of performance of the award, unless the Sponsored Programs Office, or other responsible department, through the Federal awarding agency, authorizes an extension.

c. Per §200.343 (f) accounts for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with §200.310 (Insurance coverage) through §200.316 (Property trust relationship) and §200.329 (Reporting on real property) of OMB Uniform Guidance. Refer to Administrative Practice Letter I-G.2 “General Accounting for Capital Assets” for guidance.


B. OMB Uniform Guidance, §200.344 Post-closeout Adjustments and Continuing Responsibilities:

The closeout of an award does not remove or end responsibilities and requirements in these areas:

1. The obligation of the University to return any funds due as a result of refunds, corrections, or other transactions occurring after closeout of the award.

2. Audit requirements in OMB Uniform Guidance, SUBPART F – Audit requirements.


4. Records retention as required in OMB Uniform Guidance, §200.333 (Retention requirements for records) through §200.337 (Restrictions on public access to records).

C. OMB Uniform Guidance, §200.345 Collection of Amounts Due

OMB Uniform Guidance, §200.345 (a) indicates any funds paid to the University in excess of the amount to which the University is finally determined to be entitled under the terms and conditions of the award constitute a debt to the Federal Government. If not paid within a reasonable period after the demand for payment, the Federal awarding agency may reduce the debt by:
1. Making an administrative offset against other requests for reimbursement.
2. Withholding advance payments otherwise due to the University.
3. Taking other action permitted by statute.

OMB Uniform Guidance, §200.345 (b) states, “Except where otherwise provided by statutes or regulations, the Federal awarding agency will charge interest on an overdue debt in accordance with Federal Claims Collection Standards (31 CFR parts 900 through 999).”

RELATED DOCUMENTS

Accounting for Grants and Contracts – business process document
APL I-G.2 General Accounting for Capital Assets
APL VIII-K Cost Transfers

HISTORY OF POLICY

Issue 1: Effective 04/02/2007
Issue 2: Effective 06/15/2011 (Expands on closeout requirements under section IV.A.3.d. “Sponsored Programs Office or Other Responsible Department”)
Issue 3: Effective 12/26/2014 (Updated references for implementation of OMB Uniform Guidance)

APPROVED:

Signature on file in the Office of Finance and Administration
Vice Chancellor for Finance and Administration