



**THE GEORGE  
WASHINGTON  
UNIVERSITY**  
WASHINGTON, DC

**Responsible University Official:**  
Director, Grants and Contracts Accounting  
Services  
**Responsible Office:** Grants and  
Contracts Accounting Services  
**Last Revised Date:** December 19, 2014

## **AWARD MANAGEMENT AND CLOSEOUT**

### **Policy Statement**

The university has a responsibility to manage the sponsored projects life cycle, to comply with policies, and to close out the completed sponsored projects in a timely and accurate manner.

### **Reason for Policy**

The policy provides requirements that are intended to facilitate the timely and accurate processing and recording of financial transactions and the management and closeout of sponsored projects.

### **Who is Governed by this Policy**

Faculty and staff

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## **Policy**

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While the university is responsible for the stewardship of an award, the Principal Investigator (PI) is accountable to the sponsor, the university, the school, and the department in which the project is conducted. In addition to bearing the responsibility for conducting the project in a manner that is consistent with professional standards and in compliance with any federal, state, and local government laws and regulations, PIs also must be aware of and observe all of the terms and conditions of the award and university policies throughout the life cycle of the project.

The award closeout process is the culmination of the sponsored project life cycle and ultimately results in the completion of required deliverables/reports, the final billing, the collection of the outstanding accounts receivable, the submission of the final financial report, and the disposition of residual funds. The university has established a timeline that allows for a timely progression through the sponsored project life cycle. Final financial reports and/or invoices are submitted by GCAS by the specified due date by the awarding agency to protect against the university not meeting deadlines.

Procedures for award closeout are specified in federal regulation, agency policies and procedures, and the terms and conditions of the award. Detailed procedures for award closeouts for federal awards are found in 2 CFR § 200.16 and 200.343, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and 2 CFR § 215 (OMB Circular A-110 for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations for funding effective before December 26, 2014; collectively referred to as Federal Guidance. These procedures describe the responsibilities of federal funding recipients and are intended to provide the sponsor assurance that the awardee has complied with the terms and conditions set forth in the award, including the timely submission of all deliverables.

### **PI Roles and Responsibilities during Award Management:**

- The relevant department chair and dean are responsible for overseeing PIs under their purview, but ultimate responsibility for management of the award (including items listed below) remains with the individual PI.
- The PI supervises the technical performance of the project, oversees compliance with award terms, university policies and the [Sponsored Projects Handbook](#), manages the project expenditures by reviewing reports monthly, and completes the deliverables. The PI is responsible for properly treating

confidential materials, completing the final patent report and royalty reports, if any, completing the plant and property clearance report, and confirming instructions for disposal of all property in accordance with the terms and conditions of the award.

- The School Research Administrator is responsible for initiating transactions in support of the PI accurately and timely and in line with federal, state, local, sponsor and university policies.
- The PI and/or department/school are responsible for any adverse financial consequences (i.e., unallowable costs, overages, sponsor default on payment, etc.).

### **Closeout Process Timeline, Roles and Responsibilities**

The closeout timeline begins 90 days prior to the award end date and culminates with the submission and/or acceptance of the final financial and technical reports. The university has assigned responsibility for management of the financial aspects of sponsored projects to the PI, the department chair, the dean or the dean's official designee, the School Research Administrators, OVPR, and GCAS.

- The PI is responsible for indicating that expenditures are accurate and are allowable, allocable, and reasonable in a timely fashion prior to the close of the award. For fixed amount awards, the PI will be asked to certify that deliverables were met and level of effort was expended as outlined in the award document.
- The PI and/or department/school are responsible for any adverse financial consequences (i.e., unallowable costs, overages, sponsor default on payment, etc.). Expenditures charged to a department account during the financial closing process are not eligible for cost transfers.

### **Fixed Amount Awards and Residual Funds Transfers**

Some sponsored projects are negotiated on a fixed-price or fixed-amount basis, meaning that the university guarantees to deliver a product or perform a service within a specified period of time and at a fixed priced or fixed amount agreed in advance, regardless of actual costs incurred. Proposals created for fixed priced awards are expected to estimate costs close to the actual costs. For federal awards, the cost principles should be used as a guide in creating the budget.

It is the responsibility of the PI to take all necessary steps so that all appropriate costs are charged to the sponsored project and that all required technical deliverables/progress reports, except financial reports and invoices, are submitted and accepted by the sponsor. On occasion, a residual balance exists when there are funds remaining on the award. Overages on fixed price or fixed amount awards are the responsibility of the PI and department. Residual fund transfers are distributed in equal portions to the PI and the school or department, after an adjustment for budgeted indirect costs, if the award recovered the applicable Facilities and

Administrative (F&A) rate, as approved by the university's cognizant audit agency. If not, the residual transfers will be adjusted to reflect the full recovery of F&A costs prior to the transfer. The calculation will be based on the university negotiated rate multiplied by the appropriate direct costs or the full budgeted amount of proposed IDC, whichever is greater. Proposals approved with a lower F&A rate than the university's negotiated rate are not excluded from this policy.

If the residual is equal to or greater than \$50,000 or 20% of the total awarded (whichever is lower), the PI must prepare a memo for approval by the individual school's Associate Dean of Research (ADR) explaining the reason for the residual balance. The ADR is responsible for reviewing and approving the residual request, representing acceptance of any associated compliance and financial risk associated with the award and the residual amount. OVPR may have final authority for a reasonability review before distribution of residual funds. Residual transfers should be completed during award closeout period and within the same fiscal year of when the award is expected to close.

For non-fixed priced awards, where cash is received in excess of expenditures and the sponsor requests the university to continue efforts on the sponsored project, a form letter will be sent to the sponsor from OVPR to further the understanding of the new terms and conditions. The PI must spend the funds within six months of the original end date or the funds will forfeit back to the university.

In either of the above scenarios the PI does not have the authority to negotiate with the sponsor on the use of carryover funds without the participation in such negotiations of OVPR.

### **Use of Residual Funds**

Residual funds must be utilized by the designated department with the approval of the dean of the school to further enhance the sponsored project related activities of the department. The PI and the department are responsible for ensuring residual funds transferred are spent in accordance with university policy.

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## **Related Information**

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[Federal Acquisition Regulations](#)

[2 CFR §215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations](#)

[2 CFR §200.343, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (Closeouts)

[2 CFR §200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

[Sponsored Projects Handbook](#)

[Sponsored Projects Lifecycle](#)

[Cost Transfer Policy](#)

[Cost Sharing Policy](#)

[Program Income Policy](#)

[Financial Management Responsibility Policy](#)

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## Contacts

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Contact	Telephone	Email
Director, GCAS	571-553-4242	

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## Document History

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- **Last Reviewed Date:** April 15, 2017
- **Last Revised Date:** December 19, 2014
- **Policy Origination Date:** June 1, 2004

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## Who Approved This Policy

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Leo M. Chalupa, Vice President for Research

Louis H. Katz, Executive Vice President and Treasurer

Forrest Maltzman, Provost and Executive Vice President for Academic Affairs

Beth Nolan, Senior Vice President and General Counsel

*This policy, as well as all [university policies](#), are located on the [Office of Compliance and Privacy's](#) home page.*