

Award Close-Out Policy



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Effective Date: July 1, 2023
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Issuing Authority: Vice President for Research
Responsible Office: Office of Sponsored Programs

Scope:

It is the policy of Howard University (herein referred to as “Howard” or “University”) to have in place written policies and procedures (“Policies and Procedures”) to govern the methods of general management, internal operations and organization of its entities.

All Policies and Procedures of the University will govern all entities, affiliates, and subsidiaries that are required to report results to Federal Government and/or other external funding unless specifically stated otherwise, including all thirteen colleges and schools of Howard University; Howard University Hospital, WHUR (Radio Station); WHUT (Television Station); Howard University International (HUI) and other entities and/or affiliates.

This policy governs the close-out process of a sponsored program, which ensures all applicable administrative actions and required works of the award are fully executed based on period of performance stipulated in the grant agreement.

The University must maintain a strong accounting system capable of accurately recording the financial activity of the business. Therefore, financial reports must accurately reflect account information for determining all costs including salaries and wages that are recorded in the general ledger; and allocated to federal grants or awards and other sponsored programs.

Policy:

Regulatory Compliance Guidance

The Uniform Guidance for Federal Financial Assistance at [2 CFR § 200.344 – Closeout](#), requires the Sponsored Projects Office (SPO) to submit, all financial, performance, and other reports not later than 120 calendar days after the end of the period of performance, unless a shorter time period is specified by the terms and conditions of the award.

Unless the Sponsored Programs Office requests an extension from the awarding Federal Agency/Sponsor, the Principal Investigator/ Designee and Sponsored Programs Office must liquidate all obligations incurred under the Federal award no later than 90 calendar days after the end of the period of performance as specified in the terms and conditions of the Federal award.

SPO must receive all payments of allowable reimbursement costs from the Federal awarding agency/sponsor or pass-through entity for the Federal award being closed out.

Any funds paid to the non-Federal entity in excess of the amount to which the non-Federal entity is finally determined to be entitled under the terms of the Federal award constitute a debt to the Federal Government. If not paid within 90 calendar days after demand, the Federal awarding agency may reduce the debt [2 CFR § 200.346](#).

SPO Post Award Administration must account for any real and personal property acquired with Federal funds or received from the Federal Government.

SPO must not close out an award until the Sponsor has received confirmation that the Principal Investigator has met the technical reporting requirements.

SPO must retain transmittal letters and reports for audit purposes to fulfill reporting requirements.

Roles and Responsibilities:

Closeout

The process by which a Federal or non-Federal awarding sponsor determines that all applicable administrative actions and all required work of the award have been completed by the recipient and sponsor. This refers both to an internal closeout as well as ensuring external sponsor requirements have been met

In accepting the awards, the University is assuming responsibility for meeting technical and financial reporting requirements set forth by the Federal awarding agency/sponsor or pass-through entity. The Federal awarding agency/Sponsor or pass-through entity may require specific interim and financial report requirements, which are included in the sponsor's terms and conditions or award documents. The Principal Investigator has the sole responsibility for preparing and submitting technical reports to the sponsor.

The following departments within the University collaborate with the Principal Investigators during the close out process:

- Office of the Provost
- Sponsored Programs Office

Implementation Guidelines:

Planning Before Project Ends

The Sponsored Programs Office ensures ongoing monitoring of award by reviewing grant account activities monthly, effectively planning with the PI and making timely adjustments when deemed necessary.

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To effectively plan, the following steps must be fully executed within 120 days of the financial closeout.

Determine Departmental Responsibility

Certain functional areas within the University play a key role in the Award Close-out process. SPO must collaborate with those functions and perform the following steps quarterly:

- Resolve any outstanding budget overruns.
- Promptly transfer all erroneous charges and clear up any deficits.
- Ensure all federal awards and final financial reports are submitted within the agreed timeframes in the agreement.
- For subaward/subcontracts where the University is the subrecipient, the final invoice must be submitted to the prime grantee within 60 days after the award's end date.
- Ensure the University receives the final invoice from sub-recipients within 60 days of the award end date to allow for proper review and timely submission of the report and/or invoice to the sponsor.

Charges Incurred after Award-End Date

In accordance with the agreement with the sponsor, it is acceptable to process payments for costs that were incurred prior to the end of the project/award. Such costs must be posted to the project prior to the final financial reporting deadline.

Examples of common “after award-end date” charges include:

- Payroll expenses
- Subaward/subcontract invoice

Resolving Deficits: Costs Overruns and Uncollectible Accounts Receivable

Deficits occur when cumulative expenses exceed the amount awarded by the sponsor. It is Sponsored Program’s responsibility to transfer deficits out of sponsored awards promptly to the Department no later than 90 days after the termination date. Uncollectible Accounts Receivable Every attempt is made to collect outstanding receivables from the sponsors. If the sponsor and University cannot come to an agreeable resolution, the outstanding debt will be transferred to a bad debt account.

Unallowable and Unallocable Costs

The University cannot request reimbursement or payment from the awarding sponsor for unallowable or unallocable costs. If audited such costs may give the appearance of inadequate financial controls and inappropriate stewardship of sponsored funds the University. See the Unallowable Costs Policy. Examples of potential unallowable costs are as follows:

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- Restricted purchases without proper authorization from the sponsor and/or the University, i.e., office equipment.
- Costs that would normally be indirect but are charged as direct costs without proper justification or demonstration of exceptional circumstances. Examples of these costs on federally funded awards are office supplies and clerical/administrative salaries.
- Costs incurred after the award terminates.

Fixed Price Agreements

Fixed price agreements allow the University to retain the unexpended (cash) balance at project expiration. These agreements should include a statement that if a cash balance exists after the project is completed and all costs have been fully paid, the University is entitled to retain surplus funds.

Submission of Final Technical & Financial Report

The Principal Investigators should inform Sponsored Programs Office of the submission dates for all final Technical Reports. Post Award Administration cannot perform award closeout if these reports are still outstanding. While the requirements vary by sponsor, the following reports may be required.

For Federal awards, these reports are generally due within 120 days of the Project- end date:

- Final Technical Report (also referred to as Progress or Narrative) - submitted by the PI.
- Final Report of Inventions - submitted by the PI.
- Final Inventory of Equipment - submitted by Post Award Administration.
- Any Sponsor-specific requirements incorporated in the award terms and conditions.

Retention Requirements for Records

[2 CFR § 200.334](#) Retention requirements for records. Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years (seven years for Internal Revenue Services (IRS) purposes) from the submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or passthrough entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following: (a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

Relinquishing or Transferring a Sponsored Award

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If the Principal Investigator (PI) leaves the University, there are situations when it is appropriate for the Federal awarding agency/sponsor to transfer the sponsored award to the PI's new institution. Agencies' processes may differ in this specific circumstance. For instance, the National Science Foundation (NSF) requires HU and the receiving institution to agree on the funds remaining in the original award to be transferred with the award. The receiving institution assumes all responsibilities for complying with the original terms and conditions, including final reports for award closeout. The amount to be transferred has been agreed upon and is final. The requirement for submission of a final project report is waived for HU as the original recipient, and the award is financially closed by the Federal sponsor.

Maintenance

Documentation & Record Keeping:

All documentation and record keeping requirements shall conform to federal record retention requirements and University policy.

Periodic Review / Updates of Policies

All suggested changes to existing policy statements should be submitted to the Sponsored Programs Office. The AVP of SPO s shall review this Policy and the Guidelines and suggested changes at least on an annual basis. Involuntary changes to this policy necessitated by changes to laws or regulations or otherwise resulting from periodic review.

Forms and Links:

[Office of Research Ticketing System](#)