Contracts and Grants Accounting

Award Closeout Process
Effective January 1, 2016
Background

- **July 1, 2014**: New CGA Award Closeout process
- **January 1, 2016**: CGA Award Closeout process - fully implemented
  - What is new?
  - Why now?
  - How will it affect you?
- **CGA and CSS/Department roles in the process**
What is New?

Upon issuing the final financial report/invoice to the sponsor, CGA will perform the following steps in the PeopleSoft C&G System:

1. Change the Activity status from “Ended” to “Final”
2. Change the contract status to “Closed”
3. Place billing plans on hold
4. Run the COA inactivation and GL check process

The Fund status remains “Active.”

Prevents expenditures (except payroll) from posting to the award’s GL
Allows AR activity and deficit clearing to be processed, and the RA to close any open Purchase Orders.

If no results returned, set the Fund status to “Inactive.” All expenditures rejected
Why now? Confluence of 3 Factors:

• Internal and external focus on compliance and oversight
  – Uniform Guidance (§ 200.343 Closeout)
  – SAS-115 (internal review process to ensure accurate and complete transactions)
  – CGA metrics and monitoring
  – CSS and department best practices for award management

• Need a solution to the problem of post-close charges

• New tools for award lifecycle management
# A Word about Status Values and Transactions

## Common CGA Status Values and Effect on Transactions

<table>
<thead>
<tr>
<th>CGA Process</th>
<th>Process description</th>
<th>Fund Status</th>
<th>Contract Status</th>
<th>Award Status</th>
<th>Project Status</th>
<th>Activity Status</th>
<th>Effect on Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generate/Set up Award</td>
<td>Notice of Award is interfaced into C&amp;G module from SPO. RA/Dept uploads the budget and the Award Analyst generates the Award. Sent to CGA Supervisor for approval.</td>
<td>Active</td>
<td>Pending</td>
<td>Accepted</td>
<td>Budget Only</td>
<td>N/A</td>
<td>Transactions Rejected.</td>
</tr>
<tr>
<td>Supervisor Approves Award and Finalizes Budget</td>
<td>CGA Supervisor reviews and approves the Award and budget and finalizes it. The Contract is activated, and the Project and Activity status is Open.</td>
<td>Active</td>
<td>Active</td>
<td>Accepted</td>
<td>Open</td>
<td>Open</td>
<td>Transactions Allowed.</td>
</tr>
<tr>
<td>Activity Ends</td>
<td>Upon Award end date, the Project and Activity status automatically update to &quot;Ended&quot;</td>
<td>Active</td>
<td>Active</td>
<td>Accepted</td>
<td>Ended</td>
<td>Ended</td>
<td>Transactions Allowed, Warning Issued.</td>
</tr>
<tr>
<td>Activity Finalized</td>
<td>After final financial report/final invoice has been sent to sponsor, the CGA Award Analyst sets Activity and Project status to &quot;Final&quot;</td>
<td>Active</td>
<td>Active</td>
<td>Accepted</td>
<td>Final</td>
<td>Final</td>
<td>Expenses, accruals, encumbrances rejected. Exceptions: payroll, AR. POs can be closed.</td>
</tr>
<tr>
<td>Award Closed</td>
<td>After closing all open AR, pending transactions and encumbrances, Fund is Inactivated, the Activity and Project(s) and Contract are set to Closed</td>
<td>Inactive</td>
<td>Closed</td>
<td>Closed</td>
<td>Closed</td>
<td>Closed</td>
<td>All Transactions Rejected (including payroll and AR)</td>
</tr>
<tr>
<td>Archived</td>
<td>Seven years after the Project's status has been set to Closed the Project and associated Activities are set to Archived</td>
<td>Inactive</td>
<td>Archived</td>
<td>Closed</td>
<td>Archived</td>
<td>Archived</td>
<td>All Transactions Rejected.</td>
</tr>
</tbody>
</table>
Closeout Timeline

Final Award Activities

- May 2, 2014: 90 Days - Termination Notice
- June 1, 2014: 60 Days - Termination Notice
- July 1, 2014: 30 Days - Termination Notice

Award Expired - Day Zero

Award Closeout Process

- July 31, 2014: CCF Form Due the next day after GL Close of the month prior to the FFR due date
- October 10, 2014: 90 Days - Award Closed & Final Financial Report is submitted
- October 29, 2014: ~20 Days
- November 27, 2014: ~120 Days - Deficit Clearing

Pre-Expiration Period
Adjustment Period
Final Closeout Period

(dates in green are example only)
Closeout Timeline

Pre-Expiration Period

- **90 Days - Termination Notice**
  - May 2, 2014

- **60 Days - Termination Notice**
  - June 1, 2014

- **30 Days - Termination Notice**
  - July 1, 2014

Adjustment Period

- **Award Expired - Day Zero**
  - July 31, 2014

Final Closeout Period

- **CCF Form Due**
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- **90 Days - Award Closed & Final Financial Report is submitted**
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  - November 27, 2014

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**RAs/Departments**

- Request final invoices from vendors and subrecipients
- Change payroll chartstring for future distributions
- Request recharge changes, cessation
- Request no-cost extension if required

**CGA**

- Verify costs for Final Financial Report/invoice
- Review for unallowable expenses
- Deficit clear overdrafts at the award level
- Review cost share report
- Submit Final Financial Report/invoice to sponsor
- Close award
- Run fund inactivation process

**CGA Accounting Team**

- Deficit clearing
- Run fund inactivation process
Tools available for award management

• **Termination notices (90/60/30/0 Day)**
  – No additional emails from CGA staff
  – Need your help to keep contact information updated
    • CGA: updates RA information in PeopleSoft C&G module (“Post Award Administrator”)
    • Department/CSS: updates Department Contact fields in PeopleSoft C&G module

• **Payroll Personnel System (PPS) Suspense Correction component**
  – Simplified payroll suspense clearing
  – Highlights of upcoming enhancements:
    • Ability to handle corrections to benefits over $1000
    • Ability to process PET requests for bi-weekly vacation accruals where the gross earnings are zero
    • New HR online COA validation for Earnings Distribution and Position Data

• **PI Portfolio**
• **Expense accrual process**
• **Queries and metrics for award closeout**
  – provides visibility and allows monitoring of closeout timeliness
Things to consider during award closeout

• **Different closeout timelines**
  – NIH and NSF awards: 120 day closeout period
  – UCB as Subrecipient: 45-60 day closeout period

• **Closeout Exception Requests**
  – Only rare and extreme circumstances such as system outages or significant BFS reporting issues
  – NO CLOSEOUT REVISIONS without prior approval.

• **Cost Share Contribution Reports**
  – Submitted with Closeout Certification Form
  – Certified by PI and supported with documentation
  – CGA analysts will review in advance of closeout if time available
Things to consider during award closeout

- **No Cost Extensions**
  - CGA is monitoring “late” closeouts due to pending NCEs
  - CGA will only suspend the closeout process (for a pending NCE) or extend the award (for an approved NCE) upon written direction from SPO/IAO

- **Awards in overdraft**
  - Final invoice is based on actual expenses recorded on the GL
  - CSS/Department must proactively perform cost transfers timely (during the adjustment period) to bring total expenditures to equal or below budget limit
Things to consider during award closeout

• **Deficit Clearing Process**
  – Deficit clearing will be completed on individual awards in overdraft at the time of award closeout. The deficit clearing process will also run monthly for closed awards where expenditures exceed budget authority
  – There will be no reversal of deficit clearing except in extreme and exceptional cases and only after obtaining CGA approval
  – CSS RAs/Department cannot process any journal entries after the award is closed; remaining over-expenditures (including payroll) will be cleared by the deficit clearing process
  – Deficit clearing is necessary to inactivate a fund. Inactivating funds prevents expenses from posting to closed awards
Update contact information

- **Post Award Administrator** - maintained by CGA
- **Department Contact Maintenance** – maintained by department/CSS
  - **URL:** http://controller.berkeley.edu/sites/default/files/DeptContactMaintenance_010715.pdf
  - **Path:** Controller’s Office website>training>RA Grants WorkCenter and other BFS Procedures>Other BFS Procedures>Department Contact Maintenance.pdf
Questions?