



Office of the  
Vice President for Research

VPF  
Office of the  
Vice President  
for Finance

# Research Administration Practices (RAP) Sessions

## Financial Closeout of Sponsored Projects

June 24, 2020

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**Jamie Goldberg**, *Team Manager, Grant and Contract Administration, RAS*

**Virginia Johnson**, Accounting Officer, VPF - Sponsored Accounting

**Carole Trainor**, *Senior Research Administration Support and Education Specialist, VPR*

# Agenda

RAP Sessions: Targeted skills based educational offerings open to the Research Administration community at MIT. Information gathered and shared with attendees can be taken back to their desks and applied immediately.

Welcome and Introductions

Regulations, Policy and Terms

Award Closeout Timeline

Pre-Expiration Planning – DLC Best Practices

Award Expiration – VPF Audit & Email Notification

Audit Corrections and Adjustments

Final Financial Report & Award Closeout Finalization

# Introductions

**Tyler Brezler**, Financial Officer, Department of Chemistry

**Jamie Goldberg**, *Team Manager, Grant and Contract Administration, RAS*

**Virginia Johnson**, *Accounting Officer, VPF - Sponsored Accounting*

*The focus of our session is on financial closeout processes, policies and best practices.*

## **Financial closeout of a sponsored project**

***Good closeouts come from good monitoring***

***Begin with the End in Mind***



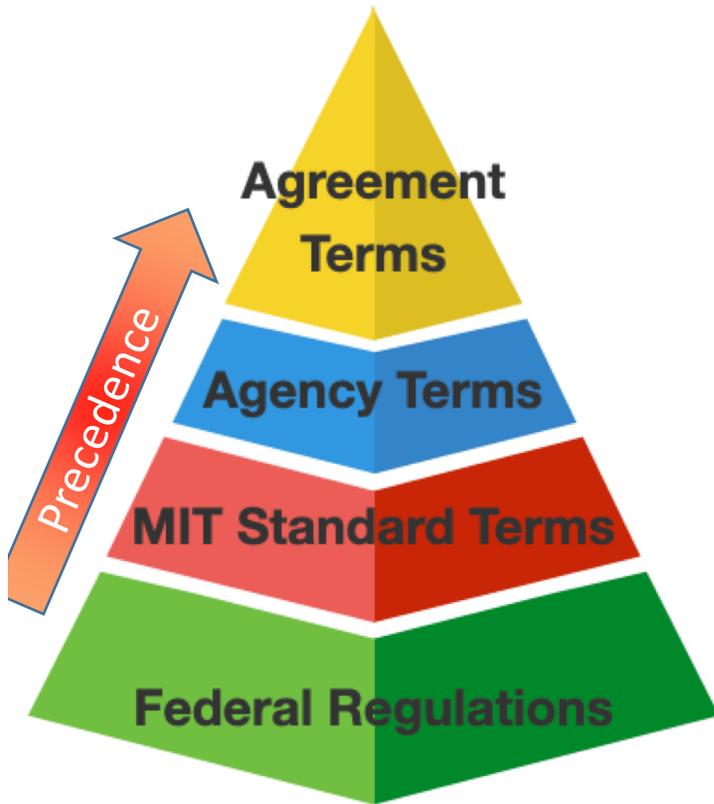
# Regulations: Award Closeout

## Uniform Guidance, 200.343 Closeouts

*The non-Federal entity must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by or the terms and conditions of the Federal award.*

- Uniform Guidance put pressure on the agencies to ensure all reports are received no later than 90 calendar days after the end date.
- **When we are a sub, we have 60 days** (or less depending on the subaward terms) to close out the award and submit all reports.
- Consequences: MIT will not be reimbursed for late posting charges.

# Pyramid of Precedence: Regulations & Terms



Every federal award is subject to **federal regulations**, including [OMB's Uniform Guidance](#).

MIT policy aligns with federal regulations and ensures that they are applied consistently across the Institute. [MIT Standard Terms \(apply unless Sponsor specifies otherwise\)](#).

Federal agencies each implement the federal regulations according to their own, agency-specific terms. See [Federal Terms and Conditions](#) for lists by Sponsor and Type.

Special terms and conditions in the **Agreement** may further restrict the terms of the award.

**For information on Waived or Required Terms by Sponsor see:** [Research Terms and Conditions Prior Approval Matrix \(Appendix A\)](#)

## **Award Closeout Terms and Requirements**

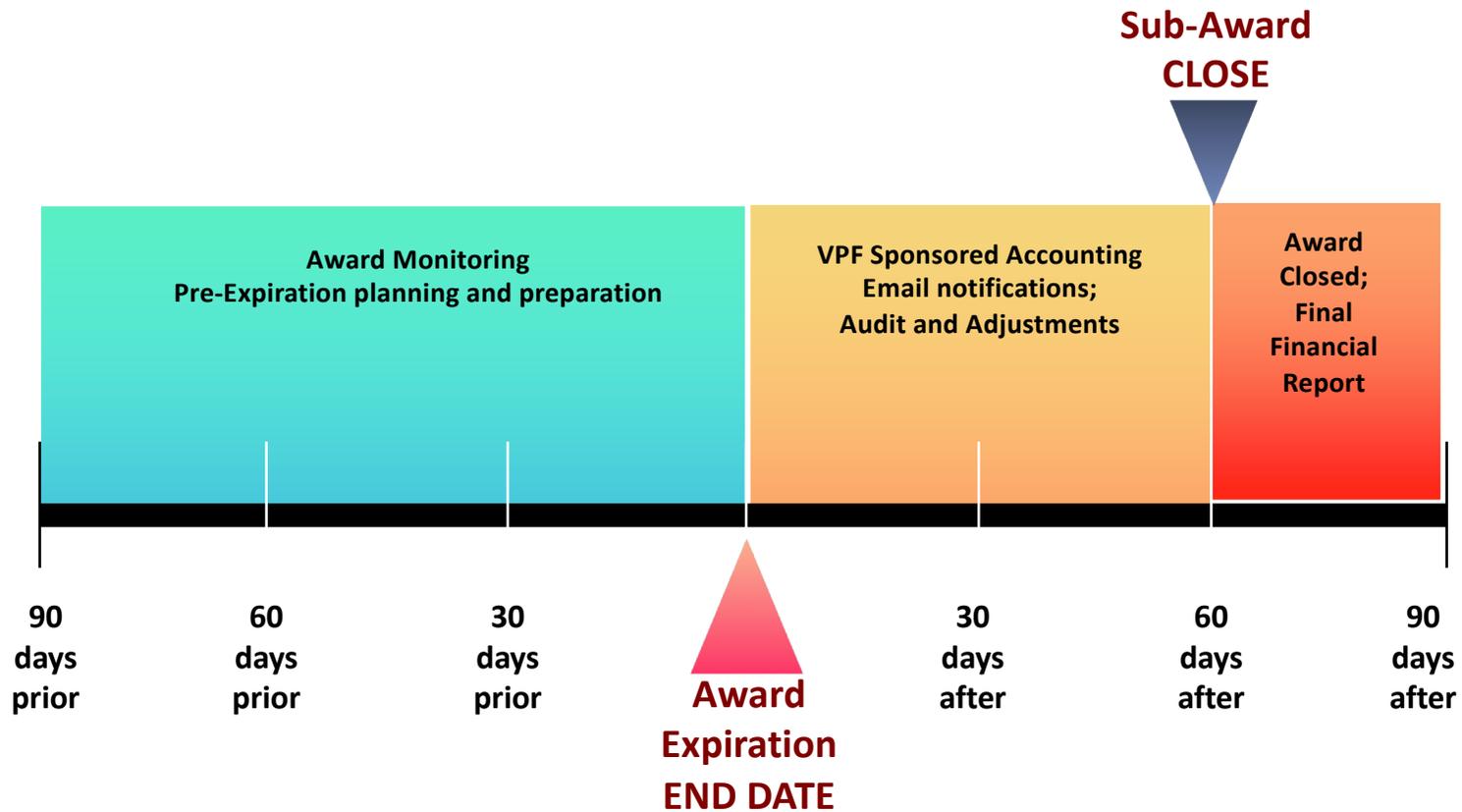
Agreement terms and requirements vary by sponsor, program and award type. To manage the award and prepare for closeout, it is critical for PIs and DLC research administrators to carefully read the agreement and sponsor guidelines.

**Kuali Coeus** is the system of record for sponsored agreements at the institute. Data from KC feeds to SAP and the Data Warehouse.

# KC Award: Data feed to SAP

KC Award	SAP
WBS Element	Account ID
Lead Unit	Profit Center
PI/PD	Supervisor
Unit Administrator: ADMINISTRATIVE OFFICER or OTHER _INDIVIDUAL_TO_NOTIFY	Addressee* <i>*limit to one addressee; receives SAP 001s</i>
F&A Rate Type	Costing Sheet
On/Off Campus	OH Adjustments
Award ID	Award Number
Sponsor ID	Sponsor code
Prime Sponsor code	Primary Sponsor
Sponsor Award Number	Contract number
Award Type	Agreement Type
Effective Date	WBS Begin Date
Obligated Distributable Amount	Authorized Total
Obligated End Date	WBS expiration date

# Final Financial Reporting Closeout Timeline



# Review KC Award

Review the KC Award, sponsor Notice of Award and amendment to understand terms and conditions for managing the award and requirements for closeout, including:

- Start date for spending and Project end date
- Funding levels – obligated (currently available) and anticipated (current & future)
- Sponsor (Prime Sponsor – are we a Sub?)
- Subawards
- Payment Basis and Method
- Reports and deadlines
- Prior approvals and restrictions
- F&A Rate
- Cost Sharing commitments
- Fabricated equipment
- Award Hierarchy (Parent & Child accounts)

# KC Award overview

Award   Contacts   Commitments   Budget Versions   Payment, Reports & Terms   Compliance   Supplemental Info   Comments, Notes & Attachments   Award Actions   Medusa

Document was successfully reloaded.

time & money   expand all   collapse all

Document Overview [show](#)

Funding Proposals [show](#)

Details & Dates [hide](#)

**Details and Dates** [view history](#) [?](#)

[hide](#) **Current Action**

<b>Transaction Type:</b>	<b>Notice Date:</b>	<b>Comments:</b>
Modification		

[hide](#) **Institution**

<b>Award ID:</b> 030316-00001	<b>Lead Unit ID:</b> 152000 - Chemistry <a href="#">?</a>
<b>Version:</b> 10	<b>Account Type:</b> Regular
<b>Award Status:</b> Restricted - No Postings Allowed	<b>Activity Type:</b> Organized Research
<b>Account ID:</b> 6942493	<b>Award Type:</b> Grant

**Award Title:** Infection site-specific activation and amplification of antimicrobial peptide activity [?](#)

[hide](#) **Sponsor**

<b>Sponsor ID:</b> 010085 <a href="#">?</a> The Broad Institute, Inc.	<b>Prime Sponsor:</b> 000340 <a href="#">?</a> NIH
<b>Sponsor Award ID:</b> 50000655-5500001351	<b>NSF Science Code:</b> Chemistry - Physical Sciences: F.02
<b>Modification ID:</b> 1	<b>Federal Award Year:</b>
<b>FAIN ID:</b>	

**CFDA**

	CFDA Number	CFDA program Title Name	Actions
1	93.855 <a href="#">?</a>		

[show](#) **Sponsor Funding Transferred**

[hide](#) **Time & Money**

<b>Award Effective Date:</b> 08/07/2019	<b>Obligation Start Date:</b> 08/07/2019
<b>Project End Date:</b> 07/31/2024	<b>Obligation End Date:</b> 07/31/2021
<b>Federal Award Date:</b>	
<b>Execution Date:</b>	<b>Modification Date:</b>
<b>Anticipated Amount:</b> \$1,466,883.00	<b>Obligated Amount:</b> \$1,466,883.00

Research Administration Practices (RAP) – Financial Closeout of Sponsored Projects



# KC: Payment, Reports and Terms

The screenshot shows a web application interface with a navigation bar at the top containing tabs: Award, Contacts, Commitments, Budget Versions, **Payment, Reports & Terms**, Compliance, Supplemental Info, Comments, Notes & Attachments, Award Actions, and Medusa. Below the navigation bar, a message states "Document was successfully reloaded." To the right of this message are buttons for "time & money", "Award Budget", "expand all", and "collapse all", along with a refresh icon and a help icon. The main content area is a list of items, each with a "show" button:

- Payment & Invoices
- Contract And Grants Billing
- Reports
- Terms
- Special Approval
- Closeout

Three callout bubbles are overlaid on the interface:

- A green bubble on the left labeled "Required Reports" points to the "Reports" item.
- A purple bubble in the center labeled "Payment Basis and Method" points to the "Payment & Invoices" item.
- A blue bubble at the bottom labeled "Terms & Prior Approvals" points to the "Terms" item.

# KC Payment Basis and Method

Most MIT awards are “Cost Reimbursement” basis – Payment method may vary  
Examples: MIT standard Research agreement, NIH/NSF grants

Payment & Invoices ▼ hide

**Payment & Invoice** ?

<b>Payment Basis:</b> Cost reimbursement :2	<b>Payment Method:</b> Cost Invoice with Certification:14
---------------------------------------------	-----------------------------------------------------------

**Payment & Invoice** ?

<b>Payment Basis:</b> Cost reimbursement :2	<b>Payment Method:</b> Automatic payment/No Dunning :08
---------------------------------------------	---------------------------------------------------------

**Payment & Invoice** ?

<b>Payment Basis:</b> Cost reimbursement :2	<b>Payment Method:</b> Advanced payment invoice :07
---------------------------------------------	-----------------------------------------------------

**Payment & Invoice** ?

<b>Payment Basis:</b> Cost reimbursement :2	<b>Payment Method:</b> Federal Letter of Credit :01
---------------------------------------------	-----------------------------------------------------

# Read the Agreement - Payment

## Payment: Amount, method, schedule and unexpended balance

- What happens to unexpended funds at the end of the project?

**5. PAYMENT.**

- A. AMOUNT AND TIMING.** Payment(s) shall be made monthly to MIT by the Sponsor upon execution of this Agreement and within thirty (30) days of receipt of an associated monthly invoice.
- B. FINALACCOUNTING.** A final financial accounting of all costs incurred and all funds received by MIT hereunder, together with a check for the amount of the unexpended balance, if any, shall be submitted to the Sponsor within ninety (90) days following the Completion Date or termination of this Agreement.

# Sponsored Billing Process

RAS creates WBS and establishes the **Payment Type/Billing Method** in the KC Award

## Methods of invoicing

- **Cost Reimbursable:** Billing expenses that have occurred in the prior month(s)
- **Letter of Credit:** Draw down (used by many government sponsors)
- **Scheduled Billing** (i.e., Monthly, Quarterly, Annually) based on contract requirements rather than actual project costs. Per the agreement, some scheduled amounts may not be invoiced until your DLC meets certain milestone goals for the research you are conducting.

## Automatic payment method

- No billing occurs, sponsor automatically sends funds to MIT based on a schedule agreed upon by OSP and credited directly to WBS
- ✧ VPF does not generate a cost reimbursable invoice or draw down our letter of credit until expenses post to the WBS

Learn more about Sponsored Billing: <https://vpf.mit.edu/sponsored-billing-procedures>

# KC Award Terms

Equipment, Invention, Prior Approvals, Property, etc., will be followed by a number indicating how many term codes are listed. May cite ***Standard Agency Terms apply. MIT Standard Terms*** apply if sponsored agreement is silent.

Terms	
▼ hide	Equipment Approval Terms (2)
	<b>Code</b>
1	16: Technical equipment may be purchased without approval
2	5: General purpose items may not be purchased without prior approval
▶ show	Invention Terms (1)
▼ hide	Prior Approval Terms (8)
	<b>Code</b>
1	2: Prior approval required for substantive changes in SOW
2	5: Prior approval required for change in key personnel
3	3: Prior approval required for absence and/or change of PI
4	11: Grants Officer must be notified within 10 days of exercise of single no-cost extension
5	6: Prior approval required for transfer of award to another institution
6	7: Prior approval required for no-cost extensions; see award for details and deadlines.
7	4: Prior approval required for alteration and/or renovation costs
8	15: Carryforward of unexpended funds in excess of 25% of the current period obligation (or \$250,000 whichever is less) will be questioned and must be justified
▼ hide	Property Terms (1)
	<b>Code</b>
1	7: Title to MIT; sponsor may require transfer within 120 days of expiration

# KC Commitments: Rates and Cost Sharing

Cost Sharing hide

Cost Sharing											
	Percentage	Type	* Project Period	*Source	*Destination	Commitment Amount	Cost Share Met	Verification Date	Unit Name	Unit	Actions
1	0.00	MF-NonSalary				6,667.00			(select)		
2	0.00	MF-NonSalary				6,666.00			(select)		
3	0.00	MF-Salary & EB				121,055.05			(select)		

Cost Sharing show

Rates hide

hide F&A Rates valid F&A rates

F&A Rates										
	Rate	Type	Fiscal Year	Start Date	End Date	Campus	*Source	*Destination	Unrecovered F&A	Actions
1	6.20	RESMN	2021	07/01/2020		off	0000000	9999999		
2	50.60	RESMN	2021	07/01/2020		on	0000000	9999999		
<b>Total</b>							\$0.00			
<b>Comments:</b>										

Monitor award to make sure the correct overhead rates are applied through the lifecycle of the award

# Parent & Child Accounts (Time & Money)

Document Overview

**Document Overview**

\* Description: [redacted]-00004      Explanation: [redacted]

Organization Document Number: [redacted]

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Award Hierarchy

**Award Hierarchy**

Transaction Type Code: New      Notice Date:      Comments: [redacted]

Go To: [redacted]-00001 | [redacted]-00002 | [redacted]-00003 | [redacted]-00004       current     pending      Totals

4 Nodes    Expand All

- 02 : [redacted]
- 002 : 6929432 : [redacted]
- 003 : 6929433 : [redacted]
- 004 : 6930761 : [redacted]

Obig. Start	Obig. End	Project End	Obligated	Anticipated
08/01/2013	07/31/2015	07/31/2018	101,403.68	308,007.68
08/01/2013	07/31/2014	07/31/2014	43,671.68	43,671.68
08/01/2013	07/31/2018	07/31/2018	0.00	0.00
08/01/2014	07/31/2015	07/31/2015	57,732.00	57,732.00

Child accounts may be set up for interdepartmental collaboration, Fabricated Equipment, Cost Sharing, Participant Support or future increments

# Early Terminations and Transfers

If the sponsor sends a termination or stop work notice:

Usually looks like an official letter.

Tell RAS immediately even if they were copied.

Special things may need to happen.

If the PI is leaving:

Work with RAS to terminate or transfer all awards - Different sponsors have different requirements.

More notice is better.

PI may need to submit final report of activities at MIT.

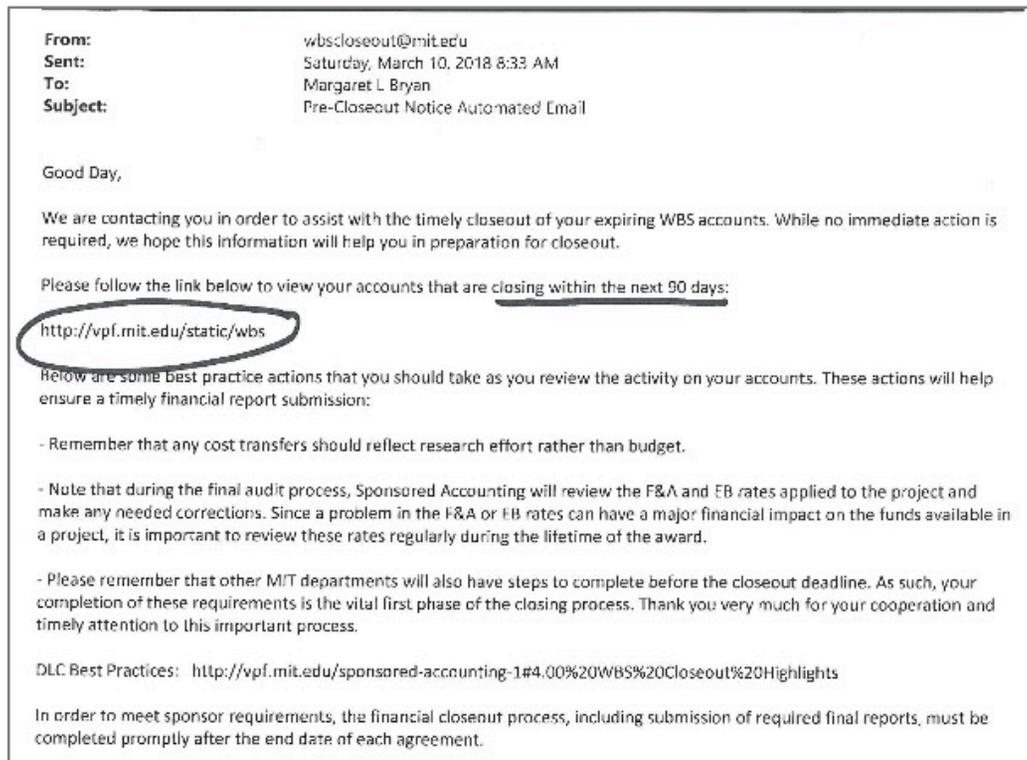
## DLC Best Practices - Pre-Expiration

- Review KC and sponsor **Notices of Award** & amendments to understand sponsor terms & conditions for compliance
- Review **Cost Sharing** and child account set up
- Review accounts and **Salary Charges** with PIs regularly and perform timely projections
- Review and close out aging **PO commitments** on a regular basis
- Perform monthly **Financial Review & Control** to continually audit each account ([frc.mit.edu](http://frc.mit.edu))

## Special Circumstances

- On interdepartmental projects, communicate and provide transparency to other DLCs
- Monitor fabricated equipment accounts and ensure completion of fabrication (VPF Property Office)
- Monitor Cost Sharing
- Stay in touch with subawardees to ensure consistent invoicing and project progress
- Reach out to Sponsored Accounting prior to account closeout

# Pre-Closeout Notice Automated Email



On the 10<sup>th</sup> day of each month, automated email is sent to people with Roles Database NTFY (notify) authorization:

## ***WBS Closeout PC***

It is a reminder to identify closing awards

***See***

# Which Accounts Are Closing?

- Run the Expiring WBS Projects Report:
  - <http://vpf.mit.edu/static/wbs>

This report shows you all cost objects with an “end date” in the next 90 days. Does not include “final end date” or actual end of project.

## Expiring WBS Projects

**You may filter your list by one or more of the following, then press Reprompt:**

Enter the number of days (equal to or less than 90) until expiration:

**Select Profit Center:**

- P069201 - Be\_Sub\_Faculty
- P069850 - Materials Processing Center
- P151072 - Biology-Imperiali
- P151074 - Biology-Drennan
- P152000 - Chemistry**
- P165000 - Center For Env Health Sciences
- P243021 - Magnet Lab/Psfc - Research
- P267200 - Rle - Muto/Foley Team
- P267600 - Rle - Sheehan/Sharma Team

**Select Supervisor(s):**

- Bawendi /Moungi G
- Buchwald /Stephen Leffler
- Cummins /Christopher C
- Danheiser /Rick Lane
- Hong /Mei
- Jamison /Timothy F
- Johnson /Jeremiah A.
- Kiessling /Laura L
- Movassaghi /Mohammad
- Nelson /Keith Adam

Select all Deselect all
Select all Deselect all

Reprompt

Sort by:

**P152000**

**Chemistry**

Project WBS ID	Project WBS Name	Master Project Number	Supervisor	Sponsor	Prime Sponsor	Government Contract Number	Days Until Close	Project WBS Expiration Date
<a href="#">6936760</a>	Coherent Spectroscopy And Coherent Contr	6936760	Nelson /Keith Adam	NSF	NSF	CHE-1665383	7	06/30/2020
<a href="#">2389404</a>	Palladium-Catalyzed Ortho-Trifluoromethy	2389404	Jamison / Timothy F	The Croucher Foundation	The Croucher Foundation	CROUCHER FOUNDATION FELLOWSHIP 2018/2019	7	06/30/2020
<a href="#">6934647</a>	Schlau-Cohen Cifar	6934647	Schlau-Cohen /	Canadian Institute of Advanced Research	Canadian Institute of Advanced Research	FL-000232/FL-000974	7	06/30/2020

Obligated End Date

# 90 Days to Expiration

When a project is scheduled to end, you must determine:

- Is the project actually coming to a close?
- Will enough funding remain after 90 days to necessitate a no-cost extension?
- Is the project scheduled to incur a significant overrun?

# What You Need to Monitor

As a project approaches its end, pay close attention to:

- Balance
- Commitments
- Reoccurring expenses
- Service Center expenses
- Personnel paid from project
- Projections

For projects that may be continuing:

- Note future funding
- What reports are needed and when are they due?

# Is the Project Actually Ending?

## NO

If another budget year is expected:

- Is there a reporting requirement for the next increment of funding?
- Are there any carry forward restrictions?
- Is the sponsor providing a supplement of additional funding to extend the project?
- Do you anticipate that the next increment will be delayed?
- Should the account be extended in pending?

# Carryforward Restrictions

If the sponsor requires approval in order to carry forward a balance or overrun and:

It's a federal sponsor:

- Work with RAS on how to manage the carryforward and they will communicate the request to the sponsor.

It's a non-federal organization (university, etc.):

- Communicate with your contact there to make sure you understand what their requirements are; regarding deadlines, budgeting, and invoicing.

## Extending an Account in Pending Status

If the next increment of funding is delayed and you need to extend the obligated end date of the project for several months to continue working on the project, create a ticket in OST.

Be sure to include:

- Reason for extension
- Desired length of extension (up to three months)
- Backup discretionary account

**NOTE:** Putting an account in pending status will prevent invoices from going to the sponsor. Consult with RAS if this is a concern.

# Is the Project Actually Ending?

**YES**

If a No Cost Extension (NCE) is required:

- Talk to the PI about the remaining balance
- Determine the necessary length of the extension
- Are there any specific sponsor requirements?
- How will the remaining balance be budgeted?
- What work will be performed during the extension?
- Create an OST ticket to finalize the NCE.

# Supplements and Extensions

- **No Cost Extension:** The end of the project period is approaching, **AND** There is a programmatic need to continue the research, **AND** There are sufficient funds remaining to cover the extended effort
- When additional time is needed to complete a project.
  - No additional funds
  - No additional scope
  - Must request in writing from RAS with a technical reason.
  - Different sponsors have different requirements.
  - Usually need to request 30-90 days before end.
  - May need to put request in sponsor system(Fastlane) or RAS may need to request it directly (NASA).
  - KC proposal not required, you may submit a ticket in **ost.mit.edu** with Type = No Cost Extension

# Is the Project Actually Ending?

**YES**

If there will be a significant overrun:

- Start discussions with the PI – IMMEDIATELY!
- If the account is not yet overrun, can it be wrapped up slightly early? Discuss how to slow spending.
- Were there any errors in spending that can be corrected?
- JVs and salary changes **MUST** meet MIT auditing standards!!

# Is the Project Actually Ending?

## YES

Start planning your closeout:

- Determine where personnel will go once account is closed
- Start closing old POs if any exist
- Audit account for unallowable expenses and move them
- Remind PI and lab personnel of purchasing restrictions as award ends
- Carefully monitor all spending, especially service centers and other MIT billing agents
- Don't forget account hierarchies (parent and child)!

# Cost Transfers

MIT allows cost transfers involving sponsored projects only in special circumstances, including:

- **Error correction**
- **Transfers between cost objects of the same sponsored project** (e.g., child to child, parent to child, child to parent)
- **Costs benefiting more than one sponsored project**
- **Transfer of retroactive expenses** (including pre-award costs) on a project necessitated by a delay in finalizing contract negotiation.

**Any time you initiate a transfer, you invite the assumption that the initial transaction was not handled properly. If expenses are being transferred to a sponsored project, there will be considerable scrutiny of the reasons for the transfer and of the justification for moving those charges.**

# Subaward Closeout Process

The closeout process begins when the Closeout Request Form is received by RST.

**PI/DLC** is responsible for obtaining the **Final Technical Report** from the Subrecipient. After financial and technical aspects for the subaward have been met, the completed Closeout Request Form and a copy of the Final Technical Report should be sent to: [subawards-closeout@mit.edu](mailto:subawards-closeout@mit.edu)

**RST** is responsible for obtaining all other reports as required in the Subaward Agreement (e.g. Patent and Property Reports).

**MIT reserves the right to withhold payment of final invoice until all deliverables are received. The Prime Award cannot close until all final Subaward deliverables are received.**

See **Closeout Request form** - <https://kc.mit.edu/sites/kc/files/uploads/subaward-closeout-request-04-04-2018.pdf>

# Closing An Account

After an account has expired:

- Close or move all open POs
  - <https://buying.mit.edu/b2pforms/closePOs.html>
- Ensure that all salary changes have posted
- If you make a salary change after the expiration, you must wait until it posts before closing
- Move all unallowable transactions
  - <https://vpf.mit.edu/unallowed-costs>

# Balance Issues

Send an email to WBS Closeout:

- If account is overrun, provide a discretionary cost object to cover the overrun.

If some funds remain and:

- It's a Federal Draw-Down / Cost Reimbursement:
  - No action is needed, SPNA will de-obligated unused balance
- It's an Advanced / Automatic Payment award:
  - Inform WBS Closeout that remaining can be returned
  - <https://ras.mit.edu/grant-and-contract-administration/managing-projects/return-unexpended-funds-foundations>
- It's a Fixed-Price award:
  - Work with RAS to determine how to handle remaining funds

How do I look up the Payment Info?

- In KC, look up the award, click on the Payment, Reports & Terms tab, and look under Payment & Invoices for the Payment Basis and Payment Method.

# Award Expiration – PI/DLC

- Spending must end
- PI/DLC must ensure that all costs in SAP are accurate
- Cost transfers to correct erroneous charges and overruns
- Subcontract invoices are received and processed
- If Cost Sharing, confirm that costs are correctly coded

# VPF Sponsored Accounting

- Runs a Brio report for accounts that ended
- Sponsored Accounting Officers identify accounts with specific sponsor codes – team members manage accounts based on Sponsor.
- Review award structure (parent & child accounts) and End Dates
- Before creating the Final Financial Report, Sponsored Accounting audits the account to ensure allowability and allocability of charges.

# VPF Sponsored Accounting

- Sponsored Accounting uses a Filemaker Database to manage to the WBS Auditing process.

Dashboard - WBS records

Dashboard List Detail Status Auditor Comment Closed WBS

**Quick Search**

Profit Center Name:

Profit Center Number:

WBS: 69-

Parent WBS:

**Enter Search Parameters**

Final Expiration Date:

Assigned To:  Is ARRA:

Sponsor:

Sponsor Type:

Gov't Contract:

PI Name:

**Search Results**

Oblig Exp. Date	Final Exp. Date	Project WBS Name	WBS	Master WBS	Is ARRA	Sponsor #	Sponsor	Primary Sponsor #	Primary Sponsor
3/31/2020					N	009001	Lincoln Laboratory	000100	Air Force

# Preliminary Audit

Database tracks Audit process

### WBS Families

Dashboard List Detail Status Auditor Comment Closed WBS

Project Name [Redacted]

Profile Descr Sponsored Projects

WBS Number	[Redacted]	Final Exp. Date	3/31/2020
Gov't Contract	PO# [Redacted]	Obligation Exp Date	3/31/2020
Master WBS	[Redacted]	Due Date	6/29/2020
Master Name	[Redacted]	Days till Due	7
PI	[Redacted]	Start Date	10/1/2018
DLC	Center for KC Training	Award Date	10/1/2018
DLC Contact	Mondello, Larry	Award Type	Contract
		ARRA	N
		Status	Active

Assigned to	VJ
Next Action Date	6/12/2020
Next Action	Input the date of the tenth
Audit Status Code	2
Audit Status Desc	Closeout Notice E-Mail Letter was
Responsible	DLC
FFR Date	
FFR Reason	

#### NOTES

Author	Creation Date	Note
johnsov	5/28/2020	Sent closeout notice 5/28/20

Export Notes to Excel

Email notification is sent to DLC Contact

Contact Dale Twomey, Manager, Sponsored Accounting, at dalet@mit.edu regarding changes to the DLC Contact for your unit/profit center.

# Sponsored Accounting Audit

## Preliminary Audit:

- POs that need to Close
- Unallowable charges per KC Award Terms (Meetings with food, foreign travel, prior approvals)
- Unexpended Balance
  - Will there be a No Cost Extension or balance returned to sponsor (per agreement)
- Overrun
  - Moved by DLC; if no action is taken and no communication from DLC, Sponsored Accounting will email and then move to discretionary
- Subawards
- Fabricated equipment
- Cost Sharing

# Review Allowability of Charges



## SUMMARY STATEMENT

Page 1 of 2

Month End June 30 2017

Supervisor: [REDACTED]

Costing Sheet: Research MTDC On Campus 56.00 ON - 4.50 OFF Company: Mass. Inst. of Technology

Authorized Total: \$ 44,679.82

Begin: 09/01/2013 End: 08/31/2017

Project: [REDACTED]

Sponsor: [REDACTED]

Profit Center: [REDACTED]

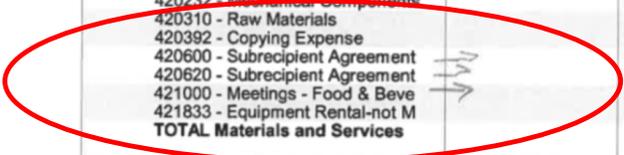
Contract: [REDACTED]

Agreement Type: 02

Description	Current	Fiscal YTD	Cumulative	Unexpended	Commitment
EXPENSE NET OF REVENUE					
Expenses					
Direct Expenses					
Salaries & Benefits					
Salaries & Wages					
400005 - Faculty Summer - On				11,348.94	
400706 - Research Asst-On			13,440.21	1,487.92	
<b>TOTAL Salaries &amp; Wages</b>			<b>13,440.21</b>	<b>9,861.02</b>	
Employee Benefits					
Budget EB Costs Summary					
422127 - *Budget-EB Cost Summ				3,177.70	
<b>TOTAL Budget EB Costs Summary</b>				<b>3,177.70</b>	
<b>TOTAL Employee Benefits</b>				<b>3,177.70</b>	
<b>TOTAL Salaries &amp; Benefits</b>			<b>13,440.21</b>	<b>13,038.72</b>	
Operating Expenses					
Travel					
420050 - Travel Expenses			3,688.24	6,311.76	
420070 - Travel-Foreign Expense			2,072.05	2,072.05	
<b>TOTAL Travel</b>			<b>5,760.29</b>	<b>4,239.71</b>	

# Review Allowability of Charges

EXPENSE NET OF REVENUE				
Expenses				
Direct Expenses				
Salaries & Benefits				
Salaries & Wages				
400005 - Faculty Summer - On			5,241.75	5,241.75-
400350 - Research Staff-On			11,829.17	11,829.17-
400602 - Other Support Staff-On			11,825.53	11,825.53-
400706 - Research Asst-On			71,165.00	71,165.00-
400770 - Undergrad UROP-On			6,998.75	6,998.75-
<b>TOTAL Salaries &amp; Wages</b>			<b>107,060.20</b>	<b>107,060.20-</b>
Employee Benefits				
Fund & MTDC Base EB On Campus				
600204 - EB On			4,967.49	4,967.49-
<b>TOTAL Fund &amp; MTDC Base EB On</b>			<b>4,967.49</b>	<b>4,967.49-</b>
Non Fund & MTDC Base EB				
600226 - EB On-not MTDC			1,100.77	1,100.77-
<b>TOTAL Non Fund &amp; MTDC Base EB</b>			<b>1,100.77</b>	<b>1,100.77-</b>
<b>TOTAL Employee Benefits</b>			<b>6,068.26</b>	<b>6,068.26-</b>
<b>TOTAL Salaries &amp; Benefits</b>			<b>113,128.46</b>	<b>113,128.46-</b>
Operating Expenses				
Travel				
420050 - Travel Expenses			6,982.23	6,982.23-
<b>TOTAL Travel</b>			<b>6,982.23</b>	<b>6,982.23-</b>
Materials and Services				
420226 - Materials and Services			4,468.71	4,468.71-
420232 - Mechanical Components			1,596.36	1,596.36-
420310 - Raw Materials			229.62	229.62-
420392 - Copying Expense			3.20	3.20-
420600 - Subrecipient Agreement			114,981.65	114,981.65-
420620 - Subrecipient Agreement			146,135.93	146,135.93-
421000 - Meetings - Food & Beve			3,283.40	3,283.40-
421833 - Equipment Rental-not M			810.35	810.35-
<b>TOTAL Materials and Services</b>			<b>271,509.22</b>	<b>271,509.22-</b>
Service Facilities				
421500 - Service Facilities			546.00	546.00-
<b>TOTAL Service Facilities</b>			<b>546.00</b>	<b>546.00-</b>



# Audit and Reconciliation

## Step 1: Audit

- Review posted charges to ensure allowability and allocability of charges.
- Area of focus during VPF audit:
  - Unallowable charges will need to be removed and in some rare cases reclassified.
  - Post term charges (charges incurred outside the life of the award) will need to be removed.
  - The DLC is responsible for submitting these cost transfers resulting from the VPF audit

## Step 2: Reconciliation

- Validate Employee Benefits on salaries charged.
- Confirm total F&A charged.

# Audit and Email Notification

## Step 3: Audit and Reconciliation are Complete

- Sponsored Accounting prepares the WBS Closeout notification to be sent to the DLC.

Sponsored Accounting will make every attempt to send the ***First Notification*** email within thirty days after the WBS expired.

### Closeout Notice Template (First Email Notification)

Subject: Closeout for WBS XXXXXXXX

MIT WBS Number: WBS Element

Sponsor Name: The name of the Sponsor

P.I.: The name of the PI

Title:

Expiration Date: The date the WBS expired

Dear X:

As the Sponsored Accounting team member assigned to this closeout, I have completed the audit for the above mentioned WBS Element.

Below, I have outlined the steps necessary to ensure that MIT is compliant in the closeout process; this indicates activity on the account that requires your attention:

- Unexpended Balance: \$0.00 Over Expended Balance \$0.00
- Unallowable Charges: \$0.00. General Ledger Number 4xxxxx.
- Post Term Charges of \$0.00. General Ledger Number 4xxxxx.
- Open Purchase Order Commitments of \$0.00. General Ledger Number 4xxxxx.
- Credit Balance of \$0.00. General Ledger Number 4xxxxx.
- Other Items Outstanding:

In ten business days, I will begin close out activity for the WBS listed above. I am prepared to assist with any closeout issues, including payroll late changes and sub-award follow up. Please let me know by XX date that this WBS Element is ready to be closed or if you need my assistance.

Please email or call me at x-xxxx if you have any questions about this process or the MIT effort to expedite sponsored project closeouts.

Thank you,

XXXXXX

# WBS Closeout: VPF E-mail Notifications

## First Notification

- Sponsored Accounting emails WBS Closeout Notice to DLC staff.
- DLC has **10 business days** to respond.
  - Reply to or CC person who sent the email
  - Respond with status (i.e., “I’m waiting for travel to be submitted” is fine rather than no reply)

## Second Notification

- If there is no response to the first notification, a WBS Closeout Follow Up Notice will be emailed to DLC.
- DLC has **5 business days** to respond.

# WBS Closeout: VPF E-mail Notifications

## LAST Chance

- If there is no response to second notification, a Sponsored Accounting Manager will e-mail to inform the DLC that the account will be closed.
- Any outstanding expenses will be allocated to a DLC general or discretionary account.

# WBS Closeout Process Final Steps

- Response has been received from DLC  
and items on notification have been resolved
- Sponsored Accounting
  - Prepares final financial report & invoice for the sponsor (if required)
  - Resubmits any outstanding invoices to the sponsor.
  - Processes refunds to the sponsor (if needed)
  - Submits **term code 3** request form and final financial report to OSP
  - Submits a copy of the **Final Financial Report to DLC**
  - Mails all original documentation to sponsor

# VPF Closeout Contacts

**Who do I contact to close a purchase order (PO)?**

- Contact [pocloseout@mit.edu](mailto:pocloseout@mit.edu)

**Who do I contact for invoice questions regarding a sponsored WBS account?**

- Contact [billing-issues@mit.edu](mailto:billing-issues@mit.edu)

**The costing sheet on my WBS element has changed. Who should I contact to make the necessary indirect cost adjustments?**

- Contact [Underrecovery Issues](#).

**Who do I contact to close a WBS element?**

- Contact [wbscloseout@mit.edu](mailto:wbscloseout@mit.edu)

**Manager** – Dale Twomey: [dalet@mit.edu](mailto:dalet@mit.edu)

**Asst. Manager-** Mike Hiekin: [mkhaykin@mit.edu](mailto:mkhaykin@mit.edu)

**Note: Fabricated equipment WBS are the responsibility of VPF Property.  
A VPF Property representative will contact you directly.**

# Financial Audit & Reconciliation

Activities	DLC Responsibilities	VPF Responsibilities	RAS / RAS Sub-award Responsibilities
Review Charges Posted	Reclassification/ removal of any unallowable charges	Ensure allowability and allocability of charges	May confirm legitimacy of unallowable charges
Review Salary Distributed	Review salaries posted against account for accuracy	Validate EB on salaries	N/A
F&A	As needed	Confirm total F&A charged	As needed
Confirm Total Charges	Ensure all charges have posted and there are no post-term charges	Verifies that all charges have posted including sub-award invoices	Ensure final invoices from sub-award are received and forwarded to DLC for review/ signature

# Financial Audit & Reconciliation (continued)

Activities	DLC Responsibilities	VPF Responsibilities	RAS / RAS Sub-award Responsibilities
Equipment Account	Ensure all charges have posted and there are no post-term charges	VPF-Property	Ensure final invoices from sub-award are received and forwarded to DLC for review/ signature
WBS Closeout Notification to DLC	Reviews/make adjustment as required & responds to VPF	Prepare and submit Notification	Sometimes may inform VPF if an extension has been requested

# Closeout Finalization

Activities	DLC Responsibilities	VPF Responsibilities	RAS / RAS Sub-award Responsibilities
Open Purchase Orders (PO)	Closes open PO	May assist DLC or request closure of PO	
Subaward commitment	Submits closeout checklist & confirms receipt of final reports	Closes subaward commitment in collaboration with OSP/DLC	Closes subaward in collaboration with DLC
Outstanding payment	Assist with collection - work together with VPF & RAS	Ensure payment received	Assist with collection- work together with DLC & VPF
Cost Sharing Adjustment	Responsible to reconcile and request adjustments	Ensure cost share requirement met and request adjustments as needed	Make required adjustments

# Role Database – helpful information

Setting up Authorizations by Task

<http://web.mit.edu/rolesdb/www/rolestasks.html>

KC Roles (including viewing attachments such as the Agreement)

[https://kc.mit.edu/sites/kc/files/uploads/kc-all-roles-db-dlc-authorizations-kc-qc25-v3-2019-11-25\\_.pdf](https://kc.mit.edu/sites/kc/files/uploads/kc-all-roles-db-dlc-authorizations-kc-qc25-v3-2019-11-25_.pdf)

# Resources: Financial Closeout

## Cost Principles and Allowable Expenses

<https://ras.mit.edu/grant-and-contract-administration/managing-projects/cost-principles-and-allowable-expenses>

## Research Terms and Conditions Prior Approval and Other Requirements Matrix for Federal Sponsors

<https://ras.mit.edu/sites/osp/files/uploads/priorapproval.pdf>

## Sponsor Terms by Term Type

<https://ras.mit.edu/grant-and-contract-administration/managing-projects/federal-terms-and-conditions/sponsor-terms-term>

## MIT Standard Terms

<https://ras.mit.edu/grant-and-contract-administration/managing-projects/federal-terms-and-conditions/mit-standard-terms>

## Cost Transfers:

<https://ras.mit.edu/grant-and-contract-administration/managing-projects/cost-transfers> (RAS)

<https://vpf.mit.edu/sponsored-accounting-1#2.01%20Transfers> (VPF – Sponsored Accounting)

# Resources: Financial Closeout

## **VPF Sponsored Account Closeouts**

<https://vpf.mit.edu/sponsored-account-close-outs>

## **Monitoring Project Budgets**

<https://ras.mit.edu/grant-and-contract-administration/managing-projects>

## **Financial Record Retention**

<https://vpf.mit.edu/800-financial-record-retention-for-dlcs>

## **Subaward Closeout**

<https://ras.mit.edu/grant-and-contract-administration/subawards-overview/subaward-closeout>

## **RAP session: Capital and Fabricated Equipment at Award (video)**

[https://mit.zoom.us/rec/share/-ft1AJ3t\\_FxJSa\\_d83H6dpI9GID\\_eaa81SYb\\_fcFzXuJN6y7Q8RayOshwmt8sigh?startTime=1586959296000](https://mit.zoom.us/rec/share/-ft1AJ3t_FxJSa_d83H6dpI9GID_eaa81SYb_fcFzXuJN6y7Q8RayOshwmt8sigh?startTime=1586959296000)

# Resources: Financial Closeout

## **Fundamentals of Financial Management**

<http://web.mit.edu/training/course.html?course=ADM10050w&sys=PS1>

## **KC Award Navigation**

<http://web.mit.edu/training/course.html?course=ADM16025w&sys=PS1>

# Questions – Help

- [RAS Contract Administrator](#)
- [ask-sponsored@mit.edu](mailto:ask-sponsored@mit.edu)
- [Sponsored Accounting directory](#)
- Property Office - [property@mit.edu](mailto:property@mit.edu)
- [RA-Help@mit.edu](mailto:RA-Help@mit.edu)
- [Drop-In RA Support](#) (via Zoom)