



Policy #:	39.04.060
Issued:	October 2001
Reviewed:	
Revised:	March 2015
Section:	39 Research

Research Account Closeout Policy

Purpose:

To ensure that all Boston Medical Center (BMC) sponsored projects are closed in a timely manner, and to assist Principal Investigators (PI), Research Administrators (RA) and Research Operations Staff in understanding their role in the closeout process to avoid over expenditures and to maintain compliance with BMC and sponsor requirements.

Policy Statement:

The Office of Research Finance and the Clinical Trial Office, assisted by RAs and PIs, will reconcile and closeout all sponsored project activities within 120 days from the budget end date regardless of funding agency, payment type, or sponsored project source.

Application:

All sponsored projects

Exceptions:

Discretionary and Donor-Restricted accounts

Definitions

Closeout is an accounting process initiated by the Office of Research Finance/Clinical Trial Office to reconcile a sponsored project account timely and in accordance with Generally Accepted Accounting Principles (GAAP), sponsor policy, specific award terms and conditions, and federal regulations found under Circulars A-133, A-110 and 2 CFR 200.

Master Cooperative Group Agreements are agreements in which BMC (as a party) is provided the opportunity to participate in an unlimited number of studies for a specific group (e.g., South Western Oncology Group (SWOG) or NRG Oncology). In these instances, there is usually only one sponsored project account, not an individual account for each study. Similarly, in these cases, there is only one master budget, not an individual budget for each study.

Procedure:

1. ***Pre-Close Out***

For grant activities ending in two months (60 days), each month prior to end date, the Assistant Grant Accountant (AGA) sends out the “Budget Year Ending Notification” (Appendix A) to the appropriate RAs reminding them that (1) all salary distributions must be reallocated prior to budget end date, (2) all goods and services must be received by the budget end date, (3) all expenses are to be submitted within the thirty days following the budget end date.

2. ***Reconciliation of Sponsored Project Expenses***

Upon receipt of the Budget Year Ending Notification letters, RAs are expected to reconcile accounts, liquidate any remaining encumbrances (see Appendix B) that will not be expensed during the budget period, confirm transfer of salaries as of the budget end date, and project any outstanding expenses. This information is communicated to the Research Financial Analyst (RFA)/Clinical Trial Financial Analyst (CTFA). If there are any outstanding issues or an anticipated deficit, the RA works proactively to resolve these matters (see Overspending Policy <http://internal.bmc.org/policy/>).

3. ***Final Expense Posting***

In order for Research Finance to meet federal obligations for reporting and draw down of funds, all expenses must be submitted 75 days after budget end date. As part of the closeout process, the RFA/CTFA will liquidate any open encumbrances remaining past 75 days after the grant end date.

4. ***Closeout Memo #1 - Request for Action***

After the completion of the monthly financial close each month, the AGA sends “Closeout Memo #1” (Appendix C) to the RA, cc’ing the PI, listing all accounts converted to closeout status in the prior month, requesting that the RA resolve any open items prior to the next monthly financial close.

5. ***Closeout Memo #2- Second Request for Action***

If account has not been inactivated after the initial 60-day period, the AGA will send out a second request for closeout action (Appendix D) directly to the PI, cc’ing the Manager, Research Finance/CTFA and the RA. The RA works with the RFA/CTFA to resolve any open items prior to the next monthly financial close.

6. ***Closeout Memo #3 - Final***

If departmental action is still required by the PI or Research Administrator after the 90 day period after budget end date, the AGA will generate a notice to the Section Chief to be sent from the Associate Director, Research Finance/Director, Clinical Trial Office, with a cc: to the PI and the RA (Appendix E). This will be the final communication from Research Operations regarding the sponsored projects. Regardless of communication, all projects will be closed by the Office of Research Finance/Clinical Trial Office at the 120 day mark. Any current over expenditure or outstanding expenses related to the project will be charged to the department home account, any unspent funds will be returned as required by the sponsor, and any remaining residual balance will be managed per the Residual Balance Policy <http://internal.bmc.org/policy/>.

7. ***Final Review of Sponsored Project***

After all adjustments are processed, Research Finance/Clinical Trial Office prepares the close out of the sponsored project following internal procedures. A Clinical Trial Financial Analyst in the Clinical Trial Office will send a Clinical Research Attestation (Appendix F) to the PI of each clinical trial or clinical research project that:

- Utilizes BMC clinical infrastructure;
- Includes patient care charges;
- Has a completed Medicare Coverage Analysis (MCA) and Billing Grid.

The PI will confirm that all patient care expenses have been properly allocated to the project and that they are in compliance with all sponsor requirements. (Appendix F)

The Business Analyst will change the activity status to inactive once all final entries have been posted or within 120 days from budget end date whichever is sooner. The Clinical Trial Office will actively follow up with the PI to receive the PI attestation (for clinical trials/clinical research projects utilizing BMC infrastructure as noted above). Clinical trials/clinical research projects that are part of Master Cooperative Group Agreements will be treated on a per-trial basis and not on a per-account basis.

Responsibility:

Principal Investigator
Research Administrator
Research Finance
Clinical Trial Office

Appendices

Appendix A: Budget Year Ending Notification
Appendix B: Encumbrance Liquidation Form
Appendix C: Closeout Memo #1
Appendix D: Closeout Memo #2
Appendix E: Closeout Memo - Final
Appendix F: Clinical Research Attestation

Other Related Policies:

39.01.068 Clinical Research Coverage Analysis
39.04.007 Allowable Costs
39.04.065 Cost Transfer Policy
39.04.122 Equipment Policy
39.04.397 Overspending Policy
39.04.466 Residual Balance Policy

References:

Guiding Regulations:

- Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*
- 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

Section: 39 Research

Policy No.: 39.04.060

Title: Research Account Closeout Policy

Initiated by: Research Finance and the Clinical Trial Office

Contributing Departments:

N/A

Appendix A
Budget Year Ending Notification



To: Research Administrator

From: BMC Research Operations

Date: 11/11/2013

Subject: Budget Year Ending Notification

The following Activity/Activities will be ending within the next 60 days. In order to adhere to sponsor and BMC policies, please use the checklist below when reconciling to your Grant Expense Reports (available through LBI Reporting) to ensure a timely closeout.

Please inform your Financial Analyst if any further action is required.

- Submit No-Cost Extension request if required. If so, provide extension date here: MM/DD/YYYY
- Contact Subcontractors/consultants to confirm invoicing is up to date and ensure final invoice is submitted timely.
- Liquidate any encumbrances not anticipated to be expended by the budget end date
- Confirm cost sharing requirements have been met and have documentation available if applicable.
- Reconcile and confirm that expenses and project salary and expenses over the next two months are within budget.
- Confirm salary expense reflects actual effort expended on project and all effort certifications have been signed.
- Process salary transfers by budget end date or sooner if necessary.
- Process any other cost transfers to resolve overspending.
- Confirm all expenses on project are accurate.
- Ensure that all goods are received by budget end date.

Please contact your Research Financial Analyst/Clinical Trial Financial Analyst with any questions you may have.

Thank you.

Reminder:

Reporting requirements vary by sponsor. Please review notice of award for all deliverables including reports and their due dates. If this is the final year of a Federal award, the Federal Financial Report, Final Invention statement and final scientific reports are due within 90 days of the project end date.

<i>Activity</i>	<i>PI</i>	<i>Project Title</i>	<i>Budget End</i>	<i>RFA/CTF</i>	<i>Phone</i>
0123451	Jones	Supporting the National Center for Research	12/31//2013	A Bill	414-6646
0332211	Smith	Multi Center Trial of varying oxygen saturation levels	12/31//2013	Bill	414-6646
0112233	Long	Research involving vertebrae animals	12/31//2013	Bill	414-6646

Appendix B



EXCEPTIONAL CARE. WITHOUT EXCEPTION.

Encumbrance Liquidation Form						
	Activity #	PO #	Vendor Name	PO Amount	Requested Decrease	(Equals Total Amt Invoiced)
1)	0399999	949999	ABC Inc		(\$315.00)	\$315.00
2)						\$0.00
3)						\$0.00
4)						\$0.00
5)						\$0.00
6)						\$0.00
7)						\$0.00
8)						\$0.00
9)						\$0.00
10)						\$0.00
11)						\$0.00
12)						\$0.00
13)						\$0.00
14)						\$0.00
15)						\$0.00
16)						\$0.00
17)						\$0.00
18)						\$0.00
19)						\$0.00
20)						\$0.00

Requested by: _____ **Date:** _____

Authorized by (PI/Admin) _____ **Date:** _____

Research Finance: _____ **Date:** _____

Purchasing: _____ **Date:** _____

Instructions: This form is to be used to liquidate encumbered funds that are no longer committed.
Do not liquidate PO's until you have confirmed that all invoices have been recorded against the PO.



EXCEPTIONAL CARE. WITHOUT EXCEPTION.

Appendix C
Closeout Memo #1

To: Research Administrator

cc: Principal Investigator (PI)

Date: February 15, 2014

Subject: Project Budget Period Ended, Request for Closeout Action

Dear Research Administrator,

As of the month ending January 2014, the following projects are in closeout status for PI XXX:

Activity	Project Title	End Date	RFA/CTFA	Phone
0218873	Research Project A	12/31/2013	JD	4-5650

Per BMC Closeout Policy <http://internal.bmc.org/policy/> all projects must be reconciled and closed out 120 days from the budget end date. Please work with your assigned RFA/CTFA to understand what aspects of the research account require attention prior to closeout. Please process any outstanding adjustments and expenses in the next 30 days. If activity is not inactivated by the next monthly financial close, a second request for closeout action will be sent directly to the PI.

Reminder:

Reporting requirements vary by sponsor. Please review notice of award for all deliverables including reports and their due dates. If this is the final year of a Federal award, the Federal Financial Report, Final Invention statement and final scientific reports are due within 90 days of the project end date.

Please contact your Research Financial Analyst/Clinical Trial Financial Analyst with the specific actions you are taking regarding this memo.

Thank you,

Research Financial Analyst/Clinical Trial Financial Analyst



EXCEPTIONAL CARE. WITHOUT EXCEPTION.

Appendix D
Closeout Memo #2

To: Principal Investigator (PI)

cc: Research Administrator, Manager, Research Finance/Director, CTO

Date: March 15, 2014

Subject: Second Request for Closeout Action

Dear Principal Investigator,

As of the month ending February 2014, the following projects are in closeout status for PI XXX:

Activity	Project Title	End Date	RFA/CTFA	Phone
218873	Research Project A	12/31/2013		

Per BMC Closeout Policy <http://internal.bmc.org/policy/> all projects must be reconciled and closed out 120 days from the budget end date. Please have your RA work with the assigned RFA/CTFA to understand what aspects of the research account require attention prior to closeout. Please process any outstanding adjustments and expenses in the next 30 days. If activity is not inactivated by the next monthly financial close, a notice and final request for closeout action will be sent directly to the Section Chief cc'ing PI and RA.

Reminder:

Reporting requirements vary by sponsor. Please review notice of award for all deliverables including reports and their due dates. If this is the final year of a Federal award, the Federal Financial Report, Final Invention statement and final scientific reports are due within 90 days of the project end date.

Please contact your Research Financial Analyst/Clinical Trial Financial Analyst with the specific actions you are taking regarding this memo.

Thank you,

Research Financial Analyst/Clinical Trial Financial Analyst



EXCEPTIONAL CARE. WITHOUT EXCEPTION.

Appendix E
Closeout Memo - Final

To: Section Chief

cc: Principal Investigator, Research Administrator

Date: April 15

Subject: Final Closeout Action Required

Dear Section Chief,

As of the month ending March 2014, the following projects remain in closeout status past 90 days.

Activity	Project Title	End Date	RFA/CTFA	Phone
218873	Research Project A	12/31/2013		

Per BMC Closeout Policy <http://internal.bmc.org/policy/> all projects must be reconciled and closed out 120 days from the budget end date. The RA and PI have both received prior communications regarding their required actions for these accounts. This will be the final notification regarding these sponsored project accounts. Please have the RA work with the assigned RFA/CTFA to address any remaining aspects of the account(s) requiring attention.

Regardless of communication, all projects will be closed by the Office of Research Finance/Clinical Trial Office at the 120 daymark. Any current or future overspending will be charged to the department home account, any unspent funds will be returned as required by sponsor, any remaining residual balance will be managed per the Residual Balance Policy.

Reminder:

Reporting requirements vary by sponsor. Please review notice of award for all deliverables including reports and their due dates. If this is the final year of a Federal award, the Federal Financial Report, Final Invention statement and final scientific reports are due within 90 days of the project end date.

Please contact your Research Financial Analyst/Clinical Trial Financial Analyst with the specific actions you are taking regarding this memo.

Thank you,

Associate Director Research Finance/Director, Clinical Trial Office

