



Section 700: Award Close-Out

OSR Policy 700.2 — Notice of Termination Reply (NOTR)

Responsible Officer:	Director
Responsible Unit:	Financial Reporting and Cash Management
Effective date:	March 1, 2009
Last revised on:	June 1, 2009

Policy Statement

In meeting the federal requirements, the University is required to submit a final report of expenditures to the sponsoring agency within 90 calendar days after the completion date of the award. Financial reporting requirements are most stringent for North Carolina State agencies which often require reports within 45 days of the close of the budget period. Given the time sensitive nature of these reports, it is crucial for the PI, the administering award department and the Office of Sponsored Research ([OSR](#)) to prepare and submit the required documentation.

A Notice of Termination Reply, commonly referred to as an NOTR, is a key element in preparing the final financial report. Notification to prepare the NOTR is sent to the Principal Investigator (PI) and the department's Account Manager prior to the termination of a contract or grant budget period. It is then completed by the department and approved electronically through [RAMSeS](#) by the department's NOTR Approver and the PI. These NOTRs require diligent processing by the date they are due.

The NOTR lists all outstanding obligations or adjustments that are not reflected in the most recently available FBM090 and 091, also known as the Budget and Expenditure Report. Examples include supply-type purchases from Scientific Supply, commercial vendors on open orders, intra-departmental distribution of telephone tolls, photocopy costs, in-state travel, temporary help, and similar services that would not be reflected as an encumbrance in FRS.

All obligations and adjustments should be grouped by object code, citing requisition, invoice, and delivery ticket dates and reference numbers. Unless there is a continuation award and agency rules permit, supplies received too late to be of use during the award period will have to be diverted for use by and payment from another funding source. The date of the Budget and Expenditure Report used for reference purposes in preparation of the reply should be noted.

OSR uses the NOTR along with the accounting records to prepare the required fiscal report. To allow ample time for processing the NOTR and preparing the final report of expenditures, the NOTR must be received in OSR by the date indicated on the notification sent to the PI and departmental Account Manager. Should the



NOTR not be received by OSR by the established due date, OSR may prepare the report using the current Budget & Expenditure Report data which will not include outstanding encumbrances. Once the final report is submitted to the sponsor, it will not be revised.

Should the funding agency require the PI to sign the original report, it will be returned to the PI for review and signature and then returned to OSR's Financial Reporting unit to send to the funding agency. OSR provides the PI and administering department a copy of the Final Report of Expenditures (FROE) to be used to monitor final award expenditures and account close-out.

Reason for Policy

This policy emphasizes the importance of proper preparation and review of the NOTR as a key element in closing out awards in an accurate and timely manner.

Exclusions/Exceptions

All true award close-outs require preparation of an NOTR. This does not include awards which are extended. A no cost extension requires approval by the sponsor – see [OSR Policy 500.4 Mandatory Prior Approvals](#).

Procedures and Related Policies

The NOTR Form is located in RAMSeS. The following procedure provides the steps necessary to obtain, complete, and submit the form.

- [OSR Policy 700.2, Pro. 1](#) [Preparing an NOTR](#)

OSR Research Tool Kits

None.

Contacts

Questions and concerns can be submitted online at [Ask OSR](#) or by using the [OSR staff directory](#). Within [RAMSeS](#), the “*Speak to Someone*” option assists in locating the staff member best suited to address project-specific issues.

References

[1](#). OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, Section C.52.



Revision History

Prior Revisions: The policies in the *Office of Sponsored Research Policies & Procedures Manual* supersede any OSR policies, procedures and appendices previously included in the *University Business Manual*, a publication of UNC Chapel Hill's [Division of Finance](#).

