



Section 700: Award Close-Out

OSR Policy 700.3 —Account Close-Out

Responsible Officer: Director
Responsible Unit: Financial Reporting and Cash Management
Effective date: March 31, 2009
Last revised on: June 2, 2009

Policy Statement

Sponsored award accounts are officially closed when their balance in FRS equals zero dollars and the account status in RAMSeS shows the Final Report of Expenditures (FROE) has been completed. The Office of Sponsored Research ([OSR](#)) supplies the administering department a copy of the FROE, which serves as official notification that an award is moving toward close-out, pending reconciliation of any outstanding expenditures.

Outstanding balances will continue to appear on monthly FBM 090 reports until those balances are resolved. It is therefore, imperative for the administering award department to scrupulously monitor accounts that are closeing to ensure expenditures are necessary and acceptable under the terms and conditions of the award.

Once a Notice of Termination Reply (NOTR) is received by OSR and the FROE submitted to the sponsor, unreconciled accounts must be carefully reconciled until the account balance reaches zero using the following business processes:

I. Corrected Projections by the Department and PI

Continue to monitor outstanding obligations reported on the NOTR as well as personnel encumbrances to see that the transactions are recorded through FRS. In addition, any transactions that were not reported on the NOTR that are subsequently reported on the FBM090 for the account, must be removed.

II. Underused Funds

When the total amount of awarded funds is not used, the unused portion is returned to the sponsoring agency following the award termination. Should the agency allow the University to retain any unused funds, the department is responsible for preparing a request to OSR for the transfer of such funds into a departmental residual account.



III. Overexpended Accounts

When an account is overdrawn, corrective action must be indicated and promptly initiated by communications with OSR and the administering department. Expenditures incurred too late to be of use during the award period will be diverted for use by and payment from another funding source. Irreconcilable items will be returned to the department for payment from another source, inclusive of departmental accounts as necessary.

Reason for Policy

This policy encourages reconciliation of sponsored award accounts in a timely, accurate fashion and places responsibility for irreconcilable accounts with the departments.

Exclusions/Exceptions

It is imperative to review the terms and conditions of an award for exclusions and exceptions, since conditions differ from one award to another. When a continuation award exists and agency rules permit, exceptions may be allowed regarding expenditures, however, it is the responsibility of the PI and administering department to be aware of such permissions.

Procedures and Related Policies

The form for a request of Advancement of Contract and Grant Funds is available from [Post Award Forms](#) on the OSR website.

- [OSR Policy 700.1](#) [Overview of Award Close-Out Responsibilities](#)
- [OSR Policy 700.2](#) [NOTR \(Notice of Termination Reply\)](#)

OSR Research Tool Kits

[Timeline for Facilitating a Smooth Close-out](#)

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](#).

