

University of South Alabama

Policy on Sponsored Project Termination, Expiration or Closeout

I. Background

The expiration of an award on its expected expiration date constitutes an implicit assumption that the University of South Alabama (University) has fulfilled its project performance obligations under the award. The sponsor or the University may also terminate an award before its expiration date for various reasons including the transfer of the Principal Investigator/Project Director (PI/PD) to another institution.

A closeout or termination may require the submission of a final invoice and a Contractor's Release. Other aspects of the award that may need to be cleared are:

- title to property;
- satisfactory performance of contractual obligations by the PI/PD;
- submission of all required reports including final technical and financial reports, patent and invention reports, inventory report, small business and small disadvantaged business subcontracting plan reports, and cost-sharing report.

II. Final Financial Report, Contractor's Release, Refunds, and Claims

The Office of Grant and Contract Accounting (OGCA) is responsible for submitting any financial reports (including invoices) required in order to close out the award. The expiration or termination of an agreement usually requires a final invoice or final financial report from the University. In the final invoice or report, the University would request any residual funds due to the University under the award or refund to the sponsor any excess funds not expended. Awards terminated prior to their natural expiration date can also incur additional costs. The University should make every effort to collect any expenses associated with termination from the sponsor.

When it is determined by OGCA that no funds are owed to the University for expenses incurred under the award, a signed Contractor's Release may be sent to the sponsor. This release is an acknowledgment by the University that it has no further claims against the sponsor. A contractor's release is not usually required for a grant award.

III. Final Technical Report and Other Deliverables

The PI/PD is responsible for submission of any final technical report required under the terms of an award as well as other agreed upon deliverables such as data, graphs or software. Failure on the part of the PI/PD to deliver any required technical reports to the sponsor in a timely matter may affect future funding from that sponsor to the University. In addition, the terms of many contracts provide that final payments will not be made until the required final reports have been submitted. Thus, late or incomplete reports also affect the receipt of the final payment to the University. The PI/PD should therefore,

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establish some method of assuring timely submission of reports and deliverables for which they are responsible.

IV. Final Inventory Report and Title to Property

The sponsor's policies on title to property must be followed when closing out an award. Many sponsors request a property inventory report whether or not the University retains title to such property. When such title is not retained at the time of acquisition, it is incumbent upon OGCA to request title at termination. The Property Department is generally responsible for completing the final inventory report.

V. Patent and Invention Report

If required by the sponsor, the PI/PD completes a final Report of Patents or Inventions. If a patentable idea, invention or discovery is made during the course of the sponsored project, the disclosure of such must be made through the Office of Technology Transfer.

VI. Cost-Sharing Report

If the sponsor requires cost sharing and requests a report of this cost sharing as part of the close-out of the award, such a report is generated by the department/unit which administered the award and is completed in conjunction with OGCA.

VII. Transfer of the Principal Investigator/Project Director (PI/PD)

In the case of a termination of an award because the PI/PD is leaving the University and wants to continue the project at a new institution, written approvals from the sponsor, the University, and the recipient institution are required. OGCA must determine the balance of funds in the project to be transferred. If these funds are in a University account, the University must refund the surplus or send the balance to the new institution in accordance with the sponsor's guidance. If the University has not received the balance of funds available to the project, the sponsor de-obligates that balance to the University and re-obligates it to the other institution. If the PI/PD wants to transfer equipment associated with the project, the University in accordance with established policies and procedures for equipment, is responsible for review of the title and consideration of whether approval of the transfer will be given.

VIII. Termination of Sub-Awards

Before termination of any sub-award issued from the University to another institution, all financial, technical, property, patent, and other reports required should be received from the sub-awardee along with a statement that it releases the University from all further claims under the sub-award. The University PI/PD should indicate that the sub-award was carried out in accordance with the work statement.