

FAQs - Financial Closeout of Federally Sponsored Projects

1. What are the key areas that are changing with this procedure?

Below is a summary grid of key changes.

Area	Change
Closeout Packet Not Submitted	EFM submits the final financial deliverable to the sponsor based on expenses posted to the general ledger at the time of preparation. The PI and Department Administrator are notified after submission.
Closeout Packet Submitted but Inaccurate/Incomplete	The inaccurate and/or incomplete closeout packet is flagged in PAMS and an email notification is sent to the PI and Department Administrator. EFM submits the final financial deliverable based on expenses posted to the project fund and includes properly documented expenses from the closeout packet.
Payroll Expenses	Must be posted to the project fund by the closeout packet due date to EFM.
Non-payroll Expenses	If not yet posted to the project fund, must be supported by an invoice included in the closeout packet submitted to EFM.
Expense Accruals	EFM records accruals for expenses not yet posted to the project fund but included in the final financial deliverable. The accruals will be reversed once the expenses are posted to the project fund.

2. What funds does the procedure apply to?

This procedure is applicable to the final year of the project period for sponsored projects directly funded by US Federal Government Agencies.

3. Is the procedure applicable to federal funds when multiple fund numbers are assigned to one award?

No, the new procedure is applicable only to the final year of the project period. Refer to the Award Snapshot Section I: Award Summary to verify the Project Period.

4. Is the procedure applicable to federal flow-through funds?

No, this procedure is not applicable to federal flow-through funds.

5. Is this procedure applicable to federal training grant awards (e.g. NIH T32, Ruth L. Kirschstein Institutional National Research Service Award)?

No, this procedure is not applicable as EFM needs the closeout packet from the department to confirm the unliquidated obligations for trainee costs to report in the Federal Financial Report.

6. What qualifies as an “on-time” closeout packet?

A closeout packet is considered on-time when all required departmental approvals are completed by the closeout packet due date in PAMS. A closeout packet should include the PI's approval.

7. Will exceptions to the new procedure be made for late award setup?

No. In the event of a late award execution, a [Request for Authorization to Spend Funds Prior to the Receipt of an Award \(RAS\)](#) should be submitted to ensure that expenses are recorded to the appropriate project fund. If a RAS is not granted, cost transfers must be completed promptly upon award execution to ensure all costs are posted to the project fund by the closeout packet due date.

8. The department submitted the closeout packet to EFM with the payroll cost transfers posting to the ledger by the closeout packet due date, but the payroll-related adjustments will be posted to the ledger afterwards. Will EFM accept the following payroll related expense adjustments in the closeout packet?

EFM will accept the following payroll-related adjustments in a closeout packet:

- TIF expenses associated with allowable payroll expenses that are being added (debit) to the project fund (department must provide TIF calculations)
- TIF expenses associated with payroll expenses that are being removed (credit) from the project fund (department must provide TIF calculations)
- Benefit Cost Transfer (BCT) journals to remove unallowable benefits from the project fund (department should complete the financial journal and justifications)

9. The department submitted the closeout packet to EFM by the due date and additional expenses posted to the ledger before EFM submitted the final to the sponsor. Will EFM accept a revised closeout packet from the department?

No. It is the responsibility of the department to provide a complete and accurate closeout packet to EFM by the due date specified in PAMS. A complete and accurate closeout packet includes pending adjustments with any associated justifications and/or back-up, as required. The department's adherence to the closeout packet due date ensures EFM will have adequate time to prepare, review, and submit the deliverable in compliance with the sponsor's final financial deliverable deadline.

10. What is considered a materially incomplete or inaccurate closeout packet?

A closeout packet is considered materially incomplete or inaccurate when it lacks essential information necessary to substantiate the allowability of expenses allocated to a project fund and is generally not usable in the closeout process. Refer

to Appendix F: Materially Incomplete or Inaccurate Closeout Packet of the [Financial Closeout of Federally Sponsored Projects](#) procedure for more details.

11. What happens when a closeout packet is considered materially incomplete or inaccurate?

If a closeout packet is submitted to EFM by the due date, but is considered materially inaccurate or incomplete, it will be flagged in PAMS and an email sent to the PI and Department Administrator. EFM submits the final financial deliverable to the sponsor based on EFM's analysis of expenses posted to the sponsored fund at the time of preparation. Expenses that are properly documented and/or justified in the closeout packet will be included in the final financial deliverable to the sponsor.

12. When EFM deems a closeout packet to be materially incomplete or inaccurate, is the department provided an opportunity to revise it?

In cases where a materially incomplete or inaccurate closeout packet is received, EFM proceeds to finalize expenses based on its analysis of expenses recorded to the project fund at the time of preparation, incorporating pertinent information or supporting back-up contained within or submitted alongside the closeout packet.

Conversely, a closeout packet that is missing minor details or contains slight inaccuracies will be utilized to facilitate the closeout process. In such cases, EFM will collaborate with the department to address any deficiencies in the closeout packet prior to the closing of the project fund.

Please refer to the [UCLA RAPID Smart Closeout Tool User Guide](#) for a comprehensive resource on preparing a complete and accurate closeout packet. The department is encouraged to reach out to EFM with any specific questions regarding the preparation of a closeout packet before it is submitted to EFM.

13. When EFM posts an expense accrual for additional expenses not yet posted to the project fund, how will EFM know to reverse the accrual once the expense is posted through the source system?

EFM will conduct a monthly review of the project fund to identify pending adjustments that have materialized as actual expenses. The department should also promptly notify EFM upon becoming aware of any pending expense that has been posted to the project fund. Upon confirmation, the corresponding expense accruals will be reversed.

14. How will EFM handle cost transfers submitted to EFM after the COP due date?

- Cost transfers debiting the project fund after its COP due date:
EFM will not approve.
- Cost transfers crediting the project fund after its COP due date:
EFM will approve and inform the EFM accountant working on the final.

- Salary cost transfers that do not meet the high-risk requirements are not routed for EFM's review and such transactions will post to the project fund after the closeout packet due date. If the salary cost transfers post to the project fund before EFM prepares the final AND the earn dates are within the project period, EFM will include them in the final submitted to the sponsor.