

DATE: October 25, 2007

TO: Contact & Grant Liaisons/MSOs
Business Officers

FR: Jim Corkill, Controller
Accounting Services & Controls

RE: Award Close Memo Reminders

When a contract or grant is terminated, an award close memo is required in order to determine if there are outstanding charges and/or funds to be returned to the agency. Below are a few reminders regarding the closeout process:

- **Certification Clause:** The principal investigator must sign a certification clause certifying that all costs are appropriate and allowable. Extramural Fund Accounting has created a standard "Closing Memo" template that can be found at <http://accounting.ucsb.edu/extramural.funds.accounting/forms/>. A department can create their own close memo but the following certification must be included:

"I have reviewed the contract/grant and certify all expenditures are appropriate and allowable."

The memo will not be accepted if the certification clause does not include the exact wording as provided above.

- **Outstanding Charges:** Departments must indicate the outstanding charges to be included in the close out. Any outstanding charges in the close memo must have supporting documentation attached to it. The documentation may include vouchers, payroll and non-payroll transfers, financial journals, etc.
- **F&A Costs:** F&A costs can only be charged to a sponsored project when there is an unusual or unique circumstance, and the amount of the charge is significant. Most F&A charges are covered by the campus overhead allocation and should therefore not be charged to a sponsored project. A list of typically F& A costs can be located at:

http://accounting.ucsb.edu/?form=efm-typical_f_and_a_unallowable_object_codes

- **Project Contribution Reports:** Departments must complete the Project Contribution Report to be submitted with the close memo as part of the financial report when there are commitment amounts on the sponsored project.

Please incorporate these reminders as you close out an award. Your assistance will reduce any potential audit findings and help the award closeout process be timely and efficient.