

FINANCE PROCEDURE MANUAL	TITLE: Grants – Closing Grants	
	NUMBER: FIN-GRF-019	VERSION: 01
	ISSUED DATE: 7/14/2010	REVISION DATE: 2/12/2013

➤ **Purpose:**

The process used for closing completed grants.

➤ **Definitions:**

Current Unrestricted Fund (Fund 1): This fund is used to account for those economic resources which may be used to accomplish the primary and supporting objectives of the college. The only restrictions on the resources of this fund are those imposed by law, regulation, or the budget. Resources accounted for in this fund have no restrictions imposed by external agencies and it is anticipated that such resources will be utilized in the near term. Most direct instructional activities of the college are accounted for in this fund. All state general revenues and lottery funds are reported in this fund.

Dormant Grant: Grant that has had no activity for six consecutive months.

Reversion Claus: Instructions written into the grant agreement that advises return of any unspent grant funds to the grantor.

➤ **Responsibility:**

Grants Accountant: Responsible to ensure that all completed or inactive grants are closed on the date specified by the grantor, or where no date is specified, three months after the successful completion of the grant activity.

Grant Administrator: Designates if a grant should remain inactive or closed (grants that are dormant for six consecutive months will be listed as inactive or closed by the grant administrator). The grant will be closed unless the grant administrator confirms that the obligations under the grant have not been met and there are justifiable reasons for the inactivity.

➤ **Procedure Details:**

1. For grants with a designated closing date: Grants Accountant will remind the Grant Administrator responsible for the grant of the closing date and advise the Administrator of the closing process.
2. Grants identified as dormant:
 - a. The Grants Accountant will contact the Grant Administrator responsible for the grant and advise that the grant will be closed unless the Administrator confirms that the obligations under the grant have not been met and provides the justifiable reasons for the inactivity.
 - b. Upon receipt of adequate justification the grant's end date will be extended for an additional six months, otherwise, the closing process will continue.
3. Grants with funded employees
 - a. Grants Accountant will notify Human Resources and Payroll thirty days prior to the grant's end date of any personnel affected by the closure.
4. All outstanding purchase orders/encumbrances will be closed with the assistance of the purchasing department.
5. All liabilities will be liquidated and any debts due recovered.
6. Any capital equipment acquired must be disposed of in accordance with the grant contract. If no disposal instructions are available, the equipment will be transferred to the College.
7. Any outstanding funds remaining will be refunded to the grantor or otherwise disposed of as set out by the grant. If there are no reversion clauses and the grant has been appropriately completed, any remaining fund balances will be transferred to Fund 1.
8. The Grant Organizational unit will be inactivated within the accounting system.
9. The Grants Accountant will prepare and submit to the Grantor any required financial reports.

➤ **References:**

Accounting Manual for Florida's College System:

http://www.palmbeachstate.edu/finance/Documents/State_of_FL_Acctg_Manual.pdf

Governmental Accounting Standards (GASB):

<http://www.gasb.org/>

NACUBO - Financial Accounting/Reporting Manual

Please contact the Assistant Controller, Grants & Foundation if you need to view this document.