PROJECT BALANCES AT CLOSEOUT:

PROJECT NETTING PROCESS IN OSP

ORS QUARTERLY CRAM MEETING

5/16/2017
Why Project Netting When WBSE Closes

- Brings consistency in the management of project balances at closeout across institution,

- Reduces financial loss to Duke by utilizing project plan within the project parent and subcode/child WBSE,
Two Different Paths When WBSE Closes

1 – *Project* Period Ending
   • Project period end date = WBSE (budget) end date

2 – *Budget* Period Ending
   • Project period end date > WBSE (budget) end date
     - AND -
   • Carryforward not automatic
Project Period End

- Rebudget forms will not be accepted after submission of the Closeout documents,
- OSP will net overdrafts on project codes (parent & subs) from available balances within the same project,
- Overdrafts will be covered first within the same BFR as the parent, then other BFRs (as remaining balances allow) within the same department, then the same school, then other departments/schools,
- In netting decisions, WBSE order will be in ascending numerical sequence within each BFR (as they may change)
Exception to netting - Any balances on sponsor-restricted subcodes (Rebudget Class of ‘S’) cannot be used to cover overdrafts on other codes,

Balances on subrecipient subcodes are available for netting once final invoice resolved,

Closeout QRG on Navigating Master Data ([http://bit.ly/2gVnGFJ](http://bit.ly/2gVnGFJ)), p2 section B – Rebudget Class

– I (internal), R (subrecipient), S (sponsor-restricted)
Rebudget forms will not be accepted after submission of the Closeout documents,
OSP **will ONLY** net overdrafts on project codes (parent & subs) within the same BFR as the parent (10 digit BFR),
Overdrafts on subcodes/children WBSEs different from the 10 digit BFR of the parent project owning org **will NOT** be netted; All of these project balances will stand on their own with write-offs to the designated Backstop Code in SAP master data.
The same netting exception related to subcodes with a Rebudget Class = ‘S’ also apply at budget end,

In netting decisions, WBSE order will be in ascending numerical sequence within each BFR (as they may change)
How to Avoid Unwanted Project Netting Actions When WBSE Closes

• Monitor and reconcile project balances throughout the life of the WBSE (including all internal and external subcodes),

• Request appropriate re-budget actions to maintain plan to expense (through the current rebudget practices) *prior to Closeout Document submission*