
CHAPTER 8. Grant Closeout Actions

8-1 OBJECTIVE. The objective of this chapter is to describe the procedures to be followed by grantees and local HUD Office staff in closing out a grant agreement. The procedures cover partial or complete termination for cause by HUD as well as normal closeout with all activities satisfactorily completed by the grantee.

8-2 GRANTEE CLOSEOUT ACTIONS. OMB Circular A-110 or 24 CFR Part 85.50 prescribe uniform closeout procedures for Federal grants and other agreements with a grantee. It is the responsibility of the grantee to comply in full with all closeout requirements and to submit reports in a timely manner. Within 90 days after the end date of the grant or any approved extension (revised end date) a Final Financial Report (form SF-269A) and a Post-Grant Report must be submitted by the grantee to the local HUD Office.

8-3 HUD CLOSEOUT ACTIONS. The local HUD Office shall take the following actions to assure that all closeout requirements are met:

- A. At 60 days before the grant end date, the local HUD Office shall review the grant file and remind the grantee of:
 - 1. The grant end date;
 - 2. Time limits on the expenditure of funds;
 - 3. Reporting submission requirements; and
 - 4. Record retention requirements.
- B. No later than 120 days after the grant end date, the Director, Public Housing Division or Office of Indian Programs, will review the contents of the official grant file against the closeout requirements to assure all closeout actions have been completed and, if closeout is not complete, to take necessary action to complete closeout expeditiously.
- C. Upon receipt of the final form SF-269A, and the final performance report, the local HUD Office shall review the documents as follows:
 - 1. The amounts on the final form SF-269A should be consistent with budgeted amounts approved for the project activities and should

agree with LOCCS authorized amounts for the grant and budget line items. Any differences must be reconciled.

2. The post-grant report must reflect completion of the program with respect to the purpose of the activities authorized.
 3. If the final form SF-269A indicates that excess funds have been provided to the grantee, the local HUD Office shall direct the grantee to remit immediately the excess funds to HUD by wire (if \$2,000 or more) or by check (for lesser amounts) made payable to U.S. Department of HUD, or if all authorized funds have not been drawn, the remaining funds shall be de-obligated (recaptured).
 4. Include a printout of the LOCCS Screen Q13 showing the final authorized amounts for the grant with the grant file as part of the closeout documents.
- D. When the final form SF-269A is approved, the local HUD Office shall send the report and a closeout letter to the RAD. The RAD will establish an account receivable for any amount due to HUD or de-obligate any unused grant funds as applicable.
- E. When the submitted documents have been reviewed and accepted, the local HUD Office will close the program by executing a grant agreement amendment to reflect the status of the program officially, including any de-obligated funds, excess funds remitted by the grantee, etc. A letter will be sent to the grantee with the final grant agreement amendment from the Field Office Manager/Director, Office of Indian Programs, or designee, indicating that the grant program is closed out. A copy of the letter will be retained in the local HUD Office files for record purposes and a copy will be provided to the Regional Accounting Division.
- 8-4 TERMINATION ACTION TAKEN. When a grant agreement is terminated by HUD or a grantee's request for extension is denied, the grantee is nonetheless required to submit the same final reports. In such case, the final reports are to reflect the status of funds and activities as of the termination date and reviewed accordingly by the local HUD Office.
- 8-5 RECORDS RETENTION. The local HUD Offices shall establish and maintain grant files for each grantee to include all applicable materials. It is recommended that one folder contain the original grant agreement and all subsequent amendments as one package that represents the

current terms and conditions at any point in time. All records must be retained in the local HUD Office for one year after final payment. The records may then be retired to the Federal Records Center anytime after the one year period that volume warrants, provided that the records have been scheduled. The disposition of scheduled program records shall be in accordance with the current issue of HUD Handbook 2225.6, HUD Records Disposition Schedules.

8-6 RECORDS RETAINED. The grant agreement file material to be accumulated during the life of the grant and retained upon grant closeout until the authorized disposition would include the following:

- A. The original grant application and all materials related to acknowledging receipt, application log sheets, rescreening log sheets, screening checklists, threshold review records, score sheets, and the grant approval notification letter;
- B. Initial grant agreement execution materials and all grant agreement amendments, including the closeout amendment;
- C. Documentation of telephone calls, meetings, etc., filed in ascending date order;
- D. All correspondence on any matter, such as contracts and sole source justification, disputes and appeals, etc., filed in ascending date order;
- E. LOCCS-VRS documents/reports, semi-annual and final financial and performance reports, audit reports covering grant expenditures and any audit finding resolutions, etc. filed in ascending date order;
- F. On-site visit reports to include reviewer working documents filed in ascending date order; and
- G. Other information required by the Regional or local HUD Office.

8-7 AUDITS. Any audit of grant activities performed by an Independent Auditor and reported to the local HUD Office is to be handled in accordance with current procedures for processing audit reports.

- A. Audit findings of questioned/ineligible costs prior to grant closeout may affect closeout conditions and closeout should be deferred pending resolution of any finding(s) and determination of any disallowed costs. The closeout grant agreement amendment would then reflect the resolved finding(s). Audit findings

reported after grant closeout would not change the closeout grant agreement amendment. Rather, recovery of any disallowed costs would be pursued independent of the grant agreement.

- B. Audit reports under the Single Audit Act and OMB Circular A-128 are processed through the National Review Center for Non-Federal Audits and forwarded by the Center to the appropriate local HUD Office for monitoring auditee actions on any findings/recommendations to ensure corrective actions are implemented.
- C. Audit reports for non-profit organizations under OMB Circular A-133 are currently forwarded by HUD's Office of the Inspector General to the responsible HUD program officials for monitoring auditee actions on any findings/recommendations to ensure corrective actions are implemented (audit tracking procedures are pending issuance of implementing regulations by the Office of the Chief Financial Officer).