



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-3000

OFFICE OF HEALTHY HOMES AND
LEAD HAZARD CONTROL

Policy Guidance Number: 2008-01	Date: November 26, 2008
Subject:	Liquidating contractual obligations during the Closeout Period
Status:	Current
Applicability:	All OHHLHC grant programs; all NOFA rounds
Related Guidance:	24 CFR Part 85; 24 CFR Part 84
Comments:	

Dear Grantees:

Our grantee partners have contacted us asking for clarification on the completion of lead hazard control work beyond the period of performance end-date. 24 CFR Part 84.28 and 24 CFR Part 85.23 state that:

Period of availability of funds.

(a) General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee.

Both 24 CFR Part 84 and 24 CFR Part 85 define “obligations” as “the amounts of orders placed, contracts and grants awarded, services received and similar transactions during a given period that require payment by the recipient during the same or a future period.”

As this relates to lead hazard control activities, contracted work that was obligated (i.e., contract signed) within the period of performance (i.e., “funding period”) could continue in order to liquidate the obligation (i.e., complete the work). Please note that grantees may not enter into contractual obligations that extend beyond the 90-day close-out period. Therefore, grantees may conduct activities and bill for costs associated with those activities up to 90 days after the funding period, provided the activities being performed are a result of contracts or subgrants entered into during the period of performance (i.e., before the expiration) with the stated intent that the activities be completed no later than by the end of the 90 day period after the funding period. However, no new obligations may be incurred after the grantee’s funding period.

It will be OHHLHC grant policy that the grantee may request an extension of the close-out period prior to the end of the original 90-day closeout period. Typically, this permission to extend the close-out period will not exceed 90 days. Therefore, at the discretion of HUD, the maximum allowed close-out period shall be approximately 180 days.