Grant Closeout
What is grant closeout?

The closeout of a grant is a process in which HUD determines that all applicable administrative and program requirements of the applicable Grant Agreement between HUD and the grantee have been completed.
In order to close out a CDBG disaster recovery grant, HUD ensures the following:

- All CDBG-DR funds have been expended
  OR
- Grant agreement between grantee and HUD has expired
  (as applicable)

Process begins ninety (90) days after the grant ends.
Grantee Role in Closeout

- Expend all grant funds in accordance with needs or return funds
- Update accomplishments data to reflect all activities completed (or canceled)
- Update the performance measures for actual versus proposed
- Review final QPR
- Prepare a closeout agreement
1. HUD HQ works with HUD Field Staff to close out grants.

2. HUD Field Staff request that the closeout process begin

3. HUD HQ will provide Disaster Recovery Grant Reporting System (DRGR) reports related to closeout
   - Financial Summary Report (Are funds available for recapture?)
   - Performance Measures Reports (Did the grantee meet the CDBG national objective, and complete recovery activities?)

Begin the close out process
#1 Are the activities complete?

#2 Do the funds in DRGR match the amounts in LOCCS? Are there funds to be recaptured?

DRGR Financial Summary Report
Begin the close out process (cont.)

DRGR Performance Measures Report

<table>
<thead>
<tr>
<th>Activity/Grantee</th>
<th>Activity/Title</th>
<th>Status/Description/Notes</th>
<th>Activity Measure</th>
<th>QPR Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC 1</td>
<td>Indef Recovery_Low Mod Loans</td>
<td>Under Way</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>CC 2</td>
<td>Indef Recovery_High Mod Loans</td>
<td>Under Way</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>CC 3</td>
<td>Indef Recovery_200K and Higher</td>
<td>Under Way</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>CC 4</td>
<td>Indef Recovery_500K and Higher</td>
<td>Under Way</td>
<td>7</td>
<td>7</td>
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<tr>
<td>CC 5</td>
<td>Indef Recovery_1M and Higher</td>
<td>Under Way</td>
<td>147</td>
<td>147</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

#1 Have the *Actual* performance measures been entered in the QPR?
#2 Are the measures reasonable?
#3 Did the grantee meet their National Objective?
Begin the close out process (cont.)

- DRSI validates funds in Line of Control Credit System (LOCCS) against funds in DRGR
  - Award Amount
  - Amount of Disbursements
  - Funds Remaining?
  - Amounts in DRGR match with LOCCS
Role of HUD Field Staff in Closeout

- Complete the checklist in DRGR
  - ✔ Status changes from “Active” to “Ready to Close”
  - ✔ Print a copy of the completed Checklist
Role of HUD Field Staff in Closeout (cont’d.)

- Execute the grant documentation
  - ✔ Grant Closeout Agreement
  - ✔ Grant Certification
  - ✔ DRGR Checklist
- Submit copies of the complete closeout package to:
  - ✔ CFO at Fort Worth
  - ✔ Division Director in the DRSI Office at HUD HQ.
- Send confirmation to Grantee
Role of the HUD HQ Staff

- Confirms the DRGR financial summaries agree with amounts in LOCCS, the information is complete, and all the forms are signed.¹

¹All original closeout documentation for grants appropriated from 1997-2005 remain in the respective Field Office. Only the HQ held disaster grants original documentation will be retained at DRSI HUD-HQ office.
Role of the HUD HQ Staff

• Receives copies of the completed package with signatures on the closeout agreement certification, and cover letter sent to the HUD CFO, National Accounting Center

• Update the status of the grant in DRGR from “Ready to Close” to “Closed”
Sample Documents

- Closeout Agreement
- Grant Closeout Certification
CLOSOUT AGREEMENT BETWEEN U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) AND [name of grantee]

[Name of grantee] certifies that all activities for grant number [ ], appropriation symbol [GR_/0162, have been completed as authorized by HUD in the Grant Agreement dated [ ], and that all grant financed costs associated with these activities have been incurred.

[Name of grantee] hereby acknowledges the remaining obligation(s) under the terms of the grant agreement:

1. [Name of grantee] hereby certifies that program income currently on hand in the amount of [ ] as well as program income received after closeout, will be governed in its use by 24 CFR 570.304 of the regulations and treated as program income of any subsequently approved Community Development Block Grant (CDBG) programs.

2. [A similar clause for each other applicable issue, such as identification of contingent liabilities subject to payment with grant funds after closeout, identification of unused grant funds to be cancelled, use of real property in accordance with 570.405(l) and OMB Notice requirements.]

3. [Name of grantee] certifies that it will ensure that flood insurance is maintained for the mandatory period.

HUD reserves the right to conduct future monitoring of projects funded under this grant, either on-site or by review of information or copies of documents requested from [name of grantee]. [Name of grantee] acknowledges that a finding of non-compliance resulting from such review and failure to take appropriate corrective actions satisfactory to HUD may be taken into account by HUD, as evidence of unsatisfactory performance, in consideration of future grant awards.

[Name of grantee] agrees that any costs paid with funds under this grant that were not audited previously shall be subject to coverage in the recipient's next single audit performed in accordance with OMB Circular A-123. [Name of grantee] acknowledges that it may be required to pay HUD any disallowed costs based on the results of the audit, or an additional HUD review provided for above.

Date

Name of grantee

Signature of authorized official

Title

Date

HUD Authorized Official

[Name and Title]
CLOSEOUT CERTIFICATION

Grant #________________________

To the best of my knowledge, all activities undertaken, or to be undertaken, with funds provided under this agreement have been carried out, or will be carried out, in accordance with the award agreement; that no fraud, waste or mismanagement has occurred in the administration of this award; that proper provision has been made for the payment of all unpaid costs and unsettled third-party claims; that the Department of Housing and Urban Development is under no obligation to make any payment to the awardee in excess of the amount identified in the grant agreement; and that every statement and amount set forth in the final quarterly financial summary and federal cash transaction reports is true and accurate as of this date.

I certify that all program income on hand at the time of closeout shall continue to be used in accordance with the eligibility requirements in 24 CFR Part 570, subpart C and all other applicable provisions until it is expended. I further certify that income received after closeout shall not be governed by the provisions of this part, except that: 1) if at the time of closeout the recipient has another ongoing CDBG grant received directly from HUD, funds received after closeout shall be treated as program income of the ongoing grant program; or 2) if the recipient does not have another ongoing grant received directly from HUD at the time of closeout, income received after closeout from the disposition of real property or from loans outstanding at the time of closeout shall not be governed by the provisions of this part, except that such income shall be used for activities that meet one of the national objectives in 570.305 and the eligibility requirements described in section 105 of the Act.

Real property acquired is listed in the quarterly reports or on the Pre-closeout Guide. At this time, program income amounts to $__________. Accounting records will be kept on the use of these funds and any additional program income.

I understand that HUD may monitor compliance with the terms of this agreement at any time. In addition, financial records, supporting documents, statistical records and all other records pertinent to your grant shall be retained for a period of five years from the date of submission of the final expenditure report. The only exceptions are those listed in OMB Circular No. A-110 revised.

Name and Title of Authorized Official ________________________________________

Signature_________________________ Date__________

Note: Any false statements knowingly or deliberately made are subject to civil or criminal penalties under Section 1001 of Title 18 of the U.S. Code.