Jessie Handforth Kome: What is a grant closeout? This is a process in which HUD determines that all applicable administrative and program requirements and every applicable grant agreement between HUD and the grantee has been completed.

Criteria for closing out a grant. In order to close out a CDBG disaster recovery grant HUD ensures that all CDBG disaster recovery funds have been expended and that the activities have been completed or the grant agreement between the grantee and HUD has expired. I wanted to point out that at the beginning of each month the DRSI [Disaster Recovery and Special Issues Division] publishes a disaster report that gets published throughout HUD and it contains all of the disaster grants, which the last report was about $39 billion in disaster funds.

It includes the amount of the grant that was allocated by Congress, the amount budgeted, the amount obligated, what is disbursed, what is available and along with it is the percentage -- the percentage of what was allocated, what has been budgeted, the percentage of what's been obligated and what's been disbursed.

So we're watching those percentages so that we can see when there is zero dollars left to be disbursed, when it is 100 percent disbursed, 100 percent obligated. So we will let you know what that grant has done. And how we do that -- okay -- so the way this presentation is set up it is the grantees role, the role of the CPD specialist and the role of headquarters. Who I have here is Al Jones he is with the state of Alabama, department of economic and community affairs and he is going to walk you through the role of the grantee.

Al Jones: Good afternoon. I am literally just going to take a couple of minutes to walk you through this because once you get to closeout you have done the work and the work left to be done is 99 percent done between the field office and headquarters. The biggest thing you have to do is let them know that you are ready to close, but we'll talk about what we do a little bit.

I've been with the state of Alabama for 10 years. In that time we have had so far, not counting the tornados that we are just now getting funding for; we've had four disaster grants, two for Hurricane Ivan and two for Katrina. We have worked both with the field office for Ivan. They had the grant the whole time for Katrina up until about a year ago. We were working directly with headquarters. I can tell you that either way you have it -- you're in good hands.

Your field office will bend over backwards to help you. They did for us. We couldn't have done it without them with Ivan -- their knowledge, their willingness to help, and even to more of an extent with Katrina. And the HUD headquarters staff, I just can't say enough about them, from Stan to Jesse to Scott, from top to bottom. They are the ones who will get you through this process and get you to the point that you are a closeout. I know most of you think you won't ever see the day. But if you will listen to these people, if you will listen to the headquarters staff, if you'll listen to your HUD field office, I promise you you'll get there and you will be in good hands the entire time.
The first thing there is to expend all grant funds in accordance with needs or return funds. In Alabama, we gave out grants to local governments, and the very fact of that we gave out different grant amounts, there were different capacities. There were all kinds of things that made the grants close out some sooner than others.

And as we're closing out, as Jessie said, that is the time to get them right in DRGR. When you have an activity close, go ahead and get it fixed now. That is the best advice that I've heard so far at the entire conference. If you don't, you're going to be in a world of hurt when you get to the end, especially if you have a very large grant. It's going to take forever to get this done.

I was under the false impression that when you enter your information into DRGR that you had your proposed and then your actual for the accomplishments and the performance. And if you actually did more than you proposed you were going to do, that it would show up in DRGR and you would look really good. But I found out from Mary Louise Mahan that that was not the case.

She sent me a four-page email with things we had wrong and we worked for a couple weeks and we got that straightened out. She informed me that you do have amendments and you do have things that change the amount of waterline you are going to put in or change the number of beneficiaries. When you go back and you change your proposed to equal your actual where everything works in DRGR. I want Mary Louise to know that I to the horse track with that information and I told them I proposed horse number three and the actual was number six and they said that HUD wasn't going to fly there -- just for your information.

So then we need to review the file QPR -- and Mark Mitchell we love you, we love working with you and I don't want to get too religious on you, but I just want to say -- what a day, glorious day that will be. But seriously to Mark we do appreciate what he does and we know that everything he does is to help us and to make us look better, so we kid him. So if you want to really look good, listen to Mark. Do what he tells you, put it in DRGR, do it the way he wants you to and you will come out on top every time.

So let me get to prepare the closeout agreement and that is the easiest part. HUD gives you the closeout agreement. You fill it out, you put the grant number on it, you get the official at the state that needs to sign it to sign it, you send it to your field office or headquarters depending on who has your grant and you're done. They fight out the rest of it. I don't really know what they do, but I know it shows up later in DRGR as closed so thank you for doing that. And that's what I have to present today. Thank you very much.

Jessie Handforth Kome: Thank you. Okay. So now we're going to begin the closeout process. So HUD headquarters, me, I work with the field office. I go into DRGR under the grants module and I look up to see who the CPD specialist is. And with that I start pulling reports out of the DRGR and I contact that CPD specialist to let them know that it's time to closeout that grant. You have 90 days after the grant closes out -- and we give you 90 days to finish so that you can process any open payments, any invoices, any documentation that needs to be completed and then we'll start the closeout process.
So we contact the field staff and we tell them to go ahead and begin it and we provide them these reports. The reports that we provide are the financial summary report. Let me show you the financial summary report. What you see is the grant/grantee grant number. You have the activities, the title of the activity, the activity status, and as you can see here you'll see underway/planned and we want to see those as completed. You see your grant amount, the activity HUD fund that's a budgeted amount, then the obligated amount and the amount disbursed. Over there to the far right is the activity balance and these are funds that HUD looks to recapture.

Here is our performance measures when we are talking about actual versus projected. We look to see that the actual now or equal to the projected is, if not equal, at least close. As Mark tells me, they have to make sense. So we validate these funds. I'll go into LOCCS [Line of Credit Control System], and I'll look to see the amount awarded, the amount disbursed and again are there any funds to be captured? So I look to see if this amount -- and if I can go back? Let's go back to this one. See over there where it says activity balance, $675,002? No?

Take my word for it that's $675,002. So, here in LOCCS it is $675,002.00 so that's the amount that we plan to recapture and if this isn't right we contact the CPD specialist when they contact the field office. They need to show us what's in their state accounting system that's not in DRGR. Now I'm saying this because in '09 when they did the implementation the draw down implementation they brought over funds from LOCCS. They did a reconciliation.

They did it as close as they could. And what they did is they did lump sum. So they didn't get right down to the activity because in LOCCS we didn't have activities. So now's the time to say that these are the funds that need to be adjusted and this is where they need to be adjusted. Is it in the admin, is it in planning; is it in activity? Is there a draw that didn't -- that maybe they were in the middle of during this implementation that didn't come over smoothly in DRGR? So we can reconcile we work with this and we get these numbers straight and then we start the paperwork.

So I'll contact the CPD specialist and they go into DRGR and they submit these dates. And once they've submitted these dates -- and actually in this slide, they kind of switched it -- once the CPD specialist goes into DRGR and enters these dates we want them to do a screen print because this becomes part of the closeout package that we are going to submit to Fort Worth and to the disaster recovery office. And then we want them to select ready to close. And that changes the status in DRGR from active to ready to close and it will lock the fields so that you can't go in there and make any other changes without contacting us. So that is the role of the head staff.

They execute the grant document. These are the documents that make the completed closeout documentation package that gets submitted to headquarters. We execute the documentation and then we submit -- the CPD specialist submits this completed package to CFO at Fort Worth. If it is a field held grant the paperwork stays at the field. If it is a headquarters held grant then the original documentation comes to the DRSI office.

We ask our CPD specialists to send their grantees a confirmation on either a formal letter or in an email notice; something to confirm to the grantee that all of the paperwork's been submitted to Fort Worth. We confirm in DRGR that the financial summaries agree with the amount that is in
LOCCS, and I say that because if there is any funds that need to be recaptured the amount in LOCCS will now say -- where I showed you the state of Maryland $675,000, that amount in LOCCS will say $0 and we go in and confirm that LOCCS has $0 and that DRGR is in balance with LOCCS.

Once we receive the completed package with the signatures and the closeout agreement and certification this goes to the CFO at the national accounting center, and this is done by disaster recovery office. And then of course we'll update the status in DRGR from ready to close to closed.

I have some sample documents here, and we have links on the disaster recovery website where you can access these files in PDF format. And I know this is hard to read. This is the closeout agreement. This is done by the grantee. They fill in those dates. Down at the bottom the HUD authority official, that's going to be the person that signed the grant agreement. It's usually the CPD specialist -- or the CPD director for the field office.

And here we have the closeout certification. This is completed by the CPD specialist. And this is - you're looking at me funny, Tennille, right? You think the grantee fills this out? See I don't know I just get them. I get them, I make sure they are signed; I make sure the systems are right. You think the grantee does the certification?

Oh, okay. I thought the CPD specialist would certify. They have to go in there and make sure the QPR -- the last QPR is right, the CPD specialist. So I thought that's when they did the certifications, so I guess I wasn't clear on it. But anyway, we have the closeout sheet from DRGR, we have the closeout agreement, and then we have the closeout certification. And this is our completed package that is either maintained at the field office, or depending on who holds the grant, headquarters.