



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**Office of Sustainable Housing and Communities**  
WASHINGTON, DC 20410-0050

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| <b>Program Policy Guidance Number 2013-04</b>                   |
| <b>Date:</b> March 8, 2013                                      |
| <b>Subject:</b> Cooperative Agreement Final Closeout Procedures |
| <b>Status:</b> Current  |
| <b>Applicability:</b> All OSHC Grantees                         |

This guidance document provides an overview of OSHC's requirements and procedures for closing-out a Sustainable Communities Initiative (SCI) cooperative agreement. This process is referred to as *closeout* and is generally described in 24 CFR Part 85 section 85.50. Appendix A of this guidance document provides key closeout deadlines.

## **I. Closeout Defined**

Closeout is the process by which HUD determines that all applicable administrative and project requirements have been accomplished. All grantees are required to complete the closeout process upon completion of grant deliverables and activities, the end of the performance period, and/or determination made by HUD.

## **II. Closeout Requirements and Procedures**

### ***A. The Grantee Must Satisfy the Preconditions for Initiating Closeout***

Prior to initiating the closeout process, grantees must satisfy two preconditions. These are described below:

1. All mandatory semi-annual and annual progress reports, and work product deliverables identified by the Government Technical Representative (GTR) and specified in the HUD-approved cooperative agreement must be completed and cleared for acceptance by the GTR.
2. All GTR-cleared reports and work product deliverables must be uploaded to the grantee's Grants Management System (GMS) account.

Once the two above preconditions have been met, the grantee must inform its GTR in writing of its request to initiate close-out. The GTR will confirm that the preconditions have been met and will inform the grantee if they should proceed with the closeout process or if any remaining activities, expenditures or reports are still needed.

## ***B. The Grantee Must Prepare Closeout Reports***

The next step is for the grantee to prepare a package of final reports which are due no later than ninety (90) days after the end of the performance period. The final reports must also be cleared for acceptance by the GTR who will determine completeness and accuracy. Once cleared, the grantee must upload the reports to its GMS account.

The final report package must include the following items:

1. Final Narrative Report: This report should summarize the activities conducted under the award, the significant outcomes resulting from project activities and problems encountered during the performance period. This report should be on organization/agency letterhead and signed by the Authorized Organization Representative (AOR).
2. Standard Forms Covering the Entire Period of Performance:
  - OSHC Financial Reporting Form;
  - SF-425; and
  - HUD eLogic Model.
3. Other Reports Specified by the GTR\*

*\*If your GTR does not specify any additional reports to be included in the final report submission, the grantee should proceed with submitting items 1 and 2 detailed above.*

## **III. What to Expect Next**

1. *GTR Closeout Performance Assessment*: The GTR will complete HUD-24016 Form, also referred to as the *Final GTR Performance Assessment for Assistance Agreements*. The form will document an overall assessment of the project and will include determinations on the following:
  - Whether the grantee has completed all performance requirements;
  - The acceptability of performance by major objectives or tasks included in the workplan;
  - Whether any patentable items were developed;
  - Whether property was furnished to or acquired by the grantee;
  - A qualitative rating of the grantee's performance—This rating addresses the grantee's expertise, ability to keep actual costs and completion times in line with those originally estimated, and other aspects of their performance.

The GTR may schedule a conference call with the grantee to share and discuss the results of the assessment once completed.

2. *Grant Officer (GO) Administrative Review*: The GTR will forward the HUD-24016 to the GO for the project who will perform a final administrative review of the GTR appraisal,

expenditures relative to the budget, and deliverables. Upon completion of the GO's administrative review, the GO will initiate the necessary actions to close the award which may include: audit resolution(s), financial settlement, payment approval, de-obligation of unexpended balances and property disposition. If the grant does not have any outstanding actions, the GO will execute a closeout agreement.

4. *Grantee Notification:* Upon completion of any remaining administrative actions requested by the GO, the grantee will be notified of the final steps for closeout and/or receive the closeout amendment to the award. The closeout amendment will include terms and conditions that focus on:

- Final financial settlement;
- Provision for submission of audit reports and due dates;
- If closeout is made without full audit coverage, HUD reserves the right to recover disallowed costs or take other appropriate action if HUD determines that information provided by the grantee was false or erroneous
- Post-closeout requirements (e.g. maintaining records and materials for three year, etc.).

## **Appendix A - Key Closeout Deadlines**

Below are four critical deadlines for ensuring a successful closeout:

1. ***30 Days before the End of the Performance Period*** - Deadline for incurring any more costs. Grantees should not incur any costs 30 days before the end of the performance period. The only exception to this term are costs strictly associated with closeout activities such as the preparation of final progress, financial, and required project audit reports or any costs otherwise approved in writing by the GO. An example of a cost that is not allowed during this period is contractor or consultant work that is not focused on closeout requirements.
2. ***End of the Performance Period*** – Deadline for spending match funds.
3. ***30 Days after the End of the Performance Period*** - Deadline for submitting final reimbursement requests in LOCCS.
4. ***90 Days after the End of the Performance Period***: Deadline for submitting final reports.