

My HPOG grant is ending. What do I need to know about Closeout?

OFFICE OF GRANTS MANAGEMENT

DIVISION OF INNOVATION AND IMPROVEMENT

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AGENDA

1. What does it mean to “closeout” your HPOG grant?
2. What are the key steps in the closeout process?
3. Can I apply for a no-cost extension?
4. How do I pay for costs associated with the closeout process?
5. Can we charge staff time for closeout activities to the grant?
6. Contact information for the Grants Management Officer
7. Questions?



What does it mean to “closeout” your HPOG grant?

- After the end of the period of performance for a discretionary grant or cooperative agreement, a grantee is required to submit various reports and documents to close the grant.
- Closeout is a process that takes place after the expiration of the project period and budget period (9/30/2020-9/29/2021). The closeout period is 9/30/2021-12/31/2021. The Notice of Award (NoA) provided in the last year of your grant will show that your grant has been closed out, indicating all reports have been submitted and property or funds returned.
- The purpose of closeout is to ensure:
 1. Final reports are received and evaluated
 2. Allowable costs are determined
 3. Amounts due to either the federal agency or to the recipient are determined, and payment arrangements are made



What does it mean to “closeout” your HPOG grant? (continued)

As a grant recipient, your organization must meet several requirements before closing out a grant in the final budget period (9/30/2020-9/29/2021) of the project. Preparation for closeout should begin three months prior to the end date of the grant in order to accurately forecast expenses and any adjusting entries that need to be made.

Failure to submit timely and accurate final reports may affect future funding to the organization.



What are the key steps in the closeout process?

Within 90 days of the end of the project period (9/30/2021-12/31/2021) you must:

1. Reconcile financial expenditures associated with the award
2. Liquidate all obligations incurred under the award
3. Submit to the Department of Health and Human Services (HHS) [Payment Management System \(PMS\)](#) the final quarterly [Federal Cash Transactions Report \(FCTR\)](#)
4. Submit the Final Financial Report, the SF-425 as a Grant Note in GrantSolutions for all grants awarded prior to FY 2016
5. Submit final progress report, SF-PPR as a Grant Note in GrantSolutions
6. Submit the SF-428 for Tangible Personal Property in the Property Tracking Management System in GrantSolutions.
7. This is not applicable for HPOG, as you do not use federal funds for real property, improvement or construction costs. For grants where federal funds are used to purchase or improve real property, the grantee should submit a SF-429 for Real Property Status Report.
8. Return any funds due to [PMS](#) as a result of refunds, corrections, or audits



Grant Closeout

45 CFR 75.381 & 2 CFR 200.343

The Federal awarding agency will close out the Federal award when it determines that all applicable administrative actions and all required work for the Federal award have been completed by the non-Federal entity. This section specifies the actions the non-Federal entity and the Federal awarding agency must take to complete this process at the end of the period of performance.

- The non-Federal entity must submit, no later than 90 days after the end of the period of performance, all performance, financial and Programmatic reports as required by the terms and conditions of the Federal award. The Federal award agency may approve an extension when requested by the non-Federal entity.
- A non-Federal entity must liquidate all obligations incurred under the Federal award no later than 90 calendar days after the end of the period of performance as specified in the terms and conditions of the Federal award.
- The disposition of Property/Equipment must be treated according to Title 45 Code of Federal Regulations (CFR) Part 75.381(if applicable)



Grant Closeout

45 CFR 75.381 & 2 CFR 200.343

- The non-Federal entity must account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance 200.310 Insurance coverage through 200.316 Property trust relationship and 200.329 Reporting on real property.
- For multi-year grants, the grantee should submit Annual Federal Financial Reports and Program Progress Reports marked “Annual” (9/30/2020-9/29/2021) to closeout the yearly activities.
- Annual reports – Final SF-425 and Final SF-PPR (Program Progress) reports. Grantees will receive a grant closeout letter that outlines the required reports. Inclusive of the Tangible Personal Property Report (SF-428) and Real Property Report (SF-429)



Grant Closeout

45 CFR 75.381 & 2 CFR 200.343

45 CFR Part 75.381

7 Requirements outlined under this regulation

- Submission of all reports – 90 Days after end of budget period (Financial and Programmatic)
- If Extensions are authorized (Rare cases) – Time can be extended
- Payment of allowable reimbursable costs under the Federal award
- Settlement of any upward or downward adjustments to the Federal Share of costs after closeout reports are received
- Grantee must refund any balances of unobligated cash (Cash on Hand)
- Accounting of Real and Personal Property acquired with Federal funds or received from the Federal Government
- Completion of all closeout awards within 180 calendar days after receipt and acceptance of final reports



Records Retention

- Your organization generally must retain financial and programmatic records, supporting documents, statistical records, and all other records that are required by the terms of an award, or may reasonably be considered pertinent to an award, for a period of three years from the date the final FFR is submitted.
- If an audit, litigation, or other action involving the records starts before the end of the appropriate retention period, the records should be maintained until the end of the appropriate retention period or until the audit, litigation, or other action is completed, whichever is later.



Can I apply for a no-cost extension?

- Approval of second no-cost extension would be for extremely rare circumstances. Per the HHS Grants Policy Statement, any extension beyond 12 months is considered a class deviation. This requires approval by the Chief Grants Management Officer (CGMO), Ben Goldhaber
- In September 2020, HPOG grantees were awarded a supplement and extension. Grantees were given a 12 month extension to their HPOG grant.
- OFA and OGM do not plan on recommending any HPOG grantees for a second no-cost extension. Beyond this year, there is no additional federal administrative funds for HPOG staff. OGM would not recommend a second no-cost extension without an HPOG program specialist to provide subject matter expertise.



How do I pay for costs associated with the closeout process?

- When a funding period for incurring expenditures is specified the grantee may charge the grant allowable expenditures incurred during the funding period. No additional costs may be incurred after the expiration of the grant.
- The Non-Federal entity must liquidate expenditures (pay bills) properly incurred during the award and have 90 calendar days (9/30/2021-12/31/2021) to do so.
- Any costs incurred after the expiration of the grant are unallowable as direct costs. An example of allowable liquidation of expenditures is the payment of staff salaries accrued during the period of performance, but for which pay day falls after the end date of the grant. ** Please remember that a Non-Federal entity cannot deviate from their established personnel and payroll policies to accrue more salary expenses during closeout.*



Can We Charge Staff Time for Closeout Activities to the Grant?

- If grant funds cannot be used following the end of the period of performance, how does the Non-Federal entity reimburse for staff salaries for closeout activities such as performance reporting?
- Under your grant, there are direct and indirect costs. Under the OMB cost principles (2 CFR 220, 225, 230), direct costs are those that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct activity of an organization.
- Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.
- After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives.
- A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a direct cost.



Can We Charge Staff Time for Closeout Activities to the Grant? (continued)

- Examples of indirect costs may include depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities (overhead), top management personnel, fiscal operations, HR, payroll, and general administration and general expenses.
- Ordinarily, allowance for these types of costs will have been included in the organization's indirect cost pool and funded through the application of the approved indirect cost rate across all federal grants.
- Further explanation of this process is described below:
 - If your organization has more than one federal award, you likely have an indirect cost rate that was negotiated with your federal cognizant agency.
 - Closeout activities may be performed by individuals included in your indirect cost pool and their costs are thus recouped through the indirect charges under your rate made across all your federal grants.
 - Therefore, if the closeout activities under your grant are part of your indirect cost pool, those costs are not direct chargeable to the grant and would be part of the indirect costs recovered for your grants.
 - However, after the end date of your grant, you would NOT be able to charge indirect costs, as there are no direct costs to apply your rate to for the HPOG grant.



Can We Charge Staff Time for Closeout Activities to the Grant? (continued)

- If your organization does not have an indirect cost rate, but rather an approved cost allocation plan, or closeout activities have been assigned to an individual that has direct charged the grant, then they may not be reimbursed by HPOG or any other grant award as they are directly associated with your HPOG grant award.



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Questions?

