

CHAPTER 10
GRANT CLOSEOUT

I. GRANT CLOSEOUT PROCESS 1

II. PROGRAM INCOME..... 2

CHAPTER 10 GRANT CLOSEOUT

The grant closeout is the process by which the Office of Community Renewal (OCR) determines that all applicable administrative actions and all work required by the Recipient and all requirements of the grant agreement between the Housing Trust Fund Corporation (HTFC) and the Recipient have been completed in accordance with the terms and conditions of the grant agreement.

I. GRANT CLOSEOUT PROCESS

As is the case with all documentation required for implementing the NYS CDBG program, the grant closeout documents are very important and accuracy must be ensured in the completion of documents.

The Grant Closeout Transmittal Form will be issued by the Office of Community Renewal when all of the following have occurred:

- i. The project has been monitored and any outstanding monitoring findings or concerns have been resolved.
- ii. A FINAL Request for Funds has been submitted.
- iii. A FINAL Annual Performance Report has been submitted and approved and all accomplishments have been reported.
- iv. Any outstanding single audit findings or concerns have been resolved.

The Grant Closeout Transmittal Form will be transmitted to the Recipient CEO and Local Grant Contact electronically; the entire form with original signatures must be returned to OCR.

The Recipient will be asked to verify that the information contained in the Transmittal Form is correct and to complete the Program Income Register and Real Property Register forms, as applicable. The closeout packet, including the Grant Closeout Transmittal Form with original signature, the Schedule B, the Program Income Register, and the Real Property Register must be returned to OCR by mail within 30 days of receipt.

Following OCR review and approval of the Grant Closeout Transmittal packet, a Certificate of Completion OR a Conditional Certificate of Completion will be issued.

1. A Certificate of Completion is issued when a Recipient is deemed not subject to a Single Audit, or if subject to a Single Audit, the audit has been submitted and approved by the OCR.
2. A Conditional Certificate of Completion is issued when a Recipient is subject to single audit compliance for the fiscal year in which CDBG funds were expended.

If a Grant Closeout Transmittal packet is received by the OCR but cannot be approved, the Recipient's assigned Community/Economic Developer will contact the Recipient with further instructions.

Recipients are responsible for the orderly and timely closeout of any subcontracts they may have in connection with the grant, and the financial settlement of subcontractor claims. Subcontractor(s) should be advised to prepare their claims or invoices and submit them directly to the Recipient within 30 days of the completion of the project. Charges should be itemized in the same detail and manner as required of the Recipient by OCR since these subcontract costs will be included in the Recipient's final financial reports submitted to OCR. It is suggested that Recipients require that all subcontractors submit closeout data, final reports and final claims in time for the Recipient to prepare for the closeout process.

Recipients who must comply with the Single Audit Act of 1984, in accordance with OMB Circular A-133 (Refer to Chapter 3 – Financial Management), must submit the audit to its Community/Economic Developer. If the audit contains findings the Recipient must submit a written response to the findings and a corrective plan of action.

II. PROGRAM INCOME

24CFR570.489(e) and 24CFR85.25 set the rules for program income which requires Recipients earning program income to have an approved program income implementation plan including revolving loan fund(s) on file with the Office of Community Renewal. Recipient may be required to submit an approved Program Income Plan

Program income is defined by 24 CFR Part 570.500(a) as gross income received by the Recipient or subrecipient directly generated from the use of NYS CDBG funding. Recipients are permitted to retain program income if it will be used to continue the activity from which it was derived. If authorized by the OCR, Recipients may also retain program income to fund additional community development activities eligible under the NYS CDBG program. As part of the closeout process, **Recipients proposing to retain program income must submit with the closeout packet a proposed plan for the ongoing use and financial administration of program income.** The OCR's decision to permit a Recipient to retain program income after closeout will be based upon the final Program Income Plan for the use and administration of program income submitted at project closeout.

For more detailed information on program income, please refer to Chapter 3, Financial Management of this Grant Administration Manual.

If Recipients retaining program income are awarded new NYS CDBG funds in a succeeding program year, and an approved Program Income Plan has not been submitted and approved by OCR, the Recipient must expend the program income prior to accessing the new allocation of NYS CDBG funding.