

**CHAPTER 10**  
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## CHAPTER 10 GRANT CLOSEOUT

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

The grant closeout process requires Recipients to complete closeout forms certifying that all of the NYS CDBG funds have been expended appropriately and the project has been completed according to the requirements of the NYS CDBG program, and the terms and conditions of the grant agreement. The grant closeout process also requires a Certification of Completion and a Release Form, releasing OCR and HTFC from any further obligation regarding the grant agreement and the NYS CDBG project.

All of the information needed to complete the closeout requirements should exist within your project files. The ease with which Recipients can complete the closeout requirements usually depends on the extent to which the Recipient has maintained accurate and up-to-date records and files.

**The closeout process is initiated when the NYS CDBG funding has been fully expended and the proposed accomplishments have been met.**

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 in 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 the Community/Economic Developer. It is suggested that Recipients require that all subcontractors submit closeout data, final reports, and final claims in time for the Recipient to submit closeout packet to their Community/Economic Developer within 60 days of project completion.

**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.**

### 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 the documents. The Request for Certificate of Completion (Form 10-4) is an essential part of the documentation upon which compliance is measured.

The forms listed below, including additional information requested by OCR, must be completed and submitted as part of the closeout packet. All applicable forms and requests for information must be completed and submitted in their entirety within the specified time frame to the Recipient's Community/Economic Developer. Resolution of any outstanding monitoring findings related to the comprehensive monitoring visit will be required prior to issuing a Certificate of Completion.

1. Grant Closeout Transmittal Form (Form 10-1) ;\*
2. Release Form (Form 10-2);\*
3. Request for Certificate of Completion (Form 10-3) and required attachments\*
4. Program Income Plan, required if the Recipient has received or anticipates receiving more than \$25,000 in NYS CDBG program income within a fiscal year.
5. Real Property Register (Form 10-4), required if real property has been purchased with CDBG funds by the Recipient for the purpose of a Public Facility, Public Water or Public Sewer project.;
6. Contract Reporting Form (Form 10-5)\*, all contracts executed and paid for with NYS CDBG funds must be reported, including, but not limited to consultants, engineers, sub-recipients and all construction related contracts.;
7. Copy of the Audit and a corrective action plan in response to any audit findings;
8. Final Performance Report.\*

\* Required

If a grant closeout packet is submitted for approval without the required audit, OCR will review the closeout packet and, if approved, issue a Conditional Certificate of Completion. Once the audit has been received and approved, a Certificate of Completion will be issued. If a grant closeout packet is not approved, the Recipient's Community/Economic Developer will contact the Recipient with further instructions.

If an audit was not required and the grant closeout packet is approved, a Certificate of Completion will be issued.

## II. PROGRAM INCOME

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 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.** 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.

**If Recipients retaining program income are awarded new NYS CDBG funds in a succeeding program year, and a 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.**