



*The GLO-CDR Implementation Manual provides guidance for CDBG-DR and CDBG-MIT subrecipients and should not be construed as exhaustive instructions.*

# **CHAPTER 13—CONTRACT CLOSEOUT**

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## **CHAPTER 13—CONTRACT (SUBRECIPIENT AGREEMENT) CLOSEOUT**

### **13.1 Introduction**

The CDBG-DR and/or CDBG-MIT Contract closeout process is designed to ensure all CDBG-DR and/or CDBG-MIT activities are completed and funds are expended in accordance with the Subrecipient Agreement, program rules, and state and federal requirements. This means any financial, administrative, and performance issues related to the CDBG-DR and/or CDBG-MIT Subrecipient Agreement and stipulated as part of the Subrecipient Agreement have been resolved to the satisfaction of GLO, HUD, and the subrecipient. The closeout process also certifies that the persons benefiting from the activities described in the Subrecipient Agreement Attachment A Performance Statement (Performance Statement) are receiving services or a benefit from the use of the new or improved project, facilities and/or activities.

The closeout process begins when all of the following are complete:

- All costs to be paid with CDBG-DR and/or CDBG-MIT funds have been expended and payment requests submitted, with the exception of closeout costs (final administrative and audit costs), and other costs approved in writing by GLO-CDR;
- The work described in the currently approved Performance Statement has been completed; and
- The subrecipient other responsibilities under the agreement with GLO have been met.

Subrecipient with multiple programs in their state Subrecipient Agreement must notify GLO when they have completed all work under a specific program even if grant funds under that program have not been fully expended.

### **13.2 Closeout Process**

The program closeout process consists of a thorough review and final approval of a Grant Closeout Report (GCR) and the required supporting documentation identified. Other information may be required and requested by the GLO-CDR.

The GCR must be submitted within sixty (60) calendar days after the Subrecipient Agreement end date. If all construction activities are completed prior to the Subrecipient Agreement end date, then the GCR due date is sixty (60) calendar days after construction is completed.

#### **13.2.1 Grant Closeout Report (GCR)**

The GCR consists of, at a minimum, the sections identified below. Note that the GCR for housing and infrastructure programs will require varying documentation in accordance with the type of Subrecipient Agreement and project.

##### Certificate of Expenditures (COE)

This section of the GCR documents financial status of the completed Subrecipient Agreement, including CDBG-DR and/or CDBG-MIT funds and any other funds used for the project. All budget activity is listed in the following columns:



- GLO-DR Budget: Funds allotted to each budget activity according to the CDBG-DR and/or CDBG-MIT Subrecipient Agreement, Budget (Exhibit B), including all amendments and revisions;
- GLO-DR Funds Expended (Including Final GA Draw): Funds received from CDBG-DR and/or CDBG-MIT through approved Requests for Payment. Pending Requests for Payment are included in this amount;
- Final GA Draw: Amount of final GA Draw;
- Unutilized Funds: Total grant funds that will NOT be requested by the subrecipient, including all funds not Drawn to Date or requested for Reserve. All funds included in this column will be de-obligated by GLO upon administrative completion of the Subrecipient Agreement and will be unavailable for reimbursement; and
- Local Contribution: All funds or local contribution other than CDBG-DR and/or CDBG-MIT funds used to complete the project.

GLO will de-obligate all funds that are:

- Identified by the subrecipient in the Unutilized Funds (Deob) column and/or
- Not requested for payment with appropriate documentation within sixty (60) days after the Subrecipient Agreement end date.

Costs may be reserved under certain conditions for up to ninety (90) days under the following circumstances:

- Prior written approval by GLO-CDR;
- Must include a specific timeline/schedule for completion;
- CDBG-DR and/or CDBG-MIT Subrecipient Agreement is part of a project funded through multiple funding agencies and total project is not complete;
- CDBG-DR and/or CDBG-MIT Subrecipient Agreement is involved in litigation or dispute;
- Project Delivery for final five percent (5%) of Project Delivery budget; or
- Actual costs of a Single Audit.

### Civil Rights & Citizen Participation

The GCR requires the subrecipient to certify the following federal and state requirements are complete. Chapter 11—Civil Rights of this manual details the information/documentation mandated for the CDBG-DR and/or CDBG-MIT Subrecipient Agreement. Supporting documentation should be available for review and monitoring: Equal Employment Opportunity Requirements; Section 3; Excessive Force Policy and Resolution; and Section 504. Fair Housing Activities must also be entered into this section as well as the Work Completed Date.

### Certifications

The chief elected official (highest elected official of the political subdivision) must sign the GCR and certify:

- All activities undertaken with funds provided under the Subrecipient Agreement identified in this report have been carried out in accordance with the Subrecipient Agreement;



- The information contained in this GCR is accurate All records related to Subrecipient Agreement or activities are available for review;
- CDBG-DR and/or CDBG-MIT funds were not used to reduce the level of local financial support for housing and community development activities;
- No attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless:
  - Such funds are used to pay the proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than such funds or
  - For purposes of assessing any amount against properties owned and occupied by persons of moderate income, contractor certifies that it lacks sufficient funds under this Subrecipient Agreement to comply with the requirements of the immediately preceding clause.
- The persons to benefit from the activities described in the Performance Statement are receiving service(s) or a benefit(s) from the use of the new or improved facilities and activities;
- For all activities undertaken with funds provided under the Subrecipient Agreement identified in this report, promotion of MBE participation has been undertaken;
- All requirement to Affirmatively Further Fair Housing has been met; and copies of all records to include Equal Employment Opportunity Policies, Section 3 Local Opportunity and/or Resolution, Excessive Force Policy/Resolution and Section 504 Resolution/Policy, Designation Form, Grievance Procedure and Self-Evaluation form are available for review; and
- Proper provision has been made for the payment of all unpaid costs and unsettled third-party claims the State of Texas is under no obligation to make any further payment to the recipient under the Subrecipient Agreement in excess of the amount identified in the Certificate of Expenditures table as "Final GA Draw".

### Attachments

- Project Map – If the project includes construction activities, the subrecipient must attach a project map showing the location(s) of the project;
- All other documentation as required.

### **13.2.2 Performance Report**

#### Actual Accomplishments

The GCR reports all work completed by the activity. Engineering and Project Delivery/Grant Administration are not reported in the Performance Statement. The work reported must correspond to the project described in the CDBG-DR and/or CDBG-MIT Subrecipient Agreement Performance Statement and be reported in the same quantitative terms as those used in the Subrecipient Agreement (if the Performance Statement describes a project without using linear feet, report the item as a linear foot metric).



If the current Performance Statement and actual accomplishments vary in quantities and/or number of beneficiaries served, report the differences and the reasons to the GLO-CDR. A GLO Grant Manager will provide technical assistance. A Subrecipient Agreement revision or amendment is required when quantities vary. The subrecipient must confirm the work stated as part of the GCR was performed in the location(s) described in the most recently approved or updated Performance Statement. If work was performed in a different location, the subrecipient must resolve this issue with GLO-CDR prior to submitting the GCR. The GLO is not obligated to reimburse work that is not included in the Performance Statement of the CDBG-DR and/or CDBG-MIT Subrecipient Agreement.

### HUD Performance Measures

The Subrecipient must enter the activity, objective, outcome, benefit indicator, and special category (if applicable) for all activities in the Performance Statement of the CDBG-DR and/or CDBG-MIT Subrecipient Agreement.

### Beneficiary Detail Report

Complete Beneficiary Detail Reports for all activities in the Performance Statement of the CDBG-DR Subrecipient Agreement (excluding engineering, administration, and acquisition if incidental to the project). The total number of persons benefiting, and the number of households benefiting if applicable, must equal the total activity beneficiaries or households listed in the Performance Statement.

### Complete Beneficiary Detail Reports

If multiple projects/activities benefit exactly the same group of persons, the detailed beneficiary information may be reported once for the group of activities in order to minimize the length of the report. Indicate all activities to which the report applies at the top of the report.

Add as many Beneficiary Detail Reports as necessary to describe all activities included in the CDBG-DR Subrecipient Agreement, Performance Statement (excluding engineering, administration, and acquisition if incidental to the project).

- Beneficiary Detail Report – Activities on *Public Property* – report all beneficiaries for the group of activities according to gender, race, ethnicity, and income level;
- Beneficiary Detail Report – Activities on *Private Property* – report all information required for persons benefitting, as well as similar information for each household receiving a benefit;
  - Gender, race, and ethnicity and gender information must be reported for the person designated as the “head of household” for each residence;
  - Household income level is reported separately for owner-occupied and renter-occupied households; if information is not available, the household is presumed to be owner-occupied

If the number of beneficiaries or homes actually served varies from the number of beneficiaries required by the most recently approved Performance Statement, the subrecipient must submit a Subrecipient Agreement revision or amendment. The GCR will not be accepted until all change request documents are acceptable. GLO is not obligated



to reimburse work that is not included in the Performance Statement of the CDBG-DR and/or CDBG-MIT Subrecipient Agreement.

### Summary

The CDR Single Family Housing team has developed a non-exclusive list of required documents to be submitted by the subrecipient to initiate closeout of a Subrecipient Agreement. The GLO Grant Manager can provide further assistance when compiling these documents.

### Required Closeout Documentation—Single Family Housing

The following items are, at a minimum, required at the completion of a Single Family Housing Subrecipient Agreement:

- A letter from the certifying officer requesting closeout of the Subrecipient Agreement. This letter must also state that all draw requests have been submitted;
- A final list of refunds, subrogation, and program income (if applicable) received;
- A list of any items purchased with (CDBG-DR and/or CDBG-MIT) funds (cabinets, copiers, computers, etc.) and their depreciation schedule. If the item(s) is not fully depreciated, it may be donated to another CDBG-funded program;
- A list of all homeowner service calls and/or letters and their resolution(s);
- Documentation showing the procedures in place for retaining records;
- A list of all projects (activities) with the assigned builder(s) for the constructed homes;
- A list of all monitoring activities that have been conducted, findings and resolutions;
- A list of a defaults (if a homeowner does not maintain flood insurance (event of default) and their home is affected by another event, we cannot assist them);
- Final (actual) expenditures for the Subrecipient Agreement; and
- Indicate the number and location of housing units completed.

This section of the GCR reports additional performance measures related to housing activities and is required only for select Housing activities (other than water/sewer connections, see the GLO Grant Manager for additional information on how to complete the housing activities GCR).

### **13.3 Final Financial Interest Report**

The subrecipient must report final procurement information for all contracts executed under the CDBG-DR and/or CDBG-MIT Subrecipient Agreement, including all professional services/Administration and Engineering services, construction contractors and sub-contractors, and material suppliers, with contracts of \$2,000 or more. The contract amount reported should include any change orders or amendments. Check the appropriate box to report subcontracts valued at \$2,000 or more under the prime contractor.

Financial interests below \$2,000 (Micro-purchases) should be disclosed through invoices for grant/match funding—no separate disclosure required.

All contracts and subcontracts included in the GCR should previously have been reported on a Financial Interest Report. If the information previously reported was incomplete or if information



other than the contract amount has been modified, the subrecipient must submit revised reports with the GCR.

### **13.4 Acceptance of the Closeout Report**

The Subrecipient Agreement will not be considered Administratively Complete until any pending issues are resolved with accurate documentation submitted to GLO-CDR, and the beneficiaries have been confirmed.

Once the GCR is submitted, GLO Grant Manager will review the report for accuracy and completeness.

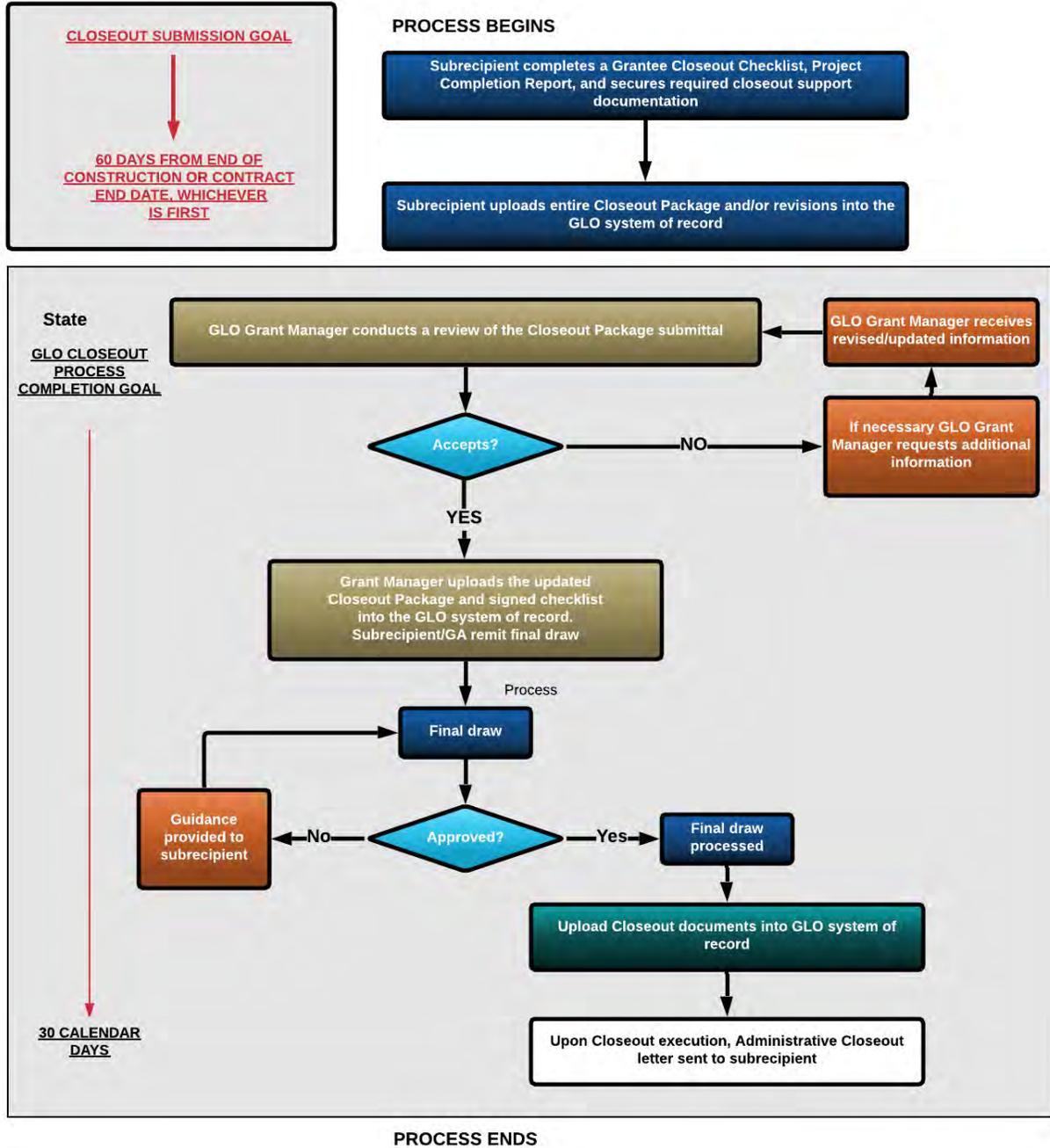
- Incomplete reports will not be accepted and will be returned to the subrecipient.
- Subrecipient will be notified by email of minor deficiencies and should correct such deficiencies within 10 days of that notice.
- If any information is missing, inaccurate or incomplete, the Grant Manager will request the information, via e-mail, from the subrecipient.
- GCRs that have major deficiencies or information that does not reflect the Performance Statement and/or Budget will not be accepted and will be returned to the subrecipient.
- The review and request of information continues until all deficiencies and documents have been submitted and accepted by the GLO-CDR.
- All approved closeout documents must be included in the GLO system of record.

See [Resources](#)—Resource 13.1 at the end of this chapter for a list of documents which may be required as part of the closeout submittal. The Grant Manager can assist with program closeouts.

Note: Subrecipient Agreement closeout does not begin the record retention period for the Subrecipient Agreement. A letter will be sent by GLO to the subrecipient once HUD has closed out the project to start the 3 year retention period.



### 13.5 Closeout Process—Infrastructure





### **13.6 Resources**

The GLO-CDR has created a comprehensive website which contains necessary forms, checklists, detailed guidance documents, and additional resources to supplement this Implementation Manual. Please see [www.recovery.texas.gov](http://www.recovery.texas.gov) for more information. The following resources are referenced within this chapter and will be updated as new forms and documents are developed.

<b>Resource Number</b>	<b>Topic</b>	<b>URL</b>
Resource 13.1	<b>Grant Closeout Documentation:</b>	
	<a href="https://recovery.texas.gov/grant-administration/grant-implementation/housing/hurricane-harvey/index.html">Single Family Housing Closeout Documentation</a>	<a href="https://recovery.texas.gov/grant-administration/grant-implementation/housing/hurricane-harvey/index.html">https://recovery.texas.gov/grant-administration/grant-implementation/housing/hurricane-harvey/index.html</a>
	<a href="https://recovery.texas.gov/documents/grant-administration/grant-implementation/infrastructure-forms/grant-completion-report.xlsx">Infrastructure Grant Closeout Report</a>	<a href="https://recovery.texas.gov/documents/grant-administration/grant-implementation/infrastructure-forms/grant-completion-report.xlsx">https://recovery.texas.gov/documents/grant-administration/grant-implementation/infrastructure-forms/grant-completion-report.xlsx</a>

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*Questions:* Please direct all questions regarding your specific program or project to your assigned GLO Grant Manager. Send comments related to the GLO-CDR Implementation Manual to [ImplementationManual.glo@recovery.texas.gov](mailto:ImplementationManual.glo@recovery.texas.gov).