

# Supporting Tribal Access to Grants Workshop

December 6<sup>th</sup>, 2011 – Hubert H. Humphrey Building



## *Indian Health Service Division of Grants Management Closeout Requirements*

**Presenter:**

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An essential part of any federal grant program is a proper programmatic and financial *closeout* at the end of the grant's project period.

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## What is Closeout?

Closeout refers to the end of a grant's project period (life-cycle).

It's IHS policy to ensure that the Government's interests are adequately protected at all times. The IHS Grants and Program Offices are responsible for administering the closeout procedures and shall ensure that all significant actions have been adequately documented and all necessary administrative reports have been received by both offices as required.

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## What is Closeout?

- ▶ Closeout of a grant does not automatically cancel any requirements for property accountability, record retention, or financial accountability.
- ▶ The Federal government may recover any funds owed based on the results of an audit covering any part of the period of grant support.
- ▶ Following closeout, the grantee organization remains obligated to return all federal funds due as a result of later refunds, corrections, or other transactions.
- ▶ Closeout requirements can be found in the terms and conditions of the final Notice of Award, HHS Grants Policy Statement, Rev. 01/07 and 45 Code of Federal Regulations (CFR) 74.71 and 92.50, “Closeout Procedures”.

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## Division of Grants Management Responsibilities

- ▶ During the closeout process, the IHS Division of Grants Management, (DGM) in particular the Grants Mgmt Specialist, (GMS) will work closely with the grantee to:
  - Provide guidance on all closeout requirements,
  - Ensure compliance of all terms and conditions,
  - Ensure all final documents are submitted timely,
  - Ensure final financial and programmatic accountability,
  - Ensure that the grant is completely closed.

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## Program Office Responsibilities

The IHS Program Office will :

- Work closely with the DGM to make sure that all programmatic requirements are met by the grantee organization.
- Work closely with the organization to provide any additional programmatic guidance if needed.
- Be responsible for reviewing and approving the final progress report.
- And concur to programmatic closeout of the final grant.

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## Closeout Notification

- ▶ The Grants Management Specialist is responsible for:
  - Notifying the organization of when it's time for grant closeout.
  - Providing instructions on all documentation required.
  - Ensuring timely receipt of all required final reports.

### *When should notification be sent?*

- ▶ At the beginning of the final budget period, included with the Notice of Award, the GMS will provide guidance in the terms and conditions of the award regarding all closeout requirements.

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## What is required?

### *A Final Federal Financial Report (FFR).*

Final Reconciled FFR,

FFR SF- 425

Reconciled with the Division of Payment Management.

### *Final Progress Report*

Conduct a project programmatic review and submit your “Final Progress Report” according to the guidelines provided by the GMS in the closeout instructions.

### *Equipment Disposition*

- Submit your report of equipment purchased with grant funds.

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## What is required?

### *Supply Disposition*

Submit a report of all unopened, unused supplies.

### *Records Retention*

Quality Control (QC) File Review,  
Retain all records as required.

Failure to submit timely and accurate final reports may affect future funding to the organization or awards with the same PI/PD.

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## Financial Reconciliation

Financial reconciliation of the grant will take place during the closeout process along with verification that all funds have been drawn down from the DPM and that a final Federal Financial Report (SF-425) has been submitted to the DPM, (a copy should be sent to DGM).

Unless granted an extension by your GMS or PO, all required **“Final Reports”** should be submitted to the Grants Management Specialist **90 days after the end of the project period**, if the grant will not be extended, after termination or at the end of a competitive segment.

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## Financial Reconciliation

### Federal Financial Report.

Must cover the entire project period (competitive segment) or as much time as the grant was funded before termination or transfer.

Must indicate exact balances of unobligated funds.

Must be “Final”.

**\* Any outstanding funds owed to IHS should be remitted immediately to avoid interest charges and collection actions.**

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## Financial Reconciliation

Submitting a final SF-425 is an indication that your organization has :

- Paid all outstanding obligations,
- Drawn down all final funds from DPM,
- Received final payment for all reimbursable allowable costs incurred during the active grant period,
- Reconciled your account with the Division of Payment Management,
- Reconciled all grant expenditures in your accounting system,
- Conducted a final review of all expenditures to your grant payment history.

All unobligated funds related to the grant will be de-obligated in accordance with specific federal regulations.

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## Final Progress Report

A “Final Progress Report” is required for any IHS grant that is terminated or is at the end of the project period and ready for closeout.

An original and one copy of your final progress report should be submitted to your GMS and should minimally include the following:

The report should provide the IHS Program Office with outcomes (both positive and negative), evaluations and results on your accomplishments towards the programmatic goals and objectives for which you were funded.

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## Equipment Disposition

**Equipment** is defined as an article of nonexpendable personal property whose original acquisition cost is \$5,000 or more.

The grantee organization shall **use the equipment** in the project for which it was acquired for **as long as needed**, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the IHS in accordance with 45 CFR 74.34 and 45 CFR 92.32.

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## Equipment Disposition

- ▶ A list of all equipment with a unit acquisition cost of \$5,000 or more is required. The following information should be included:
  - Description: Provide a description of the equipment purchased;
  - Condition: Indicate if the equipment is usable and needed or if it is surplus;
  - Serial Number: Provide the equipment's serial number(s);
  - Location: Provide the location where the equipment is located?
  - Acquisition Cost: How much did the equipment originally cost;
  - Date of Acquisition: Date the equipment was purchased
  - Current Market Value: Estimation of the equipment's value; and
  - Statement of Need/Use: Statement of anticipated need/use of equipment if retained by your agency.

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## Supply Disposition

### Report of Used Supplies

A **“Supply Disposition”** refers to a description and acquisition cost of all unopened-unused supplies, **if the total value of such unopened unused supplies exceeds \$5,000** in accordance with 45 CFR 74.35 and 45 CFR 92.33.

If there are no unopened -unused supplies, a statement to that effect will be sufficient, and will be accepted by the DGM as satisfying the supply disposition requirement.

- **You can do the same if no equipment was purchased.**

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## IHS Disposition Rights

IHS reserves the **right to transfer title** as provided in the terms and conditions of the award under which the equipment was purchased.

For such acquired property for which the organization has **no further need**, you should request disposition instructions as part of the closeout process.

Regardless of whether you indicate that you have a further need for the property, IHS may exercise the right to transfer title of the property to a third party, as provided in *(45 CFR 74.34 or 92.32, as applicable)*.

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December 6<sup>th</sup>, 2011 – Hubert H. Humphrey Building



## Retention and Access Requirements for Records

The closeout of a grant may **affect the time period that is cited in the records and retention regulations depending upon when you submit your final FFR and it is accepted.** For example, if the grant ends on September 30, the FFR will then be due on December 30, (90 days after the grant ends).

**The 3-year record retention period begins when the FFR is submitted and accepted by the GMS, not when the grant actually ended.**

In accordance with 45 CFR 74.53 and 92.42, the record retention policy applies to **all IHS grant programs and includes all financial and programmatic grant records, supporting documentation, statistical records, and all other records that are required by the terms of the grant, or may reasonably be considered pertinent to the IHS grant for a period of 3 years from the date of submission and acceptance of the final FFR.**

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## Retention and Access Requirements for Records

Following completion of all closeout procedures of the grant award, the organization will be notified by the GMS that their grant is officially considered closed.

The official grant file will be forwarded to the National Archives or Record Center for storage after being housed at IHS HQE for three years.

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## Additional Compliance Requirements

All ongoing commitments and legal obligations affiliated with the grant award remain in effect.

This includes, but is not limited to, those actions initiated after the end date of the grant.

Litigation Claims

Financial Management

Negotiations

Audits / Noncompliance Finding Reviews

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## Additional Compliance Requirements

These records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.

The organization remains obligated to remedy any grant violation(s) and comply with the terms of the remedial agreement even after the closeout of your grant.

Specific questions pertaining to your IHS award should be discussed with the Grant Management Specialist.

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## Delinquent Reports

There are specific steps taken to obtain delinquent reports required. DGM and the IHS Program Office will work together to obtain the needed reports as soon as possible. A series of reminder letters will be sent in attempts to provide an opportunity for your organization to comply with all closeout requirements.

**90 calendar days following expiration of the grant award:**

**A reminder letter is sent to the Project Director.**

**120 calendar days following expiration of the grant award:**

**A reminder letter is sent to the Project Director and Executive Director or Tribal Leader.**

**If after 150 calendar days have passed and all required documents have not been received, one of the following sanctions may be imposed in accordance with HHS Grants Policy Statement, Section 11-89.**

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December 6<sup>th</sup>, 2011 – Hubert H. Humphrey Building



## Sanctions

Failure to submit required reports within the time allowed may result in:

- ▶ Suspension or termination of an active grant,
- ▶ Withholding of a non-competing continuation award or,
- ▶ Other enforcement actions, including withholding of payments or,
- ▶ Converting to the reimbursement method of payment.

Continued failure to submit required reports may result in the imposition of special award provisions or cause other eligible projects or activities involving that recipient or the individual responsible for the delinquency to not be funded.