
Special Attention of:

All Secretary’s Representatives
All Regional Directors for CPD
All CPD Division Directors
HOPWA Program Grantees and Project
Sponsors

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Expires: This Notice is effective until it is
amended, superseded, or rescinded.
Cross Reference: 24 CFR 574, 2 CFR Part
200

Subject: Closeout Instructions for Housing Opportunities for Persons With AIDS (HOPWA)
Program Grants

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I. Purpose

This Notice provides policy guidance and procedural instructions for CPD Field Offices and Housing Opportunities for Persons With AIDS (HOPWA) grantees regarding closeout of

HOPWA formula and HOPWA competitive (HOPWA-C) grants including HOPWA CARES Act formula grants (HOPWA-CV) and HOPWA CARES Act competitive grants (HOPWA-C-CV).

An important step of completing grants management is to process grant closeouts. Grant closeout requires HUD to determine that all applicable administrative actions and all required work of the grant have been completed by the grantee. The closeout process is guided and governed primarily by 2 CFR 200.344, which lays out specific steps and obligations for both HUD and the grantee. If the grantee fails to complete the requirements in 2 CFR 200.344, HUD will proceed to close out the grant with the information available.

II. Determination of Readiness for Closeout

HUD Field Offices will initiate the grant closeout process once (a) the grantee requests the initiation of the closeout process; or (b) the grant's period of performance has ended and the applicable deadline for submitting final reports has passed.

CPD Field staff will review grant information and reports to determine if the grant is ready to begin the closeout process. Field staff will work with the grantee to complete the Closeout Checklist (Attachment A) and execute the Closeout Certification (Attachment B). HUD Field Office staff must complete the checklist first (Attachment A) to identify any issues that prevent closeout. After reviewing and completing the checklist, Field Staff will work with the grantee to execute the Closeout Certification (Attachment B). Field Staff will send completed Closeout Certifications (Attachment B) to the Office of HIV/AIDS Housing (OHH) at HUD Headquarters (HOPWA@HUD.GOV) and to Ft. Worth Accounting Center if deobligation is needed. Field staff will email FWAC-CPDGrants@HUD.GOV if they are unsure of who their FWAC point of contact is. Checklists must be retained on file at the Field Office for record.

III. Closeout Timeline

HUD must make every effort to complete closeout actions no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes. However, if there are existing audit or monitoring findings that affect the grant at the time of closeout review closeout actions must be delayed until findings are addressed, even if this extends the closeout process for longer than one year after the period of performance. Occasionally, the reporting requirements of 24 CFR 91.520 may also delay closeout actions due to the performance reporting timeframe related to the program year of formula grantees (See Section V. Reports for more information). If a closeout is expected to extend beyond the standard one-year timeframe, HUD Field Office staff will notify the appropriate HOPWA Desk Officer and/or email HOPWA@HUD.GOV.

Closeout actions for HUD include recording deobligation and closeout dates in the electronic Line of Credit Control System (eLOCCS). For the grantee, closeout actions include

decommitment of any unspent funds and activity completion in the Integrated Disbursement and Information System (IDIS) activities.

IV. Closeout of Project Sponsor Agreements

Grantees must adhere to the 2 CFR 200.344 regulations for project sponsor requirements at closeout. All financial, performance, and other reports as required by the terms and conditions of the grant must be submitted by the project sponsor to the grantee no later than 90 calendar days (or an earlier date as agreed upon by the grantee and project sponsor) after the end date of the period of performance. The grantee may approve extensions when requested and justified by the project sponsor, as applicable, provided the extension(s) do not interfere with the grantee's ability to meet its own closeout obligations under 2 CFR 200.344.

V. Reports

Within 120 calendar days after the end date of the period of performance, the grantee must submit to the HUD Field Office all financial, performance, and other reports required as a condition of the grant. Upon request by the grantee with justification, HUD may extend this timeframe. In accordance with the requirements for HOPWA formula grants, however, the formula grantee submission of the CAPER (including the HOPWA-specific component) is not subject to this 120-day deadline but is required to be submitted to HUD within 90 days after the close of the jurisdiction's program year, as provided by 24 CFR 91.520.

For purposes of performance reports due on or after January 1, 2023, the new HUD-4155 form is to be used for either case when completing (a) the annual performance report (APR) required for each HOPWA competitive grant or (b) when completing the HOPWA-specific component of the Consolidated Performance and Evaluation Report (CAPER) required for HUD's formula grants. For grantees with both formula and competitive grants, performance data for formula and competitive grants should not be combined into a single report.

HOPWA Competitive CARES Act grants (HOPWA-C-CV) will continue to use the HOPWA Annual Performance Report form number HUD-40110-C (see HUD correspondence dated 7-14-2021 titled "HOPWA Competitive CARES Act Annual Reporting Requirements" for additional reporting details).

A. Required Reports for Closeout

- a. Final performance reports.** HOPWA formula grantees are required to complete the CAPER as provided by 24 CFR 91.520 and 574.520(a). HOPWA competitive grantees are required to submit an APR as provided by 24 CFR 574.520(b) and 2 CFR 200.329. These reports must include a complete narrative or executive summary which describes all activities carried out with grant funds. This should include all performance measures achieved, benchmarks achieved, numbers and demographics of persons served, numbers of housing units provided, and types of housing assistance and supportive services provided. The CAPER must also include

a comparison of the proposed versus actual outcomes for each outcome measure submitted with the Consolidated Plan and explain, if applicable, why progress was not made toward meeting goals and objectives.

- i. HOPWA formula grant performance reporting.** Since appropriations occur annually and grant periods of performance are three years, most HOPWA formula grantees operate multiple HOPWA formula grants in a fiscal year. This results in the performance of multiple grants reported in a single CAPER. The administrative requirements for grant closeout at 2 CFR 200.344 are understood to include the use of the final performance reporting data on the grant submitted through the CAPER on the reporting cycle provided by 24 CFR 91.520(a). Since closeout requires confirming all applicable administrative actions and all required work of the grant are complete, the final performance report should include the performance data that corresponds to the final expenditures under the grant. Accordingly, HUD Field Offices will not be expected to commence closeout actions on a HOPWA formula grant before HUD receives the CAPER for the program year that includes the final grant expenditures or the grant's period of performance end date (whichever occurs first). With respect to submitting the CAPER, the reporting deadline under 2 CFR 200.344(a) does not supersede the CAPER deadline under 24 CFR.91.520(a);
 - ii. HOPWA competitive grant performance reporting.** For HOPWA competitive grants, the same administrative requirements of 2 CFR 200.344 apply and are understood to include the use of a final HOPWA performance report (i.e., for competitive grants the final APR);
- b. Financial status reports, and/or requests for reimbursement reports** (e.g., financial information that is up to date in IDIS and available for system-generated reports);
- c. Complete Standard Form Federal Financial Report (SF-425)** for sections on Program Income (part 10. L-O), and Indirect Expenses (part 11), since IDIS does not currently capture this information for HOPWA grants.

B. Reports Not Submitted

If the grantee does not submit all reports in accordance with 2 CFR 200.344 and the terms and conditions of the grant, HUD must proceed to close out with the information available within one year of the period of performance end date. If the required reports are not submitted within one year of the period of performance end date, HUD must report the grantee's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS). HUD may also pursue other enforcement actions per 2 CFR 200.339.

VI. Final Payment and Financial Reconciliation

- A.** Final IDIS draws should be made by the grantee for costs incurred during the approved budget period for the award within 120 calendar days after the end date of the period of performance unless HUD authorizes an extension, as specified in the terms and conditions of the grant.
- B.** HUD will make prompt payment to the grantee for allowable costs meeting the requirements in 2 CFR part 200 subpart E and 24 CFR part 574 to the extent that HUD determines that grant funds remain available, and the grantee has not been paid for those costs.
- C.** The grantee must promptly refund any balances of unobligated cash that HUD paid in advance or paid and that are not authorized to be retained by the grantee for use in other projects. See OMB Circular A-129 and see 2 CFR 200.346, for requirements regarding unreturned amounts that become delinquent debts.
 - a.** The grantee must immediately return to HUD any balance of grant funds that the grantee drew down but did not show were expended on allowable costs meeting the requirements in 2 CFR part 200 subpart E and 24 CFR part 574 for the grant to be closed out.
 - b.** Any funds paid to the non-Federal entity in excess of the amount to which the non-Federal entity is finally determined to be entitled under the terms of the Federal award constitute a debt to the Federal Government. If not paid within 90 calendar days after demand, the Federal awarding agency may reduce the debt by:
 - i. Making an administrative offset against other requests for reimbursements;
 - ii. Withholding advance payments otherwise due to the non-Federal entity; or
 - iii. Other action permitted by Federal statute.
 - c.** Except where otherwise provided by statutes or regulations, the Federal awarding agency will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (31 CFR parts 900 through 999). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.
 - d.** Consistent with the terms and conditions of grant to be closed out, HUD must make a settlement for any upward or downward adjustments to the Federal share of costs after the closeout reports are received.

VII. Property

The grantee must account for any real and personal property acquired with Federal funds or received from HUD in accordance with 2 CFR 200.310 through 200.316 and 200.330.

- A grantee must make an inventory of all real property and personal property acquired or improved under the grant and request disposition instructions from HUD if real property, equipment, or intangible property is no longer needed as provided by 2 CFR 200.311, 200.313, and 200.315(a) respectively.
- If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share as provided by 2 CFR 200.314.
- Grantees should be reminded that even if the minimum use period is satisfied on a structure acquired, constructed, or rehabilitated with HOPWA funding (see requirements at §574.310(c)), disposition requirements still apply if grantees wish to sell or change the use of the property (see requirements at 2 CFR 200.311).

VIII. Completing Closeout Checklist (Attachment A)

Field Office staff will complete the Closeout Checklist (Attachment A) to ensure all relevant closeout documents and information for the grant are submitted and recorded to move forward with completing the Closeout Certification (Attachment B). The Closeout Checklist needs to be completed and filed with the grantee's information at the Field Office for recordkeeping purposes and does not need to be submitted to OHH for closeout processing.

IX. Processing Closeout Certification (Attachment B)

Field Office staff should send the executed Closeout Certifications (Attachment B) to HOPWA@HUD.GOV, and if there is a balance remaining on the grant, send to the relevant Ft. Worth Accounting Center contact for deobligation/closeout. Certifications must be signed and dated by the grantee's authorized representative and the HUD Field Office CPD Director. Field Offices must complete financial information in the Closeout Certification. After completion, Field Offices will send Closeout Certifications for the grantee's signature by the grantee's authorized representative. The grantee will then resubmit to the Field Office for final confirmation and signature by the Field Office CPD Director. Grant information included in the

certification form must be electronically completed (i.e., using Microsoft Word/Power PDF Advanced to fill out the form). Signatures can be handwritten or electronically signed. Note: Line 3 of the certification should reflect any grant funds *already* recaptured/deobligated and Line 4 should reflect the balance of grant funds remaining *at the time of certification execution* that will be recaptured/deobligated.

X. Processing Deobligations

The CPD Funds Control Matrix states the deobligation of grant funds occurs through a grantee closeout certification or memo signed by the CPD Field Office Director. Certifications that include deobligations should be sent to the Ft. Worth Accounting Center contact for deobligation in eLOCCS in addition to OHH at HOPWA@HUD.GOV.

XI. Addressing Open Audit or Monitoring Findings

Grantees and project sponsors must comply with the audit requirements at 2 CFR part 200, subpart F. In addition, HUD Field Office staff engage in grantee monitoring to assess compliance with programmatic requirements. If there are outstanding monitoring or audit findings preventing closeout, the Field Office must contact OHH to alert the program office and discuss timeline for finalizing closeout. This should be included in the completed closeout checklist (Attachment A). Therefore, it is understood that in some circumstances, post-award monitoring can extend through the period of performance and closeout, but if there are outstanding monitoring or audit findings (e.g., CPD monitoring findings, OIG audit findings, Single Audit findings) at the time of closeout review, HUD should not proceed to closeout the grant.

Furthermore, the closeout of a Federal award does not affect audit requirements in 2 CFR part 200, subpart F. An award may be closed before submission of a Single Audit. If, after closeout has been completed, a subsequent audit report identifies questioned costs, HUD may disallow costs and recover an amount based on sustained audit findings. The Field Office must also make OHH aware of findings issued after the period of performance.

XII. IDIS Activity Completion

As part of the closeout process, HOPWA grantees must finalize completion steps for activities in IDIS. Section 6 of the *Using IDIS Online for HOPWA* manual details the steps that Grantees must follow to complete Activities in IDIS.

XIII. Post-Closeout Adjustments and Continuing Responsibilities

The closeout of a HOPWA grant does not affect any of the following:

- A.** The right of HUD to disallow costs and recover funds on the basis of a later audit or other review. HUD must make any cost disallowance determination and notify the grantee within the record retention period (2 CFR 200.345(a)(1)).
- B.** Records retention as required in 2 CFR 200.334 through 200.337 (2 CFR 200.345(a)(6)). The obligation to follow the applicable HOPWA recordkeeping requirements at 24 CFR 574.530 and 24 CFR 91.105(h), 24 CFR 91.115(g), and 24 CFR 91.401. For formula grants, the record retention period for HOPWA is the longer of 4 years (as specified by 24 CFR 574.530) or the period specified by 24 CFR 91.105(h), 24 CFR 91.115(g), and 24 CFR 91.401. For competitive grants, the record retention period is 4 years as specified by 24 CFR 574.530.
- C.** The requirement of the grantee to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments (2 CFR 200.345(a)(2)).
- D.** The ability of the Federal awarding agency to make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments (2 CFR 200.345(a)(3)).
- E.** The audit requirements at 2 CFR Part 200, subpart F (2 CFR 200.345(a)(4)).
- F.** Property management and disposition requirements in 2 CFR §§200.310 (Insurance coverage) through 200.316 Property trust relationship (2 CFR 200.345(a)(5)) and minimum use period required by 24 CFR 574.310(c).

After closeout of the HOPWA grant, a relationship created under the grant may be modified or ended in whole or in part with the consent of HUD and the grantee, provided the responsibilities of the grantee referred to in 2 CFR 200.345(a), including those for property management as applicable, are considered and provisions made for continuing responsibilities of the grantee, as appropriate (2 CFR 200.345(b)).

XIV. Contact Information

Questions regarding the content of this Notice may be directed to the Office of HIV/AIDS Housing's email box at HOPWA@hud.gov.

Attachment A: HOPWA Grant Closeout Checklist for HUD Field Offices

The following checklist is intended to aid HUD Field Office staff with identifying possible issues that may prevent grant closeout prior to executing the HOPWA Closeout Certification (Attachment B). The following form should be completed and filed with relevant grantee reports. This form does not need to be submitted to the Office of HIV/AIDS Housing. For assistance with completing this form, please contact your HOPWA Desk Officer or email HOPWA@HUD.Gov.

I. Grant Information

Grantee Name:	Grant Number:
Grant Year:	Formula or Competitive:
Period of Performance Start Date/Budget Period Start Date:	Period of Performance End Date/Budget Period End Date:
Was an extension of the period of performance executed? (Y/N):	Period of Performance Extension Date, if applicable:
Grant Amount Obligated:	Grant Amount Disbursed:
Grant Amount <i>Previously</i> Recaptured/De-obligated:	Balance Remaining at time of closeout review for de-obligation by HUD:

II. Required Documents for Grant Closeout

<u>Checklist</u>	<u>Submitted (yes or no)</u>
Document: SF-425	Yes <input type="checkbox"/> No <input type="checkbox"/>
Document: Final CAPER or APR	Yes <input type="checkbox"/> No <input type="checkbox"/>

III. Questionnaire – If answering “no” to any of these questions, please describe in box below what conditions may prevent closeout of this grant and notify your HOPWA Desk Officer or email HOPWA@HUD.GOV.

1. Did the grantee submit all required documents for grant closeout within the applicable deadlines?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. Did HUD’s closeout staff review the grant agreements and amendments, grantee reports, monitoring and audit information, information in IDIS and confirm, to the best of the HUD staff’s knowledge, there was no missing, inaccurate or inconsistent information?	Yes <input type="checkbox"/> No <input type="checkbox"/>

3. Did HUD's closeout staff verify that the grantee accounted for any real and other property acquired with Federal funds as required by 2 CFR 200.344(f)?	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. Were final IDIS draws made within 120 days after the period of performance end date or as provided by a HUD-approved extension? (If an extension was granted on the timeframe to liquidate remaining balances incurred under the grant, please note below.)	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. Are all costs incurred within the period of performance/budget period start and end dates or, if applicable, the period HUD approved for pre-award costs or period of performance/budget period extension?	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. If applicable, are all special conditions of the grant met?	Yes <input type="checkbox"/> No <input type="checkbox"/>
7. If applicable, are all conditions of approved waivers met?	Yes <input type="checkbox"/> No <input type="checkbox"/>
8. If applicable, are all audit or monitoring issues associated with this grant resolved (e.g., CPD monitoring findings, OIG audit findings, Single Audit findings)?	Yes <input type="checkbox"/> No <input type="checkbox"/>
9. Did the grantee and HUD make all necessary cost and cash adjustments as explained in section VI of the Closeout Instructions for HOPWA Program Grants?	Yes <input type="checkbox"/> No <input type="checkbox"/>
10. Based on the information available and reviewed, did HUD's closeout staff determine to the best of their knowledge and belief that all applicable administrative actions and all required work of the grant have been completed by the grantee in accordance with the applicable requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>

If answering "no" to any of these questions above, please describe in box below what conditions may prevent closeout of this grant at this time and notify your HOPWA Desk Officer or email HOPWA@HUD.GOV.

Checklist Completed By (Name): _____

Checklist and Review Completed On (Date): _____

Attachment B: Closeout Certification

**Housing Opportunities for Persons With AIDS Program
Grantee Closeout Certification**

The Grantee hereby certifies that: (1) to the best of the Grantee’s knowledge, the activities carried out under this grant have been performed in accordance with the terms and conditions of the executed Grant Agreement and applicable statutory and regulatory requirements; (2) there are no known outstanding programmatic or financial issues (e.g., CPD monitoring findings, OIG audit findings, Single Audit findings); and (3) the Grantee understands that closing out of the grant does not relieve the Grantee of any obligations that continue to apply as provided by 2 CFR 200.345 or 24 CFR 574.310(c).

HUD hereby certifies that the closeout checklist was completed and filed and that the financial information below matches the eLOCCS information at the time of CPD Director signature for closeout.

Lines 1-4 to be completed by HUD Field Office Staff. After completion, Field Office Staff will send to Grantee for signature. Grantee will re-submit to the Field Office for final confirmation and signature by the HUD CPD Director.

Note: Any person who knowingly makes a false claim or statement to HUD may be subject to criminal penalties under 18 U.S.C. 287, 1001, and 1012, and/or civil penalties under 31 U.S.C. 3729 and 3801-12.

Grantee Name: _____

Grant Number: _____

1. Total amount obligated by HUD	\$
2. Total grant funds drawn down for allowable costs as represented in IDIS	\$
3. Grant funds <i>already</i> recaptured/deobligated by HUD • (Prior to this closeout action)	\$
4. Balance of remaining funds in IDIS • ((Line 1 – (Line 2 + Line 3)) • (Requesting FWAC to deobligate this amount upon execution of this certification)	\$

Grantee Authorized Representative’s Signature and Date

HUD CPD Director and Date

Typed Name of Signatory

Typed Name of Signatory

Title

Title