

CHAPTER 16 –CLOSEOUT

PROJECT CLOSEOUT

Closeout is the process by which the Department determines that all requirements identified in the contract meet satisfactory completion. Once all project activities accomplishments are complete and all funds drawn down, the closeout process begins. While the project may be complete and “closed out” at the local-level prior to this undertaking, the grant closeout process is completed upon the following being cleared by the Department: performance and compliance monitoring; submitted reports; and any other documentation requiring submission.

To ensure timeliness, closeout should occur on, around, or prior to the CDBG Contract end date, or, if applicable, as amended. The Department’s closeout process may either be initiated by the Department or at the grantee’s request, the Department’s initiation of the closeout process involves the issuance of a Notice of Closeout letter to the grantee near the contract end date, upon receipt of a final drawdown request, or upon payment of all CDBG funds for the project, whichever occurs sooner. This Notice of Closeout letter, which may be sent via email or other means, may also be sent upon grantee’s request to initiate the closeout process for the project upon or following submission of a final drawdown request.

As a part of closeout process, the grantee submits the following reports to the Department:

- Final Semi-Annual Project Status and Compliance Report (“PSR”),
- Final Financial Report,
- Final Wage Compliance Report (if applicable),
- Final Product (if applicable),
- Final Job Creation/Retention Report (if applicable), and
- Other documents applicable in order to complete closeout, including but not limited to:
 - 2nd Public Hearing documentation, (public notice and meeting minutes)
 - Affirmatively Furthering Fair Housing (AFFH) activity documentation,
 - Complete source documentation (reference CDBG Policy Memo 17-02),
 - Limited English Proficiency (LEP) documentation of efforts to meet any requests,
 - Monitoring corrective actions and/or action plans (if applicable),
 - Leveraged funds documentation (if applicable), etc.

The Department reviews and either accepts or works with the grantee for document clearance. For additional information regarding final reporting items and a copy of the forms, please access the Department’s website.

FINAL PROJECT STATUS AND COMPLIANCE REPORT

Submit the Final Project Status and Compliance Report (“PSR”) upon completion of all CDBG activities for the project, depending on status of monitoring clearance, this may be exclusive of general administration. On the report, the grantee selects the “Final Report” box and identifies all accomplishments that were completed during the final project reporting period and cumulatively. The grantee is responsible for:

- identifying the CDBG National Objectives met during the course of the project,
- identifying the beneficiary information resulting from project activity completion,
- providing the appropriate beneficiary information, and
- providing information on
 - Minority Business Enterprises/Women owned business enterprises (MBE/WBE) and
 - Project contracts related to Section 3 businesses.

Refer to the PSR instructions to complete performance measures and compliance activities.

FINAL FINANCIAL REPORT

This report provides information on the final program cost amounts for each of the CDBG project activities stated in the grantee's contract sources and uses section, plus amendments that revised the contract sources and uses. This information generally includes total activity costs paid, any CDBG program income expended during the project, and any local match expenditures. The report also identifies any remaining funds that the grantee will expend through the submittal of a final draw down request and whether or not there are any unspent CDBG funds to de-obligate (i.e., cancel). The Department's financial staff and the project's Program Representative reviews this information for accuracy, where this review identifies errors in the reported information, the Program Representative will work with the grantee and the Certified Administrator in revising and finalizing the report.

FINAL WAGE COMPLIANCE REPORT

For projects that involve Davis-Bacon and related acts (DBRA), which includes most projects involving construction, complete and submit the Final Wage Compliance Report. The report identifies, whether during the course of construction activities, if restitution was paid to employees due to the employees being paid less than the required Wage Determination Rate identified for the project. The U.S. Department of Labor releases the Wage Determination Rate.

FINAL PRODUCT

For planning only projects, submit the final planning product as approved by the unit of local government. The final planning product is the culmination of the planning process as carried out under the CDBG-funded project. This document should be provided as a PDF and one bound hard copy. Alternatively, two hard copies may be provided. This document is reviewed and compared to the scope of work as provided within the professional services contract for planning activities. Reference the Planning Category Application Guidelines for additional information.

FINAL JOB CREATION/RETENTION REPORT

This report provides information regarding the final number of jobs created/retained for the project through the Economic Development (ED) or Tourism Development (TD) categories where project activities proposed to create/retain jobs.

PUBLIC HEARING

CDBG projects require two public hearings, the grantee holds the first prior to submission of the related CDBG application ("1st public hearing") and the second during the project's implementation ("2nd public hearing"). The hearings inform the public of the project's status and the effect on the community. The purpose is to obtain residents' views and respond to questions. Together the hearings must cover community development and housing needs (including any analysis and efforts to affirmatively furthering fair housing), development of proposed activities, and a review of program and/or performance of project activities as implemented. The grantee submits a copy of the 2nd public hearing notice and public hearing minutes, including any public comments. Reference the applicable category's Application Guidelines for additional information.

FAIR HOUSING ACTIONS

Submit documentation demonstrating the actions that were taken to affirmatively further fair housing during the course of the grant. Documentation includes the fair housing event or action purpose/title, dates event or action held or time period, list organization participating, and attendance numbers. Reference the CDBG Contract for additional information.

LIMITED ENGLISH PROFICIENCY (LEP)

Submit documentation demonstrating the LEP services provided by grantee during the course of the grant, including any requests by LEP persons for such services. If a Language Assistance Plan (LAP) was adopted and implemented, provide summary response identifying the services and vital documents provided LEP persons in regards to carrying out the project activities.

LEVERAGED FUNDS STATEMENT

Submit a statement identifying funds leveraged for the project. List activities and amounts by funding sources. If the leveraged funds are not for the CDBG funded project activity, provide documentation that supports benefit to persons served by the CDBG funded project activity, plus a project service area map with locations CDBG funded project activity and leverage funded activity.

COMPLIANCE MONITORING

Grantee must also ensure clearance of that any previous monitoring findings and, if required, any other additional information requested has been received (e.g., copies of final plans for planning projects, any necessary documentation required for ED projects, corrective actions, action plans, etc.).

CERTIFICATE OF COMPLETION

After the above mentioned items have been submitted to the Department and reviewed by staff, a Certificate of Completion letter will be issued to the grantee when the following criteria have been met:

- CDBG grant funds have been expended in full;
- All grant requirements, including all final reports, required documentation, and monitoring has been reviewed and finalized; and
- The grantee has resolved any outstanding audit issues.

The Certificate of Completion letter that is received by the grantee will specify any follow-up actions that are required by state or federal regulations, however, the Certificate of Completion letter constitutes satisfactory completion of all grant requirements for the project.

FILE RETENTION

Grantees must maintain CDBG grant records for a period of 10 years after the issuance of the Certificate of Completion. Refer to Chapter 2 and 14, for further information concerning recordkeeping requirements.