

CD&H Practitioners Alerts and Updates

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TO: GRANT ADMINISTRATORS and Interested Parties

FROM: Donna Enrico

DATE: September 13, 2013

SUBJECT: Contract Closeout Procedures for Federal HUD CDBG Program

GRANTEE PROCEDURES

These procedures are set forth to standardize, streamline and clarify the requirements for the contract closeout for CDBG contracts. Closeout documentation should be submitted to your respective Grant Manager after the following tasks have been completed or are in progress.

1. Activities have been completed; all funds drawn for the activity.
2. National Objective has been met (eg – beneficiaries are being served by the project).
3. All budget revisions and modifications have been approved by DCED. (NOTE: Minor budget revisions [changes involving \$100 or less per activity] may be done with the submission of the final closeout paperwork if it is a matter of cleaning up budgets due to cost overruns or under budget activities. It is recommended that you contact your respective Grant Manager prior to submission.)
4. IDIS Activity Status – Changed to “COMPLETE”.
5. Single Audit has been completed or is in progress, if applicable.
6. Monitoring – May or may not have been completed at time of submission of closeout information. NOTE: A closeout letter will not be issued unless the contract has been monitored.
7. Final Annual Reports including but not limited to Program Income, Labor Standards, Section 3 etc. have been submitted.
8. **Grantees submit appropriate Closeout Questionnaire, PR02 Report and Fiscal Status Report (FSR) to Grant Manager.**

GRANTEE RECORD RETENTION

Grantees will be required to maintain all contract and file documentation until DCED issues a record's disposal date which will be three (3) years after DCED closes out its fiscal year contract with HUD.

DCED PROCEDURES

Once DCED receives the appropriate paper work:

1. Grant Manager reviews the Questionnaire, Fiscal Status Report, and the IDIS PR02 report for expenditures and Activity Status.
2. Grant Managers ensure that monitoring has been completed, a letter issued to the grantee, and if applicable, all findings have been resolved.
3. A Contract Closeout Letter will be issued only if the Grant Contract has been monitored and the letter issued. The Closeout letter requests grantee to verify if a Single Audit is required, to assure that it is submitted to the Bureau of Audits, and any issues raised in a Single Audit must be resolved satisfactorily by the grantee.

These forms are available in MS Word format and can be obtained by visiting the Department's website at: <http://www.newpa.com/community/documents-publications/cdbg>

- Fiscal Status Report
- Closeout Questionnaire

RECORD RETENTION- REVISED

570.490 Recordkeeping Requirements

(d) Record Retention – Records of the state and units of general local government, including supporting documentation, shall be retained for the greater of three years from closeout of the grant to the states, or the period required by other applicable laws and regulations as described in 570.487 and 570.488.

For all CDBG contracts, the Closeout Letter will indicate that the period of time for retaining all records for the CDBG grants is three (3) years from the date **DCED closes out its contract with HUD**. DCED will notify grantees, under separate letter or notice, the appropriate date for record disposal. This date will not be the same date as the closeout letter for grantee contracts. Grantees will not be permitted to discard records until notified of the appropriate disposal date.

NOTE: DCED has open contracts with HUD for the FY 2000 -2012 program years. If you have files from any of these open program years, you must maintain these files until provided a record's disposal date from DCED.

HOME AND ESG PROGRAMS

Grantees are reminded that the HOME and ESG Programs have different record retention requirements due to affordability periods and rehabilitation work of the shelters. Please refer to Appendix C of all contracts regarding specific record retention requirements.