



*Indian Health Service  
Division of Grants Management  
Closeout Requirements*



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



# What is Closeout?



- ▶ Closeout refers to the end of a grant's life cycle or period of performance. 45 Code of Federal Regulations (C.F.R.) 75.381.
- ▶ The closeout process for each IHS grant must be completed no later than 180 calendar days after receipt and acceptance of all required final reports from the recipient, or 270 days from the completion date of the award. This allows the entity 90 calendar days to submit their final documents to DGM.

# What is Closeout?

- ▶ 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 final reports, both financial and performance, have been received as required.



# Division of Grants Management Responsibilities



- ▶ During the closeout phase, the IHS Division of Grants Management, (DGM), in particular your Grants Management Specialist, (GMS) will work closely with you 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 your grant is completely closed,
  - Receive and review final financial reports to ensure completeness, accuracy and acceptability.



# Program Office Responsibilities



The IHS Program Office will:

- Work closely with DGM to make sure that all final programmatic reports have been received and reviewed.
- Work closely with your organization to provide any additional programmatic guidance needed to ensure you are able to submit your outcomes and evaluation for your program.
- Will be responsible for reviewing and proving approval to DGM to move forward with completely closing your grants program.

# Closeout Notification

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

## *When should you expect notification?*

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

# What is required?

- ▶ *A Final Federal Financial Report (FFR).*
  - Final Reconciled FFR, SF-425
  - Reconcile your FFR with the Division of Payment Management (DPM).
  
- ▶ *Final Progress Report*
  - Conduct a project programmatic review and submit your “Final Progress Report” according to the guidelines provided by your GMS in your closeout instructions or directly from the Program Office.
  
- ▶ *Equipment Disposition*
  - Submit your report of equipment purchased to your GMS.

**\*All documents should be sent to your GMS via GrantSolutions.**



# What is required?

- ▶ *Supply Disposition*
  - Submit your report of all unopened, unused supplies.
- ▶ *Records Retention*
  - Quality Control (QC) File Review,
  - Retain all records as required.

Be sure to work closely with your GMS on all required documents needed for the closeout process. They will be able to provide guidance for a successful, timely closeout phase.

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



# 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 a copy of the final Federal Financial Report (SF-425) has been submitted to the DGM.
- ▶ Unless granted an extension by your GMS, all required **“Final Reports”** should be submitted to your Grants Management Specialist 90 days after the end of the period of performance.

# Financial Reconciliation

## ▶ Final Federal Financial Report

- Must cover the entire period of performance (competitive segment) or as much time as the grant was funded before ending, being terminated or being transferred.
  - Cannot contain any unliquidated obligations.
  - Must indicate exact balances of unobligated funds.
  - All unobligated balances must reconcile with the Payment Management System.
  - Must be “Final”.
- \* Any outstanding funds owed to IHS should be remitted immediately to avoid interest charges and collection actions.**

# Financial Reconciliation

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

- Liquidated all 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 DPM,
- 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.



# Final Progress Report



- ▶ A **“Final Progress Report”** is required for any IHS grant that is terminated or is at the end of the period of performance and ready for closeout.
- ▶ The Progress Report should be submitted via a Grant Note in GrantSolutions.gov, and must include the outcomes (both positive and negative), evaluations and results on your accomplishments towards the programmatic goals and objectives for the entire period of performance for which you were funded.



# Equipment Disposition



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

- ▶ Your 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 C.F.R. 75.320.
- ▶ When no longer needed for the original program or project, the equipment may be used in other activities supported by the IHS with prior approval.

# 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 organization.

The use of the following OMB Forms to request disposition and report equipment is required:

SF-428C Disposition Request/Report & SF-428S "Supplemental Form"  
(Found on the IHS Grants Policy Website: <https://www.ihs.gov/dgm/forms/>)



# 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 C.F.R. 75.321.



# Where Do I Find the Disposition Forms?



- ▶ Disposition Forms:
- ▶ OMB Forms can be obtained from the IHS Grants Policy Website at:

<https://www.ihs.gov/dgm/forms/>

- ▶ If there was no equipment purchased with grant funds or no unopened, unused supplies for your project; complete Form SF-428C “Tangible Personal Property Report”, and indicate in box #4 “that there was no equipment purchased or supplies that require a disposition approval.”

# IHS Disposition Rights

- ▶ The disposition of property is not required as part of closeout. **If a recipient continues to use the property after closeout**, as permitted in 45 C.F.R. 75.318, 75.320, and 75.321, this will not affect the IHS's ability to closeout the award.
- ▶ Specifics related to the disposition of federally-owned property are outlined in 45 C.F.R. 75.319. For any tangible personal or real property acquired or improved under the award, it must be determined whether:
  - i. the recipient will continue to use the property after closeout;
  - ii. the recipient is requesting disposition instructions; or
  - iii. the IHS wants to exercise its right to transfer title; and,
  - iv. any reimbursement is due to the IHS.



# IHS Disposition Rights, cont'd



- ▶ If a recipient requests disposition instruction, the IHS must:
  - i. have the recipient validate that the property has been disposed of as indicated;
  - ii. if applicable, ensure that the sales proceeds are credited in accordance with the terms and conditions of the award; and,
  - iii. work with the IHS to determine the handling of any property owned by the federal government.



# 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.
- ▶ 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. (45 C.F.R. 75.318)



# IHS Disposition Rights



- ▶ *Disposition.* When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by the IHS, except as otherwise provided in Federal statutes, regulations, or IHS disposition instructions, the non-Federal entity must request disposition instructions from the IHS during the closeout process.
- ▶ Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the IHS. 45 C.F.R. 75.320 Equipment



# IHS Disposition Rights



- ▶ Except as provided in 45 C.F.R. 75.319(b), or if the IHS fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold.
- ▶ The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party with prior approval.
- ▶ For additional details and specific questions on the disposition of equipment, contact your GMS for guidance.



# Retention and Access Requirements for Records



## Retention requirements for records

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report. 45 C.F.R. 75.361

When the non-Federal entity is notified in writing by the IHS of any grants violations, on going commitments or litigations, the entity will be required to extend their retention period.

The Federal government may recover any funds owed based on the results of an audit covering any part of the period of performance.



# Retention and Access Requirements for Records

- ▶ Closeout of a grant does not automatically cancel any requirements for property accountability, record retention, or financial accountability.
- ▶ Following closeout, your organization remains obligated to return all federal funds due as a result of later refunds, corrections, or other transactions.
- ▶ Upon completion of all closeout procedures of your grant award, you will be notified by your GMS that your grant is officially considered closed.
- ▶ Your official grant file will be stored as a permanent record in the electronic grants management system GrantSolutions by IHS.

# 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 period of performance, for instance:
  - Litigation Claims
  - Financial Management
  - Negotiations
  - Audits/Noncompliance Finding Reviews
  - Indirect Costs Proposal and Cost Allocation concerns
  - Questions regarding real property or equipment purchased with Federal funds



# Additional Compliance Requirements



- ▶ These records shall be retained until all litigation, claims or audit findings etc., involving the records have been resolved and final action taken.
- ▶ Your 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 your Grants Management Specialist.

# Delinquent Reports

- ▶ There are specific steps taken to obtain delinquent reports. DGM and the IHS Program Office will work together to obtain the required reports due after the deadline date of 90 days has passed. 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** has passed and all required documents have not been received, further **sanctions** may be imposed in accordance with 45 C.F.R. 75.371 Remedies for noncompliance.

# Sanctions

## 75.371 Remedies for noncompliance

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

- ▶ Withholding of cash payments or,
- ▶ Disallowance of costs or use of funds,
- ▶ Converting to costs reimbursement method of payment,
- ▶ Suspension of award activities,
- ▶ Withholding further Federal awards for the project or program,
- ▶ Suspension or termination of an active grant Disallowance of costs or use of funds,
- ▶ Take other remedies that may be legally available.

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.



# DGM Contact Information



For additional information regarding IHS closeout requirements, please contact your assigned GMS directly or you may call the DGM main line of (301) 443-5204.

If you find further assistance is needed please contact:

*Ms. Tammy G. Bagley*  
*Senior Grants Policy Analyst*  
[Tammy.Bagley@ihs.gov](mailto:Tammy.Bagley@ihs.gov)  
*(301) 443-7172*

*Mrs. Denise Clark*  
*Grants Mgmt Officer*  
[Denise.Clark@ihs.gov](mailto:Denise.Clark@ihs.gov)  
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*The Division of Grants Management would like to take this opportunity to thank you for being a part of this Grants Management sponsored training.*

*DGM is dedicated to empowering our IHS grant community with the required knowledge and training needed for continued compliance of IHS policies, Indian laws, and HHS legislative and regulatory requirements.*