

## Section 8.1.2: Financial Requirements

### PURPOSE AND POLICY

The grant closeout process stated in this manual governs those actions that a grant recipient must take when the recipient and/or grantor determines that the grant has ended or all applicable administrative actions and the grant program is completed. In addition to the information included in this chapter, grant program managers should review the State of Arizona Accounting Manual (SAAM) Topic 70, Section 35: [Close-outs and Records Retention When the State is the Grant Recipient](#) for information that may be relevant to their program/grant's close-out procedures. Closeout requirements for federal grants are included in Uniform Guidance (2 CFR 200) [§200.343 Closeout](#); Uniform Guidance requires a 90-day closeout. As [SAAM policy 70.05](#) states that grants shall be established in eCivis, grant closeout activities should be managed within the eCivis or eCivis Subrecipient Manager (SRM) environment.

Closeout should begin with the programmatic close-out in eCivis and end in the Arizona Financial Information System (AFIS) with the inactivation of the chart of account structure upon the liquidation of all obligations.

### PROCEDURE

During the grant lifecycle, the grant program manager files periodic financial reports and related programmatic progress. These reports should be measured against the goals and budget as stated in the terms and conditions of the grant agreement. This allows the grant program manager to monitor his/her progress toward successful conclusion of the grant and funded program activities and ensure the related expenditures are tracking according to the budget. All such activities should have scheduled tasks associated with the grant in eCivis.

1. Per SAAM 70.35, the following financial requirements should have been met before a grant is closed out:
  - For grants where the Federal Government is the awarding entity, the final Federal Financial Report (FFR) should have been filed. An equivalent final report, if required, should be filed for grants where the federal government is not the awarding entity.
  - All final transactions—draw-downs, disbursements, liquidations—should have been completed. When a grant is closed out, all grant revenues that have been received or other grant-related revenues that may have been earned (such as interest earned on deposits) should, in compliance with the governing agreement, have been obligated, spent or returned to the grantor.
  - Any expenditure-matching requirements should have been met.
2. The grant program manager should notify internal agency personnel of the upcoming grant closeout at least 90 days in advance. Agency personnel who would need to know include the agency's financial representative and the signatory official (responsible party) for the grant. It may be necessary to inform the human resources liaison as well if the closeout of the grant will impact the employment status of agency employee(s).

3. The grant program manager should be in contact with the grantor; the grantor likely sent a closeout communication within 30-60 days prior to the scheduled program completion date. If not, the grant program manager should make contact with the grantor to provide notice.