

Section 8.1: Conditions for Closeout

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. Typically, the grantee's final programmatic and financial reports mark the conclusion of the grant. Early closeouts occur when the grantee has expended all funds or completed the activities associated with the grant prior to the official end date. Exceptions to the standard closeout process can be determined by grantor to remedy an administrative matter (such as the grantee is past the stated duration of time after the end date of the grant program) or as a remedial action against the grantee for cause (such as non-compliance or substantiated criminal activity). 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 eCivis.

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.

There are three types of closeouts: Standard closeouts, administrative closeouts and for-cause closeouts.

1. Standard Closeout

The standard closeout is a process that involves the consent and participation of both the grantee and grantor and follows the standard procedures outlined in this section. Standard grant closeouts can be initiated only for grants with no active items, such as a reimbursement request, monitoring issues, or open site visit.

A standard closeout may be initiated by the grantee at any time but are usually initiated when:

- The grantee has met the programmatic and financial requirements of the grant program and submitted all final reports. Typically, the grant close out period is 90 days after the end of the performance period. The grantee has completed the grant program requirements of the grant and has expended all of its funds prior to the end date of the grant program.
- The grant is closed because the originating funding source has expired or closed.

2. Administrative Closeout

Administrative closeouts are initiated by the grantor to resolve administrative matters that require the closing of the grant with or without consent of the grantee. An administrative closeout may be initiated by the grantor when:

- The grantee is unable or unwilling to complete closeout requirements. In some cases, this would include failure to submit required final reports.
- If a grantee is past the stated duration of time (typically 90 days) after the end date of the grant program (the expenditure deadline date).

3. For-cause closeouts

For-cause closeouts are similar to administrative closeouts as they are initiated by the grantor. These types of closeouts are initiated because of a circumstance(s) that arises concerning the grantee and its ability to comply with either its application and/or the grant award terms and conditions. A for-cause closeout may be initiated by the grantor at any time due to the following:

- The grantee is found to be noncompliant with the terms and conditions of the award agreement, including its application's scope of work.
- Post-award, the grantee withdraws from further participation in the grant program.