

Section 9.3: Administrative Closeout

PURPOSE AND POLICY

If a subrecipient has not or will not submit a closeout package within the stated, required deadline after the end of the grant (again, typically 90 - 120 days), it may be appropriate and necessary for the grant program manager to act and closeout the subrecipient's grant. Below are two examples of reasons for a grant program manager to perform the closeout:

1. **Non-compliant:** Subrecipients that are unwilling or unable to complete the closeout requirements; and
2. **Agency Directed:** Instances where standard closeouts and the above example does not apply. Agency-directed administrative closeouts include (but are not limited to):
 - awards that are accepted with no drawdowns/reimbursement requests by the subrecipients, and
 - subawards not accepted by subrecipients, and
 - when subrecipients have submitted all the required documents, however, they did not submit the required closeout package.

For an administrative closeout, the grant program manager is responsible for initiating and/or reviewing the documentation in the administrative closeout package. In such cases, the closeout package may contain limited documentation or none, other than a note or letter stating that the closeout was completed by the agency initiating an administrative closeout after the passing of the closeout deadline; exhaustive communication to the subrecipient regarding this requirement; and the inaction of the subrecipient.

The procedure for attempting to obtain the required documents from the subrecipient and for completing an administrative closeout is described below.

PROCEDURE

1. **Follow the standard notification process in Section 9.2 to notify the subrecipient that closeout documents are due and document those procedures.**

Again, the closeout package information should be included on the terms and conditions of the subgrant award document. It should state the required documents to be submitted and the due date(s). Additionally, a grant program manager should directly communicate the requirements in advance of the performance/project period end and closeout dates. Communication should be made through every means possible (e.g., email, telephone, and such). A grant program manager should document all contact or attempted contact with a subrecipient regarding its closeout (e.g., maintain a communication log for each subrecipient or the grant program as a whole).

If the grant program manager is using the eCivis Subrecipient Manager (SRM) tool, then a closeout task, Contract Close, will be created automatically once the subaward has been finalized and accepted by the subrecipient. The Contract Close task initially will be assigned to the identified subrecipient Project Team Lead.

2. Grant program manager initiates an administrative closeout.

If a subrecipient has not accepted the subaward, the grant program manager must initiate the closeout package. Additionally, if the subrecipient has accepted the award but is unwilling or unable to complete the closeout requirements, a grant program manager needs to initiate the closeout package or Contract Close task in the eCivis SRM tool.

In the eCivis SRM tool, the Contract Close date, once past due, will appear in a red font now. Additionally, there will be a light red background to that task line in the SRM.

3. Grant program manager to communicate to agency counterpart in the budget/finance/accounting division.

If a subrecipient doesn't submit a standard closeout package within the indicated time frame (again, 90 - 120 days after the performance/project period end date), the grant program manager must communicate to the appropriate budget/finance/accounting agency representative to freeze any remaining subrecipient funds.

4. Grant program manager to administratively close the subgrant.

To initiate an administrative closeout, the grant program manager conducts the following activities:

1. Reviews the subrecipient file for completeness (e.g., all reports have been submitted). Any missing documentation is noted for the file, along with any attempt by the grant program manager to have the subrecipient complete it. These activities should become a document that is part of the file.
2. Communicate with the appropriate budget/finance/accounting agency representative counterpart that the subrecipient is having its grant closed administratively. Confirm the payments and total amount reimbursed to this subrecipient with the budget/finance/accounting agency representative. If both parties' figures are the same, inform the budget/finance/accounting agency representative that no further payments will be processed and to close it within his/her system.
 - a. This administrative closeout may cause the need to deobligate, along with possibly re-obligating, any remaining funds from this subrecipient's subaward. If this is potentially the case, this should be communicated at this time and discussed further with that representative.
3. Compose and send a formal letter on agency letterhead informing the subrecipient that its subgrant has been closed administratively due to its non-compliance, non-

acceptance, or other factors that caused the need to perform an administrative closeout.

4. Follow any applicable internal approval processes.
5. If appropriate, communicate internally to other grant program managers within your agency that the subrecipient was closed out for this particular grant program administratively; this potentially could affect the subrecipient's future funding for this program and other grant programs within your agency.

Additional information

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.