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MEMO

WX-2012-06

TO: Agency Directors, Fiscal Officers and Weatherization Coordinators
FROM: Tim Zimmer, Energy Policy and Program Analyst
RE: DOE ARRA Grant Closeout Timelines and Guidance
DATE: June 27, 2012

Greetings,

As we prepare to retire the DOE ARRA grant; Oregon Housing and Community Services (OHCS) has developed this Memo to assist in the general closeout of the grant.

PRODUCTION

Subgrantees are advised that any weatherization work undertaken using ARRA funds must be completed and final inspected, and all necessary follow-up activities must be completed by July 31, 2012. If production or onsite project costs are incurred after the production period, these costs must be covered by another funding source.

Information regarding all unit completions must be entered into OPUS by August 31, 2012. Subgrantees are encouraged to begin checking the final production data entered in OPUS and correcting any erroneous information. Subgrantees shall not enter ARRA production data into OPUS after August 31, 2012 without consulting OHCS.

GENERAL CLOSEOUT

CLOSEOUT PERIOD: The two month time period (August 1 through September 30, 2012) at the end of the ARRA WAP that shall be used to retire the grant.

For all DOE ARRA subgrantees, the closeout period will begin August 1, 2012. Activities such as final inventory counts, Davis Bacon records review, national evaluation support, paying invoices, OMB 1512 Reporting, and final client file reviews are permissible. No onsite work, including final inspections, may be performed during this period. The Subgrantee may maintain closeout staff. Closeout staff performing office oversight duties, data entry, and client file review, Davis Bacon review, and inventory control may be retained during this period.

All ARRA funded production work shall be completed by July 31, 2012. No onsite work, including final inspections or corrective work may be performed after July 31, 2012.

POST-GRANT ADMINISTRATIVE COSTS

Regular annual appropriated DOE grant funds cannot be used for closeout of ARRA grants. It is incumbent upon the local Subgrantees to manage existing ARRA grant funds to ensure that adequate funds remain to complete ALL closeout activities in accordance with the grant requirements before September 30, 2012. Subgrantees shall not spend ARRA funds on the final inspections after July 31, 2012.

FINANCIAL STATUS REPORTS

Expected ARRA obligations cannot be shown on the final financial status report. Cash balances shown on the final report must be returned to OHCS and must accompany the Report. The final financial status report for the ARRA contract must be submitted by September 30, 2012.

UNEMPLOYMENT

The upcoming year's assessment for unemployment tax may increase for Subgrantees based upon how much unemployment compensation is collected against the Subgrantees' record. These costs will vary from one subgrantee to the next. Subgrantees should contact their respective state employment agency for specific guidance. ARRA funds cannot be used for contributions to unemployment after September 30, 2012. However, proportional payment of increased direct or indirect costs incurred due to increased unemployment insurance is allowable, as long as those payments are made prior to September 30, 2012.

INSURANCE

ARRA funded insurance coverage cannot be extended beyond September 30, 2012.

PRE-PAID COSTS

Grantees cannot charge expenditures for pre-paid costs beyond September 30, 2012.

ARRA funds may be used for rent as long as the expenditure and rental period does not go beyond the end of the grant period. A check must be written on or before the grant contract/award date, September 30, 2012, and can only cover costs through the grant termination date.

Invoices for ARRA work completed (and inspected) before July 31, 2012 may be paid during the closeout period.

TRAINING AND TECHNICAL ASSISTANCE

Subgrantees shall conclude all direct ARRA funded training activities by July 31, 2012. Additionally, ARRA funds cannot be utilized to prepay training activities, which will take place post July 31, 2012.

DAVIS-BACON

While Davis-Bacon Act (DBA) wage rates and other requirements are not applicable to standard weatherization work, there are certain DBA requirements that will continue for all weatherization work funded with ARRA funds. Subgrantees, in accordance with Department of Labor (DOL) regulations and grant requirements, must continue DBA compliance requirements, in particular collecting final certified payrolls, reviewing the submitted certified payrolls, and maintaining all certified payrolls and other records for a period of three years following the submission of the final cost report for the grant. Subcontractors must maintain payroll records and supporting documentation for a period of three years following the end of the contract. These records must be made available to DOE, DOL, or other interested parties upon request.

The installation of remaining/transferred materials purchased with ARRA funds will not trigger the Davis-Bacon Act requirements on jobs in standard WAP units started after the grant end date; however, the materials must still be separately tracked.

INVENTORY/ASSET CONTROL

Subgrantees shall plan the purchase of materials based on projected needs for completing ARRA production. Projected needs must be based on production goals that can be achieved before the production end date.

INVENTORY (Material and Supplies)

Subgrantees are reminded that stockpiling inventory for future grants is not allowed. After ARRA, Subgrantees may transfer remaining incidental inventory to ensure that the tracking and accounting of the remaining inventory is maintained.

If there is a residual inventory of unused materials/supplies greater than \$5,000 in total aggregate fair market value upon termination of the grant, and if the materials/supplies are not needed for any other federally-sponsored programs, the Subgrantee shall compensate the Oregon WAP for the full market value and may retain or sell the inventory without further obligation to the Oregon WAP.

If there is a residual inventory of unused materials/supplies less than \$5,000 in total aggregate fair market value upon termination of the grant, the materials/supplies shall be used to the benefit of the Oregon WAP or if the materials/supplies are not needed for Oregon WAP projects, the Subgrantee may sell the materials/supplies with proceeds going back into the Oregon WAP.

FIXED ASSETS (EQUIPMENT and VEHICLES)

Subgrantees shall propose how they wish to dispose of fixed assets on the ARRA Asset Disposition Request Sheet (attached). OHCS may accept, amend, or reject the proposed plans. Subgrantees may not artificially divide assets so that the fair market value falls below the \$5,000 threshold. The following identifies how fixed assets may be disposed. It is arranged in descending order of OHCS preference.

Fixed Assets purchased under ARRA may be transferred to the annual appropriated grant and used by the Subgrantee for its intended purpose/performance of weatherization activities.

Fixed Assets purchased under ARRA may be transferred to another Subgrantee in the network so that the assets may be used for their intended purpose/performance of weatherization activities.

If Fixed Assets are no longer needed by the Subgrantee or the network, then the Subgrantee (with OHCS approval) shall transfer them to another federally-supported program with a state level grantee (the Head Start program would not be eligible).

Fixed Assets no longer needed for their original purpose by the Subgrantee or the network and with a current per-unit fair market value that is greater than \$5,000 must be sold to an unrelated third party during the closeout period. The net profits must be returned to OHCS.

Fixed Assets no longer needed for their original purpose by the Subgrantee or the network and with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with the proceeds going back into the Oregon WAP.

If you have any questions, please contact me at (503) 986-2067.

Best Regards,

Tim Zimmer
Energy Policy and Program Analyst