

ReOregon

Subrecipient Manual

Version 1



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15 Project Reports and Closeout

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15 Project Reports and Closeout

15.1 Introduction

Throughout the lifecycle of a project, various project reports are required to ensure that funds are being expended in accordance with the subrecipient agreement, program rules, and state and federal requirements. The purpose of this chapter is to describe the various project reports that are required throughout the project as well as project closeout process and requirements.

15.2 Project Reports

The following chart demonstrates all reports that may be needed, the applicability of whom they apply to, and the timing of the reports. This is then followed by subheadings with an additional detailed description of each report.

Report	Applicability	Timing
Single Audit Report	If a subrecipient expends \$750,000 or more of federal awards	Annually — fiscal year ending for subrecipient
Monthly Activity Report: Financial progress, program income, accomplishments, and performance measures	All subrecipients	Monthly, no later than the 15 of each month
Section 3 Report	See Chapter 7 of the Subrecipient Manual	Quarterly

15.2.1 Single Audit Report

Subrecipients share the responsibility with OHCS to ensure that federal resources are expended efficiently, economically, and effectively to achieve the purposes for which the funds are furnished. The financial and performance audits discussed in this chapter and noted in [2 CFR Part 200, Subpart F – Audit Requirements](#) are designed to ensure that OHCS and its subrecipients are accountable to the public and meet this mutual responsibility, in particular for:

1. A financial audit is an independent, objective review of the entity's financial reporting processes and financial statements, indicating they are accurate and complete.

2. A primary purpose is to give assurance that the entity complies with the specific financial requirements for accounting systems and procedures and that financial statements are prepared in accordance with accepted accounting standards. (See Chapter 4 Financial Management.)
3. A performance audit is an independent examination of a program, function, operation, or management systems and procedures of the entity.
4. The performance audit assesses whether the entity has efficiently and effectively carried out operations and achieved the intended results from the entity's programs, which include the CDBG-DR program.

A single audit is an audit that includes both an entity's financial statements and its federal awards (from all applicable federal programs). For any fiscal year(s) in which the subrecipient expends \$750,000 or more of (total) federal awards, the subrecipient is required to obtain an annual audit report (this audit must include the single audit requirements in 2 CFR 200 Subpart F). Subrecipients are responsible to submit an audit to the [Federal Audit Clearinghouse](#) in a timely manner and submit a copy of the fiscal audit to OHCS.

Subrecipients must have an audit conducted in accordance with 2 CFR Part 200, Subpart F—Audit Requirements except when they elect to have a program-specific audit conducted. A program audit is an audit of one federal program (such as CDBG-DR). A program-specific audit is allowed when the grantee or subrecipient expends federal awards under only one federal program.

If a subrecipient expends less than \$750,000 a year in federal awards, he/she is exempt from the audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity, and the Government Accountability Office.

15.2.1.1 Preparing for a Single Audit

Whether your agency has a single audit or a program audit, you will be responsible for providing the auditor with:

- Access to personnel, accounts, books, records, supporting documentation, and other information as needed (2 CFR [200.508](#))
- Financial statements that reflect your financial position, results of operations or change in your net assets, and cash flows for the fiscal year ([2 CFR 200.510](#))
- A summary schedule of any prior audit findings noting whether corrective action was taken, and the status of correction actions not yet completed

The Single Audit Act requires, among other things, that the independent auditor determine and report on whether your organization or governmental entity has internal control systems to provide reasonable assurance that you are managing your federal assistance programs in compliance with applicable laws and regulations (Scope of Audit – [2 CFR 200.514](#)). Please refer to Chapter 4 Financial Management for more information on internal control systems.

15.2.2 Quarterly Performance Reports

The Consolidated Notice for the CDBG-DR funds requires OHCS to report performance measures to HUD on a quarterly basis during the lifecycle of the grant. OHCS will require subrecipients to submit performance reports on a monthly or more frequent progress reports on a case-by-case basis if it decides that regular written reports from a subrecipient are necessary. The performance report must be submitted during the period of performance of the subrecipient grant agreement with a final performance report submitted at closeout. Refer to Chapter 4 Financial Management for more information. The performance report provides status of financial progress as well as accomplishments and performance measures on a monthly basis. The subrecipient will also provide any relative financial information related to program income if the project activities generate program income. See the attachment at the end of this chapter for guidance on performance reports.

15.2.3 Noncompliance with Grant Management and Audit Requirements

In accordance with CFR 570.492 state's reviews and audits: (a) the state shall make reviews and audits including on-site reviews of subrecipients as may be necessary or appropriate to meet the requirements of section 104(e)(2) of the Act and (b) In the case of noncompliance with these requirements, the state shall take such actions as may be appropriate to prevent a continuance of the deficiency, mitigate any adverse effects or consequences, and prevent a recurrence. The state shall establish remedies for subrecipient noncompliance. (See Chapter 13 Monitoring.)

15.3 Subrecipient Agreement/Project Closeout

As CDBG-DR funds are fully spent and the project is completed, the subrecipient must begin the process of closing out project activities under the subrecipient agreement. While additional closeout information may be required for certain programs, this section describes the closeout conditions that must be met to fully complete the closeout process, timeline, and reporting requirements for closing out a project.

15.3.1 Closeout Conditions

It is important to note that the following conditions must be met to fully complete the closeout process:

- ✓ The subrecipient has fulfilled all of its responsibilities under the subrecipient agreement and completed the CDBG-DR funded activities in accordance with program guidelines.
- ✓ A CDBG national objective must have been met.
- ✓ All project costs to be paid with CDBG-DR funds have been paid, with the exception of closeout costs, such as project delivery costs.
- ✓ There must be no outstanding compliance review findings on the project.
- ✓ Any real property acquired has been disposed of according to the CDBG requirements and 2 CFR Chapter I and II, Parts 200, 215, 220, 225 and 230
- ✓ All required audits have been approved. (Refer to Chapter 4: Financial Management.)

15.3.2 Public Hearing

A second public hearing is required in accordance with the CDBG-DR citizen participation requirements. This hearing may take place anytime after the project status is 80% complete.

The purpose of the closeout public hearing is to address the performance of the funded grant. Hearings shall be scheduled at a time and location felt to be most likely possible for the majority of interested citizens to attend without undue inconvenience. Notification of all hearings shall be given a minimum of 5 full days (actually, 7 days, as the day of the notice and the day of the hearing cannot be counted as one of the 5 full days) in advance to allow citizens the opportunity to schedule their attendance.

In addition, steps must be taken to:

- Provide accommodations for persons with disabilities — location offers accessibility.
- Accommodate to meet the needs of non-English speaking people where a significant number of non-English speaking residents can reasonably be expected to participate.

City and county subrecipients must conduct the meeting for their communities. Other subrecipients will coordinate with OHCS for the public hearing. The subrecipient should indicate that all comments from citizens were considered or, if applicable, cite reasons for rejection of comments. All comments and responses must be documented in the citizen participation and closeout files.

As part of the closeout process, the subrecipient must provide proof of the public hearing to OHCS to include the following items:

- Copy of the notice
- Proof that the meeting location provided reasonable accommodations/accessibility
- Proof that language interpretation services were available if the need was anticipated
- Affidavit of publication
- Final approved hearing minutes

15.3.3 Closeout Timeline

Subrecipients must submit a grant completion report with applicable documentation before the end of the period of performance of the subrecipient agreement. The requirement for timely closeout is a subrecipient responsibility. The subrecipient must ensure project timeliness in accordance with the agreed upon timeline in the award contract. If at any point reasonable additional time is needed, the awardee shall request amendment to the award contract with justifiable request to extend the project timeline along with updated project work plan. Failure to manage project timeliness will affect the awardee's capacity assessment for future CDBG-DR funding.

15.3.3.1 Notice of Completion and Closeout Letter

As part of closeout, subrecipients may perform a final inspection, submit a grant completion report, and return any final program income, if applicable. A final closeout file review will be conducted by OHCS in coordination with the subrecipient to ensure that all required documentation is complete and compliant.

After OHCS has reviewed and approved the grant completion report, OHCS will send the subrecipient a letter stating that this report has been approved. If all other requirements have been met and the project is ready to be closed, OHCS will also issue a notice of completion or closeout letter to the subrecipient. It is important to note that if there are any outstanding or unresolved audit findings pertaining to the use of CDBG-DR funds, then a closeout letter cannot be issued.

15.3.3.2 Record Retention

The subrecipient is required to maintain all records pertaining to the project for a minimum of 3 years from the official closeout letter date per 2 CFR 200. Refer to Chapter 4 Financial Management in this manual and the applicable federal and state regulations for additional information regarding the specific records that should be maintained and the required format.

15.4 Appendix/Attachment

15.4.1 Guidance for Performance Report

Ensure that enough information is provided for HUD to determine if sufficient progress is being made on this activity.

1. Highlight the status of the activity (i.e., planned [has not been started], underway [in progress], cancelled, and completed) when providing details on activity progress. Make sure to include details pertaining to the project schedule as applicable. Highlight the month's accomplishments. Feel free to provide context to your reported current, quarter performance measures.
2. You may provide details on favorable developments that enabled meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned. Provide details on key components completed, including partnership development and coordination.
3. If the activity did not have progress, obligations, or expenditures during the quarter, use the space to communicate why the activity has not progressed. Provide details, delays, or adverse conditions that will materially impair the ability to meet the objectives of the activity. Include what actions are being taken, or contemplated, and any assistance needed to resolve the situation.
4. Please include any qualitative actions for Section 3 performance measures. Keep in mind that employment and training opportunities should be in connection with the HUD financial assistance being expended. Below are some examples of qualitative efforts; however, other efforts may be reported as appropriate and applicable to the activity. These efforts may be performed by the program or contractors, including construction firms.
 - Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers
 - Provided training or apprenticeship opportunities
 - Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching)
 - Provided or connected Section 3 workers with assistance in seeking employment including drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services
 - Held one or more job fairs

- Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare)
- Helped apply for/or attend community college, a 4-year educational institution, or vocational/technical training
- Engaged in outreach efforts to identify and secure bids from Section 3 business concerns
- Provided technical assistance to help Section 3 business concerns understand and bid on contracts
- Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns
- Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns
- Promoted use of business registries designed to create opportunities for disadvantaged and small businesses