



# Department of Veterans Affairs

## Financial Policy

### Volume X

#### Grants Management

### Chapter 6

#### Grant Closeout and Post Closeout Activities

Approved:

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**0601 Overview**

This chapter establishes Department of Veterans Affairs (VA) policy regarding the Grants Program Office (GPO) policies and procedures that apply during closeout and post closeout activities associated with Federal grants.

Key points covered in this chapter:

- VA will comply with grants management requirements for closeout in 2 C.F.R. §200.343-345;
- VA will comply with supplemental coverage in addition to 2 C.F.R. §200.343-345; and
- Closeout policies apply to both non-discretionary (formula or mandatory) and discretionary grant programs.

**0602 Revisions**

Section	Revision	Office	Reason for Change	Effective Date
Various	Reformatted to new policy format and completed five-year review	OFP (047G)	Reorganize chapter layout	June 2019
0605	Updated to address the provisions of the OMB Uniform Grant Guidance at 2 CFR Part 200, and to incorporate references to new guidance where appropriate.	OFP (047G)	Properly reflect current grant closeout requirements	June 2019
060505	Added language for GPO's to follow guidance under the GONE Act.	OFP (047G)	Updated to address current requirements.	June 2019
0606	Added link to GONE Act legislation	OFP (047G)	Updated to address current requirements.	June 2019

Section	Revision	Office	Reason for Change	Effective Date
0604	Updated references to GPO grants management staff to read as GPO staff	OFP (047G)	To clarify the responsible party as program office staff.	June 2019

### 0603 Definitions

**Date of Completion** – The date upon which all work under an award is completed, or the date on the award document on which Federal sponsorship ends.

**The Grants Program Office (GPO)** – The organization reporting to the approving official that would be responsible for programmatic administration of a particular grant if awarded.

### 0604 Roles and Responsibilities

**The Head of GPO** will designate an appropriate official to develop the overall closeout approach and expectations.

**The GPO staff** is responsible for reviewing all reports and other relevant records to determine if closeout is appropriate, for determining if there are debts related to unallowable costs and deciding to closeout based on such status.

**Financial Service Center (FSC)** is responsible for consolidation and submission of Grants Oversight and New Efficiency (GONE) Act reporting to Congress, and coordination for inclusion in VA’s Agency Financial Report.

### 0605 Policies

#### 060501 General Policies

- A. The GPOs will dedicate resources and management attention to ensure that closeout activities are performed within established timeframes, and in accordance with due process requirements. Timely and effective closeout and debt collection protects the Federal government’s interests with respect to future awards.

- B. The GPOs will close out grants not later than one year after the receipt and acceptance of all required final reports, consistent with the standards established in 2 C.F.R. §200.343-345.

### **060502 Receipt and Review of Reports**

- A. The GPOs will remind recipients at least 60 days prior to the scheduled expiration of the project period, required final reports, and report due dates. Early notice is necessary to allow for timely submission of extension requests.
- B. Recipients must provide adequate justification to support extension requests. The GPO will not allow extensions of the final budget period of a project period solely to allow the recipient to complete final reports. VA will not grant extensions of project periods or report due dates routinely. Extension requests may be submitted for either of the following instances:
  - 1. An effort under the award will not be completed by the scheduled expiration.
  - 2. An extension of the due date for reports that the recipient is unable to complete by the due date.
- C. The GPO will receive final reports (performance/technical report, Financial Status Report, other reports as required by the terms and conditions of the Federal award, and, if applicable, property report and invention report) from recipients no later than 90 calendar days following the date of completion or termination of grant support, unless the GPO approves an extension.
- D. The GPOs will ensure receipt of final reports of the technical or programmatic accomplishments of the grant, and reconcile financial and other records timely within receipt.
- E. The GPOs will take early action to obtain reports not submitted within the 90-day period allowed for submission of final reports. While the initial follow-up activity may be informal, it must be supplemented by sending the recipient a formal written request, signed by the GPO, indicating the potential consequences of continued delinquency. The GPO will file this letter in the official award file to support possible enforcement action.
- F. The GPO will make all reasonable efforts to obtain required final reports. If reports cannot be obtained, the head of the GPO may waive the requirement for a particular report provided the Federal government's financial interests in that award and potential future awards are protected.

- G. The GPO will complete the official award file with required reports in order to close out a grant, ensuring the amounts reported on the final Financial Status Report (SF 425) agree with those in the VA's accounting system.
- H. If a payment system is used such as Health and Human Services (HHS) Payment Management System (PMS), the GPO will ensure awards are administratively closed in such systems.
- I. The GPOs will run quarterly reports in each financial system and review all active awards to ensure any unused funds are accounted for, and the grants are properly closed out in each system.
- J. A final audit is not required to close out a grant. Should a subsequent audit identify unallowable costs, VA has the right to disallow costs and recover an appropriate amount based on sustained audit findings, even if the grant has been previously closed.
- K. The GPO should not close out an award if an audit disallowance is under appeal (whether to the GPO or to the appropriate Department appeals board) or there is an open legal action.
- L. Closeout does not affect the awarding office's ability to collect amounts determined to be due the Federal government.

### **060503 Coordination**

- A. VA will coordinate between various offices in order to achieve closeout of an award. These offices include the cognizant program office, the GPO finance office (or other finance office, e.g., the VA Committee on Compromises and Waivers), the GPO or other servicing property office (if applicable), and, in most cases, the Financial Service Center (FSC), VA, which operates VA's accounting system.
- B. The GPOs must have the full cooperation of (and fully cooperate with) other affected Federal government offices (both within and outside their GPOs) in efforts to obtain, review, and evaluate required information and documentation related to closeout.

### **060504 Administrative Process**

- A. The GPOs will receive and evaluate all required final reports (actions with respect to outstanding annual or other periodic reports should be resolved prior to closeout as part of monitoring and enforcement as specified in Volume X Chapter 5, Grant Post Award).
- B. The GPOs will reconcile financial records and adjustments to identify underpayments or overpayments.

- C. The GPOs will determine the disposition of any assets owned by the Federal government.
- D. The GPOs will determine the nature of any continuing obligations and requirements by recipients. These may include invention reporting, accountability for program income earned after the period of grant support, real and personal property requirements, including the use of property in which the Federal government has a reversionary interest, and receipt of audits completed subsequent to the end of grant support. After closeout of an award, this will also include any relationship or obligation created under the award specifically surrounding the care of Veterans and the facilities created for them.
- E. The GPOs will issue a closeout letter and, as necessary, an amended Notice of Grant Award.
- F. The GPO will advise the recipient of any continuing obligations and associated reporting requirements. The GPO will also track recipient compliance with these requirements.

#### **060505 Grants Oversight and New Efficiency (GONE) Act**

- A. The GPO will close out all expired grants in a timely manner, in accordance with the GONE Act. The GONE Act requires the Office of Management and Budget (OMB) to instruct each agency, in coordination with the Department of Health and Human Services (HHS), to submit to Congress and HHS by December 31 of each calendar year a report that:
  - Lists each federal grant award held by such agency;
  - Provides the total number of federal grant awards, including the number of grants by time period of expiration, the number with zero-dollar balances, and the number with undisbursed balances;
  - Describes the challenges leading to delays in grant closeout; and
  - Explains, for the 30 oldest federal grant awards, why each has not been closed out.
- B. The GPO is responsible for ensuring all information on all their grant awards is submitted to the VA Financial Service Center for consolidation and submission to Congress, in coordination with the Secretary of Health and Human Services and inclusion in VA's Annual Financial Report (AFR).

#### **0606 Authorities and References**

[2 C.F.R. §200.343 Closeout](#)

[2 C.F.R. §200.344 Post closeout adjustments and continuing responsibilities](#)

[2 C.F.R. §200.345 Collections of amounts due](#)

[SF-425 Federal Financial Status Report](#)

[Grants Oversight and New Efficiency \(GONE\) Act](#)

### **0607 Rescissions**

OFP Volume X, Chapter 6, Grant Closeout and Post Closeout Activities, May 2017

### **0608 Questions**

Questions concerning these financial policies and procedures should be directed to the following points of contact:

VHA	VHA 10A3A Accounting Policy (Outlook)
VHA	VAFSC Nationwide Accounting (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
VBA	VAVBAWAS/CO/OPERATIONS (Outlook)
NCA	NCA Financial Policy Group (Outlook)
NCA	NCA Budget Service (Outlook)
All Others	Travel Policy, VAFSC (Outlook)
All Others	OFP Accounting Policy (Outlook)