
CLOSEOUT PROCEDURES

INTRODUCTION

The closeout of a subgrant is the process by which the Mississippi Department of Human Services (MDHS) determines that all applicable administrative actions and all required work of the subgrant have been completed. Subgrantees are responsible for ensuring an orderly and timely programmatic phase out of subgrants and the financial settlement of subgrantee and vendor claims. The subgrantee closeout procedures describe the instructions to be followed to officially close subgrants awarded by MDHS. Subgrantees should also refer to 45 CFR Part 74 and/or Part 92, as applicable.

POLICY

DUE DATE OF CLOSEOUT PACKAGE

Two closeout packages bearing original signatures are due and must be received by the appropriate MDHS programmatic division 45 calendar days from the ending date of a subgrant. A copy of the closeout package should be retained by the subgrantee.

Note: Closeout packages that are not received in a timely manner may result in a delay processing Request For Cash and may adversely affect the funding of future subgrants.

Subgrantees may revise the closeout package, with a written detailed explanation, only once after the initial package is received by MDHS. This revision must be submitted within 60 calendar days after the ending date of the subgrant. Supporting documentation, subject to the approval of the appropriate MDHS official, must accompany any request for additional funds. Should the Federal grant period be closed, MDHS will be unable to make any additional funds available. However, amounts due MDHS resulting from additional refunds, rebates or credits occurring after this point will be processed. In this case, a revised final Reporting Worksheet must also be submitted.

INSTRUCTIONS FOR COMPLETING THE CLOSEOUT PACKAGE

SUBGRANTEE'S CLOSEOUT CHECKLIST, FORM MDHS-SGCC-1011

Each item on the form must be completed and the form must be signed by an authorized subgrantee signatory official or duly authorized representative. An explanation must accompany any item that is checked "Sending Separately" or "Unable to Furnish."

Deobligation Authorization. This section is for the use of MDHS only.

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1. CERTIFICATION OF SUBGRANT COMPLIANCE, FORM MDHS-SGCC-1012/A

A. RELEASE

The purpose of the Subgrantee's Release is to release the unexpended/unobligated balance of the subgrant to MDHS.

The amount entered as the "Total amount paid and payable by MDHS/Total Authorized Expenditures" must reflect the total actual expenditures allowed (do not round off expenditures) under the subgrant. The amount shown must agree with the amount of cumulative costs reported on the final reporting worksheet and MDHS cumulative costs stated in the certification of cash balance section.

Any liability, obligation, claim or demand not released by the subgrantee must be listed on the Outstanding Claimants List, Form MDHS-SCOCL-1013.

B. ASSIGNMENT OF REFUNDS, REBATES AND CREDITS

Execution of the assignment requires immediate remittance to MDHS of any subsequent refunds or credits applicable to the subgrant. Examples are telephone and insurance refunds.

C. INVENTORY CERTIFICATION

The purpose of the inventory certification is to account for all items of materials and equipment purchased and/or furnished in accordance with the terms and conditions of the subgrant. Complete the certification as required.

If equipment was purchased, furnished, or acquired with subgrant funds, the Inventory Control List (Form MDHS-PROP-SE-002) must be completed. If no equipment was furnished or acquired, so indicate. (See the Inventory Management section of this manual.)

D. CERTIFICATION OF CASH BALANCE

The purpose of the Cash Balance Certification is to provide a statement accounting for the balance of funds on hand applicable to the subgrant. Complete the Cash Balance Certification as required.

NOTE: Only a zero (-0-) cash balance will be accepted.

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E. GENERAL STATEMENT OF COMPLIANCE

The statement of compliance is the subgrantee's attestation that all other terms and conditions of the subgrant have been met. Signatures and dates must be original in blue ink on both copies of the closeout package.

NOTE: The signature of the authorized signatory official must be witnessed by two individuals. Forms that are not properly completed will be returned.

2. FINAL REPORTING WORKSHEET

Prepare the final Reporting Worksheet in accordance with established MDHS procedures. The final worksheet should contain no accruals, and must be clearly marked FINAL in the appropriate space in the top right corner of the worksheet. Do not round off expenditures. If the final worksheet is submitted prior to the closeout package, attach a copy of the final worksheet when the closeout package is submitted.

3. COPY OF WORKERS' COMPENSATION AUDIT/HEALTH AND ACCIDENT INSURANCE

Most Workers' Compensation policies with commercial companies are based on estimated payroll figures. A payroll audit by the insuring company at the time of closeout may result in a substantial refund or additional premium of the policy. If a final billing has not been received, request an immediate final audit from the insurance company at least 30 days in advance of submission of the closeout package. If an audit cannot be performed immediately, indicate on the checklist, under explanation, that the insurance company has been notified and that an audit will be sent separately. When the audit is performed, either (1) forward the audit and the refund, made payable to Treasurer, State of Mississippi, to the appropriate MDHS Funding Division, or (2) send to the appropriate MDHS Funding Division a copy of the audit and request in writing that payment be made directly to the carrier. If Workers' Compensation was not provided, please submit a written statement explaining what type of coverage was used, i.e., health and accident insurance.

4. CANCELLATION/ADJUSTMENT FIDELITY BOND

Upon closeout of the Special Bank or Financial Account, contact the carrier to ensure that the bond applicable to the subgrant is to be canceled, or if the subgrant is covered by a rider to a bond, that the proper adjustment is made. If premium refunds are due, request that they be identified by subgrant number and returned to you. Any refunds received shall be included in the aggregate check covering funds transmitted with the closeout package if they are received prior to submission of the package to MDHS. The money shall be identified by amount in the accompanying statement. In any event, any refund due to cancellation of bond shall be forwarded to MDHS immediately upon receipt by subgrantee.

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5. OUTSTANDING CLAIMANTS LIST, FORM MDHS-SGOCL-1013

When unclaimed funds are returned to MDHS, a list of all possible claimants of these funds shall be prepared and attached to the Certification of Subgrant Compliance, Form MDHS-SGCC-1012/A, as a part of the Subgrantee's Release. In order to reserve these funds for payments, the list shall include the following pertinent data:

- (1) Claimant's name, last known address, amount of money due, and social security number (if applicant is a training program enrollee) for each individual to whom checks for wages (or other outstanding checks) are due;
- (2) For employee (enrollee) checks, indicate the pay period during which the money was earned including the number of hours, hourly rate of pay, and dates worked;
- (3) Check number, date of issuance, and amount of each uncashed check; and,
- (4) Name, address, and telephone number of any person who may be contacted in connection with any claim which may arise.

6. REFUND CHECK

Indicate the amount of any unused advanced funds plus any outstanding claimants amounts. The amounts listed must be refunded by check with the closeout package. Refund checks are to be made payable to the Treasurer, State of Mississippi. The subgrant number(s) must be included on the check or check stub.

All applicable refunds must be submitted along with the closeout package to the appropriate MDHS Funding Division. Subgrantees must not check "Sending Separately" for item 6, the refund check, on the Subgrantee Closeout Checklist.

7. EQUIPMENT RETENTION REQUEST LETTER

A written request may be submitted by a subgrantee that desires to continue the use of MDHS-purchased equipment after the termination of the subgrant period and MDHS funding is discontinued to the subgrantee. If equipment retention is not granted, the subgrantee must arrange for the return of the equipment to the MDHS Funding Division within sixty (60) days from the end of the subgrant.

8. OTHER DOCUMENTS (SPECIFY)

Include any additional documents or other information necessary to conform with the terms and/or conditions of the subgrant with the closeout package.

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MISSISSIPPI
 Form MDHS-SGCC-1011
 Effective 3-01-2005

Mississippi Department of Human Services
 SUBGRANTEE CLOSEOUT CHECKLIST

Subgrantee Name _____ Subgrant No. _____

In compliance with the requirements of the MDHS Subgrantee Closeout Procedures and the terms and conditions of the subgrant, the following closeout documents are enclosed: (Check the appropriate boxes concerning each of the closeout documents. Explain fully any item not submitted or any item to be sent separately. Use separate sheet, if necessary.)

Type of Document	Enclosed	Not Applicable	Sending Separately	Unable To Furnish
1. Certification of Subgrant Compliance				
2. Final Worksheet				
3. Copy of Workers' Compensation or other Audit				
4. Copy of Cancellation Adjustment Fidelity Bond				
5. Outstanding Claimants List				
6. Refund Check				
7. Equipment Retention Request Letter				
8. Other (specify)				

Explanation/Comments _____

Signature of Authorized Subgrantee Official _____ Title _____ Date _____

For use of **MDHS** only. Not to be completed by subgrantee.

DEOBLIGATION AUTHORIZATION

	<u>Federal</u>	<u>State</u>
Grant Award	\$ _____	\$ _____
Authorized Expenditures	\$ _____	\$ _____
Unexpended Balance	\$ _____	\$ _____

Comments _____

This is to certify and authorize decreasing the obligation for Subgrant No. _____ by the amount of the unexpended balance as shown.

Signature, MDHS Program Reviewer _____ Title _____ Date _____

Signature, MDHS Authorized Official _____ Title _____ Date _____

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Insert a Copy of the **OUTSTANDING CLAIMANT LIST**