

## Chapter 3 Grant Management

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### Background

The following topics are covered in this chapter:

- The procedures required for making changes in the grant program or budget. The new procedures are designed to expedite the process.
- Quarterly and final Close-out reports
- Reasons for and the process used for termination of grants and, if necessary, for recapture of funds.
- The close-out process.

The information in this chapter as well as the additional information provided to grantees through the CDBG/GMS software and Chapter 11 Financial Management applies to all grantees. The information that follows defines the procedures and policies. Most of the submission requirements are done electronically through CDBG/GMS. Grantee should refer to the HELP facility for electronic filing instructions.

**Changes in Budget or Program, Including Amendments to the Grant Agreement,**

In general there are three kinds of changes possible:

- changes grantees may make internally without prior written approval which include limited transfer of funds between activities and limited program changes
- changes which require Mass. CDBG approval, and
- changes that require an amendment to the Grant Agreement such as extension of the period of performance or availability of funds or an increase in the total grant award.

The grant agreement incorporates the approved programs and activities by reference to the grant application submitted by the grantee. Significant alterations in program activities or budgets require written revisions which must be submitted on the form provided in Appendix 2 Chapter 3. Such changes must be approved electronically<sup>1</sup> by the Mass. CDBG program before the change is implemented.

*Table of Changes*

The following table summarizes common changes and the related actions to be taken by grantees:

Type of Change	Is Submission to & Prior Approval of Mass. CDBG Required?	Do I need to Report It on Quarterly Report?	Is Formal Amendment to the Grant Agreement Required?	Other Considerations
Transfer of \$ between lines within approved activity budget	Yes, if cumulative \$ change exceeds 10% of approved budget and grant award was greater than \$100,000	Yes	Not if the total approved budget remains the same	<ul style="list-style-type: none"> <li>• Budget revision may be needed</li> </ul>
Increase in total award amount from Mass. CDBG	Yes	Yes	Yes	<ul style="list-style-type: none"> <li>• Approval is very unusual</li> <li>• Budget revision required</li> <li>• Program revision may be required</li> </ul>
A change or transfer of dollars for general admin or program delivery cost	Yes	Yes	No	<ul style="list-style-type: none"> <li>• Budget revision required</li> <li>• Program revision may be required</li> </ul>

<sup>1</sup> 24 CFR 85.30

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Type of Change	Is Submission to & Prior Approval of Mass. CDBG Required?	Do I need to Report It on Quarterly Report?	Is Formal Amendment to the Grant Agreement Required?	Other Considerations
Any transfer of funds from construction to non-construction or vice versa (i.e., 6F to 7 or 8)	Yes	Yes	No	<ul style="list-style-type: none"> <li>Budget revision required</li> <li>Program revision may be required</li> <li>May need a public hearing</li> <li>May need new environmental review</li> </ul>
Extension of period of performance described in Attachment A of the Grant Agreement	Yes	Yes	Only if it extends the period of performance beyond three years or the date shown on the Comptroller's Cover Sheet	
Extension of period of performance or availability of funds beyond the term of the grant agreement (usually 3 years)	Yes	No	Yes	New grant award letter & grant agreement are required if extension for more than one additional year
Change within design or scope of the grant program	Yes, if change is substantial	Yes	May be required if it is a major change in program design	<ul style="list-style-type: none"> <li>May need a public hearing</li> <li>May need new environmental review</li> </ul>
Change in the number of type of beneficiaries to be served	Yes	No	May be required if it is a major change in program design	<ul style="list-style-type: none"> <li>Program revision may be required</li> <li>May need public hearing</li> </ul>
Change in key personnel specified in the application or grant award	Yes	No	No	<ul style="list-style-type: none"> <li>Program revision may be required</li> </ul>
Contracting out, sub-granting, or otherwise obtaining services of third party to perform services if not specified in the application or grant award	Yes	No	No	<ul style="list-style-type: none"> <li>Program revision may be required</li> </ul>
Change in the type of funding mechanism being used	Yes	No	May be required if it is a major change in program design	<ul style="list-style-type: none"> <li>May need a public hearing</li> </ul>
For economic development project, if the public benefit substantially changes	Yes	Yes	No	<ul style="list-style-type: none"> <li>May need program amendment</li> <li>May need budget revision</li> <li>May need public hearing</li> </ul>

*Budget Transfers*

A budget transfer is re-allocation of an amount of funds from one activity to another by the grantee which does not meet the criteria under budget revision on page 4. A change in general administrative dollars or program delivery cost requires a budget revision and is never treated as a budget transfer.

The cumulative transfers between lines in an approved budget must be tracked by the grantee. A written request for approval must be made when a change will cause the cumulative total transferred to exceed 10% of the approved total budget provided that the initial grant award is in excess of \$100,000.<sup>2</sup>

The following example illustrates cumulative change.

	approved budget	change 1	cumulative change from approved budget	change 2	cumulative change from approved budget	change 3	cumulative change from approved budget
Admin.	\$141,416	\$141,416	0	\$141,416	0	\$141,416	0
Housing Rehab	218,354	218,354	0	218,354	0	218,354	0
Comm. ED	341,054	371,054	30,000	401,054	60,000	430,054	89,000
Public Social Service	179,772	149,772	-30,000	119,772	-60,000	90,772	-89,000
Total Budget	\$880,596	\$880,596		\$880,596		\$880,596	
Is change >88,060?			no		no		yes
10% of budget =			\$ 88,060				
total grant award =			\$880,596				

In the example, the first two changes may be made as budget transfers and reported on the quarterly reports. The third revision would cause the cumulative change to exceed ten percent of the current total approved budget. The grant award exceeds \$100,000. Therefore permission for a budget revision must be requested in writing 30 days prior to the date the final transfer is needed.

*Budget Revision*

A budget revision is any change in the budget which meets one or more of the following criteria:

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<sup>2</sup> 24 CFR 85.30 (c) (1)

- Cumulative transfers between budget lines which exceed or are expected to exceed 10% of the approved budget if the grant award exceeds \$100,000.
- Any change in administrative or program delivery dollars.
- Any transfer of funds to or from a construction activity to a non-construction activity (i.e., public social services, planning, or infrastructure improvements) whether or not the change exceeds 10% of the approved budget. Construction includes architectural and engineering fees and other directly related costs.

**Requests for Budget Revisions Must Include**

- A complete Request for Budget and Program Revisions Form from Appendix 2 Chapter 3
- A explanation of the need for the revision
- An explanation of program revisions resulting from the budget revision
- If the cumulative change from budget transfers is greater than 10% of the approved budget and if the grant award is over \$100,000, provide a summary of all changes.
- The documents must be approved/signed by the CEO, scanned and attached electronically in CDBG/GMS

*Program Revisions*

Program revisions are substantial changes in the program or activities established in the grant agreement and may include one or more of the following:

- Extension of the period of availability of funds and period of performance  
Grant recipients are responsible for completing all activities within the time limits imposed by the Grant Agreement. However, extenuating circumstances may warrant additional time to complete the program. Requests for time extensions should be submitted as outlined below.

**Requests for Extensions Must Include**

- A discussion of the reasons the extension is needed
- A description of the status of each activity and the amount of time needed for completion.
- A staffing plan through the extension period. Identify the positions involved, name(s), responsibilities, full or part time status
- Revised budget including source(s) of funds to cover salaries and other costs through the extension period

- A revised implementation schedule
- If applicable, the effect of this extension on the performance of other grants being run concurrently

- Any revision to the scope or effectiveness of project/program design or significant change in the accomplishment of the national objective or beneficiaries to be served from what was approved in the community's final approved application and grant agreement.

Each grantee must determine the meaning of significant for itself. If there are 10 units being rehabilitated, a change of two units may be significant. If there are 100 units, a change of two may not be.

#### Examples

- A significant increase or decrease in the number of units to be achieved under a housing rehabilitation program or commercial improvements project, or a change in the dollar cap allowed per project.
- A significant increase or decrease in achievement within a component of a project, such as a change in the amount of curbing laid in a public facilities improvements project.
- A change in program content of a project such as changing from a curbing program to a landscaping program.

- Changes in key personnel if specified in the application or grant award

Key personnel specified in the grant application are considered essential to accomplishing the work performed under the grant. Before diverting any of the specified individuals to other work, the grantee shall notify the Program Representative from Mass. CDBG reasonably in advance and shall submit justification (including proposed replacements) in sufficient detail to permit evaluation of the impact on the project. No change shall be made by the grantee without the written consent of Mass. CDBG.

- For “non-construction projects, contracting out or subgranting or otherwise obtaining services of a third party to perform activities which are central to the purposes of the award” if not specified in the application or grant award. “This [requirement] does not apply to procurement of equipment, supplies, and general support services”.<sup>3</sup> See the chapter on procurement for information on procurement of management services.

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<sup>3</sup> 24 CFR 85.30 (d) (4)

**Requests for Program Revisions Must Include the Following With Applicable Documentation**

- The Request for Budget and Program Revision Form from Appendix 2 Chapter 3
- A discussion of the reasons for the requested revision
- A description of how the request represents an unforeseen need or opportunity
- An explanation showing that the change will not undermine the program's original goals
- An explanation showing that the change will not significantly alter the impact of the activity and its benefit to low and moderate income persons
- An explanation of how the revised program meets a national objective
- Explanation of how the request supports the grantee's community development strategy. Identify where the new activity is described in the CD Strategy.
- Discuss how it qualifies as an eligible activity
- If a new public hearing is required, include a copy of the minutes of the hearing; if it does not, include a statement that it does not. See page 9 for information on requirements for new hearings
- A statement of whether or not the change requires a new environmental review. If it does, include the relevant information
- If the revision is for change in program management or key personnel, submit details of the procurement or hiring process. Mass. CDBG reserves the right to review resumes of the finalists to ensure they meet the selection criteria proposed by the grantee prior to final selection
- A revised management plan, if applicable
- A revised implementation schedule which includes a narrative description of the revision

Program changes made by the grantee which do not require a formal written prior approval process must be noted in the files and in the quarterly report.

### *Amendment*

An amendment is a change in the grant agreement between the grantee and Mass. CDBG. In general, an amendment to the grant agreement is required for

- an increase in the total grant award or
- for an extension to the period of performance (usually 18 months).
- significant change in the scope of an activity

The CDBG/GMS provides the grantee with the data screens necessary for electronic submission (see CDBG/GMS manual).

### *Criteria for Review of Revisions*

In general, Mass. CDBG will review requests for revisions based upon the criteria noted below. The criteria for review have been developed to ensure uniform application and implementation of federal regulations throughout the Commonwealth.

The criteria are as follows:

- Evidence that the request represents an unforeseen need or opportunity.
- Proposed revision supports the recipient's community development strategy
- The revision will not undermine the local program's original goals.
- The revision will not significantly alter program impact and benefit to low and moderate income (LMI) people if the national objective for the activity being changed was benefit to LMI.
- The revision does not change an activity so that it is unable to meet national program objectives.
- The revision, if it is a new activity, is an eligible activity and meets all program requirements.



### *Procedures for Submission of Revisions*

Budget and Program revision requests, signed by the CEO, must be submitted on the ELECTRONIC Form found in CDBG/GMS (Sample form-Appendix 2 Chapter 3 “Request for Budget and Program Revision”). The request must be accompanied by the information listed on the form. This form is signed by the CEO, scanned/uploaded as an attachment to the electronic extension request in CDBG/GMS.

- A request for extension of the period of performance of the grant beyond the term of the grant agreement must be submitted at least 30 days prior to the termination of the grant agreement.
- To avoid delays in program implementation, recipients should allow 30 days from the time of request to time of response for Mass. CDBG deliberation prior to the proposed date of the change.
- THE REQUEST IS NOT APPROVED UNTIL THE GRANTEE RECEIVES THE ELECTRONIC APPROVAL BY THE CDBG PROGRAM MANAGER IN CDBG/GMS.

### *Revisions Requiring a Public Hearing*

Before making a substantial program revision, grantees must:

*Provide citizens with reasonable advance notice of, and opportunity to comment on... activities which are proposed to be added, deleted or substantially changed from the unit of general local government's application to the state. Substantial changes mean changes made in term of purpose, scope, location, or beneficiaries as defined by criteria established by the state.”<sup>4</sup>*

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For Mass. CDBG grantees this means that a public hearing will be required when:

- An event or transaction is unusual, infrequent, and clearly unrelated to the ordinary and typical activities defined in the grant agreement or its amendments. The event or transaction should be of a type that would not reasonably be expected to occur under the original or amended terms of the grant agreement.
- A single or cumulative budget change(s) represent(s) an addition or deletion of 15% or more of a budgeted activity if the grant award is over \$100,000. (Although

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<sup>4</sup> 24 CFR 570.486(a)(6)

cumulative transfers of 10% or more must be submitted for approval, hearings are not required until the change is 15% or greater.)

- An activity is added or deleted.
- An activity account is added or deleted. An exception to this might include the combination of loan and grant sub-accounts into a single account, depending on the original program design.
- A change in the target area.
- Substantive changes to the program design (e.g., changes in financing mechanisms).

It should be noted by grantees that due to the size of the grant program or the size of the municipality, what is substantial in one case may be insignificant in another. Grantees must use their judgment in determining “substantial” for their particular situation.

Examples of what could be substantive changes (provided as a guide and not meant to be all inclusive):

- A community originally proposed to repair three streets, but, because of hidden conditions, only one street can be done. Because the impact of the project is substantially altered, a public hearing should be held.
- A community originally proposed to repave 1800 linear feet of sidewalk and plant 20 trees, but because of cost increases, decides not to plant the trees. If the trees were an important part of the project, a public hearing should be held.
- The community proposed to rehabilitate 40 housing units. Because most units required substantially more work than originally estimated, the town can afford only 20. A public hearing should be held in order to inform the residents of the substantial change in goals.
- A community proposed to provide both housing grants and housing loans depending on the income of the applicants. The town, in response to demand, decides to increase the loan pool and reduce the amount available for grants, a public hearing should be held since the new program design may eliminate some potential applicants.

### *Changes in Economic Development Projects*

*If, after the grantee enters into a contract to provide assistance to a project, the scope or financial elements of the project change to the extent that a significant contract amendment is appropriate, the project should be reevaluated under these and the recipient's guidelines. (This would include, for example, situations where the business requests a change in the amount or terms of assistance being provided, or an extension to the loan payment period required in the contract.)*

*If a reevaluation of a project indicates that the financial elements and public benefit to be derived have also substantially changed, then the recipient should make appropriate adjustments in the amount, type, terms or conditions of CDBG assistance which has been offered to reflect the impact of the substantial change. (For example, if a change in the project elements results in a substantial reduction of the total project costs, it may be appropriate for the recipient to reduce the amount of total CDBG assistance.)*

*If the amount of CDBG assistance provided to the project is increased, the amended project must still comply with the public benefit standards under paragraph (f) of this section.<sup>5</sup>*

### *Monitoring Problems*

The following are grant management problems Mass. CDBG has found during monitoring:

- Failure to report budget transfers made during project implementation
- Failure to seek a budget or program amendment when one is warranted
- Failure to convene a public hearing to allow local citizens to comment on a proposed change as required
- Failure to completely close-out a grant

### **Quarterly Reports**

Under Attachment A of the Grant Agreement, grantees are required to submit progress reports to Mass. CDBG quarterly for the duration of their grants. Individual reports are

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<sup>5</sup> 24 CFR 570.482 (g)

required for each CDBG funded program (e.g., FY 09 Community Development Fund grant, FY 10 Economic Development Fund grant) for each program year. Quarterly Performance Reports (QPR) is submitted electronically in CDBG/GMS. If the system accounting and program data is up to date, it only requires the grantee to complete a narrative on the electronic system. Reports are due 15 days following the close of the calendar quarter. The final quarterly report includes additional information and becomes the grantees “final quarterly report”. See the information on grant close-out on page 17.

Grantees who receive extensions to their period of performance must submit quarterly reports for the extended period on the same schedule as for the regular grant period.

Quarterly Reports must be complete and accurate. They record cumulative grant information that Mass. CDBG reports annually to HUD.

Quarterly Reports that are received late result in Mass. CDBG's withholding payment of grant funds. Repeated delays in reporting, or incomplete or inaccurate reporting, may result in a non-compliance finding. Grantees should notify appropriate Mass. CDBG staff about any anticipated delays in reporting and should work with them to resolve problems.

### **Grant Termination or Other Action Taken for Non-Compliance**

The State is required to perform monitoring and audits to ensure that its grantees are fulfilling their responsibilities. *The state shall establish remedies for units of general local government noncompliance.*<sup>6</sup> Mass. CDBG has adopted 2 CFR Part 200.338-342 for this purpose. Mass. CDBG reserves the right to recapture funds from a community or to terminate a grant agreement when it determines that such action is necessary to safeguard public funds.

The regulation provides the following *Remedies for non-compliance...*

- *Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency*
- *Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance*
- *Wholly or partly suspend or terminate the current award...*
- *Withhold further awards...*
- *Take other remedies that may be legally available”<sup>7</sup>*

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<sup>6</sup> 24 CFR 570.492

<sup>7</sup> 24 CFR 85.43 (a)(1) - (5)

### *Termination*

Several examples of activities which may lead to termination are provided below. They do not encompass all potential problems. The list is not all inclusive.

A grant may be suspended or terminated for a variety of reasons including, but not limited to:

- Termination for the Convenience of the Grantee, or Mass. CDBG

When both Mass. CDBG and the grantee decide that continuation of the grant is unworkable or unwise, the grant may be terminated:

- ◇ By the awarding authority with the consent of the grantee or subgrantee in which case the two parties agree on the termination conditions including the effective date and in the case of partial termination, the portion to be terminated, or

By the grantee or subgrantee upon written notification to the awarding agency, setting forth the reasons for the termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under [2 CFR Part 200.338-342](#)

- Agreement between the recipient and Mass. CDBG that the continuation of the program is infeasible or would not produce beneficial results

The following situations may make continuation of a project infeasible:

- ◇ natural or man-made disasters
- ◇ insufficient management capacity
- ◇ no interest in the activity by potential applicants
- ◇ neglect of the project or activity by the grantee
- ◇ legal obstacles, or
- ◇ inadequate financing

Examples of Infeasible Projects:

- ◇ Required permits cannot be obtained from another agency (e.g., DPW, DEQE)
- ◇ Matching funds from other sources (public or private) which are needed to begin or complete a funded activity are withdrawn (i.e., a municipality votes not to provide the town match for construction of a community center.)
- ◇ Substantial cost over-runs, e.g. after public bidding, the cost of a proposed project will far exceed the budget
- ◇ Legal action from residents or other interested parties is likely to delay the project for an extended period, e.g. abutters file suit against a proposed rehabilitation project
- ◇ Expiration of the grant term.

- Evidence of fraud or abuse or need to safeguard public funds

In cases of fraud, abuse or serious non-compliance, Mass. CDBG may:

- ◇ suspend or terminate the grant immediately without further authorization
- ◇ move to recapture unexpended funds, and/or
- ◇ require repayment of any funds expended in an illegal or unauthorized manner.

Examples of Fraud, Abuse or Non-Compliance:

- ◇ Funding an ineligible activity with prior knowledge of that activity's ineligibility
- ◇ Salary or benefit payments to non-CDBG related personnel
- ◇ Depositing funds into personal or non-designated bank accounts
- ◇ Payoff or kickbacks to contractors
- ◇ Refusal to abide by HUD regulations or Mass. CDBG policies

- Serious or repeated failure to comply with federal, state or local laws

Example:

- ◇ Failure by activity, project, or contract to meet national objective compliance or eligibility requirements
- ◇ An audit report cites the grantee's failure to follow MGL Chapter 30B requirements
- ◇ A grantee does not take action when a contractor fails to post the required notices on the construction work site and does not pay the required wages to employees
- ◇ A grantee does not obtain required approvals from a historical review board before proceeding with construction on a potentially historic building
- ◇ A grantee does not require appropriate insurance and bonding for a contractor awarded a public bid contract for building construction

- Seriously deficient grantee performance

Mass. CDBG staff will monitor a grantee's performance through on going contact with grantees such as desk-top monitoring, periodic on-site visits, and quarterly reports. (See chapter 5 Monitoring)

Mass. CDBG compares a recipient's progress in implementation with goals and objectives in the grant agreement. Where performance is found to be inadequate, Mass. CDBG may move to terminate the grant agreement and recapture unexpended funds. In addition the implementation problem may be considered as one of the "prior performance criteria" in evaluating future grant applications.

Examples of Poor Performance:

- Substantial lack of progress towards attainment of goals, e.g. after 12 months the grantee has failed to recruit a single unit for the housing rehabilitation program
- Frequent staff turnover which prevents attainment of goals within a reasonable extension period, e.g. after the second program manager leaves, the grantee has only one year left to complete a two year program
- Substantial lack of progress in the expenditure of funds, e.g. after two years of operations, the grantee has failed to make any loans to small businesses through its micro-loan program

**NOTE: CASES OF FRAUD, WASTE OR ABUSE, OR NON-COMPLIANCE WILL NOT BE EXCUSED BECAUSE OF THE FAILURE OF MASS. CDBG TO SPECIFICALLY DEFINE SUCH INSTANCES, NOR UPON A CLAIM OF IGNORANCE OF THE LAW BY A RECIPIENT.**

*Process for Recapture of Funds*

When Mass. CDBG determines that the recapture of funds is warranted, the following process will be initiated:

1. A letter will be sent to the Grantee's Chief Elected Official or duly authorized signatory:
  - the rationale for determination and steps forward
  - effective date of termination and/or recapture
  - action to be taken by termination and/or recapture
  - action to be taken by the grantee
  - notification of right to request a hearing



- notice that certain specified activities, if any, will be allowed to continue
1. The grantee must respond within ten (10) days of receipt of this letter and may request a hearing on the termination decision
  2. If the grantee does not respond or object to the recapture, Mass. CDBG shall forward final notification specifying the effective date of termination or recapture. The grantee must return any unexpended funds on hand subject to the recapture within 30 days.
  3. If the grantee requests a hearing, it will be held, if feasible, within 30 days from receipt of the request. At the hearing, the grantee and any interested party may present evidence as to why the Grant Contract should not be terminated.

Mass. CDBG will make a final determination within 30 days of the date of the hearing and notify the grantee in writing. Should the be to terminate the grant and/or recapture funds, the grantee will be instructed to return any unexpended and unobligated funds to Mass. CDBG within 30 days. At the discretion of Mass. CDBG, the grantee may be allowed to continue activities not subject to recapture.

Any amount(s) paid under the Grant Contract which are found to constitute unallowable expenditures shall be reimbursed to Mass. CDBG by the grantee **from non-federal sources**, regardless of whether the grant is terminated or there is a recapture proceeding undertaken by Mass. CDBG.

## Grant Close-Out

*The State shall establish requirements for timely close-out of grants to units of general local government and shall take action to ensure the timely close-out of such grants.<sup>8</sup>*

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### ***Step 1- Prepare and submit a Final QPR.***

Check the “final” box for the QPR in Intelligrants. Before final report is submitted, make sure to review the following.

- I. **The Narrative** - Make sure the narrative is complete and reflects final activities and the status of the grant. The narrative should address accomplishments and they should be consistent with the numbers that are entered for the grant activities. The narrative must include HUD Lead-Based paint reporting requirements for housing rehabilitation activities.

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<sup>8</sup> 24 CFR 570.489 (i)

- II. Performance Measures should be completed.
- III. The Project Closure Report – This report can be found on the **Forms** page of the grant under CGMM Formatted Report and identifies inconsistencies, incomplete programmatic or financial information/data. It will identify if milestones have not been completed or beneficiary information has not been entered, budget inconsistencies etc. If one of these appears on this page it will prevent the grantee from closing the project. All financial information, beneficiary, milestones, performance measures must be entered and projects must be closed before the final QPR is submitted.
- IV. The Data Reports – There are four reports that should be reviewed to be sure that program data is entered into the system completely, accurately and consistently. These four reports can be found on the Forms page of the grant under CGMM Formatted Reports and are: Detail Beneficiary Statistics; Housing Unit Statistics; Summary Beneficiary Statistics; Unit of Measure Tracking Statistics.

The numbers in these reports are generated from various pages (applicant, beneficiary detail, summary detail etc.) that grantees complete within the various activities. Activity data are recorded by the grantee on certain pages. These pages are clearly marked as to which activities should be reported on the particular page. For instance, housing activities are only reported on the Applicant page.

The reports should be compared and in some cases checked for consistency of numbers. As an example, total beneficiaries on the Detail report should match total beneficiaries on the Summary report. If they don't match, something is wrong. Similarly, total housing rehab units on the Housing Units report should match total units on the Unit of Measure report.

- V. CEO Certification - Upload a letter on the city/town's letterhead, signed by the community's chief elected official that the report (narrative and data) has been reviewed and is correct and complete.

After DHCD review/approval of the final quarterly, *DHCD will change the status of the grant to "Grant Closure Initiated"* and the grantee should complete the following-

***Step 2- Prepare and submit the Final Statement of Costs and Certification of Completion forms***

- VI. Final Statement of Costs and Certification of Completion forms – These forms will be automatically calculated and filled in and should be available on the "View/Forms" page. (If the form does not appear to be correct, contact your fiscal representative.) The grantee should print the PDF version and have the CEO sign, and upload in Intelligrants. At this point, the grantee will change the status of the grant to "Grant in Closure".

DHCD will then begin its review/approval process of the Certification of Completion form as well as the status of the Single Audit submission. Upon completion of the review, DHCD will move the grant to Grant Close-Out Final Agreement status.

- i. Close Out De-Allocation Review
- ii. Grant Close Out Fiscal Manager Review
- iii. Grant Close Out Special Conditions
- iv. Grant Close Out Final Agreement

***Step 3- Review, Sign and return the Close-Out Agreement to DHCD***

Once the grant is in “Grant Close-Out Final Agreement” status, DHCD will mail a Close-Out agreement to the CEO contact of the grant. This agreement then needs to be signed and returned to DHCD.

After DHCD receives the signed Close-Out Agreement, the grant status is then moved to “Grant Closed” and one copy of an executed Close-Out Agreement signed by the Associate Director of DCS is mailed back to the CEO contact of the grant and one copy is uploaded into Intelligrants.