



Workforce Connections Administrative Policies Sub-award Closeout	Admin-010-07
Supersedes policy No. 5.9 dated 03-01-07	Revision No. 3 Effective 10-01-18
Policy Approved By: WC Executive Director Policy Adopted on: June 2015	<i>[Handwritten signature]</i>

Purpose

To establish Workforce Connections’ policy and guidelines for the closeout of Workforce Innovation and Opportunity Act (WIOA) program activities and transition of the applicable closeout process.

Background

Recipients and sub-recipients of the Department of Labor (DOL) and the Employment and Training Administration (ETA) grant awards are responsible for developing closeout procedures that will be used to close out their sub-awards and contract agreements and adequately account for the financial and programmatic activities related to any Federal or State award. Closeout procedures must provide directions to effectively close out grants/contracts and ensure that financial accounting and reconciliation of Federal funds is accomplished. The objective of the financial reconciliation/closeout is to achieve the status where allowable reported costs and payments are equal.

Policy

Workforce Connections will initiate closeout procedures with all sub-recipients. All sub-recipients must submit a sub-award/contract closeout package no later than 90 calendar days following the expiration of a sub-award term or when funds have been fully expended prior to the sub-award expiration date. Each sub-recipient is responsible for developing and maintaining an internal system of controls to comply with the closeout requirements specified in this policy.

Reference:

Public Law (P.L.) 113-128 Sec. 184; Uniform Administrative Requirements, Costs Principles and Audit Requirements for Federal awards, 2 CFR part 200; 2 CFR Part 200.333; 2 CFR Part 200.343; 2 CFR Part 2900.15; State Compliance Policy (SCP) 3.5; and SCP 3.3.

Closeout is the process by which Workforce Connections determines that all applicable administrative actions concerning a sub-award, grant, or agreement (with the possible exception of the audit, which may be performed after closeout) have been completed by the contractor or the grant or agreement recipient and by Workforce Connections after the expiration of the period of performance of the sub-award, grant or agreement.

Sub-recipients must furnish evidence of their ability to satisfy the Federal, State and local recordkeeping requirements. State regulations require that recipients or sub-recipients keep financial records, supporting documents, statistical records, and all other records created under the grant for five (5) years after the final expenditure report has been accepted. If any litigation, claim, or audit is started before the expiration of the 5-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

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I. Closeout Procedures

In an effort to perform contract/grant closeout management effectively and avoid cost overruns and deficits, Workforce Connections has established the following procedures:

- A.** Sub-recipients must terminate all activities and reconcile all financial activity related to the sub-award prior to closing the sub-award with Workforce Connections.
- B.** Unless authorized by Workforce Connections, sub-recipients must liquidate all accruals incurred under Workforce Connections' sub-award by the end of the closeout period.
- C.** Program income earned must be fully expended or submitted to Workforce Connections.
- D.** All refunds due to Workforce Connections must be submitted before or with the closeout package.
- E.** Workforce Connections reserves the right to further execute grant adjustments based on the reconciliation of a federally approved indirect cost rate or for audit findings after the closeout package is submitted. In the event a final audit has not been performed prior to the closeout of the grant/sub-award, Workforce Connections reserves the right to recover any amount after fully considering the recommendation(s) on disallowed costs resulting from the final audit or any other audit.
- F.** Sub-recipients must account for any property acquired with sub-award funds, or any property otherwise received from Workforce Connections. Sub-recipients must adhere to the following:
 - 1. Upon completion/termination of contracts between Workforce Connections and its sub-recipients, all property acquired with sub-award funds whose unit cost exceeds \$200 (two hundred dollars) and has a useful life of two (2) years or more, must be returned to Workforce Connections, at Workforce Connections' discretion, within ninety (90) days after the established completion/termination date of the sub-award agreement.
 - 2. All tangible supplies and materials that are determined by Workforce Connections to be useable and/or whose aggregate value exceeds \$5,000 must be returned to Workforce Connections, at Workforce Connections' discretion, within ninety (90) days after the established completion/termination date of the sub-award agreement.
 - 3. Allowable costs that are associated with the return of Workforce Connections' tangible property may be delineated from the balance of the sub-recipient's unobligated budget.
- G.** The following expenditures may be considered as allowable closeout costs during the designated closeout period. Prior written approval from Workforce Connections is required.
 - 1. Administrative fiscal personnel expenditures directly related to the closeout process.
 - 2. Administrative management personnel expenditures directly related to closeout of contracts/sub-awards.
 - 3. Programmatic personnel costs directly related to the closeout of client files and/or transfer of participants to applicable sub-recipients within the Southern Nevada Workforce Development Area (SNWDA).
 - 4. Administrative and operational costs that are incurred only during the designated closeout period and are appropriately allocated, if applicable (e.g., administrative cost: A-133 audits; record retention), (e.g., operational costs: utilities; rent).



H. Closeout Expenditures

Sub-recipients terminating a relationship with Workforce Connections are typically allowed a 30-day period to incur allowable closeout costs. This period may be extended and will be determined by Workforce Connections and communicated to the sub-recipient in writing.

I. Workforce Connections may establish additional closeout requirements when there will no longer be a relationship with a sub-recipient. Sub-recipients are responsible for checking the closeout checklist, or other instructions, provided by Workforce Connections for specific items required for a complete closeout process. Each funding period of an award will be brought to a close. Closeout forms can be found at the Workforce Connections' website.

J. Program Participant Records

Workforce Connections will establish timelines whereby all program participants records must be transferred to Workforce Connections and will inform sub-recipients of these timelines in writing. To ensure a continuation of service provision to program participants, these processes may commence prior to the sub-award(s) termination/completion date.

K. Sub-recipients must ensure that no new program participants will be registered, enrolled in any activity, or provided any services, once the closeout date has been established.

II. Extension

Workforce Connections may extend the deadline for submission of the closeout package. Decisions will be made on a case by case basis. Requests for extension must provide evidence of necessity for the extension and must be submitted to Workforce Connections no later than 30 days after the contracted date. Only under extraordinary circumstances will additional extensions be considered.

III. Closeout Package

Workforce Connections' closeout package contains established closeout forms and instructions. All sub-recipients are responsible for ensuring compliance with the requirements of the closeout package. It is also the responsibility of each sub-recipient to issue closeout instructions to sub-contractors, if any, providing sufficient time to conduct an orderly closeout of the sub-award agreement.

Workforce Connections has established the following:

- A.** Sub-recipients' Closeout Checklist;
- B.** Form: C-101 Sub-recipients' Release;
- C.** Form: C-102 Sub-recipients' Assignment of Refunds, Rebates and Credits;
- D.** Form: C-103 Sub-recipients' Closeout Tax Certification;
- E.** Form: C-104 Sub-recipients' Final Inventory Certificate;
- F.** Form: C-105 Indirect Cost Certification;
- G.** Form: Final Supply Inventory/Final Asset Inventory; and
- H.** Form: Indirect Cost Rate Worksheet, if applicable.



IV. Post Closeout

A. The closeout of a sub-award does not affect the following:

1. The right of Workforce Connections to disallow costs and recover funds on the basis of a later audit or any other review;
2. The obligation of the sub-recipient to return any funds due as a result of later refunds, corrections, disallowed cost, or other transactions;
3. Record retention requirements, audit requirements and property management requirements as established by Federal, State and local statutes and/or regulations.

B. Workforce Connections will not be liable for any costs the sub-recipient failed to pay before the closeout date. Furthermore, Workforce Connections will not be liable for any late claims received by sub-recipients. Workforce Connections will not have funds available for those claims.

C. Sub-recipients must ensure that all program/grant liabilities are paid before the closeout date. No unpaid expenditure can be paid with federally awarded funds after the closeout process is completed. Any such expenditure must be paid by the sub-recipient from non-federal funds.