

CHAPTER L:

GRANT CLOSEOUT

L.1 CLOSEOUT OVERVIEW

Project closeout is the process by which TNECD determines that all applicable administrative actions and required work prescribed by the grant have been completed in accordance with the terms and conditions of the CDBG contract as well as federal and state rules and regulations. The closeout report should provide a detailed summary of the outcome of the grant and should address any concerns or findings that have been resolved since monitoring. The information provided in the closeout report should be an accurate summarization of the records and files that have been maintained throughout the grant term.

The grantee will initiate the closeout procedures once:

- All project costs, except closeout and contingency, to be paid with CDBG funds, have been incurred,
- All work that is to be financed by CDBG funding and/or leveraged funds has been completed,
- All other responsibilities of the grantee outlined in the contract with TNECD have been met.
- The final request for payment from TNECD has been submitted.

A CDBG project includes an entire project that is completed using CDBG funds with or without other funds. A project cannot close out if only the CDBG-funded portion of a project is completed. The entire project must be complete.

All CDBG files must be kept for at least five years from closeout. If any litigation, claim, or audit is started before the end of the five-year period, the records must be kept until the action has been resolved. TNECD, HUD, and other federal or state agencies can complete an audit or monitoring visit after project is closed out. Additionally, TNECD may visit the project or access the files to complete a measurement and verification visit to assess long-term impact and effectiveness of the project.

Multiple closeout packages are available, and the type of activity completed will determine the package that is used. Certain documents will be included in all packages, but other documents may exist only in specific packages. Listed below are all of the documents, the descriptions, and the instructions for completion. Following the list of closeout documents will be the listing of closeout packages along with the documents that are in each.

Regardless of which closeout package is used, all CDBG projects must include a public closeout hearing. An advertisement detailing the date, time, and location of the closeout hearing must be published in a local newspaper no less than fourteen (14) days prior to the closeout public hearing. TNECD requests that a notice also be posted in a public forum and/or online (community's website, social media, etc.).

L.2 CDBG PROJECT CLOSEOUT REPORT

The CDBG Project Closeout Report should be submitted online with all required attachments. The closeout report and supporting documents can be found on TNECD's website: <http://tn.gov/ecd/topic/cdbg-annual-and-final-report>.

Links to the necessary closeout documents for the type various types of CDBG projects are available for download at the end of the online report and as exhibits to this chapter. Upload links are also provided for submission of these documents along with the narrative report.

General project information along with the costs and funding information will be provided in the report. All leveraged funds should be reported including: local funds, in-kind or force account work, other federal funds (such as USDA-RD or ARC funds), etc., and document how much of the CDBG funds were used. The submission date of the final request for payment to TNECD, along with the amount of CDBG funds remaining after project completion and the date the undertaken project was completed, or the purchased equipment was delivered is also required. Any remaining funds will be recovered by TNECD and repurposed for other CDBG eligible activities.

A description of the accomplishments by the grantee comparing the project as proposed with the project as completed will also be given. This comparison is necessary for TNECD to fully understand how CDBG funds were used. For example, simply stating “A new water line extension” as the proposed project will be insufficient. If for any reason the project activity changed or differed from the proposed project in the application, be sure to explain how and why these changes occurred.

This form will also capture the number of beneficiaries (direct and/or indirect). The Low and Moderate Income (LMI) benefit numbers will need to be included to show how many LMI persons benefitted from the project compared to the proposed.

Be sure to fully complete the closeout report with detailed narratives and be sure to contact TNECD with any questions prior to submittal.

L.3 APPLICANT/RECIPIENT DISCLOSURE/UPDATE REPORT (HUD-2880)

This form is a HUD required document that must be completed as part of any closeout procedure. This is the same form that is completed as part of the grant application; however, here the box beside “or an Update Report” will be checked. Part I should not be completed again for an “Update Report”.

TNECD requests that Part II and III be completed for closeout. Detailed instructions for completion of the document follow the form itself. Thoroughly read these instructions and complete the form as instructed.

L.4 SECTION 3 SUMMARY REPORT

As recipients of CDBG funds, grants are required to account for the number of economic opportunities available to LMI persons as a result of the CDBG grant. This is accomplished as part of the online closeout process. Grants are required to report the following:

- Number of additional jobs created as a result of the CDBG-funded project
- Number of additional LMI jobs created as a result of the CDBG-funded project
- Total dollar amount of construction contracts as a result of the project
- Total dollar amount of non-construction contracts as a result of the project
- Number of awards and total contract amounts of construction contracts to Section 3 businesses
- Number of awards and total contract amounts of non-construction contracts to Section 3 businesses

L.5 CLOSEOUT PUBLIC HEARING SIGN IN SHEET

The sign-in sheet should be used for the mandatory public hearing as part of the grant closeout process. The form asks for five pieces of information beginning with the attendee's name. The form should be completed in its entirety by all attendees. Additionally, the newspaper advertisement concerning the closeout public hearing, along with the minutes from the public hearing, should accompany this document.

L.6 FINAL WAGE COMPLIANCE: LABOR STANDARDS ENFORCEMENT REPORT

This report will be included in closeout packages where the activity included construction activities. This report will verify all wages were paid in accordance with labor standards and according to the Davis- Bacon and related acts. Section I of the document contains five questions:

1. Project Name
2. Contract Number (CDBG contract number)
3. Prime Contractor Name and Address
4. Prime Contract Amount
5. Wage Decision Number (also any subsequent wage decision numbers used)

Section II contains five questions that will help determine whether or not workers were paid in compliance with labor standards. The answers to the questions on the report will determine whether additional information is needed. Please be sure to carefully read the instructions following the questions for guidance. Once all questions have been answered, the preparer must sign and date the document.

L.7 PERFORMANCE MEASURES

The closeout report included reporting on the agreed upon performance measures to exhibit the success of the project. These measures come in the form of the outputs and outcomes presented by the grantee in the initial grant application. Each performance measure has a field for the proposed output or outcome and the actual output or outcome upon completion of the project. A box is also provided below the measures for the grantee to provide explanation to why the measures as proposed and as completed may vary. Slight variations are expected, but grantees should take care the thoroughly explains any large discrepancies.

Grantees are also required to list the number of beneficiaries proposed to be served in the application and the number of beneficiaries upon completion of the project. Grantees should also provide explanation to changes in these numbers. This explanation is especially important for direct beneficiary projects.

L.8 ADDITIONAL INFORMATION FOR EQUIPMENT PROJECTS

CDBG projects that include purchase of equipment are required to complete some additional questions about the equipment purchased. For all items classified as a capital purchase (individual item purchases of \$5,000 or more), the following information is requested:

- A description of the equipment (include any brands, makes, and/or model numbers)
- The VIN or Serial Number of the equipment
- The permanent location (street address) where the equipment will be stored
- A checkbox indicating a copy of the proof of ownership is included

L.9 LINE EXTENSION BENEFICIARIES FORM

This form will be used for water and sewer line projects and is similar to the Map Survey forms from the application. For this document the names, addresses and family size for all beneficiaries will be completed on the form. There are three installation questions which should be answered carefully. Be sure to include any supporting documentation with the closeout report. Examples of supporting documentation might include, for example, the completed/updated Map Survey Form with a bill for the tap installation as proof. Lastly, demographic information will need to be completed to account for any minority, disabled, elderly persons or female heads of household who are benefitting from the project. The LMI status for each household will need to be collected as well.

L.10 PERFORMANCE MEASURES FOR HOUSING PROJECTS

Performance measures for housing projects are the only measures that are not fully captured in the online reporting form, due to the need for capturing of more demographic information that is required for other CDBG projects. This form captures the general objectives and outcomes of the project along with data to measure the performance of housing projects. Be sure to fully complete the demographics portion of the form regarding the beneficiaries including: race/ethnicity, minority persons, female head of household, elderly persons, and disabled persons. This document portion closely resembles the demographic categories in the Target Area Surveys that are used in the application.

L.11 HOUSEHOLD INCOME VERIFICATION FORM

This document will be used for housing projects only and is designed to collect information for the households benefitting from a CDBG housing project. This form is an alternative to the Target Area Survey form submitted in the application; either document may be used. The document should be completed by the head of household only. The name, age, address, and gender for the head of household will need to be collected. Also, the number of persons in the household, along with the race of each person will need to be included. Other demographic information such as the number disabled persons, dependents, and elderly persons should be included as well. Lastly, the total annual household income and the project year should be included, with the date and resident signature certifying all the information is true.

L.12 CLOSEOUT EXHIBIT LIST

- L-1 APPLICANT/RECIPIENT DISCLOSURE/UPDATE (HUD-2880)
- L-2 FINAL WAGE COMPLIANCE: LABOR STANDARDS ENFORCEMENT REPORT
- L-3 CLOSEOUT PUBLIC HEARING SIGN IN SHEET
- L-4 LINE EXTENSION BENEFICIARIES SUMMARY
- L-5 HOUSEHOLD INCOME VERIFICATION FORM
- L-6 PERFORMANCE MEASURES FOR HOUSING PROJECTS