



Department of Veterans Affairs

Financial Policy

Volume X

Grants Management

Chapter 6

Grant Closeout and Post Closeout

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0601 Overview

This chapter establishes Department of Veterans Affairs' (VA) financial policies regarding the Grants Program Office (GPO) close-out and post close-out activities associated with Federal grants.

Key points covered in this chapter:

- VA will meet required timelines of final reports from recipients and GPOs as stated in 2 C.F.R. §200.344-346;
- VA will approve extension requests if recipients provide adequate justification;
- VA will comply with grants management requirements for close-out in 2 C.F.R. §200.344-346;
- GPOs will follow additional administrative policies to include final reconciliation, notification of close-out, and continuing requirements of recipients' final reports;
- VA will comply with close-out requirements of expired Federal awards listed in the Grants Oversight and New Efficiency (GONE) Act; and
- VA will apply these close-out policies to both non-discretionary (formula or mandatory) and discretionary grant programs.

0602 Revisions

Section	Revision	Office	Reason for Change	Effective Date
Various	Updated close-out requirements for grant programs.	OFP (047G)	OMB released revisions to Title 2 of the C.F.R. for Federal grants.	April 2021
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 close-out 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

Section	Revision	Office	Reason for Change	Effective Date
0606	Added link to GONE Act legislation	OFP (047G)	Updated to address current requirements.	June 2019
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

Close-out – The process followed by a GPO to determine if all administrative actions and required work described in 2 C.F.R. §344 have been completed and a grant can be closed.

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.

0604 Roles and Responsibilities

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.

Grants Program Office (GPO) is the organization reporting to the approving official that would be responsible for administration of the grants program to include pre-award, award, post-award, reporting and closeout requirements.

0605 Policies

060501 General Policies

- A. In accordance with 2 C.F.R. §200.344, a GPO will close out grants no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes.
- B. Close-out of an award may involve multiple VA offices. Offices may include the GPO’s finance office (or other finance office, e.g., VA Committee on Compromises and Waivers), the GPO or other servicing property office (if applicable), and, in most cases, the Financial Service Center (FSC).

- C. In accordance with 2 C.F.R. §200.344, GPOs will ensure final closeout reports are received by the following dates:
- Recipients will submit final reports within 120 calendar days after the period of performance.
 - Subrecipients will submit final reports within 90 calendar days after the period of performance.
- D. In accordance with 2 C.F.R. §200. 346, GPOs will ensure that all overpayments to recipients are collected within 90 days after demand. If recipients do not pay within 90 days, GPOs will perform one of the following actions:
1. Making an administrative offset against other requests for reimbursements;
 2. Withholding advance payments otherwise due to the non-Federal entity; or
 3. Other action permitted by Federal statute.

Refer to VA financial policy Volume XII, Chapter 10 Collection of Debts for additional details.

060502 Receipt and Review of Reports

- A. GPOs will notify recipients of required deliverables at least 60 days prior to the due date; deliverables include but are not limited to:
- Financial reports;
 - Performance reports; and
 - Other reports as required by the terms and conditions of the Federal award.
- B. GPOs 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 inventory report) from recipients no later than 120 calendar days after the end date of the period of performance, unless the applicable GPO approves an extension in accordance with 2 C.F.R. §200.344. Subrecipients will have 90 calendar days after the end of the period of performance.
- C. GPOs will reconcile financial records to the recipients technical or programmatic final reports.
- D. GPOs will receive and evaluate all required final reports. Actions with respect to outstanding annual or other periodic reports should be resolved prior to close-out as part of monitoring and enforcement as specified in Volume X Chapter 5, Grant Post Award.
- E. GPOs will take timely action to obtain reports not submitted within the 120 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. GPOs will file this letter in the official award file to support possible enforcement action.

- F. GPOs will make all reasonable efforts to obtain required final reports. If reports cannot be obtained, the head of 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.

060503 Extension Requests

- A. GPOs must monitor their grantees performance closely to minimize any delays to the close-out process and limit extension requests
- B. Award recipients must provide adequate justification to support extension requests for final reports.
- C. Extension requests may be submitted for either of the following situations:
 - 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.

060504 Close-out

- A. In order to close out a grant, GPOs will finalize the official award files by ensuring that all required reports are contained in the file.
- B. GPOs will ensure the amounts reported on the final Financial Status Report (SF 425) agree with those in VA's accounting system.
- C. If the recipient does not submit the final reports within one year of the period of performance end date, GPOs will in accordance with 2 C.F.R. §200.344 proceed to close out with the information available. This failure on the part of the grantee will be reported by the GPO in Federal Awardee Performance and Integrity Information System (FAPIIS) and may affect future grant award decisions
- D. GPOs will determine the nature of any continuing requirements by recipients. These may include inventory 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.

- E. GPOs will issue a close-out notification after all requirements are met by the recipient.

060506 Grants Oversight and New Efficiency (GONE) Act

- A. The GONE Act requires 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 close-out; and
 - Explains, for the 30 oldest federal grant awards, why each has not been closed out.
- B. GPOs are responsible for ensuring grants are closed out by FSC in VA's accounting system and HHS's payment system, if applicable.
- C. Quarterly GPOs will run reports in VA's accounting system ensuring that grants are being properly closed out.

0606 Authorities and References

[2 C.F.R. §200.344 Close-out.](#)

[2 C.F.R. §200.345 Post close-out adjustments and continuing responsibilities.](#)

[2 C.F.R. §200.346 Collections of amounts due.](#)

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

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

0607 Rescissions

OFP Volume X, Chapter 6, Grant Close-out and Post Close-out Activities, June 2019

0608 Questions

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

All Others OFP Accounting Policy (Outlook)