

HOPE VI REVITALIZATION GRANT CLOSEOUT PROCEDURES

A. TERMINATION OF DISBURSEMENTS

1. **Grantee Notification Letter**

To begin the Closeout process, within **30 calendar days** after completion of all HOPE VI-funded program activities, the Grantee must send a Termination of Disbursements letter to HUD's Office of Public Housing Investments (OPHI).

The Grantee's Termination of Disbursements letter must state that:

- a. the Grantee has completed all activities to be performed using HOPE VI Revitalization grant funds;
- b. all requirements of the Grant Agreement have been met;
- c. all obligated HOPE VI grant funds have been disbursed;
- d. the Grantee will abide by any continuing Federal requirements; and
- e. the Grantee will submit all required Closeout documentation.

2. **Pre-Audit End Date**

HUD will enter the date of the Grantee's Termination of Disbursements letter as the Pre-Audit End Date in LOCCS. This action will prevent any further disbursements, and will stop LOCCS from automatically sending Quarterly Report reminder letters to the Grantee.

B. PRELIMINARY CLOSEOUT

The Grantee must submit the following Preliminary Closeout materials within **90 calendar days** following completion of all activities to be performed using HOPE VI grant funds. At HUD's option, the Grantee may delay initiation of Preliminary Closeout until the resolution of any HUD monitoring findings. If HUD exercises this option, the Grantee must promptly resolve the findings.

1. Required Submissions**a. Final Budget**

The Grantee must submit Form HUD-52825 (HOPE VI Budget), marked "final," that shows all expenditures by Budget Line Item.

b. Final Financial Report

The Grantee must submit to OPHI a Final Financial Report (Form SF-269-A), which contains a cumulative summary of all expenditures and indicates the exact balance of unexpended funds. Expenditure of grant funds is allowable only for expended project costs that meet the standards of OMB Circular A-87.

c. Actual HOPE VI Cost Certificate

The Grantee must submit Form HUD-53001-A, Actual HOPE VI Cost Certificate (AHCC). This form summarizes the information on the Final Financial Report, and serves as the document that officially closes out the grant.

2. OPHI Review of Closeout Documents

Upon receipt of the Required Submissions from the Grantee, OPHI will review them to determine the Grantee's compliance with the Grant Agreement. The Grantee will be expected to cooperate with any review by making available records requested by HUD. OPHI shall review the submissions as follows:

- a. The amounts on the final Budget and the AHCC must agree as to funds approved, obligated, and expended. OPHI will re-spread the Budget Line Items (BLIs) in LOCCS to reflect actual expenditures by BLI that exceed 110 percent of the authorized amounts.
- b. The amount of funds approved and disbursed on the AHCC must agree with Departmental records in LOCCS.

- c. If a dollar figure on Line 1.E of the AHCC indicates that HUD disbursed more funds than the Grantee expended, OPHI will direct the Grantee to remit immediately the excess funds, without waiting for the audit. If the amount to be returned is \$2,000 or less, the Grantee must prepare a check payable to the Department of HUD, note the Grant Number on the check, and mail the check to the appropriate Grant Manager for deposit. If the amount is over \$2,000, the Grantee must request its financial institution to wire the funds to HUD in accordance with instructions set forth in the Financial Management Handbook 7485.1, as revised. The wire transfer must identify the URP Program Area and the Grant Number.
- d. Once any excess funds have been returned, the amounts approved, obligated, expended, and shown as disbursed in LOCCS should be identical, and those amounts must be reflected on a revised AHCC.

3. **Preliminary Approval of Closeout**

When the amounts disbursed, obligated and expended are equal in LOCCS, OPHI shall:

- a. preliminarily approve the AHCC by signing the top HUD line, signifying that it is approved for audit.
- b. approve the Final Budget.
- c. realign drawdowns that exceed authorized amounts by over 110 percent.
- d. send a letter to the Grantee transmitting a copy of the preliminarily approved AHCC and Final Budget.

C. FINAL AUDIT

Each Housing Authority is required to conduct an audit in accordance with the requirements of 24 CFR 85.26. When contracting for an auditor, the PHA should require that statements of actual HOPE VI costs, certified to by the PHA and submitted to HUD during the audit period, be included in the audit's scope and as required supplemental information in the audit report. The Grantee must ensure that the auditor has the AHCC for review.

The HUD Field Office will review the audit report to determine if any findings have been identified with respect to the HOPE VI funds. Unless the auditor states otherwise in the audit report, the PHA-certified cost should be considered acceptable by HUD. The Field Office must notify OPHI of any identified findings, OPHI and the Field Office will work with the PHA to close the finding. If the audited AHCC indicates that HOPE VI funds were expended for ineligible activities or at inappropriate amounts, the Grantee may be required to return such funds to HUD in the manner prescribed in Section B.2.c above. The HUD Official that reviews the audit for consistency with the AHCC must sign the second HUD line of the AHCC.

D. FINAL CLOSEOUT**1. Final Approval of the AHCC**

When HUD has determined that the expenditure of grant funds was allowable, the activities to be completed using HOPE VI grant funds were completed as required by the Grant Agreement, and all Federal requirements were satisfied, the designated HUD official will sign the bottom line of the AHCC. The original and copies will be distributed as follows:

- a. The original to the Grantee for its files.
- b. One copy to HUD's Office of Finance and Accounting (OFA), to be attached to OFA's copy of the Grant Agreement. The AHCC will serve to automatically amend the Grant Agreement to reduce the amount of the grant to the actual revitalization cost.
- c. One copy for the HUD Grant Manager's Docket file.
- d. One copy to the Field Office.

2. Post-Audit End Date

HUD will enter the Post-Audit End Date in LOCCS when it has been verified that all funds from the grant have been audited and any questioned costs have been resolved. Any funds remaining in the grant will be recaptured by HUD. Recaptured funds will be reflected on BLI 9900, Post Audit Adjustment. This is a protected, undisbursable BLI used to record any funds which are to be recaptured when the grant is closed out in LOCCS.