AM 413-70

Grant Closeout

PURPOSE

To ensure a proper and timely closeout of all grants that are ending and to identify grants that should be renewed.

SCOPE

This policy is applicable to all city of Baltimore agencies/entities that use grant funding, as well as any other organizations for which the city serves as a grantor or contributes resources. Moreover, this policy supersedes and replaces **AM 404-1 Financial Grants**, **AM 404-1-1 Applying for Grants**, and **AM 404-1-2 Action Upon Receiving Grant Approval**.

POLICY STATEMENT

To ensure all primary accounts and subaccounts related to each grant are closed within 45-days of the grant's end-date and that any receipts or invoices received after the grant's ending-date, occurred within the grant's period-of-performance.

PROCEDURE

<table>
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NOTE

- Procedural items preceded by this symbol are designated as quality issues. Failure to adhere to this requirement can impact the overall quality of this policy.

- Procedural items preceded by this symbol are designated as risk issues. Failure to monitor this requirement can create an unwarranted risk.

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<u>Grant Manager</u>:

1. Determines if a grant will be ending or renewed. For renewals, refer to **AM Policy 413-10, Grant Identification**;

2. Pulls together detail of the grant's financial transactions, program narrative and/or required grantor closeout information. This checklist should include, at a minimum:
    a. Approved grant budget;
    b. Grant fund budget analytics (including General Ledger records);
    c. Copies of invoices, receipts, canceled checks, and/or purchase orders;
    d. Approved budget reallocations;
    e. Print-out of grantee's expenditure/receipt reports;

   f.   Grant drawdown records;
   g.   Copies of contracts, invoices, receipts, etc. (sub-recipients/consultants);
          and,
   h.   Relevant Federal, State, foundation and other financial reports

3. Completes the **Grants Closeout Checklist**, see **Attachment 1** to ensure all activities and transmittals have been completed, documented and submitted timely. The Internal Closeout Checklist should include, at a minimum:
   a.   A copy of the executed grant agreement (grantors and sub-recipient's);
   b.   Program performance reports;
   c.   Sub-recipient monitoring reports;
   d.   Germaine Federal, State, foundation and/or other financial reports;
   e.   Environmental Review Records and Clearances; and,
   f.   Davis Bacon documentation and other labor records (if applicable).

4. Prepares final Grant Summary Report based on Internal Closeout Checklist results/findings; and,

5. Submits Grant Summary Report to grantor.

Grantor:

6. Audits grant (as deemed necessary). Annually, the city prepares and submits a Single Audit Report to the appropriate federal agencies as part of the city's overall audit; to include:
   a.   SF-SAC – Federal Audit Clearinghouse Report, as well as,
   b.   All non-Federal grantor's audit requirements.

Grant Manager:

7. May receive notification of a grant's imminent ending and/or a final report from the grantor;

8. Makes sure all primary account and subaccounts related to the grant are closed within 45-days following the grant's end-date. Any receipts or invoices received after the grant's end-date must have been incurred within the grant's period of performance;

9. Maintains ongoing communications with the Bureau of Accounting & Payroll Services (BAPS), auditing, the Bureau of the Budget Management Research (BBMR) and Grants Management Office (GMO) to further ensure ongoing fiscal integrity; and,

	10. Archives all grant documentation along with the original grant application in SharePoint, as prescribed in **AM Policy 413-60, Grant Documentation: Grants Manager**.

Grants Management Office:

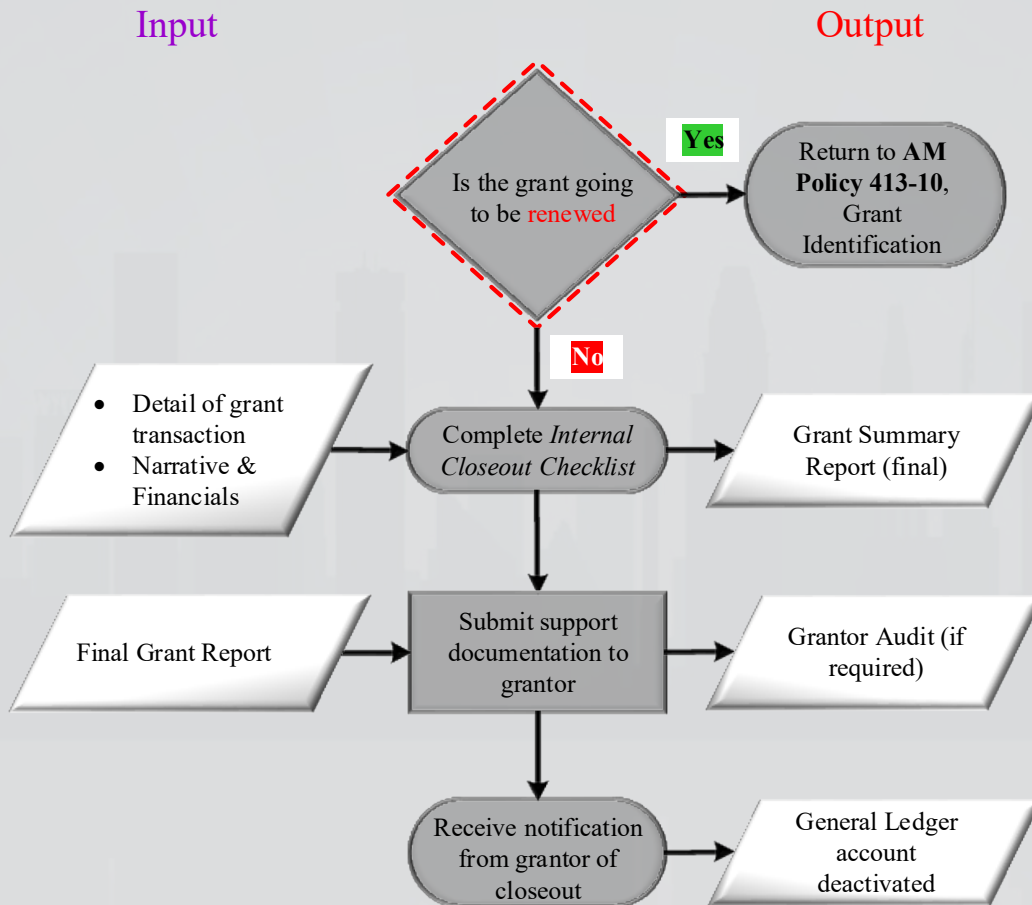|	
RISK	11. Deactivates all expired grant accounts to avoid ongoing charges against a grant that has ended to eliminate the possibility of disallowed costs and/or inappropriate expenditures to the Grants Revenue Fund.

POLICY OWNER

The grants management office is responsible for all changes and/or updates to this policy.

FLOW PROCESS

Figure 1, below, graphically displays the primary steps followed in the grant closeout process.

AM Policy 413-70 Grant Closeout

Input　　　　　　　　　　　　　　　　Output

Is the grant going to be renewed

Yes → Return to **AM Policy 413-10**, Grant Identification

No

- Detail of grant transaction
- Narrative & Financials

→ Complete *Internal Closeout Checklist* → Grant Summary Report (final)

Final Grant Report → Submit support documentation to grantor → Grantor Audit (if required)

Receive notification from grantor of closeout → General Ledger account deactivated

Figure 1: *Grant Closeout*, a timely and thorough closeout of all grants helps to ensure fewer audit findings and better overall compliance.

Attachment 1:   **<u>Grant Closeout Checklist</u>**

A. The accountant will:
B. Generate annual account reconciliation report by following the steps on the **Grants Operating Checklist**, ref. **Attachment 1**, **AM Policy 413.60 Grant Documentation**. The accountant will further compile the following:
    1. Use the standard expenditure reconciliation report document in Excel format
    2. The expenditure report document will be populated with the approved budget, actual expenses from the GLD (per the last monthly close), and all appropriate adjustments, which may include:
        a. Accruals
        b. Split personnel cost
        c. Payroll reconciliation
        d. Vendor 440 closeout report
        e. Copies of purchase order and/or expenditure authorization for major purchases of equipment
        f. Liquidation of encumbrances schedule
    3. Include all related journal entries and supporting documentation with the report
    4. Include reconciliation of receipt on the revenue schedule
    5. Upon finalization, complete the financial report documents required by the grantor, such as, but not limited to the Maryland Department of Health forms (437,438, & 440) and Federal Financial Report (SF-425)
    6. Complete and sign the **Grant Operating Checklist**
    7. Submit to supervisor the checklist, report, schedules, journal entries, performance measures, and supporting documentation for review/approval

C. The accountant supervisor will:
    1. Review the check list, report, schedules, journal entries, and supporting documentation for accuracy and compliance
    2. Upon approval, sign the check list, initial the financial report and forward to the Chief of Finance & Administration (COFA) for review, approval, and signature

D. The COFA will:
    1. Review the check list, report, schedules, journal entries and supporting documentation for accuracy and compliance
    2. Upon approval and signature, returns to the accountant supervisor to send via US mail or electronic submission to the grantor

Sign, date and place in Grants Management Office's SharePoint archive upon completion.

_____   _____
Signature   Date