

CHAPTER H:

CLOSEOUT

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Project closeout is the process by which TNECD will determine that all applicable administrative actions and all work required by the grant have been completed in accordance with the terms and conditions of the CDBG contract and 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 when:

- When 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 ten 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.)

H.1 CDBG PROJECT CLOSEOUT REPORT (FORM H-1)

The CDBG Project Closeout Report will be included in any and all closeout packages. This document will provide TNECD with an overview of the project. General project information along with the costs and funding information will be provided here. Report all leveraged funds 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, and the amount of CDBG funds remaining after project completion should also be included. Any remaining funds will be recovered by TNECD and repurposed for other CDBG eligible activities. The date the undertaken project was completed or the purchased equipment was delivered must also be included.

Next, a description of the accomplishments by the grantee comparing the project as proposed with the project as completed will 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 in any way from the proposed project, be sure to explain how and why these changes occurred.

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

The last section of this document addresses the fair housing activity for the grant. Five pieces of information are collected in this section, starting with a detailed description of the completed fair housing activity and the activity’s total cost. The next question asks for which fair housing impediment was addressed and how. Finally, the last two pieces of information to be obtained are the date the fair housing activity was approved by TNECD and the name of the person who approved it.

H.2 PERFORMANCE MEASURES FOR EQUIPMENT PURCHASE PROJECTS (FORM H-2)

This form will be used for equipment purchases to capture the objective and outcome of the project along with data to measure the performance of the project. Two columns are present at the top of the document, one with three possible objectives and the other with three possible outcomes. The project as completed should accomplish one of the objectives and one of the outcomes.

Next are two questions requesting the number of persons who were assisted or benefitted from the project as completed. Following these questions are spaces for the grantee to exhibit the how the project was completed compared to the project as it was proposed in the application. Separate spaces are available to address large equipment purchases and smaller equipment purchases.

Lastly, an area exists at the bottom of the document where four different pieces of information will be collected for equipment purchases where the cost of an individual item was equal to or greater than \$5,000. The information to be filled in is:

- 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

H.3 PERFORMANCE MEASURES FOR PUBLIC FACILITY AND INFRASTRUCTURE PROJECTS (FORM H-3)

This form will be used for any public facility or infrastructure project. Two columns are present at the top of the document, one with three possible objectives and one with three possible outcomes. The project as completed should accomplish one of the objectives and one of the outcomes. Following the objectives and outcomes are three questions requesting the number of persons who were assisted or benefitted from the project as completed.

Next are three different sections categories: 1) Public Facilities and Buildings, 2) Water/Sewer System, 3) Water/Sewer Line Extension. Each category has a list of possible improvements for which CDBG funds may have been used. Each listed item has a space for a number or amount that was proposed for the project in the application and a space for a number or amount for the project as completed at closeout. The grantee should complete any items that were addressed by the project undertaken.

H.4 PERFORMANCE MEASURES FOR HOUSING PROJECTS (FORM H-4)

Similar to the other performance measure forms, this form will be used to capture the objective and outcome of the project along with data to measure the performance of housing projects. The same objectives and outcomes exist in the document as the H-2 and H-3 documents, but the questions measuring the impact of the project are different. Following these questions is a section of the document that addresses the demographics of the beneficiaries, including race/ethnicity, minority persons, female head of household, elderly persons, and disabled persons. This part of the document closely resembles the demographic categories in the Target Area Surveys that are used in the application.

H.5 HOUSEHOLD INCOME VERIFICATION FORM (FORM H-5)

This document will accompany the H-4 document for housing projects 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 used for 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. Finally, the **total annual household income** and the project year should be included, with the date and resident's signature certifying all the information is true.

H.6 LINE EXTENSION BENEFICIARIES FORM (FORM H-6)

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. Following are three boxes, which need a simple yes or no answer, pertaining to the installation of the line extension. For each of these questions, make sure any supporting documentation is included with the closeout report. Examples of documentation would be including the completed/updated Map Survey Form with a bill for the tap installation as proof. Finally, 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.

H.7 APPLICANT/RECIPIENT DISCLOSURE/UPDATE REPORT (HUD-2880) (FORM H-7)

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 consists of two yes or no questions. Just like in the form completed in the application process, check the "No" box for the first question. The answer to the second question will be dependent upon the amount of CDBG funding that was expended for the project within the federal fiscal year.

After these two questions, TNECD requests that Part III be completed. This is a departure from the directions on the form, but completing this section will assist TNECD for reporting purposes. Detailed instructions for completion of the document follow the form itself. With the exception of completing Part III, take care to thoroughly read these instructions and complete the form as instructed.

H.8 SECTION 3 SUMMARY REPORT (HUD-60002) (FORM H-8)

Like the H-7, this form is a HUD required document that must be completed to account for the number of economic opportunities available to LMI persons as a result of the CDBG grant. Also like the H-7, specific directions for completion accompany this document. One item that does need close attention given is item "2. Federal Identification: (grant number)". For this item

TNECD requests the HUD number followed by the state contract number in parenthesis. An example of this would be: B-14-DC-47-0001 (1234).

H.9 CLOSEOUT PUBLIC HEARING SIGN IN SHEET (FORM H-9)

This sign-in form will 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 next box asks for the number corresponding to the attendee's race or ethnicity. Following racial identification, the attendee will provide the organization he/she is representing (if representing the public simply write "public" or "citizen"). Finally, the attendee will enter his/her contact information, including phone number and email address. The newspaper advertisement concerning the closeout public hearing, along the minutes from the public hearing, should accompany this document.

H.10 FINAL WAGE COMPLIANCE: LABOR STANDARDS ENFORCEMENT REPORT (FORM H-10)

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 yes or no questions that will help determine whether or not workers were paid in compliance with labor standards. A sixth question, asking how any underpayments were discovered, is also present. How these six questions are answered will determine if a more detailed report will need to be included. 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.

H.11 CLOSEOUT PACKAGES REQUIRED DOCUMENTS AND ORDER

The lists below outline which documents will be included in the closeout package conditional to the type of project completed. While each package does not include every document, TNECD requests that each package be put together in the follow order.

Equipment

- H-1: Project Closeout Report
- H-2: Closeout Performance Measures for Equipment
- H-7: HUD-2880 Applicant/Recipient Disclosure/Update Form
- H-8: HUD-60002 Section 3 Summary Report
- H-9: Closeout Public Hearing Sign-In Sheet
- Copy of closeout advertisement in newspaper
- Minutes from the Closeout Public Hearing
- Additional and Supporting Documents (in corresponding order with the required forms)

Public Facilities and Infrastructure

- H-1: Project Closeout Report
- H-3: Closeout Performance Measures for Public Facilities and Infrastructure
- H-7: HUD-2880 Applicant/Recipient Disclosure/Update Form
- H-8: HUD-60002 Section 3 Summary Report
- H-9: Closeout Public Hearing Sign-In Sheet
- H-10: Final Wage Compliance
- H-6: Line Extension Beneficiary Form (if applicable)
- Copy of closeout advertisement in newspaper
- Minutes from the Closeout Public Hearing
- Additional and Supporting Documents (in corresponding order with the required forms)

Housing

- H-1: Project Closeout Report
- H-4: Closeout Performance Measures for Housing
- H-7: HUD-2880 Applicant/Recipient Disclosure/Update Form
- H-8: HUD-60002 Section 3 Summary Report
- H-9: Closeout Public Hearing Sign-In Sheet
- H-10: Final Wage Compliance
- H-5: Household Income Verification Forms
- Copy of closeout advertisement in newspaper
- Minutes from the Closeout Public Hearing
- Additional and Supporting Documents (in corresponding order with the required forms)

Industrial Employment

Refer to Chapter I: Industrial Employment for closeout procedures.