North Carolina Pandemic Recovery Office (NCPRO)

Technical Assistance

Subrecipient Closeout

Session 4 | July 28, 2026

Teams Chat: In a word or a phrase, what do you want to learn most about supporting your subrecipients through closeout?

Agenda

1. **The Pass-Through Entity's (PTE) Role**
   How the PTE guides subrecipients to a complete, supportable closeout
2. **What a Successful Subrecipient Closeout Looks Like**
   The programmatic, financial, compliance, and post-closeout readiness conditions that define closeout, and the file that proves them
3. **Before Closeout: Communicate and Document**
   What to communicate early, what the file should show, and how to decide whether a subaward is ready to close
4. **Closing Gaps Together**
   The most common closeout gaps, and how the PTE and subrecipient resolve them before the deadline
5. **Life After Closeout**
   The responsibilities that continue after closeout, and how to prepare subrecipients to meet them
6. **Next Steps and Tools for your Subrecipients**
   The actions to take now, and the tools to leave behind

The PTE’s Role

Guiding subrecipients through a complete, supportable closeout

The PTE as a Guide

Your role goes beyond collecting and reviewing documents -

You walk alongside the subrecipient to the finish line.

Have the conversation: Start structured closeout conversations well before the final invoice.

Spot the gaps: Identify missing or incomplete documents while there's time to address them.

Verify and resolve: Confirm reports are in, findings are closed, and questions are answered.

Point to what's next: Align with the subrecipient on what continues after the funding ends.

!

NCPRO Guidance

Send written notification to subrecipients **six months** before the grant end date, with a follow-up at **three months**.

Source: NCPRO Subrecipient Monitoring Handbook.

What a Successful Subrecipient Closeout Looks Like

Programmatic, Financial, Compliance, and Post-Closeout Readiness

A Successful Closeout

A successful closeout is more than closing the subaward -

It confirms the subrecipient is prepared for the accountability period that follows.

The immediate task: processing the final reimbursement and closing the subaward

The lasting work: confirm the subrecipient's file is complete, accurate, and audit-ready

The window: gaps can still be fixed now. Later, they become costly, sometimes impossible

Teams Chat: What are the most common questions you are receiving from your subrecipients regarding closeout?

What a Successful Closeout Looks Like

Refresher: We reviewed this in Session 3!

Programmatic

- All work completed
- Deliverables accepted
- Performance objectives achieved

Financial

- Final reimbursement submitted
- Costs reconciled and allowable
- No outstanding obligations or unspent balance

Compliance

- Monitoring findings resolved
- Corrective actions completed
- Required reports submitted

Post-Closeout Readiness

Consider:

- *Does the subrecipient's leadership know how they'll meet the responsibilities that continue after closeout?*

Supporting all of it: The File

A complete file tells a clear story. Consider:

- *What was accomplished? How were funds spent? Why were they allowable? How was compliance met?*

Knowledge Check No. 1

Per NCPRO guidance, when should an administering agency (e.g., PTE) notify subrecipients in writing that a grant is nearing its end date?

A — **12 months before the grant end date, with a follow-up at 6 months**

B — **6 months before the grant end date, with a follow-up at 3 months**

C — **3 months before the grant end date, with a follow-up at 30 days**

D — **90 days after the grant end date, as part of closeout**

Before Closeout:
Communicate and Document

The conversation to have, the file to build, and the final decision to make

What to Communicate to Your Subrecipient

Many closeout issues stem from gaps that could have been addressed through early coordination and documentation discussions.

1 **Start the conversation early**

- NCPRO guidance recommends written notice six months before the grant end date, with a follow-up reminder at three months
- Use that timing to help the subrecipient prepare complete records and a supportable closeout file

2 **Define what completion requires**

- Walk the subrecipient through programmatic, financial, and compliance completion
- Confirm expectations are clear and documented up front

3 **Assemble the closeout documentation package**

- Tell them what the closeout package requires: final invoice(s), final financial report, final expenditure report
- Records are easier to gather than to reconstruct

4 **Set the oversight and audit horizon**

- Frame it this way: "*If an auditor reviewed this award years from now, would the file clearly tell the story of completion and compliance?*"
- The same question helps shape a file that can support potential future audit and oversight requests

5 **Explain what continues**

- Closeout ends the award, not the obligations tied to it
- Recordkeeping, a possible Single Audit, and responses to future oversight continue well after the file is closed

What the Subrecipient's File Should Show

Years from now, an auditor or reviewer may ask four questions -

A clear file answers all of them.

1. **Q: What was accomplished?**
   Support: Accepted deliverables, completed objectives, final performance data.

2. **Q: How were the funds spent?**
   Support: Final drawdown, reconciled costs, supporting documentation.

3. **Q: Why were the expenditures allowable?**
   Support: Cost documentation tied to the approved policies, procedures, and budgets.

4. **Q: Was compliance met?**
   Support: Monitoring completed, findings, if any, resolved, corrective actions documented.

Teams Chat: Of the four questions, which one do you see subrecipients struggle with most often?

Close It or Keep It Open?

Each scenario describes a subrecipient that may or may not be ready for closeout.
You decide: *Close It* or *Keep It Open*

Scenario A
All deliverables accepted, final reimbursement paid, costs reconciled, final reports submitted. However, the subrecipient submitted a corrective action from the June monitoring report that hasn't been reviewed or accepted.

Scenario B
All deliverables have been accepted, final reports submitted, and costs reconciled to date. However, $4,200 of the subaward remains unspent, with the period of performance ending in a few weeks.

Scenario C
All deliverables accepted, final reimbursement paid, costs reconciled, final reports submitted. All findings resolved and accepted. No other known issues documented.

Scenario D
All deliverables accepted, final reimbursement paid, costs reconciled, final reports submitted. But the staff member who managed this subaward from day one has left, and as your team reviews the file, key decisions live only in emails no team member can immediately explain.

Scenario E
Bonus Question: A subrecipient's file is otherwise ready to close, but your award file contains no documentation that your organization verified the subrecipient's **suspension and debarment status** before making the subaward. Close It or Keep It Open?

Closing Gaps Together

Identify what's incomplete and resolve it before the closeout deadline

Common Gaps and How to Close Them Together

Gaps can arise throughout the lifecycle of an award -

Identify what's incomplete and resolve it before the closeout deadline.

Final report or reimbursement still outstanding

Together: Help the subrecipient set a target date for the final submission, then confirm the numbers reconcile before closing out

Unspent or unobligated balance

Together: Help the subrecipient return the balance to the agency for reversion to the Office of State Budget and Management and subaward closeout

A monitoring finding not yet resolved

Together: Confirm the corrective action is fully implemented and accepted; submission alone isn't enough

No suspension and debarment verification in your file

Search your own records first

If it's missing, document the search and consult your NCPRO Grant Manager, if needed, before closeout

Knowledge Check No. 2

A subrecipient has an unspent balance at the end of the period of performance. The PTE should:

- A **Close the subaward anyway and note the balance**
- B **Ignore the balance if it's small, especially if it's just pennies**
- C **Help the subrecipient return the balance, then close**
- D **Roll the balance to next year**

Life After Closeout

Records, Single Audit, and Continuing Responsibilities

Record Retention Is a Shared Obligation

For this program, records should be retained through at least

December 31, 2032

...if unresolved audit findings, legal holds, or other requirements call for a longer retention period, keep records until those requirements are satisfied.

You and your subrecipient each keep your own records.

Record Retention Reference: Five years from the end of the grant agreement as stated in **09 NCAC 03M .0202** and **.0703**, longer if any audit exceptions remain, plus any additional period required by applicable NCPRO guidance.

Both you and your subrecipient should...

Keep a complete award file
Subaward, financials, procurement, progress reports, monitoring reports, and supporting documentation

Have a named person responsible
Not a department. A designated person whose role includes producing records on request. Leadership understands and supports that responsibility.

Confirm records survive turnover and time
Accessible years later, regardless of who is still on staff

! **Ask Them:** *Could someone locate, explain, and produce the award file during a future audit or other review?*

Single Audit & Continuing Responsibilities

Single Audit

2 CFR 200.501 (Uniform Guidance)

Threshold: The Single Audit threshold increased from $750,000 to $1,000,000 under the 2024 Revision to the Uniform Guidance.

Which applies? The new threshold applies to a subrecipient's first fiscal year beginning on or after October 1, 2024, not to the award issue date or project start date. A subrecipient spending down an older award may still be subject to the new threshold, so always verify the subrecipient's fiscal year before determining whether a Single Audit is required.

At closeout, ask your subrecipient:

- Is a Single Audit required for the closeout year?
- Has it been scheduled or completed?
- Did any findings affect the SFRF award?
- Have corrective actions been implemented?
- Is any prior-year PTE audit follow-up still open?

After closeout, the subrecipient still must:

- Retain records for the full retention period
- Respond to audit and oversight requests
- Provide supporting documentation on request
- Cooperate with future reviews
- Resolve questioned costs if they arise

Teams Chat: Single Audit determination for your subrecipients — complete or in progress?

Knowledge Check No. 3

After closeout, what happens to a subrecipient's responsibilities under the subaward?

- A — They end with the final payment
- B — They apply only if there was a monitoring finding
- C — They continue, including record retention, a possible Single Audit, and future oversight
- D — They transfer entirely to NCPRO

Next Steps and Tools for your Subrecipients

The parting message and your takeaway resources

Next Steps and Tools

A successful closeout is more than closing the subaward -
It confirms the subrecipient is prepared for the accountability period that follows.

Leave Them Audit-Ready

Considerations for PTEs as closeout approaches:

- A closeout conversation with each subrecipient
- An advance review of the subrecipient file
- Verification of Single Audit status, where applicable
- Clarity on who will retain records, and their capacity to do so
- A shared understanding of post-closeout responsibilities

Subrecipient Closeout Conversation Guide
A sample walk-through to use as a reference for closeout meetings with subrecipients

Subrecipient Closeout Readiness Checklist
An optional checklist you can share with subrecipients to help them prepare for closeout

Teams Chat: In a word or a phrase, what's one takeaway you'll bring to your next subrecipient closeout?

Q+A
Session