



North Carolina Pandemic Recovery Office (NCPRO)

Technical Assistance Training
April 3, 2025

01

Program Closeout

Agenda

1 | Closeout Overview

2 | Closeout Step-By-Step

3 | Closeout Leading Practices

4 | Knowledge Test

5 | Q&A Session



What is Program Closeout?

“Closeout is the process by which the Administering Agency confirms that all administrative actions and required efforts of a grant award are completed. This includes submitting all necessary SFRF reports, reconciling cash balances, and finalizing property disposition, marking the end of the grant award life cycle. Closeout can occur before or after the project's deadline, depending on when the work is completed.”

-North Carolina Pandemic Recovery Office. (2023, August 21). Standard operating procedures for subrecipients: Closeout.



The Grants Management Lifecycle

The four key aspects to the life cycle for SFRF funds are as follows:

Pre-Award

- Planning and development
- Accounting and reviewing applications
- Identifying risks

Award

- Subrecipient agreements
- Review for suspension and debarment
- Risk assessment
- Obligate funds

Post-Award (Manage)

- Subrecipient monitoring
- Drawdown funds
- Reporting
- Prepare for Uniform Guidance audits
- Provide oversight



Closeout

- Final drawdowns
- Final reports
- Return unused funds
- Retain records
- Audit Readiness

Closeout Overview



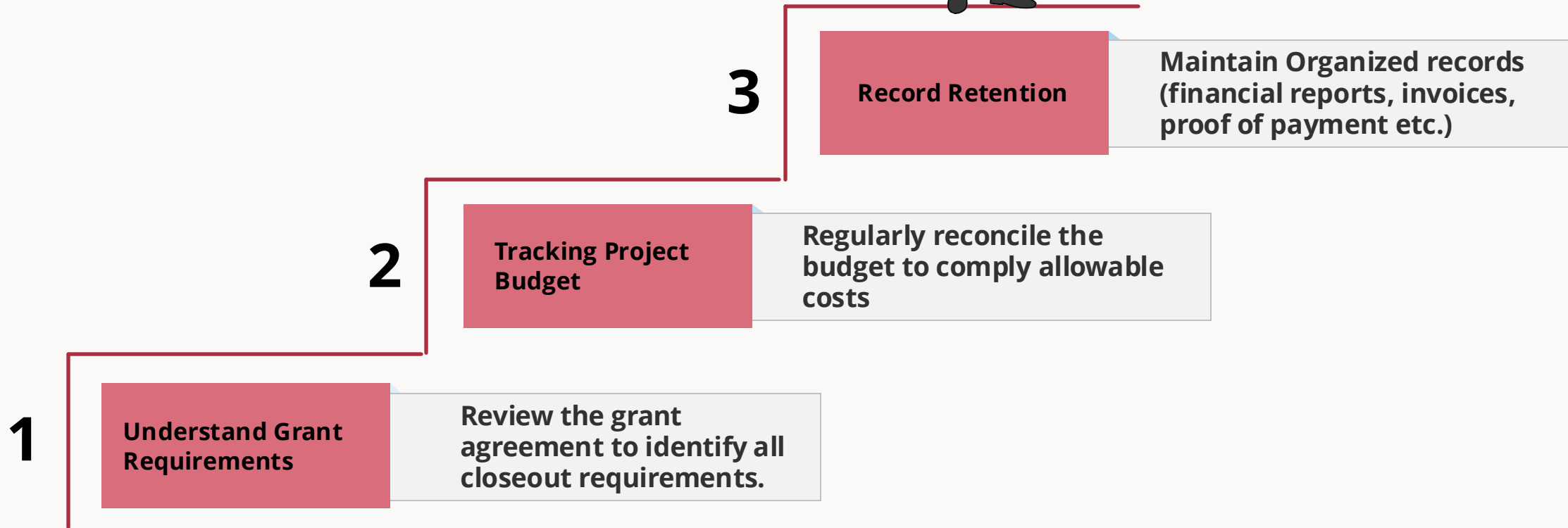
When to Prepare for Closeout

The subrecipient can start preparing for closeout by thoroughly understand grant requirements and maintaining compliance throughout the period of performance.

There are three components to preparing for closeout:



I want my organization to have a smooth closeout. What can I do now to prepare?



Overview

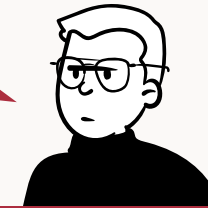
The purpose of closeout is to help facilitate:

1. Final reports are received, evaluated, and maintained for records retention.

2. Allowable costs are determined and documented.

3. Any funds due back to the State are calculated, and payment arrangements are made.

When does closeout happen?



Closeout may take place prior to (when work is complete prior to final deadline) or after the expiration or termination of the project or the grant period (when project reaches established deadline for efforts and expenditures) **whichever occurs first.**

Roles and Responsibilities through the North Carolina lens

North Carolina Pandemic Recovery Office (NCPRO)

NCPRO has two roles under the SFRF program. When NCPRO is the prime recipient of state-appropriated SFRF funds, it serves as the **Administering Agency**. Its other role involves overseeing the SFRF program, in which capacity it is known as the **Coordinating Agency**.



NCPRO serves as the State's Coordinating Agency for the SFRF funds appropriated to the Administering Agencies.

Administering Agencies

Under the Federal Grants Management Model, **Administering Agencies** receiving federal awards are considered **co-prime recipients** of the federal awards. This designation as co-prime recipients, rather than subrecipients of NCPRO, aligns with U.S. Treasury guidance.



Administering Agencies create grant projects that involve direct State spending, subawards to non-state entities, or both.

Subrecipients and Beneficiaries

The distinction between a subrecipient and a beneficiary depends on the reason the recipient is providing funds to the individual or entity. If the funds are provided to carry out an SFRF program or project on behalf of the Administering Agency, the individual or entity is considered a **subrecipient**.



Any impacted industries or individuals that experienced a direct negative economic impact and received SFRF funds are considered beneficiaries.

Roles and Responsibilities through the 2 CFR 200 lens

Federal Awarding Agency (FAA)

The federal organization that provides the financial assistance (grant) to the recipient.



The U.S. Treasury Department provided funds to North Carolina

Pass-Through Entity (PTE)

The non-federal organization that receives a federal award and then distributes (passes through) some or all of the funds to another organization (subrecipient) to carry out part of the program.



Administering Agencies passed the funds to other State Agencies and Subrecipients.

Subrecipients (SR)

A non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program.



The Subrecipients received the funds so that we can better serve our communities and recover from the pandemic.

Closeout as Administering Agencies and Subrecipients in North Carolina

Validates that projects comply with State legislative intent under Session Law 2021-180, Senate Bill 105, subsequent legislation, Subchapter 03M of the NCAC, and the Code of Federal Regulations, 2 CFR Part 200.

State Reference	What You Need to Know	2 CFR 200 Reference
09 NCAC 03M .0202 (1)	Maintain reports and accounting records that support the allowable expenditure of State funds. Recipients and subrecipients shall make available all reports and records for inspection by the awarding agency, the Office of State Budget and Management, and the Office of the State Auditor for oversight, monitoring, and evaluation purposes.	§ 200.344 (a)
09 NCAC 03M .0202 (2)	Ensure that subrecipients comply with all reporting requirements established by this Subchapter and their contract and report to the appropriate disbursing entity.	§ 200.344 (a)
09 NCAC 03M .0401 (6)	Ensure that grant funds are spent consistent with the purposes for which it was awarded.	§ 200.344 (b)
09 NCAC 03M .0401 (7)	Determine that reporting requirements have been met by the recipient and that all reports have been completed and submitted in accordance with the recipient's contract.	§ 200.344 (a)
N.C.G.S. § 143C-6-23 (d) (1)	Ensure that the purpose and reporting requirements of each grant are specified to the grantee.	§ 200.344 (a)
N.C.G.S. § 143C-6-23 (d) (7)	Require grantees and subgrantees to maintain reports, records, and other information to properly account for the expenditure of all grant funds and to make such reports, records, and other information available to the grantor State agency for oversight, monitoring, and evaluation purposes.	§ 200.344 (a)
N.C.G.S. § 143C-6-23 (d) (11)	Provide procedures for use in appropriate circumstances for reinstatement of disbursements that have been suspended for noncompliance with these rules or other inappropriate use of grant funds.	§ 200.344 (b)
09 NCAC 03M .0802 (a)	<p>The disbursing agency shall take appropriate administrative action to recover State financial assistance in the event a recipient or subrecipient:</p> <ul style="list-style-type: none"> (1) Is unable to fulfill the obligations of the contractual agreement. (2) Is unable to accomplish the purposes of the award. (3) Is noncompliant with the reporting requirements. (4) Has inappropriately used State financial assistance. 	§ 200.344 (d)

Closeout as Administering Agencies and Subrecipients : Through the lens of 2 CFR 200

Validates that projects comply with 2 CFR Part 200.

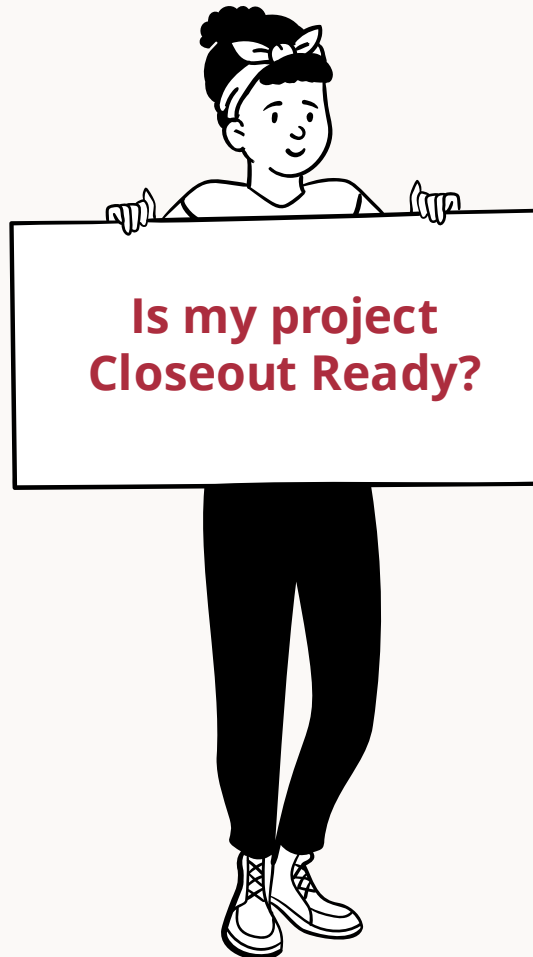
2 CFR Reference	What You Need to Know
§ 200.344 (a)	A subrecipient must submit to the administering agency, as agreed upon by the administering agency and subrecipient after the end date of the POP, with financial, performance, and other reports as required by the terms and conditions of the Federal award.
§ 200.344 (b)	Unless extension is approved, financial obligations must be liquidated as agreed upon by the administering agency and subrecipient following end of period of performance
§ 200.344 (d)	The Subrecipient must refund any unobligated cash from advance payments from the pass-through entity
§ 200.344 (f)	The Subrecipient must account for any real and personal property acquired with Federal funds or received from the Federal government
§ 200.344 (g)	When a Subrecipient completes their closeout requirements, the pass-through entity must complete their closeout actions no later than one year after the end of the period of performance

Closeout Step-by-Step



Closeout Readiness

Review the following checklist to determine if your project is ready to begin Closeout



Closeout Ready Checklist

- Are the funds fully expended?
- Is the Final Expense Report (FER) submitted to NCPRO via PANGRAM?
- Is the Close Out Balance Sheet completed and uploaded to PANGRAM?
- Is the Final Certification Closeout completed, signed, and uploaded to PANGRAM?
- Is the Final Performance Measurement documentation completed and uploaded to PANGRAM?

NCPRO SFRF State Agency and Subrecipient Grants

Comprehensive and Accurate Closeout for NCPRO SFRF Grants by December 31, 2026

1. The state agency or subrecipient notifies the NCPRO Grant Manager of project completion.

- Official close out of project will end all information updates and financial exchanges related to project. **Agencies should not close projects if there is ANY remaining activity or financial exchange** related to the project.

2. To begin the closeout process, Grant Manager will:

- **Share NCPRO Close Out Checklist**, including SFRF Close Out Balance Sheet, SFRF Close Out Financial Certification and Performance Measurement Report with project contact(s)
- **Schedule close out process discussion** including all necessary project contacts and NCPRO CFO (CFO will assign contact from Finance team)

3. Upon scheduling close out meeting:

- As checklist activities are completed, project contact will initial and date fillable PDF document, noting completion, and provide end signature when all activities have been completed
- Project contact will **return agency completed Close Out Checklist to Grants Manager**
- Project Contact (agency) is also asked to complete **Close Out Balance Sheet** and **Close Out Financial Certification** documents and return those to Grants Manager/Finance Staff for verification

NCPRO SFRF State Agency and Subrecipient Grants

Comprehensive and Accurate Closeout for NCPRO SFRF Grants by December 31, 2026



4. All items from State Agency and Close Out Checklist must be fully completed by the subrecipient and verified by Grant Manager prior to close out discussion taking place:

- **Project contact information** (person who completes checklist and will be anticipated future contact, as needed)
- **Final expense report submitted to NCPRO via PANGRAM.** Final expense report reflects any unexpended account balance, if applicable, and funds to be forfeited or returned
- **ALL financial activity** with any vendors, subrecipients, or beneficiaries must be completed, and all funds must be confirmed as fully expended, or unexpended funds which will be collected as part of project's funds return
- Checklist requires **completed Close Out Balance Sheet** verifying all vendors, subrecipients and beneficiaries, documenting total amount of funds received, and total amounts expended, to be uploaded to PANGRAM
- **Financial Certification Close Out** must be completed, signed and uploaded into PANGRAM. This form provides instructions for all fund return scenarios (e.g., full expenditure of funds, partial expenditure of funds, etc.) and process for actual return of funds
- **Final Performance Measurement documentation** has been completed and uploaded in PANGRAM. Grant Manager will confirm with reporting contact that performance measures are submitted. Agencies or subrecipients that plan to measure long-term impact may request referral to an academic or other research entity from the reporting team
- State agency or subrecipient **verifies organization's record retention policy** to maintain SFRF project records, including monitoring records. (Requirements for record retention are listed in MOU Section 5; agency must maintain records through December 31, 2032.)
- Documentation of **resolution of any project audit findings** (e.g., internal audit reports, State Auditor reports, other) uploaded in PANGRAM. (Note that audit scenario is not common.)

NCPRO SFRF State Agency and Subrecipient Grants

Comprehensive and Accurate Closeout for NCPRO SFRF Grants by December 31, 2026

5. If the state agency or subrecipient noted in their Financial Certification Close Out that it did not expend all appropriated funds and/or has funds to return, the following steps must be completed:

- Grant Manager will notify NCPRO finance staff that Financial Certification Close Out indicates that monies need to be returned or reviewed (in the case of an agency that has not drawn down funds and will not expend them)
- Finance staff initiates funds return process and notifies Grant Manager and reporting team of receipt of funds
- Grants manager will manually record a “negative payment” in PANGRAM to record the return or forfeiture of funds as a separate expense report

6. Grant Manager will review and verify all confirmed submissions have been saved in PANGRAM system.

7. At scheduled close out meeting, agency project contact(s) and all NCPRO staff participating will:

- Review and verify **all items on checklist have been completed**
- Confirm that **no financial transactions remain**
- Verify accuracy of future project contact information
- Save fully completed Closeout Checklist (.pdf) document to PANGRAM
- Discuss any questions or concerns related to project or close out

8. PANGRAM will be the official record retention tool for all closed projects

Reconciliations

Resolve any discrepancies before the closeout report is submitted to facilitate compliance with 2 CFR 200.302



General Ledger should reflect the actual cost incurred.

Reconciliation verifies that all financial transactions are accounted for and match the amounts reported in the financial reports.

Reconcile the general ledger with grant expenditures, validating that no discrepancies exist.

Compare the actual costs against the budget categories to verify that funds were used for the allowable purposes.

Procurement through the lens of North Carolina

*Debarred vendors are not entitled to enter into contracts with the state.
01 NCAC 05B .1520.*



In addition to determining the correct solicitation document for a specific procurement, it is essential to identify the process by which a procurement should be managed. This is based on the procurement's estimated cumulative contract value.

Small Purchases - \$25,000 or Less 01 NCAC 05B .0301.

- A small purchase is a solicitation for goods or services, not covered by a term contract, involving an expenditure of public funds valued at \$25,000 or less, including all extensions and renewals.
- Competitive bids are not required for small purchases; however, purchasers can still seek multiple quotes.

Informal Purchases 01 NCAC 05B .0301

- Where the cumulative value of a procurement, including all extensions and renewals, is valued between the small purchase benchmark of \$25,000 and an agency's general delegation.
- The methods used for informal purchases include:
 - Collaborative Requisitioning
 - Informal Quote Request (IQR)
 - Request for Quote (RFQ)

Formal Purchases 01 NCAC 05B .0301

- Where the cumulative value of a procurement, including all extensions and renewals, involves an expenditure of public funds exceeding an agency's general delegation
- Competition shall be solicited utilizing sealed bidding.
- The purchasing agency shall prepare and advertise the procurement.

Procurement through the lens of 2 CFR 200

Verify procurement documentation, including processes and vendor selection follows the standards in 2 CFR 200.318-323



Evidence of proper procurement documentation is essential for the closeout process

Requires recipients to follow procurement standards; full and open competition to avoid conflict of interests.

Validate that procurement activities during the grant period comply with federal, state, and local procurement regulations.

Review contracts, purchase orders, and procurement documents to confirm they were handled according to procurement standards.

Expense Documentation

Verify that all expenses are supported by appropriate documentation and fall within the allowable and allocable cost defined by G.S. §143C-6-23 (d),(7)



Require grantees and subgrantees to maintain reports, records, and other information to properly account for the expenditure of all grant funds and to make such reports, records, and other information available to the grantor State agency for oversight, monitoring, and evaluation purposes.

Proof of payment is included to support costs for each work category and costs over the current budget.

Include proof of payment, such as canceled checks, bank statements, and Electronic Funds Transfer (EFT)

Include necessary payroll records, including timesheets, pay stubs, and payroll registers for employees whose salaries were claimed by the grant.

Final Expense Report (FER)

Prepare the FER, verifying that it aligns with 143C-6-23 (d),(6) reporting requirements.



Establish mandatory periodic reporting requirements for grantees and subgrantees, including methods of reporting, to provide financial and program performance information.

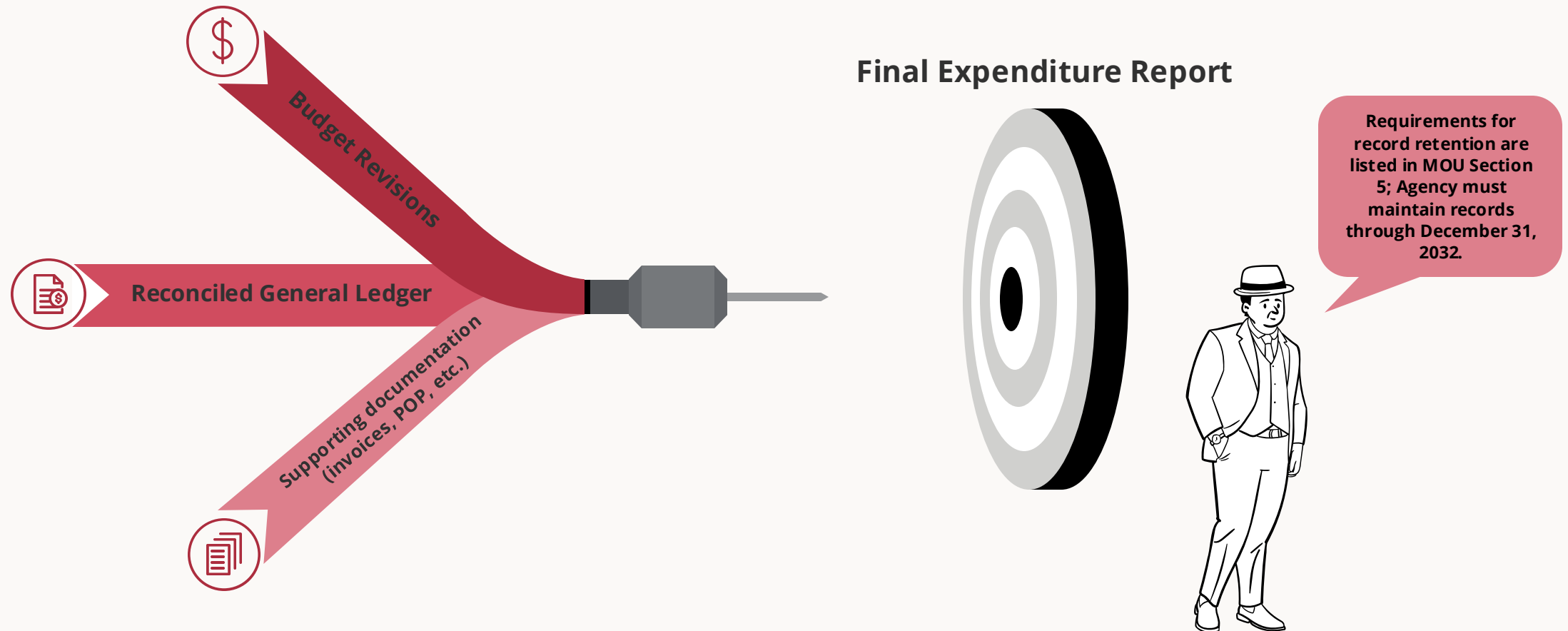
Final expense report submitted to NCPRO via PANGRAM. Final expense report reflects any unexpended account balance, if applicable, and funds to be forfeited or returned

ALL financial activity with any vendors, subrecipients, or beneficiaries must be completed, and all funds must be confirmed as fully expended, or unexpended funds which will be collected as part of project's funds return

Checklist requires completed Close Out Balance Sheet verifying all vendors, subrecipients and beneficiaries, documenting total amount of funds received, and total amounts expended, to be uploaded to PANGRAM

Final Expense Report (FER)

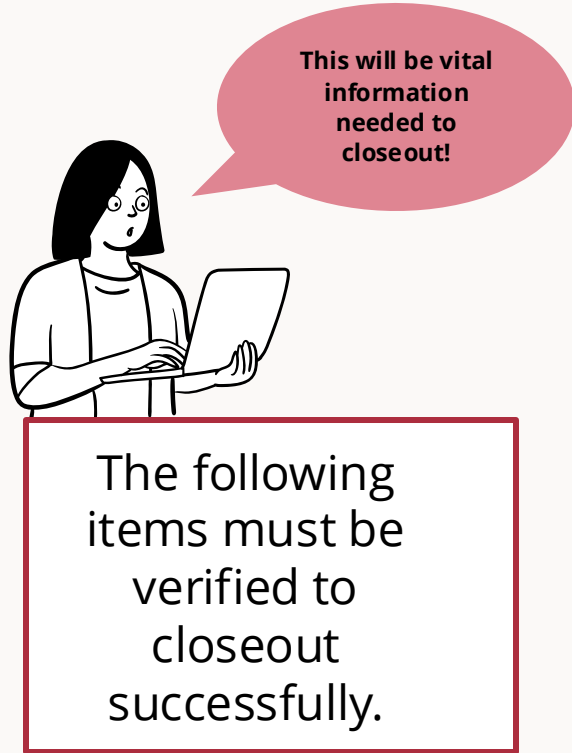
In North Carolina, the **Final Expense Report (FER)** for SFRF is **essential for the grant closeout process, facilitating transparency and compliance with federal and state requirements**. The FER is used to close projects and approve final payments, and it must match the total expenses claimed in the General Ledger, supported by the current or revised budget. Required documentation includes invoices, payroll, proof of payment (POP), procurement records, etc. State agency or subrecipient verifies organization's record retention policy to maintain SFRF project records, including monitoring records.




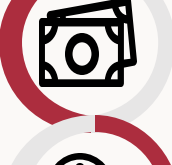



Closeout Leading Practices



Verification During Closeout



-  General Ledger should reflect the actual cost incurred.
-  Expenses submitted must be within the Period of Performance.
-  Evidence of proper procurement documentation following federal, state, and local procurement regulations.
-  Expenses claimed at closeout must be supported with an invoice/receipt or timesheets.
-  Costs recorded in the Final Expense Report (FER) should reflect during the period of actual expenditures during period of performance of the grant.

Maintaining Financial Integrity and Operational Vigilance in Closeout

Consistent processes and strong controls for a seamless closeout



Operational Vigilance and Financial Reconciliation

Operational vigilance is crucial for the effective closeout of grants. Adhering consistently to Standard Operating Procedures (SOPs) facilitates timely financial reconciliation, accurate inventory management, proper accounting for equipment and other assets, and thorough follow-up on audit findings.



Strong Internal Controls and Proactive Management

Robust financial internal controls are essential for maintaining transaction traceability, thereby reducing audit risks. Proactive management throughout the performance period minimizes the likelihood of unexpected issues, facilitating a smooth and efficient grant closeout process.

What To Retain

Essential documentation for a compliant and efficient grant closeout



Award Package



**Project
Financial
Records**



**Expense
Supporting
Documentation**



**Progress
Reports**



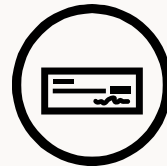
**Audit Follow-Up
Records**



**Monitoring
Records**



**Correspondence
between Agency
& Recipient**



**Final Closeout
Letter**



**Record of
Reconciliation**



**Property
Disposition
Forms**

Timely Closeout

Closeouts can be delayed by unforeseen circumstances, such as:

- Recipient is currently being audited
- Recipient no longer exists
- Recipient uses a manual report reconciliation process
- Agency's grants management and payment system are not connected
- Delayed technical deliverables
- Unavailability of key recipient personnel to complete their requirements
- Grant projects that require multi-jurisdictional review



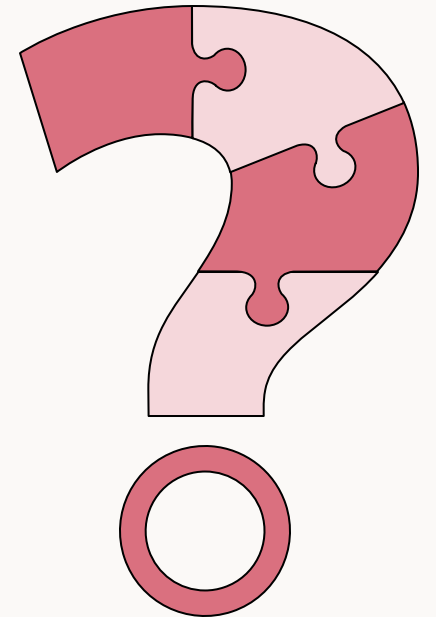
**It's time for a
Knowledge Test!**



Question 1

Which section of 2 CFR 200 covers closeout?

- a) 2 CFR 200.403
- b) 2 CFR 200.320
- c) 2 CFR 200.344
- d) 2 CFR 200.318



Question 2

At closeout, if total actual expenses do **not** equal FER totals, what action needs to be taken?

- a) No action needed, the general ledger does not affect the FER
- b) Reconcile actual expenses and make the required corrections to each corresponding report
- c) Copy and paste Budget amounts to General Ledger and adjust FER
- d) Revise the FER to match the budget not written to actuals

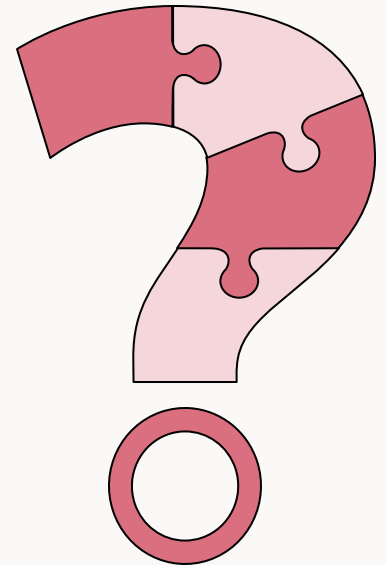


Question 3

Costs incurred outside of the period of performance are unallowable:

a) True

b) False



Q+A Session