



Grant Closeouts & Unobligated Balances



April 18, 2023

ADMINISTRATION FOR
CHILDREN & FAMILIES
Office of Head Start



Housekeeping Items

- All participants are in listen-only mode.
- Certificates of Attendance will be provided via chat and email.
- Closed Captioning is optional.
- Participate in discussion via chat.
- Submit all questions via Q&A.

Participate in discussion with the presenters here.



Ask your questions here.

Closed Captions can be turned on or off here.



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ADMINISTRATION FOR
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Office of Head Start



Today's Speakers

Heather Wanderski

*Director, Program Operations Division
Office of Head Start*

Stefanie Gordon

*Director, School Readiness Division
Office of Grants Management*

Lizette Lopez


*Supervisory Fiscal Specialist,
Program Operations Division
Office of Head Start*



Today's Topics

- Budget Period Closeouts
- Project Period Closeouts
- Unobligated Balances
 - Deobligation
 - Offset
 - Carryover Balance
- Questions & Answers

AGENDA





Budget Period Closeouts

Financial Reports Required

Interim reports **required** as part of the budget period closeout process:

- ✓ **SF-425**
 - *Payment Management System*
- ✓ **SF-429A, with or without property**
 - *On-Line Data Collection System*

View Burden Statement		Federal Financial Report (Follow form instructions)		OMB Number: 4040-0014 Expiration Date: 02/28/2022
1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)		
3. Recipient Organization (Name and complete address including Zip code)				
Recipient Organization Name:				
Street1:				
Street2:				
City:				
State:				
Country: USA: UNITED STATES				
ZIP / Postal Code:				
4a. DUNS Number		4b. EIN		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)
8. Report Type		7. Basis of Accounting		8. Project/Grant Period
<input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final		<input type="checkbox"/> Cash <input type="checkbox"/> Accrual		From: To: Reporting Period End Date
10. Transactions				Cumulative
<i>(Use lines a-c for single or multiple grant reporting)</i>				
Federal Cash (To report multiple grants, also use FFR attachment):				
a. Cash Receipts				0.00
b. Cash Disbursements				0.00
c. Cash on Hand (line a minus b)				0.00
<i>(Use lines d-o for single grant reporting)</i>				
Federal Expenditures and Unobligated Balance:				
d. Total Federal funds authorized				0.00
e. Federal share of expenditures				0.00
f. Federal share of unliquidated obligations				0.00
g. Total Federal share (sum of lines e and f)				0.00
h. Unobligated balance of Federal Funds (line d minus g)				0.00
Recipient Share:				
i. Total recipient share required				0.00
j. Recipient share of expenditures				0.00
k. Remaining recipient share to be provided (line i minus j)				0.00
Program Income:				
l. Total Federal program income earned				0.00
m. Program income expended in accordance with the deduction alternative				0.00
n. Program income expended in accordance with the addition alternative				0.00
o. Unexpended program income (line l minus line m or line n)				0.00



Standard Form SF-425, Semi-Annual and Annual (Semi-Annual in PMS) Report

- ✓ In accordance with [ACF-PI-HS-17-04](#), all recipients are required to submit the following reports ([SF-425 PMS instructions](#)):
 - ✓ **Semi-Annual Report** (semi-annual in PMS)
 - ✓ **Annual Report** (semi-annual in PMS)
 - ✓ **Final Report** (Annual in PMS)
- ✓ Six month Semi-Annual and 12 month Semi-Annual reports are cumulative, covering six and 12 months of expenditures, respectively.
- ✓ The 12 month Semi-Annual report includes obligations incurred during the 12 month period and **does not** include the 90 day liquidation period.

Standard Form SF-425, Final (Annual in PMS) Report

- ✓ In accordance with [ACF-PI-HS-17-04](#), **all recipients are required to submit a Final Report SF-425**, titled Annual in PMS, detailing all of the financial transactions made for its federal award(s) as part of the closeout process ([SF-425 PMS instructions](#))
- ✓ Final Reports for the budget period are cumulative, **covering the 12 months of the budget period plus the 90 day liquidation period.**
- ✓ The final report must show federal cash status (Lines 10a and 10b) and expenditure information (Lines 10e and 10g) are equal. If not equal, grant recipients may be required to make necessary adjustments, e.g., for an overpayment or a request to extend the liquidation period.
- ✓ **Box 12 of the Final Report must include the following:**
 - Total Amount of U.S. Department of Agriculture (USDA) Reimbursement (45 CFR 1302.44(b))
 - Total Development and Administrative Expenditures (federal and non-federal) (45 CFR 1303.5(a))
 - If an unobligated balance of federal funds is being reported on Line 10h, the recipient must provide a breakdown of total federal expenditures for each 'CAN NO.,' ([ACF-PI-HS-16-01](#) & [ACF-PI-HS-17-04](#))

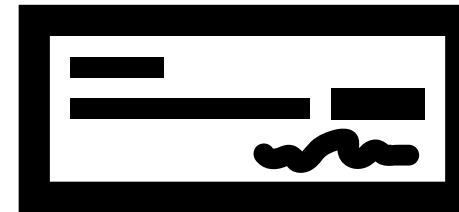


Steps to Request a Liquidation Period Extension

Grant recipients may request a liquidation period extension in order to liquidate **obligated funds**.

Grant recipients requesting a liquidation period extension **must**:

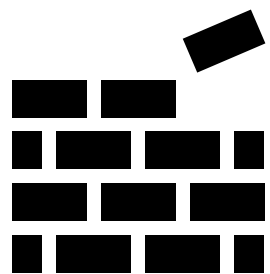
- ✓ **Submit** in writing to ACF/OHS, via HSES Correspondence, within **30 calendar** days before the end of the liquidation period
- ✓ **Include** justification and explanation
- ✓ **Demonstrate** proof of obligated funds



Approved extensions to liquidate **are communicated to recipients via letter from Grants Management Officer.**

Standard Form (SF)-429A

- ✓ The **SF-429A** is used to report on the status of real property purchased, constructed, or subject to major renovations paid for in part or in whole with federal funds, including any real property claimed as match for a Head Start award.
- ✓ In accordance with 45 CFR § 75.343 and [ACF-PI-HS-17-03](#), all recipients are required to submit an **SF-429A** annually to either:
 - ✓ Report property with federal interest—***SF-429A General Reporting***
 - ✓ Report that they have **NO** property with federal interest—***SF-429A No Property***
- ✓ **SF-429A** submissions are due on the same date as the annual (second semi-annual) **SF-425** is due.





Project Period Closeouts

Project Period Closeout Requirements

- In accordance with 45 CFR § 75.381, **HHS/ACF will close-out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed** by the grant recipient.
- Closeout Letters are sent **at least 30 days before the end of the project period**
- Upon receipt of *Closeout Letter*:
 - ✓ **Establish a receipt date for your subrecipients/contractors to submit closeout data, final reports, and final claims that allows sufficient time to prepare and submit your own final reports.**

ADMINISTRATION FOR CHILDREN & FAMILIES
330 C Street, S.W., Washington, DC 20201 | www.acf.hhs.gov

July 26, 2020

Name, BOD Chair
Agency
Street Address
City, State Zip

Grant Number: XXXXXXXXXX
Project Period: MM/DD/YYYY – MM/DD/YYYY

Dear Board Chair,

Our records indicate that the above-referenced grant will end on Month, Day Year. In accordance with the terms and conditions of your award and closeout procedures under 45 CFR § 75.381, you are required to submit final reports for the project period. These reports include the SF-425 and SF-PFR, as well as the SF-428-B and SF-429-C, when applicable. Instructions for submission of these reports are included below. Forms and instructions may be found at <https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html>. For additional information, please refer to the [ACF.HHS.GOV Post-Award Reporting](#) and [ACF.HHS.GOV Property Reporting](#) webpages.

Unless the Administration for Children and Families (ACF) authorizes an extension, your agency must liquidate all obligations incurred under the federal award no later than 90 days after the end date of the project period, as specified in the terms and conditions of the federal award. Your agency must promptly refund any balances of unobligated cash that the Payment Management System (PMS) paid in advance or paid and that are not authorized to be kept by your agency for use in other projects. See 45 CFR § 75.391 for requirement regarding unreturned amounts that become delinquent debts. Since this is the final year of this grant, all funds that are unobligated revert to the US Treasury.

You are reminded that you are responsible for the timely closeout of any subaward(s) and/or contract(s) under the grant as well as the settlement of any claims so that you are able to meet the closeout requirements. You should establish a receipt date for your subrecipients/contractors to submit closeout data, final reports, and final claims that allows you sufficient time to prepare and submit your own final reports.

The specified reports should be submitted as follows:

- 1) Financial Reports:
 - a) SF-425 Federal Financial Report (FFR) – submit online via the PMS no later than Month Day, Year. Your FFR marked as “final” must indicate the exact balance of unobligated funds and may not include any unliquidated obligations.

Financial Reports Required

Final reports **required** as part of the closeout process:

✓ **SF-425**

- *Payment Management System*

✓ **SF-429A, with or without property**

- *On-Line Data Collection System*

✓ **SF-428B**

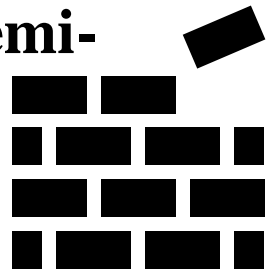
- *GrantSolutions*

View Burden Statement		Federal Financial Report		OMB Number: 4040-0014 Expiration Date: 02/28/2022	
(Follow form instructions)					
1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)			
[Redacted]		[Redacted]			
3. Recipient Organization (Name and complete address including Zip code)					
Recipient Organization Name: [Redacted]					
Street1: [Redacted]					
Street2: [Redacted]					
City: [Redacted]		County: [Redacted]		Province: [Redacted]	
State: [Redacted]		Country: USA: UNITED STATES		ZIP / Postal Code: [Redacted]	
4a. DUNS Number		4b. EIN		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	
[Redacted]		[Redacted]		[Redacted]	
8. Report Type		7. Basis of Accounting		8. Project/Grant Period	
<input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final		<input type="checkbox"/> Cash <input type="checkbox"/> Accrual		From: [Redacted] To: [Redacted]	
				9. Reporting Period End Date	
				[Redacted]	
10. Transactions					Cumulative
<i>(Use lines a-c for single or multiple grant reporting)</i>					
Federal Cash (To report multiple grants, also use FFR attachment):					
a. Cash Receipts					0.00
b. Cash Disbursements					0.00
c. Cash on Hand (line a minus b)					0.00
<i>(Use lines d-o for single grant reporting)</i>					
Federal Expenditures and Unobligated Balance:					
d. Total Federal funds authorized					0.00
e. Federal share of expenditures					0.00
f. Federal share of unliquidated obligations					0.00
g. Total Federal share (sum of lines e and f)					0.00
h. Unobligated balance of Federal Funds (line d minus g)					0.00
Recipient Share:					
i. Total recipient share required					0.00
j. Recipient share of expenditures					0.00
k. Remaining recipient share to be provided (line i minus j)					0.00
Program Income:					
l. Total Federal program income earned					0.00
m. Program income expended in accordance with the deduction alternative					0.00
n. Program income expended in accordance with the addition alternative					0.00
o. Unexpended program income (line l minus line m or line n)					0.00



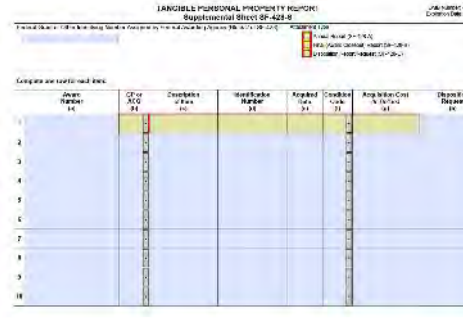
Standard Forms (SF)-425 and SF-429A

- ✓ Although there is no additional requirement for the SF-425 as part of closeout, you must ensure that the SF-425, Federal Financial Report, was submitted in accordance with [ACF-PI-HS-17-04](#) in PMS to report financial progress under the grant number.
- ✓ Although there is no separate requirement for real property as part of closeout, you must ensure that the SF-429-A, Real Property Status Reports (General Reporting) was submitted annually in OLDC to report real property status on real property acquired in whole or in part under Federal Notice of Awards.
 - **SF-429A submissions are due on the same date as the annual (second semi-annual) SF-425 is due.**



Standard Form SF-428B, and if applicable, SF-428S

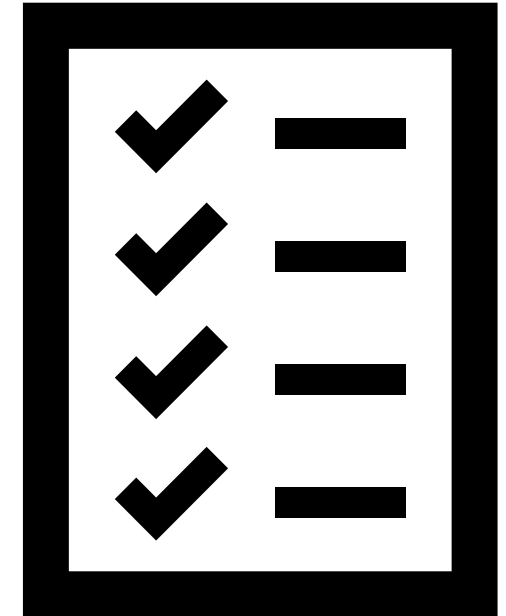
- ✓ Recipients are required to provide Tangible Personal Property Report SF-428 and SF-428B, and if needed, SF-428S, **on the same date** the final SF-425 Federal Financial report is due.
 - Please review the chart in the Federal Financial Report (SF-425) section of these reporting requirements for the due date.
- ✓ **Scan and upload completed copies of the SF-428 reports** to the specified folders in the Grant Notes section of GrantSolutions.
- ✓ **Available at:** <https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html>

A screenshot of the Tangible Personal Property Report (SF-428) form. The form is titled "TANGIBLE PERSONAL PROPERTY REPORT" and "Supplemental Sheet SF-428-B". It contains various sections for reporting property, including a table for listing items and a section for providing details about the property.A screenshot of the Tangible Personal Property Report (SF-428) form showing a table. The table has columns for "Asset Number", "SF-428 Number", "Description of Asset", "Market Value", "Acquired Date", "Condition", "App. Value", and "Other Info". The table is currently empty, with only the headers visible.

Asset Number	SF-428 Number	Description of Asset	Market Value	Acquired Date	Condition	App. Value	Other Info

Project Period Closeout Notice of Award

- Upon acceptance of all required forms, **the Grants Officer will issue a closeout Notice of Award to:**
 - Indicate that all requirements of the grant have been met
 - Advise recipient of their responsibilities related to records retention, audit, and disposition of property





Unobligated Balances

Unobligated Balance Options After Close of Budget Period

Action	When it Should Be Used?	Who Initiates?
Deobligate Funds	If <u>unobligated balances remain at the end of the project period</u> or there is no option to carryover.	ACF/OHS
Offset Funds	If unobligated balances from budget period <u>are no longer needed</u> in subsequent budget periods within a project period.	ACF/OHS
Carryover Funds	If unobligated balances from budget period <u>are needed</u> in subsequent budget periods within a project period.	Grant Recipient

Option 1: Deobligate Funds

Deobligations occur when **unobligated balances are no longer available for new obligations and must be returned to the Department of the Treasury**

Deobligations are:

- Used at the end of a project period
- Not eligible for carryover to new grant
- Not eligible for offset
- Initiated by ACF/OHS

Summary Federal Award Financial Information	
19. Budget Period Start Date	07/01/2019 - End Date 06/29/2021
20. Total Amount of Federal Funds Obligated by this Action	(\$52,357.00)
20a. Direct Cost Amount	(\$52,357.00)
20b. Indirect Cost Amount	\$0.00
21. Authorized Carryover	\$883,000.00
22. Offset	\$214,989.00
23. Total Amount of Federal Funds Obligated this budget period	\$7,203,218.00
24. Total Approved Cost Sharing or Matching, where applicable	\$1,490,052.01
25. Total Federal and Non-Federal Approved this Budget Period	\$8,640,913.01
26. Period of Performance Start Date	07/01/2015 - End Date 06/29/2021
27. Total Amount of the Federal Award including Approved Cost Sharing or Matching this Period of Performance	\$43,003,913.44

Option 2: Offset Funds

An Offset reduces current year funds and authorizes use of unobligated balances from previous budget periods for current year

Offsets are:

- Used when recipients reports unobligated balances and has not identified another use for funds
- Used between budget periods within project period
- Initiated by ACF/OHS

19. Budget Period Start Date	02/01/2023	- End Date	01/31/2024
20. Total Amount of Federal Funds Obligated by this Action			\$23,920,419.00
20a. Direct Cost Amount			\$26,704,588.00
20b. Indirect Cost Amount			\$963,615.00
21. Authorized Carryover			\$0.00
22. Offset			\$3,747,784.00
23. Total Amount of Federal Funds Obligated this budget period			\$0.00
24. Total Approved Cost Sharing or Matching, where applicable			\$1,457,342.00
25. Total Federal and Non-Federal Approved this Budget Period			\$25,377,761.00
26. Period of Performance Start Date	07/01/2020	- End Date	06/30/2025
27. Total Amount of the Federal Award including Approved Cost Sharing or Matching this Period of Performance			\$102,242,765.00

Option 3: Carryover Funds

Grant recipients may request **unobligated balances from one budget period be carried over to any subsequent budget period** within a project period.

- ✓ Request can include TA funds, provided the activities are previously approved, prospective costs to be incurred or undertaken, **but cannot be repurposed for general operations needs**
- ✓ Request may cover multiple budget periods, within a project period, if previous budget periods have not been closed

Carryover requests must meet one of following conditions:

- ✓ **Condition 1:** The carryover funds must be used for the purpose(s) for which they were originally authorized
- ✓ **Condition 2:** Other purposes within the scope of the project, as approved

19. Budget Period Start Date	01/01/2023	- End Date	12/31/2023
20. Total Amount of Federal Funds Obligated by this Action			\$0.00
20a. Direct Cost Amount			\$69,665.00
20b. Indirect Cost Amount			\$0.00
21. Authorized Carryover			\$69,665.00
22. Offset			\$0.00
23. Total Amount of Federal Funds Obligated this budget period			\$547,280.00
24. Total Approved Cost Sharing or Matching, where applicable			\$154,236.00
25. Total Federal and Non-Federal Approved this Budget Period			\$701,516.00
26. Period of Performance Start Date	01/01/2020	- End Date	12/31/2024
27. Total Amount of the Federal Award including Approved Cost Sharing or Matching this Period of Performance			\$4,752,800.00

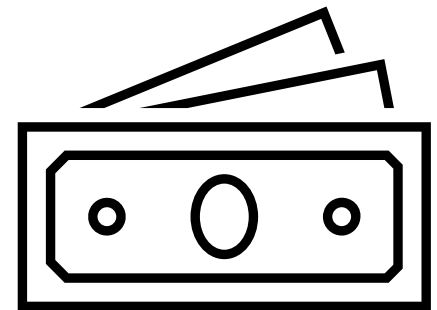
Steps to Request Carryover of Unobligated Balances

Grant recipients requesting a carryover of unobligated balances **must**:

- ✓ Include **only previously approved, prospective costs and activities** to be incurred or undertaken following the review and approval of the request
- ✓ Submit an annual SF-425, **showing an unobligated balance of funds available matching or exceeding the carryover request**, which must be approved before the request can be processed
- ✓ Submit request **in the budget period in which the funds will be expended**

Approved carryovers will always be for items that are:

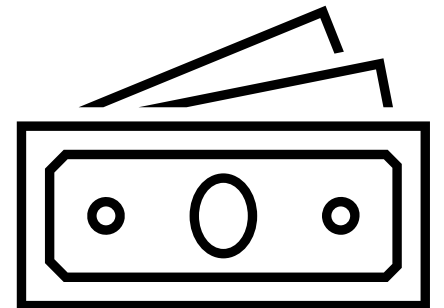
- ✓ Allowable
- ✓ Reasonable
- ✓ Allocable
- ✓ Necessary
- ✓ Align with the existing budget



Steps to Request Carryover of Unobligated Balances

To submit a fundable carryover request package, your application should include the following:

- ✓ A completed SF-424, SF-424A, SF-424B with the amount you are requesting to carryover
- ✓ Justification narrative (explain why you could not complete the activity in the previous budget period)
- ✓ Non-federal match narrative or waiver request
- ✓ Supporting documentation for activity, if applicable
- ✓ Governing body and Policy Council approvals
- ✓ Final SF-425 reflecting unobligated funds





Question & Answer

Question & Answer

What are the financial reporting requirements for project vs. budget period closeouts?

Budget Period	Project Period
SF-425	SF-425
SF-429A	SF-429A
	SF-428B

Question & Answer

When do I need to submit a carryover application?

In accordance with the Terms and Conditions of your award (specifically HHS Grants Policy Statement Part II-56), all requests for carryover of unobligated balances should be initiated once the actual unobligated balance is known (generally during the period allowed for preparation and submission of the annual Federal Financial Report or SF-425). Effectually, the annual SF-425 and requests for carryover of unobligated balances should be submitted within similar timeframes.

Question & Answer

Can I submit a carryover application? I was told this was not possible.

There may be reasons the Regional Office may advise submission of a carryover application is not in the best interest of a recipient.

For example:

- Cancelled appropriations (Be mindful that Common Accounting Numbers from FY18 expire on 9/30/2023)
- Different grant numbers
- Budget/project period are the same length
- Ended project period
 - Review Box 19 and 26 of your NOA

19. Budget Period Start Date 02/01/2021 - **End Date** 01/31/2022

26. Project Period Start Date 07/01/2019 - **End Date** 06/30/2024

19. Budget Period Start Date 05/01/2021 - **End Date** 04/30/2022

26. Project Period Start Date 07/01/2016 - **End Date** 04/30/2022



Question & Answer

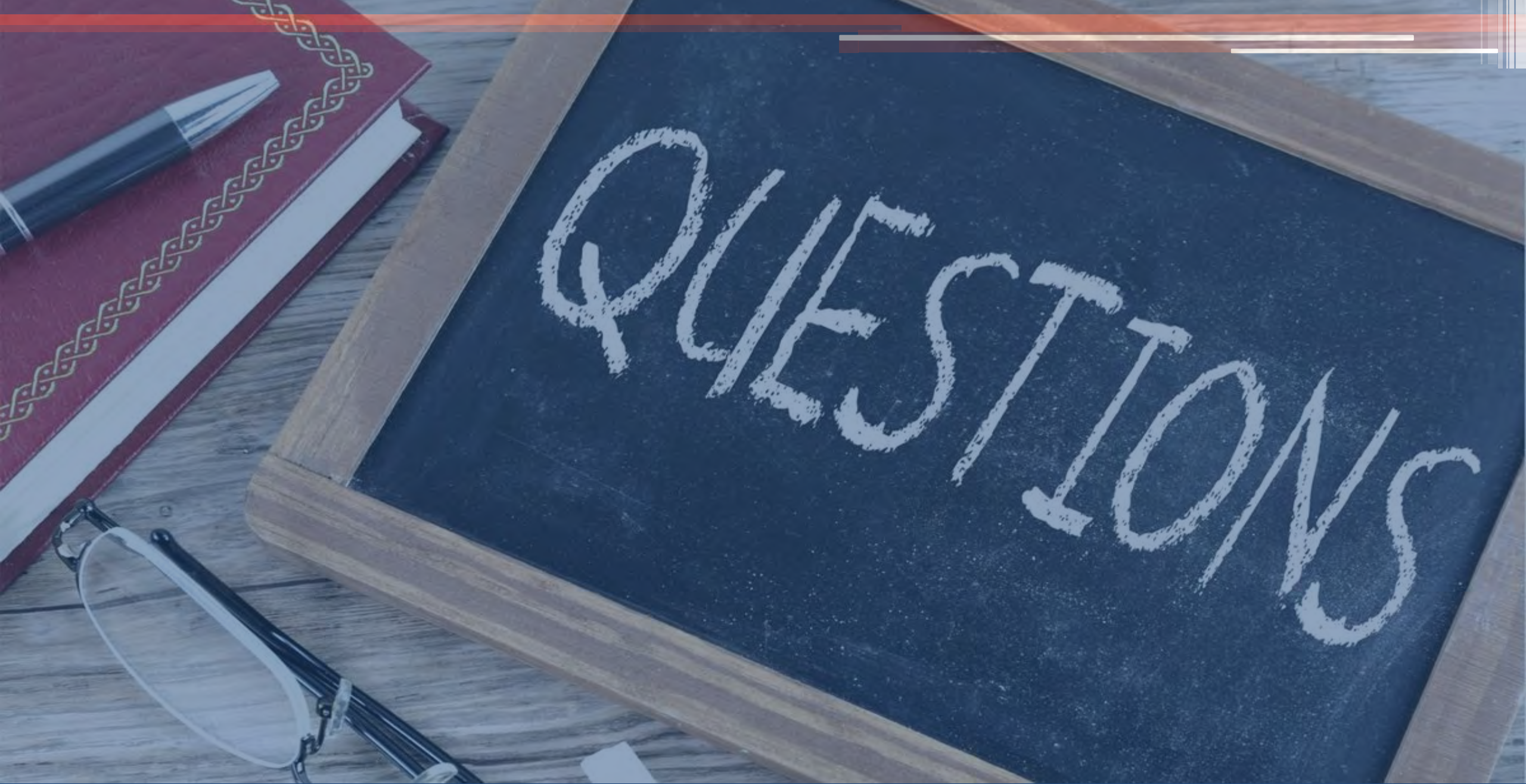
I requested to carryover equipment but my request was rejected since it wasn't previously approved. Does that mean I cannot carryover funds?

- Recipients (and on behalf of subrecipients) are required to request prior written approval from ACF for budget and program plan revision(s) in accordance with Federal statutes, program regulations, terms and conditions, any other policy guidance, [Subpart D - 45 CFR § 75.308](#), [Subpart E – 45 CFR § 75.407](#), [HHS Grants Policy Statement \(GPS\)](#).
- Although recipients are required to obtain approval before incurring costs or undertaking activities that require ACF prior approval, ACF can entertain a retroactive request and grant “prior approval” retroactively. Such requests will be reviewed on their merits, including whether the requested action was permissible at the time under the governing statute, regulations, and policies, including the cost principles.
- The recipient, **not ACF**, is responsible for providing all documentation needed to justify and support the retroactive prior approval request. ACF is under **no** obligation to approve the retroactive approval request. **The recipient must explain its failure to request the approval in advance and to indicate what steps it has taken or plans to take to prevent a recurrence.** If a recipient has a documented pattern of submitting requests after-the-fact, the Regional Office may disapprove a request on that basis or consider appropriate enforcement actions or remedies.

Question & Answer

Can I request to carryover unobligated funds from multiple budget periods at the same time?

- Yes, it is possible now but that availability may change. Moving forward, the closing of expired budget periods and deobligation of any unobligated balances not requested to be carried forward into a subsequent budget period for an active grant will become standard practice for ACF.
- Please note that if you have a need for funds, you **MUST** take action and submit a Carryover Request – Reprogram application in the Head Start Enterprise System (HSES). Failure to submit an application by a reasonable date will result in an offset of available funds.





Thank You!

