



RIVERSIDE COUNTY  
ECONOMIC DEVELOPMENT AGENCY

# ***POLICY AND PROCEDURES***

Date: January 10, 2005

Number: 16-04

**SUBJECT: CONTRACT CLOSEOUT**

**PURPOSE:** To provide the Economic Development Agency (EDA) Workforce Development staff, herein known as EDA, and contracted service providers with direction and procedures for closing out funded agreements.

**REFERENCES:** Code of Federal Regulations (CFR), 29 CFR 97.50 and 29 CFR 95.71

Office of Management and Budget (OMB) Circular

Employment Development Department (EDD) Workforce Development Agency (WIA) Directive WIAD03-9

WIADO-02, WIA Line Item/Subgrant Closeout Handbook

One-Stop Comprehensive Financial Management Technical Assistance Guide

**LOCALLY IMPOSED REQUIREMENTS:** Locally imposed requirements are indicated in ***bold, italic*** type.

**EFFECTIVE DATE:** January 10, 2005

**BACKGROUND:**

Title 20 CFR Section 667.300(d) requires that final financial reports be submitted after the expiration of a funding period or the termination of grant support. The state EDD in its effort to comply with the federal requirements has established closeout instructions through Directive WIA DO2-2. The state directive requires “**all closeout documents must be submitted within 60 days when ANY of the following occur.**”

- Any line item within a contract is fully spent and the term has ended
- A subgrant or contract has reached the end date of the agreement
- Formula funds are at the end of the two-year funding term

**Closeout documents may be submitted within 60 days when the following occurs**

- **Any line item within a subgrant or contract is fully spent and the term has NOT ended”**

The Riverside County Local Workforce Investment Area (LWIA) and its subrecipients are responsible for compliance with WIA Directive WIAD02-2 and submission of the closeout documents. It is also the responsibility of the LWIA to issue closeout instructions to all subrecipients, hence the following definitions, policy and procedures are provided.

**DEFINITIONS:**

Accrual Basis of Accounting: The accounting basis wherein revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period. This is the accounting basis that must be used in order to comply with generally accepted accounting principles as required by WIA.

Accrued Expenditures: Accrued expenditures are defined as the sum of cash expenditures through the end of the report period plus amounts owed for goods and services received but not yet paid. Expenditures accrue regardless of when cash payments are made. The key factor is performance by the contractor by the end of the contract or in the case of advance payments, which are liquidated when they are earned as evidenced by reports of progress or costs from EDA.

Books of Original Entry: In instances where the contractor processes the WIA financial transactions, “books of original entry” are the records, ledgers, and journals maintained by the contractor. In those instances when EDA processes and pays all the disbursements internally, the “books of original entry” are those books and records maintained by EDA.

Closeout, Line Item: This is a closeout of an individual line item within a contract. Line item closeouts require the submittal of a closeout summary of expenditures report and a closeout status of cash report.

Obligation: Transactions during a funding period that will require payment by the contractor during the same or future period.

Escheat Law: Reversion of property to the state in the absence of legal heirs or claimants and/or property that has reverted to the state when no legal heirs or claimants exist.

Stand-In Costs: Stand-in costs are nonfederal funds that a recipient proposes to substitute for federal costs (such as WIA) that have been disallowed as a result of an audit or other review. Funding must come from nonfederal sources (or in-kind services) specifically utilized for the same program. The costs must be in the same category as the disallowed costs and must be reported as uncharged costs under WIA. In order to use stand-in funds, they must be reported in the same year as the disallowed costs.

Subrecipient: is a legal entity to which a subaward is made and is accountable to the recipient for the use of the funds provided. Characteristics of a subrecipient exist when the organization receiving a federal award performs the following activities:

- ◆ Has its performance measured against the objectives of the program,
- ◆ Has responsibility for programmatic decision making,
- ◆ Has responsibility for adherence to applicable program compliance requirements (for example, the regulations), and
- ◆ Uses the funds to carry out a comprehensive program as opposed to providing goods or services.

Un-liquidated Obligations:

Un-liquidated obligations are the total dollar amount of orders placed or contracts and subgrants awarded that are to be paid at a future date. For reports prepared on a cash basis, they are the amount of obligations incurred by the subgrantee for which an outlay has not been recorded.

**POLICY:**

***All subrecipients will submit a closeout package within 45 days at the expiration of the contract term whether or not any line item within the contract is fully spent and that term has ended.***

***All subrecipients will submit the property inventory log and any reimbursement due to EDA with the closeout package. Closeout documents will be provided by EDA staff and are to be completed and mailed to:***

***Attention: (Project Administrator)  
Workforce Development Centers of Riverside County  
1151 Spruce Street  
Riverside, CA 92507***

**PROCEDURES:**

**Completing the Closeout Package**

The closeout package must be submitted within 45 days after the expiration of the contract term. It will be reviewed by EDA staff for its reasonableness and accepted only if all closeout supporting documentation is present. The closeout package should include the attached following information:

- ◆ Closeout Status of Cash
- ◆ Summary of WIA Expenditures
- ◆ Assignment of Refunds, Rebates and Credits
- ◆ Closeout Tax Certification
- ◆ WIA Subrecipient Release
- ◆ Property Closeout Inventory Log and Certification Form

All of the above forms require submission of two signed originals, with the exception of the Property Closeout Inventory Log.

## **Closeout Status of Cash**

A reconciliation of cash expenditures, at the end of the contract term, must be completed against the "books of original entry", and the total of reimbursements received by contract's end must be determined and reported on the Closeout Status of Cash document. Any amount determined to be unallowable and has been deobligated shall be documented on the Closeout Status of Cash form as well. The form should completely identify the contractor's name, address, agency code (assigned by EDA), contract number and term. The contractor's authorized representative must sign the form.

When an agreement holder has one or more unclaimed or outstanding check(s), the established escheat law for the agency should be followed. If no escheat provision exists, then the state escheat law should be followed which may be found at: <http://www.sco.ca.gov/co/ucplawregs/ucplaw.pdf>

A list of the claimants for the funds shall be documented and attached to the unclaimed check. The documented information shall include:

- ◆ Name of Payee
- ◆ Address of Payee
- ◆ Total Amount Due
- ◆ Social Security Number or Federal ID Number
- ◆ Check Number
- ◆ Date of Issuance
- ◆ Total dollar amount of each unclaimed or outstanding check
- ◆ Cost category originally reported for each
- ◆ Name, address and telephone number of person who may be contacted should questions arise regarding claims

## **Summary of WIA Expenditures**

Cost reimbursement contractors must complete the Summary of WIA Expenditures form (attached) and applicable line items within and submit with the closeout package. All cumulative expenditures shall be included. All accrued expenditures against the contract must also be included in the closeout package. It is recommended that an estimated accrued cost be as accurate as possible. Inflated costs reported on the closeout as a precautionary measure against any unexpected costs are not acceptable. All back-up documentation described in EDA Policy and Procedures 16-01, Expenditure Reporting/Invoicing Procedures, must be available upon request.

## **Audits and Resolution**

Audits and audit resolution requirements must be met whether the agreement holder is considered for future funding or not. This information must be provided even after the close of the program. The costs of audit services should be prepaid and billed on the Final Invoice that is due no later than 45 days past the end of the contract term. No WIA funds may be used for audit resolution. These costs will be borne solely by the contractor.

## **Assignment of Refunds, Rebates and Credits**

The Assignment of Refunds, Rebates and Credits form (Attached) shall be completed to record overpayment adjustments, refunds and interest earned on any WIA funds and shall be credited as a reduction of costs if received during the same funding period that the cost was initially charged. Credits received after the term of the agreement shall be returned to EDA.

## **Release of Liabilities**

Subrecipients shall release EDA and any of its employees or representatives from any demand, liabilities, obligation or claims arising from the agreement at the time of closeout by completion and signature of the WIA Subrecipient Release form. (Attached)

**Note: Any funds due creditors should remain in the accrued expenditures reported in the WIA Expenditure Summary of the closeout package.**

## **Property Closeout Certification Form and Inventory Log**

The Property Closeout Inventory Certification Form (Attached) with the subrecipient's authorized representative's signature shall accompany the inventory log to certify the disposition of supplies or equipment as described by the subrecipient and required by EDA Policy and Procedures 16-02, Property Management. The property inventory log (EDA form Fiscal 448-12) shall be updated and submitted with the certification form and shall include information concerning:

- ◆ Location and description of the equipment
- ◆ Tag number assigned by the property officer
- ◆ Serial number, or other identification number
- ◆ Acquisition date and cost
- ◆ Condition of the property at the close of the program and
- ◆ Fair market value of each listing

## **Tax Certification**

Subrecipients must certify that all requirements regarding employer identification, account numbers, collection, payment, deposit, federal, state and local tax reporting have been met and that W-2 forms have been provided as required by completing the state WIA Contract Closeout Tax Certification form (Attached). Subrecipients are responsible to ensure WIA funded subcontractors comply with all reporting requirements.


## **Other Requirements**

### **Monitoring**

It is expected that all non-compliant monitoring issues for both contractors and vendors shall have been resolved by end of the contract term and/or prior to submission of the corrective action to EDA. If the monitoring report identifying non-compliant issues was submitted to the service provider within the last three months of the contract term it is

understandable that programmatic corrective action may be a mute point. Should the contractor or vendor not be considering or considered for future funding, it is expected that identification of best practices which would either alleviate or correct the monitoring issue in future programs be submitted as a response to the monitoring report instead. Of course should there be an issue of disallowed cost, the EDA Debt Collection policy number 10-02 would apply.

Please refer any questions concerning this Policy and Procedures to the Workforce Development Division's Planning and Development Unit.



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Jerry Craig, Workforce Development Administrator

jc/kf/lr/lp/sk/ep  
Attachments



MONTH DAY, 200X

AGENCY NAME  
ATTENTION: NAME, TITLE  
ADDRESS  
CITY, STATE ZIP

DEAR PROGRAM OPERATOR:

**RE: Agreement #**

The referenced agreement will be or has ended. It is crucial EDA receives all final invoices for actual expenditures on or before July 10, 200X, no later than 4:30 p.m. Please also complete the enclosed Contract Closeout Package and return by August 15, 200X, to the following address:

**Riverside Workforce Development Center  
Attention: (Project Administrator)  
1151 Spruce Street,  
Riverside, CA 92507**

Policies and Procedures regarding Closeout and Property Inventory may be accessed @[RIVCOJOBS.com](http://RIVCOJOBS.com). Please telephone (Project Administrator) at 951.955.3100 should you have any questions or need further assistance.

Sincerely,

Kathryn Fortner  
Workforce Development Administrator

kf/lp/xx

1151 Spruce Street  
Riverside, CA 92507

**951.955.3100**  
**866 rivcojobs**  
**fax 951.955.3131**  
**[www.rivcojobs.com](http://www.rivcojobs.com)**



**WORKFORCE INVESTMENT ACT  
CLOSEOUT STATUS OF CASH**

Subrecipient Name and Address:

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Grant: \_\_\_\_\_  
Contractor Agency Code: \_\_\_\_\_  
Contract Number \_\_\_\_\_  
Contract Term \_\_\_\_\_ to \_\_\_\_\_

Total Allocation for this Contract: \_\_\_\_\_

1. How much cash to date has been reimbursed under this contract agreement? \_\_\_\_\_
2. Total expenditures reported in the WIA EXPD report? \_\_\_\_\_
3. Amount to Be Deobligated? \_\_\_\_\_

**SUBRECIPIENT'S AUTHORIZED REPRESENTATIVE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title





SUMMARY OF EXPENDITURES

Subrecipient Name:	Subrecipient Code:	
Agreement Number:	Title I/Project Name:	
Report Period Ending:		
<b>I. CONTRACT INFORMATION</b>		
<b>1. Contract Term: From:</b> <div style="text-align: right;"><b>To:</b></div>		
<b>2. Total Allotment:</b>	\$	
3. Final Report (Y/N/C/A)	\$	
<b>II. TOTAL EXPENDITURES (Admin + Program)</b>		
<b>\$</b>		
<b>III. ADMINISTRATIVE EXPENDITURES (if applicable)</b>		
1. Administrative Cash Expenditures	\$	
2. Administrative Accrued Expenditures	\$	
3. Total Administrative Expenditures	\$	
<b>III. PROGRAM EXPENDITURES</b>		
1. Staff Wages		
2. Staff Fringe Benefits		
3. Participant Wages		
4. Participant Fringe Benefits		
5. WIA Funded Support Services		
6. Program Management and Oversight		
7. Training Services		
<b>V. OTHER REPORTABLE ITEMS (PROGRAM)</b>		
1. Non-Fed Supp (Stand-in)	\$	
2. Unliquidated Obligations	\$	
3. Program Income Earned	\$	
4. Program Income Expended	\$	
5. TOTAL PROGRAM EXPENDITURES \$		
<b>VI. COMMENTS</b>		
<b>VII. CERTIFICATION</b>		
1. Name	2. Title	3. Phone Number
4. Contact Name	5. Title	6. Contact Phone
7. Date Submitted:		



## WORKFORCE INVESTMENT ACT SUBRECIPIENT RELEASE

Pursuant to the terms of Agreement Number \_\_\_\_\_ for the

Total Allocation of \_\_\_\_\_

and in consideration of the sum of \_\_\_\_\_  
(Total Expenditures Incurred)

which has been or is to be paid under said Agreement Number:

**Contractor Name:** \_\_\_\_\_

**Contractor Address:** \_\_\_\_\_

**Contractor Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**WEB Address:** \_\_\_\_\_

Contractor, hereafter called the Subrecipient, or to its assignees, if any, the Subrecipient upon payment of the said sum by the Riverside County Economic Development Agency, hereafter called EDA, does remit, release, and discharge EDA, its officers, agents, and employees, of and from all liabilities, obligations, claims and demand whatsoever under or rising from the said Agreement.

**IN WITNESS WHEREOF**, this release has been executed this \_\_\_\_\_ day of \_\_\_\_\_

**Subrecipient's Authorized Representative**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Title**



**WORKFORCE INVESTMENT ACT  
SUBRECIPIENT'S ASSIGNMENT OF REFUNDS, REBATES AND CREDITS**

Subrecipient Name: \_\_\_\_\_  
Street Address: \_\_\_\_\_ Agreement Number \_\_\_\_\_  
City, State, & Zip: \_\_\_\_\_

Pursuant to the terms of Agreement \_\_\_\_\_, and for the total allocation of \_\_\_\_\_ and in consideration of the reimbursement costs and payment of fee, as provided in the said agreement and any assignment thereunder, the \_\_\_\_\_ (hereafter called the Subrecipient) does hereby:  
(Subrecipient's Name)

Assign, transfer, set over and release to the Economic Development Agency (hereafter called EDA), all right, title and interest thereon, arising out of the performance of said Contract together with all the rights of action accrued or hereafter accrue thereunder.

Agree to take whatever action may be necessary to effect prompt collection of all such refunds, rebates, credits, or other amounts (including any interest thereon) due or which may become due and forward to EDA checks (made payable to the Riverside County Economic Agency for all proceeds so collected. The reasonable costs of any such action to effect the collection shall constitute allowable costs when approved by the Director of the Workforce Development Division as stated in the said contract and may be applied to reduce any amounts otherwise payable to EDA under the terms thereof.

Agree to cooperate fully with EDA as to any claims or suit in connection with such refunds, rebates, credits, or other amounts due (including any interest thereon); to execute any protest, pleading, application, power of attorney, or other papers in connection therewith; and, to permit EDA to represent it at any hearing, trial or other proceeding arising out of such claim or suit.

IN WITNESS WHEREOF, this assignment has been executed on this \_\_\_\_\_ day of \_\_\_\_\_, 200X.

Subrecipient's Authorized Representative

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title



### PROPERTY CLOSEOUT INVENTORY CERTIFICATION FORM

**Organization:** \_\_\_\_\_

**(Check All That Apply)**

- I certify that NO equipment and/or supplies was/were purchased with any WIA funds. No further action is required.
- I certify that
  - all equipment (aggregate)
  - all supplies (aggregate)currently in use has a fair market value of less than \$5,000. We intend to retain, sell or dispose of these items at our discretion. No WIA closeout inventory form needs to be completed.
- I certify that:
  - all equipment (aggregate)
  - all supplies (aggregate)with a fair market value of \$5,000 or more will be used as long as needed on any federally sponsored program. A completed inventory form is attached.
- I certify that:
  - all equipment (aggregate)
  - all supplies (aggregate)with a fair market value of \$5,000 or more is/are no longer needed. We will RETAIN these items and reimburse the state the fair market value within 30 days. A completed inventory form is attached.
- This GOVERNMENTAL AGENCY states:
  - all equipment (aggregate)
  - all supplies (aggregate)with a fair market value of \$5,000 or more is/are no longer needed. We will SELL these items and reimburse the state the fair market value. We will deduct any actual and reasonable selling and handling expenses (\$500 or 10 percent, whichever is less). We will then forward the balance of funds as instructed in the closeout guide. Disposition is to be completed within 30 days of filing the final closeout reports. A completed inventory form is attached.
- This COMMUNITY BASED ORGANIZATION states:
  - all equipment (aggregate)
  - all supplies (aggregate)with a fair market value of \$5,000 or more is/are no longer needed. We will SELL these items and deduct any actual and reasonable selling and handling expenses (\$500 or 10 percent, whichever is less). We will reimburse the state the balance of funds or will request disposition instructions from the state. Disposition is to be completed within 30 days of filing the final closeout reports. A completed inventory form is attached.

\_\_\_\_\_  
Subrecipient's Authorized Representative

\_\_\_\_\_  
Date



## WORKFORCE INVESTMENT ACT CONTRACT CLOSEOUT TAX CERTIFICATION

Contractor's Name: \_\_\_\_\_

Employment ID Number: \_\_\_\_\_

In the performance of Agreement Number \_\_\_\_\_,  
I certify that I have complied with the requirements of the law, and the Workforce Investment Division, Employment Development Department, State of California, regarding the obtaining of employer identification/account numbers, collection, payment, deposit, and reporting of federal, state and local taxes and the provision of W-2 forms to employees/enrollees who are not now our employees. For present employees/enrollees, formerly under the award, W-2 forms will be furnished as specified in Circular E of the Employers' Tax guide.

IN WITNESS WHEREOF, this certification has been executed this \_\_\_\_\_ day  
of \_\_\_\_\_, 200X.

Contractor's Authorized Representative

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address  
  
\_\_\_\_\_