

CHAPTER H:

CLOSE-OUT

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Project close-out 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 close-out 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 close-out report should be an accurate recap of the records and files that have been maintained throughout the grant term.

Generally the grantee will initiate the close-out procedures when:

- When all project costs, except close-out 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.

A CDBG project includes an entire project that is completed using CDBG and 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 close-out. 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 close-out. Additionally, TNECD may visit the project or access the files to complete a measurement and verification visit to assess long-term impact of the project.

Multiple close-out packages are available, and the type of activity completed will determine the package that is used. Certain documents will be included in each package, 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 close-out documents will be the listing close-out packages along with the documents that are in each.

Regardless of which closeout package is used, all CDBG projects must include a public close-out hearing. An advertisement detailing the date, time, and location of the close-out hearing must be published in a local newspaper **no less than ten days prior** to the close-out public hearing. TNECD requests that a notice also be posted in a public forum and/or online (community's website, social media, etc.)

FORM H-1: CDBG PROJECT CLOSE-OUT REPORT

The CDBG Project Close-out Report will be included in any and all close-out 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. Also, 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 for 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.

FORM H-2: PERFORMANCE MEASURES FOR EQUIPMENT PURCHASE PROJECTS

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 fall into 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. Lastly, there is an area 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 \$5,000.00. 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

FORM H-3: PERFORMANCE MEASURES FOR PUBLIC FACILITY AND INFRASTRUCTURE PROJECTS

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 fall into 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.

FORM H-4: PERFORMANCE MEASURES FOR HOUSING PROJECTS

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 will address 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.

FORM H-5: HOUSEHOLD INCOME VERIFICATION FORM

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 TA Survey; 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 person 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.

FORM H-6: LINE EXTENSION BENEFICIARIES FORM

This form will be used for water and sewer line projects and is similar to the Map Survey Forms used when developing the application. For this document the names, addresses and family size for all beneficiaries will need to be included on the form. Following are three boxes that need a simple yes or no answer. Is there a valid survey on file? Did the beneficiary receive a free tap or service connection? Is proof of installation on file? For each of these questions, make sure any documentation is included with the close-out 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.

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

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 second question will depend on how much CDBG funding 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 how to complete 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.

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

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).

FORM H-9: CLOSE-OUT PUBLIC HEARING SIGN IN SHEET

This sign-in form will be used for the mandatory public hearing as part of the grant close-out 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.

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

This report will be included in close-out packages where the activity included construction activities. This report will verify that all wages 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 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.

CLOSE-OUT PACKAGES REQUIRED DOCUMENTS AND ORDER

The lists below will outline which documents will be included in the close-out 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 Close-out Report
- H-2: Close-out Performance Measures for Equipment
- H-7: HUD-2880 Applicant/Recipient Disclosure/Update Form
- H-8: HUD-60002 Section 3 Summary Report
- H-9: Close-out Public Hearing Sign-In Sheet
- Copy of close-out advertisement in newspaper
- Additional and Supporting Documents (in corresponding order with the required forms)

Public Facilities and Infrastructure

- H-1: Project Close-out Report
- H-3: Close-out 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: Close-out Public Hearing Sign-In Sheet
- H-10: Final Wage Compliance
- H-6: Line Extension Beneficiary Form (if applicable)
- Copy of close-out advertisement in newspaper
- Additional and Supporting Documents (in corresponding order with the required forms)

Housing

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

Industrial Employment

Refer to Chapter I: Industrial Employment for close-out procedures.