Records Management and Closeout

SMART 3.0 Training
Dallas, TX
May 29-31, 2019

Today's Speakers

Latonya Torrence
Division Chief, OGM DPRR
U.S. Department of Labor
Washington, DC
Torrence.Latonya@dol.gov

Nancy Taylor
Senior Accountant, DPMAS
U.S. Department of Labor – Region 5
Chicago, IL
Taylor.Nancy@dol.gov

Grant Management Toolbox

- US 2 CFR 200 and 2 CFR 2900
- Technical Assistance Guides (TAGs)
- Care Monitoring Guide (CMG)
- SMART Toolkit
- Grants Handbook
- Workload/F4
Grant Management Toolbox References

SMART Training
Core Monitoring Guide
Technical Assistance Guides
ETA Grantee Handbook
WorkforceGPS Resources

Module Overview

✓ Discuss the non-Federal entities' responsibilities for managing grant records including:
  ► Custody
  ► Retention period
  ► Access
  ► Protecting PII
  ► And other issues

✓ Discuss grant/subaward closeout process including
  ► Timelines
  ► Closeout package contents
  ► Federal and non-Federal entities' responsibilities

Records Management

✓ Types of records
✓ Record retention requirements
✓ Access to and custody of records
✓ Protecting PII
✓ Collection, transmission & storage of records
✓ Policies and procedures
Types of Records

2 CFR 200.302
✓ Record in support of the expenditure of Federal funds
  ► Compliance with Federal statute and regulations
  ► Compliance with grant terms and conditions
✓ Records that:
  ► Identify all Federal awards received and expended and the Federal programs under which they were received
  ► Provide accurate, current, and complete disclosure of the financial results of each Federal award or program
  ► Identify adequately the source and application of funds for Federally-funded activities

Types of Records (2)
✓ Financial (including but not limited to)
  ► General ledger and supporting documentation
  ► Statistical records
  ► Negotiated Indirect Cost Rate Agreement (NICRA) Cost Allocation Plan (CAP)
  ► Property records (including depreciation schedule)
✓ Personnel
✓ Program performance
✓ Other type records

Types of Records (3)
WIOA sec. 185(a) and 2 CFR 200.302
✓ Records sufficient to prepare title I WIOA required reports and to permit the tracing of funds to ensure funds have not been spent unlawfully
✓ Records required to support title I WIOA programs' performance and activities
✓ Records to determine compliance with the nondiscrimination and equal opportunity provisions of sec. 188 of WIOA, or 29 CFR Part 38.
Records Retention Requirements

2 CFR 200.333
✓ With awards with specific period of performance, 3 years from the date the final expenditure report was submitted
✓ For Federal awards that are renewed quarterly or annually, 3 years from the date the grant recipient submits the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or PTE in the case of a subrecipient
✓ ETA Grant and Financial Management TAG, Section 15.14, Attachment 15-2, Record Retention Schedule for Selected Records
✓ ETA Core Monitoring Guide Indicator 2.g.1: Records Retention

Records Retention Schedule – TAG Financial Records

Records Retention Schedule – TAG Personnel/Program/Other
### Uniform Guidance Exceptions

**2 CFR 200.333**
- Written notification to extend retention period
- Litigation, claim or audit
- Records for real property and equipment
- Records transferred or maintained by the Federal awarding agency
- Indirect cost rate proposals and cost allocation plans
- Program income

**WIOA Exception**

**2 CFR 200.333**
- Grant recipients must collect and maintain records necessary to determine whether the recipient has complied, or is complying, with the nondiscrimination and equal opportunity provisions of sec. 188 of WIOA, or 29 CFR part 38.
- WIOA title I complaints and compliance review records must be retained for three years from the date the complaint or compliance review was resolved.
- See ETA Grant and Financial Management TAG, section 15.11 Special Considerations for detailed information

### Access to Records

**2 CFR 200.336**
- Awarding agency, Inspectors General, U.S. Comptroller General, pass-through entity, or any of their authorized representatives have right of access to any records pertinent to a grant to make audits, examination, excerpts and transcripts.
- For WIOA title I grant recipients, the Director at the Office of Civil Rights has the same rights of access.
- Restriction applies to access to name of victim of a crime.
- Right of access not limited to period of retention, but lasts as long as the records are retained.
DOL will not limit public access to its records pertinent to a Federal award, except

- For protected personally identifiable information (PII)
- When DOL can demonstrate such records will be kept confidential and
  - Would have been exempted from disclosure pursuant to the Freedom of Information Act (FOIA), or
  - Controlled unclassified information pursuant to Executive Order 13556 if the records had belonged to the DOL.

PII means information that can be used to distinguish or trace an individual’s identity, either alone or when with other personal or identifying information that is linked or linkable to a specific individual.

Protected PII means an individual’s first name or first initial and last name in combination with any one or more of types of information, including, but not limited to:

- social security number,
- passport number,
- credit card numbers,
- clearance,
- bank numbers,
- biometrics,
- date and place of birth,
- mother’s maiden name,
- criminal, medical and financial records,
- educational transcripts.

This does not include PII that is required by law to be disclosed.
Protection of Personally Identifiable Information


- Internal controls to safeguard
  - Protected PII and
  - Other information designated as sensitive or considered sensitive
- PII may be
  - Paper
  - Electronic
- Public has no access to PII

Collection, Transmission, and Storage

2 CFR 200.335

- Must retain and store records in a manner that will preserve their integrity and admissibility as evidence in any audit/litigation or other proceeding.
- Burden of producing and authenticating records on custodian
  - Failure to authenticate, not for evidentiary purpose
- Microfilmed or photocopied records can be substituted for original records as admissible for evidentiary purposes.
- If data are stored in a computer or similar device, any printout or other output readable by sight, shown to reflect the data accurately, is an original.
- To prove the content of a writing or recording, the original writing or recording is required.

Collection, Transmission, and Storage (cont.)

- May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information:
  - Responsibilities of Federal awarding agency and Pass-through entity
  - Requirements for electronic and paper records
- PII and Sensitive Data transmission and storage requirements TEGL 39-11
### Methods to Protect PII

| ✓ Have participants sign releases acknowledging the use of PII for grant purposes |
| ✓ Use unique identifiers for participant tracking |
| ✓ Use appropriate methods for destroying sensitive PII in paper files and securely deleting sensitive electronic PII. |
| ✓ Do not leave records containing PII open and unattended |
| ✓ Store documents containing PII in locked cabinets when not in use |

### Transfer and Custody of Records

- ✓ Pass-through entity’s custody of subrecipient records
  - Prevents duplication
  - Ensure access to subrecipient records – retention policy may vary
  - Take custody of subrecipient records when relationship ends
  - Protect PII and other sensitive records; encryption techniques should be employed
- ✓ DOL custody of records
  - When determined that records possess long-term retention value
- ✓ Transfer or storage Costs
  - 2 CFR 200.334 - Requests for transfer of records
  - DOL exception at 2 CFR 2900.18 provides that the cost of storing and transferring records to DOL is an allowable cost.

### Policies and Procedures

- ✓ Must meet requirements of applicable Federal laws and regulations.
- ✓ When implementing record retention policies, recipients and subrecipients must consider State and local policies and requirements.
- ✓ Identifies financial records, supporting documents, statistical records and all other records pertinent to the Federal award that must be retained.
- ✓ Includes a retention schedule, disaster plan and file back-up.
- ✓ Designates staff person with custodian of record duties.
- ✓ Addresses PII safeguards, staff access and handling of such data.
- ✓ Encryption techniques to protect individuals identification.
Common Mistakes

✓ Lack of written records management policy and procedures.
✓ PII restricted access not limited to necessary personnel.
✓ Destruction of records before the required retention period ends.
✓ Subrecipient records with retention periods ending earlier than the PTE's not available for the PTE's required retention period.
✓ Subrecipients records not kept for the required period for subawards that are terminated prematurely or for subrecipients who go out of business.
✓ Release of protected personally identifiable information (PII) or other sensitive or confidential information.
✓ Records improperly stored.

Knowledge Check 1 – Questions

True or False?
1. Records for real property and equipment acquired with Federal funds must be retained for three years after the date of the final ETA 9130 report.  
2. DOL’s or a PTE’s right of access to records is not limited to the period of retention, but lasts as long as the records are retained.
3. Microfilmed or photocopied records cannot be substituted for original records as admissible for evidentiary purposes.
4. Non-Federal entities must establish internal controls to ensure the protection of PII.

Knowledge Check 1 – Answers

1. Records for real property and equipment acquired with Federal funds must be retained for three years after the date of the final ETA 9130 report.  
   False
2. DOL’s or a PTE’s right of access to records is not limited to the period of retention, but lasts as long as the records are retained.  
   True
3. Microfilmed or photocopied records cannot be substituted for original records as admissible for evidentiary purposes.  
   False
4. Non-Federal entities must establish internal controls to ensure the protection of PII.  
   True
Core Monitoring Guide – Objective 2.g Records Management

✓ Indicator 2.g.1: Record Retention
  ► Has the grant recipient properly identified all financial records, supporting documents, statistical records, and all other records pertinent to the Federal award that must be retained?

✓ Indicator 2.g.2: Accessibility
  ► Are grant records accessible and available for timely review by authorized officials and representatives?

✓ Indicator 2.g.3: Protected PII
  ► Does the grant recipient have reasonable internal controls in place to safeguard protected PII, consistent with the requirements of the grant award?

✓ Indicator 2.g.4: Custody and Transfer
  ► Does the record retention requirement address circumstances under which custody of the records should be transferred to the grant recipient?

Closeout

✓ Closeout process and timelines
✓ Responsibilities of DOL, grant recipient, subrecipient, and pass-through entity (PTE)
✓ Contents of the closeout package
✓ Common issues for delay in closeout process
✓ Grant recipient’s post-closeout responsibilities

What is Grant Closeout?

2 CFR 200.16
✓ Closeout means the process by which the Federal awarding agency or PTE determines that all applicable administrative actions and all required work of the Federal award have been completed and takes required actions described in 2 CFR 200.343 Closeout.
✓ Completion of the grant life cycle
✓ Official end of the grantor/grantee relationship
✓ Closeout period – 90 day period following end of the grant’s period of performance
What are Closeout Required Actions?

2 CFR 200.343
✓ Grant Recipient
► Submits all final required reports
► Liquidates all accrued expenditures (2 CFR 2900.15)
► Refunds any balances of unobligated funds
► Accounts for real and personal property

✓ Federal agency/PTE
► Makes prompt payments to the non-Federal entity for allowable reimbursable costs
► Makes settlement for any upward or downward adjustments to the Federal share of costs
► Completes all closeout actions for Federal awards no later than one year after receipt and acceptance of all required final reports

Closeout Regulations

✓ 20 CFR 683.150 WIOA closeout
✓ 2 CFR 200.16 Closeout defined
✓ 2 CFR 200.343 Closeout requirements
✓ 2 CFR 200.344 Post-closeout adjustment
✓ 2 CFR 200.345 Collection of amounts due
✓ 2 CFR 2900.15 and 2 CFR 2900.17 Post Federal award requirements

Closeout Process

Direct Grant Recipients
✓ DOL email notification to grant recipient, typically 30 days before a grant expires
✓ Closeout package electronically transmitted
✓ Documentation within 90 days of end of the grant’s period of performance

Subrecipients
✓ Pass-through entities must establish appropriate closeout procedures
Closeout Timeline

✓ Final quarterly ETA 9130 financial report due within 45 days after grant’s period of performance (POP) ends
✓ Closeout specialist follow-up reminder 70-75 days after grant’s period of performance’s end date
✓ All closeout documents due no later than 90 days after the grant’s period of performance’s end date (2 CFR 200.343(a))
✓ 91+ days after grant’s period of performance’s end date, ETA’s closeout specialist review documents for compliance

Closeout Timeline Example

September 30, 2019
- Grant expires, closeout begins.

November 14, 2019
- Final quarterly ETA 9130 due.

December 30, 2019
- Closeout ETA 9130 and remaining closeout documents due.
- Last day to draw down funds without permission from closeout unit.

Federal Awarding Agency Responsibilities

✓ Track workload one year out to ensure timeliness of closeout
✓ Notify grant recipient not less than 7 days prior to the grant’s period of performance’s end date.
✓ Follow up with grant recipient when delays are encountered
✓ Grants Oversight and New Efficiency Act (GONE Act – Public Law 114-117) requires agencies to report Federal grant awards which have not yet been closed out more than two years after the grant’s period of performance ends.
✓ Issue initial and final determinations when disallowed costs are identified.
Dear Grantee,

This is a reminder that your grant award YF272961560A6 with the Employment and Training Administration will expire/expired on 09/30/2018. Please confirm that this date matches your records.

Pursuant to grant closeout regulations outlined in 2 CFR §200.343, all reporting requirements must be completed and submitted no later than 90 calendar days after this period of performance end date.

A closeout package is now available to you in the Grant Closeout System (GCS). To access it, enter the Grantee Reporting System and proceed to the GCS using the 'View Close out Grants' link. You will receive a Grant Closeout System End User Manual in a separate email shortly.

Please use this manual and the instructions found in the GCS for help in completing your closeout package.

In addition to this package, after you have completed your final expenditure report(s) Form 9130, you must complete and certify the Closeout 9130 financial report(s).

Please contact *** *** at **.**@dol.gov or (202) 693-**** with questions.

Sincerely,

Grant Officer
Grant Recipient Responsibilities (cont.)

- All accrued expenditures must be liquidated prior to submission of the closeout documents (2 CFR 2900.15).
- Negotiated Indirect Cost Rate Agreements (NICRAs) or Cost Allocation Plans (CAPs) must be provided at closeout if indirect costs claimed.
- Refund any obligated funds/cash.
- Leveraged resources must be reported throughout the performance of the grant and during closeout.
- Review of match requirements 2 CFR 200.29; 2 CFR 200.306, and 2 CFR 2900.8
  - 2 CFR 200.306(b) – the non-Federal entity accounts for funds paid for cost sharing or match must have been reported and expended to further the grant objectives, if required either by statute or within the grant agreement as a condition of funding.

Subrecipient Procedures

- PTE-established to ensure successful closeout process.
- Ensures both entities can meet the closeout requirements timely.
  - May need to shorten timeframes to accommodate subrecipients
- Ensures certain rights of awarding agencies continue beyond closeout.

ETA Closeout Package

<table>
<thead>
<tr>
<th>ETA Closeout Package</th>
<th>Required Documents</th>
<th>Formula</th>
<th>Discretionary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closeout ETA-9130 Financial Report</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Grantee’s Submission of Closeout Documents</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Grantee’s Release</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Government Property Closeout Inventory Certification</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Grantee’s Detailed Statement of Costs</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>- provide indirect cost agreement and calculations, if applicable</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grantee’s Assignment of Liens, Rentes, and Credits</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grantee’s Closeout Tax Certification</td>
<td>x</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9130 Reports

At the end of a grant, two reports must be submitted:

1. The Final 9130 report must be submitted no later than 45 calendar days after the reporting period in which the grant period of performance (POP) ends, as listed on the grant award notice. The Final 9130 report must be electronically submitted via the current reporting system.

2. The Closeout 9130 report must be submitted no later than 90 calendar days after the expiration of the grant period of performance. The Closeout 9130 Report must be completed. In addition to the Final 9130 report, a closeout report must be submitted to the current reporting system. The closeout report will be accessible via the following URL: [Link to the closeout report URL].

Example of due date for Final and Closeout ETA/9130 Financial Reports are:

<table>
<thead>
<tr>
<th>Grant POP</th>
<th>Final Reporting Due Date</th>
<th>Final Report Date</th>
<th>Closeout Report Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/1/18</td>
<td>7/18/18</td>
<td>9/1/18</td>
<td>10/31/18</td>
</tr>
<tr>
<td>12/1/17</td>
<td>1/18/18</td>
<td>3/1/18</td>
<td>4/30/18</td>
</tr>
<tr>
<td>5/1/17</td>
<td>6/18/17</td>
<td>8/1/18</td>
<td>9/30/18</td>
</tr>
</tbody>
</table>

For more information regarding grant closeout, please visit [Link to grant closeout information].

9130 Reports – Examples

Final Quarterly 9130

Closeout 9130

Administrative Costs

✓ Program Specific

Be mindful of the specific limitation for Administrative costs.
Liquidation of Accrued Expenditures

2 CFR 2900.15
✓ No new obligations may be incurred.
✓ The only liquidation that can occur during closeout is the liquidation of accrued expenditures (NOT obligations) for goods and/or services received during the grant period.
✓ Grant recipient may not direct charge staff time to work on closeout of grant after period of performance end date.

Property Certification Form

Detailed Statement of Costs
Indirect Costs – NICRA or CAP

✓ A negotiated indirect cost rate or CAP from the Federal cognizant agency
✓ Copy of the NICRA/ CAP must be submitted with the closeout package.

Match Resources

✓ Match - Portion of project costs not covered by Federal funds
  ▶ 2 CFR 200.29, 2 CFR 200.306
  ▶ 2 CFR 2000.1 - match must be expended before it is recognized as fulfilling a requirement of the grant
✓ Must be spent on fulfilling the objective or goal of the program or project.
✓ If required match is not met:
  ▶ Federal share is proportionally reduced
  ▶ Shortfall maybe subject to debt collection and affect future award potential

Program Income

WIOA Sec. 194(7)(B), WIOA 20 CFR 683.200(e)(8), and 2 CFR 200.307
ALWAYS SPEND before requesting more Federal funds
✓ Income generated from allowable grant activity must be reported
✓ Interest income earned on title I of WIOA and the Wagner-Peyser Act
  Program income must be expended first before drawing additional grant funds
✓ If unused, must be returned/refunded to the DOL at closeout
### Budget Realignments in Closeout

- Grant recipient provides written justification to Federal Project Officer (FPO)
- FPO determines if appropriate
- FPO sends justification to ETA Closeout specialist and documented in file

### Refunds

- **2 CFR 200.343(d)**
  - Grant closeout does not affect grant recipients obligation to return funds due to DOL as a result of refunds.
  - Prompt refund of any balances of unobligated funds.
  - Refunds may require revising final expenditure report.
  - Refunds can be electronically through Payment Management System (PMS) or Pay.Gov

### Closeout Does Not Affect DOL Authority

- Disallowances
- Debts
- Access to Records
- Property Management
- Audit
Common Issues Which May Delay Closeout

- Non-responsive grant recipients
- ETA 9130 issues
- Question and disallowed costs/IDs and IDs
- Refunds
- Administrative cost issues
- Indirect cost issues
- Equipment disposition
- Match
- Budget Realignments

Sustainability After Closeout

ETA Grant and Financial Management TAG, Section 17.7 Sustainability After Closeout

✓ Using non-federal funds to continue to stimulate the development of creative solutions to specific workforce solutions.
   - Evaluate past results
   - Incorporate lessons learned into ongoing service delivery
   - Identify funding source
   - Build stronger relationships with established partners

1. Continue employer support
2. Sustainability plans

Knowledge Check 2 – Questions

True or False?
1. The recipient has 90 days from the end of the POP to submit the final ETA 9130 report.
2. Any program income unspent at the end of the POP must be returned to DOL at closeout.
3. After closeout DOL has no right to recover disallowed costs identified during a later audit or other review.
4. If a grantee provides at least 90% of its required match by the end of the POP, the grantee has complied with the match requirement.
Knowledge Check 2 – Answers

1. The recipient has 90 days from the end of the POP to submit the final ETA 9130 report.  **False**
2. Any program income unspent at the end of the POP must be returned to DOL at closeout.  **True**
3. After closeout DOL has no right to recover disallowed costs identified during a later audit or other review.  **False**
4. If a grantee provides at least 90% of its required match by the end of the POP, the grantee has complied with the match requirement.  **False**

Module Review

- Records Management, including
  - Custody
  - Retention period
  - Access
  - Protecting PII
  - And other issues
- Grant/subaward closeout process, including
  - Timelines
  - Closeout package contents
  - Federal and non-Federal entities’ responsibilities

SMART Checklist

- Records Management
  - Make sure policies and procedures including record retention schedules are updated to comply with applicable Federal laws and regulations.
  - Identify all financial records, supporting documents, statistical records, and all other records pertinent to the Federal award that must be retained.
  - Determine if the physical location of the space used for record retention is safe, adequate, and accessible.
  - Install processes and update procedures that safeguard personally identifiable information (PII).
SMART Checklist (cont.)

- Determine, if records are in an electronic/digital system that it is secure and accessible during the record retention period. Ensure that access to electronic or digital records are safeguarded from intentional alterations.
- Ensure that the pass-through entities' policies and procedures address circumstances under which the pass-through entity will take custody of the subrecipient’s records when necessary to ensure that records are available for the pass-through entity’s entire record retention period.

61

 ETA and Uniform Guidance Resources

- Core Monitoring Guide
  - Objective 2g: Records Management
- Grant & Financial Management Technical Assistance Guide
  - Chapter 15: Records Management
- Department of Labor Exceptions 2 CFR Part 2900
  - 2 CFR 2900.8
  - 2 CFR 2900.17
  - 2 CFR 2900.18
- TEGL 39-11

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Part 200
  - 2 CFR 200.16
  - 2 CFR 200.17
  - 2 CFR 200.18
  - 2 CFR 200.29
  - 2 CFR 200.30

- WIOA Administrative Provisions 20 CFR Part 683
  - 20 CFR 683.150
  - 20 CFR 683.200
  - FR 200.343-345

Web Resources

- What is the best way to find your local American Job Center (AJC)?
  - See DOL’s Service Locator
- Want More Information?
  - DOL.gov/grants
  - How to Apply
  - Manage Your Awarded Grant
  - Resources and Information
    - 2 CFR Grants Handbook
    - Annual Grant Terms Template
    - Core Monitoring Guide
    - Technical Assistance Guides
    - Uniform Guidance Quick Reference Sheet
- Want More Training?
  - Workforce GPS Grants Application and Management Community of Practice
    - Financial Reporting
    - Subrecipient Management and Oversight
    - Indirect Cost Rates
    - Policies and Procedures
    - Procurement and Performance Based Contracts
    - Capital Assets and More
  - WorkforceGPS

62

63
Remember the Grant Management Toolbox!

Questions

Please complete your evaluations.

Thank You.