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Workforce Investment Act  
State Compliance Policies

Section: 3.5

Contract Closeout

2005

August

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**I. GENERAL:**

- A. The U.S. Department of Labor (DOL) requires that funds be tracked and reported by year of appropriation/allocation. Financial status reports are cumulative and quarterly until all funds are expended within the time limits outlined in WIA State Compliance Policy 3.3.
- B. The purpose of the sixty (60) day closeout period is to allow time for the Local Workforce Investment Boards (LWIBs) and their subrecipients to liquidate obligations.
- C. LWIBs must have written procedures for closing out each subrecipient contract to the same extent as the state's requirements for the LWIB.
- D. LWIBs should contact the state immediately if they have any problems/issues that arise subsequent to closeout so that a way to handle them can be prescribed that will minimize the effort required to resolve them.

**II. CONTRACT CLOSEOUT (29 CFR 95.71, 97.50 & One Stop Comprehensive Financial Management Technical Assistance Guide Section II-15-3):**

- A. A contract closeout package must be submitted to the state by the LWIBs no later than sixty (60) days after the expiration of the contract or when funds have been fully expended prior to the expiration date.

**Note:** LWIB contract(s) may include one or more funding sources and/or program year funding. Closeout packages should reflect the total dollar amount of the individual contracts regardless of the funding source or program year. Department of Employment, Training and Rehabilitation (DETR)/Financial Management will be responsible for submitting the state closeout package to DOL, which will be separated out by year of appropriation as required.

- B. **Contract Closeout Package:** The package must include two (2) copies, with original signatures, of the following reports:
  - 1. Final WIA Financial Status Report(s) (Form F-101).
  - 2. Final Request for Reimbursement, if allowable costs incurred exceed the payments made by the state, or a check from LWIB payable to DETR if payments exceed the allowable costs incurred.
  - 3. Grantee's Release (Form F-201): this form certifies the release of the

grantor agency from further monetary obligations under the grant. Certain specific identified claims such as unclaimed wages (subject to Escheat Laws), Workers' Compensation claims, or other outstanding claims must be identified and the list attached to the grantee's release.

4. Grantee's Assignment of Refunds, Rebates and Credits (Form F-202): this form waives grantee's claim to any refunds, rebates, or credits received after the grant has terminated and assures prompt remittance to the grantor.
5. Grantee's Closeout Tax Certification (Form F-203): this form provides assurances that the grantee/subgrantee has complied with all applicable tax requirements.
6. Final Inventory Certificate (Form F-204): this form provides an inventory of all property purchases where the DOL reserves the right to take title or a certification that no such property was acquired with funds from the grant.

**Note:** all contract closeout forms can be located in WIA State Compliance Policy Section 6.

### **III. SPECIAL BANK OR FINANCIAL ACCOUNT:**

LWIBs and subrecipients with special bank accounts established in accordance with the grant must close out these accounts. A bank or financial statement reflecting a zero balance must be included with the closeout forms.

### **IV. AFTER CLOSEOUT:**

- A. Records must be retained for three (3) years after the final expenditure report for that funding period. Records for non-expendable property must be retained for a period of three (3) years after final disposition of the property (§97.42 and §95.53).
- B. The LWIB is responsible to return any funds due as a result of later refunds, corrections, audit disallowances, or other transactions (§97.50 and §95.71).

**New Policy Below**

**Nevada Department of Employment, Training and Rehabilitation  
Employment Security Division  
Workforce Innovation Support Services**

**Workforce Innovation and Opportunity Act (WIOA)  
State Compliance Policy (SCP)**

**Policy Number: 3.5**

**Originating Office:** Department of Employment, Training and Rehabilitation (DETR); Workforce Innovation Support Services (WISS)

**Subject:** Contract or Subgrant Closeout

**Approved:** New June 2024; Replacing 2005 Workforce Investment Act (WIA)

**Purpose:** Provide guidance on contract and subgrant closeout procedures for WIOA funded activities.

**State Imposed Requirements:** This directive may contain some State-imposed requirements. These requirements are printed in *bold, italicized* type.

**Authorities/References:** ~~29 CFR §§ 95 and 97~~, 20 CFR § 683.150, 2 CFR Part 200 Subpart F, 2 CFR §§ 200.310-316, 200.329, 200.333-337, 200.343(a)-(f), 2 CFR 2900.15

**ACTION REQUIRED:** Upon issuance bring this guidance to the attention of all WIOA service providers, Local Workforce Development Board (LWDB) board members and any other concerned parties. Any local boards' policies, procedures, and or contracts affected by this guidance are required to be updated accordingly.

**Background:** The Workforce Innovation and Opportunity Act updated closeout procedures originally promulgated in the Workforce Investment Act (WIA). Additionally, some of the financial requirements in Office of Management and Budget (OMB) Circulars A-87, A-102, and A-122 have been superseded by the provisions of 2 CFR Part 200 and 20 CFR Part 683.

**Policy and Procedure:**

**Closeout Requirements:** (20 CFR § 683.150)

(a) After the expiration of the period of performance, the Department will closeout 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. This section specifies the actions the grant recipient and the Department must take to complete this process.

- (1) The grant recipient must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award.
- (2) The Department may approve extensions when requested by the grant recipient.
- (b) Unless otherwise noted in the terms and conditions of the award or an extension, grant recipients must comply with [2 CFR 200.343\(b\)](#) and [2900.15](#) in regards to closeout.
- (c) The Department must make prompt payments to the grant recipient for allowable reimbursable costs under the Federal award being closed out.
- (d) The grant recipient must promptly refund any balances of unobligated cash that the Department paid in advance or paid and that is not authorized to be retained by the grant recipient. See Office of Management and Budget Circular A-129, [2 CFR 200.345](#), and [2 CFR part 2900](#) for requirements regarding unreturned amounts that become delinquent debts.
- (e) Consistent with the terms and conditions of the Federal award, the Department must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.
- (f) The grant recipient must account for any real and personal property acquired with Federal funds or received from the Federal government in accordance with [2 CFR 200.310](#) through [200.316](#), and [200.329](#).
- (g) The Department should complete all closeout actions for Federal awards no later than 1 year after receipt and acceptance of all required final reports.
- (h) The closeout of an award does not affect any of the following:
  - (1) The right of the Department to disallow costs and recover funds on the basis of a later audit or other review.
  - (2) The obligation of the grant recipient to return any funds due as a result of later refunds, corrections, or other transactions.
  - (3) Audit requirements as described in [2 CFR part 200, subpart F](#).
  - (4) Property management requirements in [2 CFR 200.310](#) through [200.316](#).
  - (5) Records retention as required in [2 CFR 200.333](#) through [200.337](#).
- (i) After closeout of an award, a relationship created under the award may be modified or ended in whole or in part with the consent of the Department and the grant recipient, provided the responsibilities of the grant recipient referred to in [2 CFR 200.344\(a\)](#) and [200.310](#) through [200.316](#) are considered, and provisions are made for continuing responsibilities of the grant recipient, as appropriate.
- (j) Grant recipients that award WIOA funds to subrecipients must institute a timely closeout process after the end of performance to ensure a timely closeout in accordance with [2 CFR 200.343](#) and [200.344](#).

**Note: Local Boards must have closeout policies that relate to their subawards. Local Boards should contact the State immediately if they have any problems/issues that arise subsequent to closeout so that a way to handle them can be prescribed that will minimize the effort required to resolve them.**

***Local Boards should contact the State immediately if any problems/issues arise subsequent to closeout for a resolution directive to be prescribed that will minimize the effort required to resolve them.***

Local Board contract(s) may include one or more funding sources and/or program year funding. Closeout packages should reflect the total dollar amount of the individual contracts regardless of the funding source or program year. DETR/Financial Management (FM) will be responsible for submitting the State closeout package to DOL, which will be separated out by year of appropriation as required.

**Contract Closeout Package:** The package must include the following four (4) reports, signed and electronically sent to WISS:

- Grantee's Release (Form F-201): this form certifies the release of the grantor agency from further monetary obligations under the grant. Certain specific identified claims such as unclaimed wages (subject to Escheat Laws), Workers' Compensation claims, or other outstanding claims must be identified, and the list attached to the grantee's release.
- Grantee's Assignment of Refunds, Rebates and Credits (Form F-202): this form waives grantee's claim for any refunds, rebates, or credits received after the grant has terminated and assures prompt remittance to the grantor.
- Grantee's Closeout Tax Certification (Form F-203): this form provides assurances that the grantee/subgrantee has complied with all applicable tax requirements.
- Final Inventory Certificate (Form F-204): this form provides an inventory of all property purchases where the DOL reserves the right to take title or a certification that no such property was acquired with funds from the grant.

The final request for reimbursement is sent separately to WISS. ***Both the closeout package and final request for reimbursement must be submitted to WISS within 90 days of the contract end date.***

If allowable costs incurred exceed the payments made by the State, or payment from Local Board payable to DETR if payments exceed the allowable costs incurred.

**Special Bank or Financial Account:**

Local Boards and subrecipients with special bank accounts established in accordance with the grant must close out these accounts. A bank or financial statement reflecting a zero balance must be included with the closeout forms.

**After Closeout:** (~~29 CFR §§ 97.42 and 95.532; 29 CFR §§ 97.50-97.52;~~ 2 CFR §§ 200.333-337)

Records must be retained for three (3) years after the final expenditure report for that funding period, ***if not submitted for negotiations. If submitted for negotiations records must be kept until complete.***

Records for non-expendable property must be retained for a period of three (3) years after final disposition of the property.

The LWDB is responsible to return any funds due because of later refunds, corrections, audit disallowances, or other transactions. ~~per 29 CFR §§ 97.50 and 95.71~~