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Project Reports and Closeout

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15 Project Reports and Closeout

15.1 Introduction

Throughout a project, project reports must ensure that funds comply with the subrecipient agreement, program rules, and state and federal requirements. The purpose of this chapter is to describe the various project reports that are required throughout the project and project closeout process and requirements.

15.2 Project Reports

The following chart demonstrates all required reports, their applicability, and the timing of the reports. This is followed by detailed descriptions of each report.

Report	Applicability	Timing
Single Audit Report	If a subrecipient expends $1,000,000 or more of federal awards	Annually — fiscal year ending for subrecipient
Monthly Activity Report: Financial Progress, Program Income, Accomplishments, and Performance Measures	All subrecipients	Monthly, no later than the 15th of each month
Section 3 Report	See Chapter 7 of the Subrecipient Manual	Quarterly

15.2.1 Single Audit Report

Subrecipients and Oregon Housing and Community Services (OHCS) must ensure that federal resources are used efficiently and effectively. They should achieve the purpose for which the funds were provided. The financial and performance audits discussed in this chapter and noted in 2 CFR Part 200, Subpart F — Audit Requirements ensure that OHCS and its subrecipients are accountable to the public for:

- A financial audit: An independent, objective review of the entity's financial reporting processes and financial statements, indicating they are accurate and complete
    - The primary purpose is to give assurance that the entity complies with the specific financial requirements for accounting systems and procedures and that financial statements are prepared in accordance with accepted accounting standards. See Chapter 4: Financial Management.

- A performance audit: An independent examination of a program, function, operation, or management systems and procedures of the entity
    - The performance audit assesses whether the entity has efficiently and effectively carried out operations and achieved the intended results from the entity's programs, which include Community Development Block Grant Disaster Recovery (CDBG-DR).

A single audit includes both an entity's financial statements and its federal awards. Single audits are required for any fiscal year(s) in which the subrecipient uses $1,000,000 or more of (total) federal awards after Oct. 1, 2024.[1] The subrecipient is required to obtain an annual audit report that includes the single audit requirements in 2 CFR Part 200 Subpart F. Subrecipients are responsible for submitting single audits to the Federal Audit Clearinghouse in a timely manner and a copy of the fiscal audit to OHCS.

Subrecipients must have an audit conducted in accordance with 2 CFR Part 200 Subpart F — Audit Requirements except when they choose to have a program-specific audit conducted. A program audit is an audit of one federal program, such as CDBG-DR. A program-specific audit is allowed when the grantee or subrecipient uses federal awards under only one federal program.

If a subrecipient uses less than $1,000,000 a year in federal awards, the entity is exempt from the single audit requirements for that year. However, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity, and the Government Accountability Office.

15.2.1.1 Preparing for a Single Audit

Whether your agency has a single audit or a program audit, you will be responsible for providing the auditor with:

- Access to personnel, accounts, books, records, supporting documentation, and other information as needed (2 CFR Part 200.508)
- Financial statements that reflect your financial position, results of operations or change in your net assets, and cash flows for the fiscal year (2 CFR Part 200.510)
- A summary schedule of any prior audit findings noting whether corrective action was taken and the status of correction actions not yet completed

[1] For entities with fiscal years ending before Oct. 1, 2024, the lower threshold of $750,000 in annual federal expenditures should be used to determine single audit requirements.

The Single Audit Act requires an independent auditor to report on your organization's internal control systems. The auditor must provide reasonable assurance that you manage federal programs in compliance with applicable laws and regulations (2 CFR Part 200.514 — Standards and Scope of Audit). Please refer to Chapter 4: Financial Management for more information on internal control systems.

15.2.2 Quarterly Performance Reports

The Consolidated Notice for CDBG-DR funding requires OHCS to report performance measures to the U.S. Department of Housing and Urban Development (HUD) on a quarterly basis during the life cycle of the grant. OHCS requires subrecipients to submit performance reports monthly or more frequent progress reports on a case-by-case basis if it decides that regular written reports from a subrecipient are necessary. The performance report must be submitted during the period of performance of the subrecipient grant agreement with a final performance report submitted at closeout. Refer to Chapter 4: Financial Management for more information. The performance report provides the status of financial progress as well as accomplishments and performance measures on a monthly basis. The subrecipient will provide any financial information related to program income if the project activities generate program income. See the attachment at the end of this chapter for guidance on performance reports.

15.2.3 Noncompliance With Grant Management and Audit

Requirements

In accordance with 24 CFR Part 570.492 — State's Reviews and Audits: (a) the state shall make reviews and audits including on-site reviews of subrecipients as may be necessary or appropriate to meet the requirements of section 104(e)(2) of the Act and (b) in the case of noncompliance with these requirements, the state shall take such actions as may be appropriate to prevent a continuance of the deficiency, mitigate any adverse effects or consequences, and prevent a recurrence. The state shall establish remedies for subrecipient noncompliance. See Chapter 13: Monitoring and Audit.

15.3 Subrecipient Agreement/Project Closeout

Once CDBG-DR funds are fully spent and the project is completed, the subrecipient must begin the process of closing out project activities under the subrecipient agreement. While additional closeout information may be required for certain programs, this section describes the closeout conditions that must be met to complete the process, timeline, and reporting requirements for closing out a project.

15.3.1 Closeout Conditions

It is important to note that the following conditions must be met to complete the closeout process:

- The subrecipient has fulfilled all the responsibilities under the subrecipient agreement and completed the activities funded by CDBG-DR in accordance with program guidelines.
- A CDBG-DR national objective has been met.
- All project costs with CDBG-DR funds are paid, with the exception of closeout costs, such as project delivery costs.
- There are no outstanding compliance review findings on the project.
- Any real property acquired has been disposed of according to the CDBG-DR requirements and 2 CFR Chapter I and II, Parts 200, 215, 220, 225, and 230.
- All required audits have been approved. Refer to Chapter 4: Financial Management.

15.3.2 Closeout Timeline

Subrecipients must submit a grant completion report with applicable documentation before the end of the performance period of the subrecipient agreement. The requirement for timely closeout is a subrecipient responsibility. The subrecipient must ensure project timeliness in accordance with the agreed timeline in the award contract. If reasonable additional time is needed, the awardee shall request an amendment to the award contract with a justifiable request to extend the project timeline along with an updated project work plan. Failure to manage project timeliness will affect the awardee's capacity assessment for future CDBG-DR funding.

15.3.2.1 Notice of Completion and Closeout Letter

As part of closeout, subrecipients may perform a final inspection, submit a grant completion report, and return any final program income, if applicable. A final closeout file review will be conducted by OHCS.

After OHCS has reviewed and approved the grant completion report, OHCS will send the subrecipient a letter stating that this report has been approved. If all other requirements have been met and the project is ready to be closed, OHCS will issue a notice of completion or closeout letter to the subrecipient. It is important to note that if there are any outstanding or unresolved audit findings pertaining to the use of CDBG-DR funds, a closeout letter cannot be issued.

15.3.2.2 Record Retention

The subrecipient must maintain all records pertaining to the project for a minimum of three years from the official closeout letter date per 2 CFR Part 200. Refer to Chapter 4: Financial Management in this manual and the applicable federal and state regulations for additional information regarding the specific records that should be maintained and the required format.

15.4 Appendix/Attachment

15.4.1 Guidance for Performance Report

Ensure that enough information is provided for HUD to determine if sufficient progress is being made on this activity.

1. Highlight the status of the activity (i.e., planned, underway, canceled, and completed) when providing details on activity progress. Make sure to include details pertaining to the project schedule as applicable. Highlight the month’s accomplishments. Feel free to provide context to the reported current quarter performance measures.
2. Provide details on favorable developments that enabled meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned. Provide details on key components completed, including partnership development and coordination.

3. If there is no progress, obligations, or expenditures during the quarter, use the space to communicate why the activity has not progressed. Report any details, delays, or issues that could hinder meeting the objectives of the activity. Include what actions are being taken or contemplated and any assistance needed to resolve the situation.
4. Include any qualitative actions for Section 3 performance measures. Keep in mind that employment and training opportunities should be in connection with the HUD financial assistance being used. Below are some examples of qualitative effort:
   - Engage in outreach efforts to generate job applicants who are Targeted Section 3 workers.
   - Provide training or apprenticeship opportunities.
   - Provide technical assistance to help Section 3 workers compete for jobs through efforts like resume assistance and coaching.
   - Provide or connect Section 3 workers with assistance in seeking employment, including drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
   - Hold one or more job fairs.
   - Provide or refer Section 3 workers to services supporting work readiness and retention through efforts like interview clothing, test fees, transportation, and child care.
   - Engage in outreach efforts to identify and secure bids from Section 3 business concerns.
   - Provide technical assistance to help Section 3 business concerns understand and bid on contracts.
   - Promote use of business registries to create opportunities for disadvantaged and small businesses.
   - Divide contracts into smaller jobs to facilitate participation by Section 3 business concerns.
   - Provide bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.

However, other efforts may be reported as appropriate and applicable to the activity. These efforts may be performed by the program or contractors, including construction firms. For additional information, please refer to Subrecipient Manual Chapter 7 covering Section 3 requirements.