

Chapter 6

Contract Closeout

Chapter 6: Contract Closeout

Section 1: Cost-Based Closeout

In order to complete the fiscal Closeout for Cost-based contracts, contractors should ensure that all expenditures for the year are reported by the due date of the last report. The expenditures for the last month of the contract period will be included in the last report that you will submit for the contract year. Contractors should ensure that all expenditures are included for the program year, including expenditures for the last month of the contract year and any expenditures in earlier months that have not yet been reported in prior monthly expenditure reports. HIVCS will use this information to calculate the amount due to your agency for the final month of the contract, as well as make any necessary adjustments.

In addition, you are required to complete a Closeout Package (see below). Please make certain that the Closeout Package is reviewed and the certification page is signed by the individual identified on your Contract Contact Verification Form as the Fiscal Manager or Senior Administrator. Unless we are otherwise notified by your organization, if a Closeout Package is not received by the due date, we will have to close your contract based on the last expenditure report we have received.

Cost-Based Closeout Package

The Closeout Package consists of the following sections:

- Cover Page
- Advance Interest
- Equipment Inventory Log
- Closeout Modification Request (optional)
- Contractor Certification

Cover Page

You will be requested to answer each of the questions regarding the final month's Monthly Expenditure Report and Closeout Modification. You will complete the Closeout Modification section as directed based on response to the questions.

The form asks you for the name and title, phone number, and email address of the person who prepared the Closeout Package, as well as the date the document was submitted.

Advance Interest

During closeout you will be asked to indicate whether or not you were paid an advance for this contract for the contract period being closed. If you were not, indicate "No" and no further action is necessary. If you did receive an advance, indicate if you earned more than \$250 in interest on the advance. If no, the person listed as the Fiscal Manager or Senior Administrator on your Contract Contact Verification Form (CCVF) must enter his or her name and the date attesting to the fact that no more than \$250 in interest was earned. If you earned more than \$250 in interest, you may keep the first \$250 to cover your program's administrative expenses. The amount in excess of \$250 must be remitted to our office as instructed on the form.

Equipment Inventory Log

All contractors are required to submit an inventory log itemizing any/all equipment purchased with program funds since the beginning of the contract (current and previous years). If you have not purchased any equipment, indicate "No", and no further action is necessary. If you have purchased any equipment, complete the table by providing the information requested.

Please note that OMB Circular A-110 mandates that all property acquired with federal funds must be catalogued and that records be maintained containing the following information:

- Description of property
- Manufacturer's model and serial numbers, federal stock number, national stock number, or other identification number
- Funding source, including program contract number
- Acquisition date
- Percentage of federal participation in the cost of the property if it was acquired with more than one source of funds
- Unit cost
- Location, use, and condition of property
- Ultimate disposition date

Title to all property acquired with contract funds during the term(s) of your contract remains vested with the source of your government funding. Public Health Solutions reserves the right to take possession of this property on behalf of the federal or city government if your contract is terminated early, or on evidence that the equipment utilization is not consistent with the terms of the contract. All property acquired with public funds must be marked to indicate ownership by the federal or city government. A physical inventory of property must be taken at least every two years, the results of which are to be reconciled with the program's property records. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Maintenance procedures are to be implemented to keep the property in good condition.

Closeout Modification Request

The spending of certain budget categories will NOT be monitored at the individual line-item level but instead, will be monitored by overall budget category. This practice applies ONLY to three categories: Equipment, Supplies and Other. This offers your organization flexibility to spend more or less on individual budget lines within the larger categories without having to complete the Closeout Modification Request section.

Completion of the Closeout Modification Request section is not required for changes within the Equipment, Supplies and Other categories ONLY if the individual category totals are not exceeded.

Although we are not requiring completion of the Closeout Modification Request section if only these three categories are affected, we are requiring that you submit, in memo format, an explanation of why you have exceeded the budget for the affected individual line items within these categories. The memo will not require HIVCS approval; however, if it contains costs that are unallowable or inconsistent with your program services, staff will contact you to discuss. Otherwise, you should not expect to hear back from us.

Changes to all other categories (Personnel Services, Fringe Benefits, Travel, Consultants and Indirect Costs/Program Administration) will require the completion of the Closeout Modification Request section.

Policies for the Closeout Modification Request are as follows:

- Reallocation of funds may not exceed 20% of your total Maximum Reimbursable Amount.
- Federal, City, and Public Health Solutions spending guidelines for allowable costs must be followed.
- New personnel lines and new OTPS lines will be considered only if they directly relate to provision of services and remain supported by the service level analysis.
- Funds may be reallocated between personnel services and OTPS.
- Retroactive budget changes are not allowed unless written notification is received prior to submission of your Closeout modification request.

Specific instructions for completing the Closeout Modification section will be provided with the Closeout Package.

Contractor Certification

The person listed as the Fiscal Manager or Senior Administrator on your CCVF must enter his or her name and the date certifying they are authorized to submit the Closeout Package on behalf of your agency and certifying that no more than 12% of contract funds were spent on administrative costs.

An electronic copy of all required documents must also be emailed to closeouts@healthsolutions.org by the due date listed in the closeout letter

Any questions should be addressed to your HIVCS Contract Manager.

Closeout Reminders

All delinquent MERs, MPRs and PNRs must be received by the due date listed on the reporting schedule. If outstanding reports are not received by that date, we will close out your contract without fully reimbursing all expenses incurred for the year.

Please ensure that any pro-rated portion of your final month's payroll charges that falls in the first payroll of the next contract period is accounted for in your final month's MER. If you do not include this expense as part of this contract period's expenditures, you may not include it as part of the following contract period's expenditures.

Lastly, all outstanding liabilities for Other Than Personnel Services (OTPS) and costs encumbered in the final report must be paid for within 90 days after the contract end date. All items purchased but not yet received as of the last day of the contract period must be received within 90 days. OTPS costs incurred on or before the last day of the contract period may not be included as part of the following contract period's expenditures; if reported, these costs will be permanently disallowed and you will not be reimbursed for them.

Liquidation of Contract Obligations

While it is not necessary for all encumbered expenses to have been paid at the time of your final report, you must complete all payments within 90 days of the end of the contract term. This is a federal spending rule. Your Contract Manager may review year-end expenses during the following year's fiscal review to insure compliance with this restriction.

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Section 2: Performance-Based Closeout

In order to complete the fiscal Closeout for Performance-based contracts, contractors should ensure that all services provided for the year are reported by the due date of the last month of the contract period.

The data for the last month of the contract period will be the last report that you will submit for the contract year. Contractors should ensure that 100% of completed services are included for the program year, including services provided in the last month of the contract year and any services provided in earlier months that have not yet been reported in prior data submissions.

As with previous months, after we have received the Data Extract for the final month, we will send you a Master Itemization Report (MIR). The MIR includes monthly totals for services submitted and recognized for payment; itemization of payable items received; and a listing of issues for records which have been identified as problematic. These problematic records may be duplicates, incorrectly entered services, missing test results, or services determined to not meet programmatic requirements. The MIR will indicate which records should and should not be removed from AIRS and which will result in a negative adjustment to payment.

You will use your final month's MIR to determine if you should do additional data entry or make corrections to data and submit a revised extract. Based on your original or revised final month's data extract, your HIV Care Services Contract Manager will reconcile the number of completed services reported against the total amount reimbursed thus far. Once reconciled, any remaining adjustments will be made in order to determine the final reimbursement due to your agency which will be communicated to you as part of the closeout process.

In addition, you are required to complete a Closeout Package. Please make certain that the Closeout Package is reviewed and the certification page is signed by the individual identified on your Contract Contact Verification Form as the Fiscal Manager or Senior Administrator. Unless we are otherwise notified by your organization, if a Closeout Package is not received by the due date, we will close your contract based on the last data extract we have received.

Please note that, as in the rest of the contract year, it is important to follow instructions regarding which erroneous services should/should not be deleted from AIRS. If you have questions about this, please contact your Contract Manager.

Performance-Based Closeout Package

The Closeout Package consists of the following sections:

- Cover Page
- Advance Interest
- Equipment Inventory Log
- Closeout Modification Request (optional)
- Contractor Certification

Cover Page

You will be requested to answer each of the questions regarding the final month's Monthly Expenditure Report and Closeout Modification.

Please provide the name and title, phone number, and email address of the person who prepared the Closeout Package. Also provide the date the document was submitted.

Advance Interest

Please indicate whether or not you were paid and advance payment for this contract for the contract period being closed. If you were not, indicate "No" and no further action is necessary. If you did receive an advance, indicate if you earned more than \$250 in interest on the advance. If no, the person listed as the Fiscal Manager or Senior Administrator on your Contract Contact Verification Form (CCVF) must enter his or her name and the date attesting to the fact that no more than \$250 in interest was earned. If you earned more than \$250 in interest, you may keep the first \$250 to cover your program's administrative expenses. The amount in excess of \$250 must be remitted to our office as instructed on the form.

Equipment Inventory Log

All contractors are required to submit an inventory log itemizing any/all equipment purchased with program funds since the beginning of the contract (current and previous years). If you have not purchased any equipment, indicate "No", and no further action is necessary. If you have purchased any equipment, complete the table by providing the information requested.

Please note that OMB Circular A-110 mandates that all property acquired with federal funds must be catalogued and that records be maintained containing the following information:

- Description of property
- Manufacturer's model and serial numbers, federal stock number, national stock number, or other identification number
- Funding source, including program contract number
- Acquisition date
- Percentage of federal participation in the cost of the property if it was acquired with more than one source of funds
- Unit cost
- Location, use, and condition of property
- Ultimate disposition date

Title to all property acquired with Prevention funds during the term(s) of your contract remains vested with the United States Department of Health and Human Services. Public Health Solutions/HIV Care Services reserves the right to take possession of this property on behalf of the federal government if your contract is terminated early, or on evidence that the equipment utilization is not consistent with the terms of the contract. All property acquired with federal funds must be marked to indicate ownership by the federal government. A physical inventory of property must be taken at least every two years, the results of which are to be reconciled with the program's property records. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property.

Maintenance procedures are to be implemented to keep the property in good condition.

Closeout Modification Request

The cover sheet will direct you to complete this section only if:

- You have exceeded 100% of the most recently approved service target projections in any service family, but not in all
- You would like to propose a one-time modification to your service target projections transferring projections and associated funds to be drawn down from one service family to another.

Indicate changes to service family amount you are requesting to make at closeout by inserting the current approved rate, current approved projections, and number of encounters being proposed for each service type (should be based on actual service delivery).

Policies for the Closeout Modification Request are as follows:

- Funds may be reallocated between service families.
- Reallocation of funds for any service family greater than 20% of that service family amount will require special approval by NYCDOHMH.

A complete and concise justification must accompany the modification request. The justification for changes to each service family, including factors that contributed to over or under performance, must be included.

Contractor Certification

The person listed as the Fiscal Manager or Senior Administrator on your CCVF must enter his or her name and the date certifying they are authorized to submit the Closeout Package on behalf of your agency and certifying that no more than 12% of the contract funds provided under this contract were spent on administrative costs.

An electronic copy of all required documents must also be emailed to closeouts@healthsolutions.org by the due date listed in the closeout letter

Any questions should be addressed to your HIVCS Contract Manager.

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Section 3: Deliverables-Based Closeout

In order to complete the fiscal Closeout for deliverables-based contracts, you should ensure that vouchers and required accompanying documentation for all deliverables completed are submitted by the due date of the last month of the contract period. HIVCS will communicate when final vouchers must be submitted, which is typically 15 days after the last day of the contract period. Your HIVCS Contract Manager will reconcile the complete deliverables vouchered compared to your deliverables schedule to determine whether additional reimbursement is due to your agency.

In addition, you are required to complete a Closeout Package. Please make certain that the Closeout Package is reviewed and the certification page is signed by the individual identified on your Contract Contact Verification Form as the Fiscal Manager or Senior Administrator. Unless we are otherwise notified by your organization, if a Closeout Package is not received by the due date, we will close your contract based on the last deliverables vouchers we have received.

Deliverables-Based Closeout Package

The Closeout Package consists of the following sections:

- Cover Page
- Equipment Inventory Log
- Contractor Certification

Cover Page

You will provide the name and title, phone number, and email address of the person who prepared the Closeout Package. Also provide the date the document was submitted.

Equipment Inventory Log

All contractors are required to submit an inventory log itemizing any/all equipment purchased with program funds since the beginning of the contract (current and previous years). If you have not purchased any equipment, indicate "No", and no further action is necessary. If you have purchased any equipment, complete the table by providing the information requested.

Please note that OMB Circular A-110 mandates that all property acquired with federal funds must be catalogued and that records be maintained containing the following information:

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- Acquisition date
- Percentage of federal participation in the cost of the property if it was acquired with more than one source of funds
- Unit cost
- Location, use, and condition of property
- Ultimate disposition date

- Title to all property acquired with Prevention funds during the term(s) of your contract remains vested with the United States Department of Health and Human Services. Public Health Solutions/HIV Care Services reserves the right to take possession of this property on behalf of the federal government if your contract is terminated early, or on evidence that the equipment utilization is not consistent with the terms of the contract. All property acquired with federal funds must be marked to indicate ownership by the federal government. A physical inventory of property must be taken at least every two years, the results of which are to be reconciled with the program's property records. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Maintenance procedures are to be implemented to keep the property in good condition.

Contractor Certification

The person listed as the Fiscal Manager or Senior Administrator on your CCVF must enter his or her name and the date certifying they are authorized to submit the Closeout Package on behalf of your agency and certifying that no more than 12% of the contract funds provided under this contract were spent on administrative costs.

An electronic copy of all required documents must also be emailed to closeouts@healthsolutions.org by the due date listed in the closeout letter.

If you have any questions, please contact you HIVCS Contract Manager.