Closeouts and Equipment Disposition

Marianne Eggers, NOAA GMD
Closeouts

The process by which DOC determines that all financial assistance award requirements and applicable administrative actions have been completed by the recipient and DOC.

Regulations

• 15 CFR § 14.71 Closeout Procedures
  (Universities, Non-Profits, and For-Profits)
• 15 CFR § 24.50 Closeout Procedures
  (States and Local Governments)
Closeout Period

• The Grantee has 90 days after the expiration date of the award to submit all required reports and drawdown funds to cover expenses incurred during the award period.
• Grantee must notify NOAA of their intent to request an extension for report submission, payment drawdown during the close out period.
• Grantee may request a one time extension to the closeout period of up to 60 days.
Who is Responsible for Award Closeout?

• Recipient
• Program Officer
• Grants Officer
• Finance Officer
Recipient’s Responsibilities

• Completes the goals and objectives of the approved award
• Submits the final Request for Advance or Reimbursement (SF-270) if applicable, or requests the final ASAP drawdown
• Submits the final **Federal Financial Report (SF425)** and the **Final Progress Report** within 90 days after the expiration date of the award
• Submits Report of Federally Owned Property (purchased with grant funds)
  – SF428A-Annually, SF428B-Final or SF428C- Disposition Requests Property/Equipment Disposition
Program Officer’s Responsibilities

• The Program Officer, or assigned operating unit component, is responsible for monitoring and oversight of the work being conducted under an award, such as tracking the recipient’s progress and comparing the actual accomplishments with the goals and objectives established in the award

• Reviews financial reports and reviews and certifies acceptance of performance or technical reports for consistency with the approved project

• Notifies the Grants Officer if the recipient is not in compliance with the terms and conditions of the award
Grants Officer’s Responsibilities

• GMS (Grants Management Specialist) reviews and approves the final Request for Advance or Reimbursement (SF-270)
• GMS reviews and approves the final Federal Financial Report (SF425)
• GO (Grants Officer) approves Financial Closeout and recommends Finance de-obligate remaining funds
• GO approves Administrative closeout documentation
• Manages disposition of Federally-owned property and property acquired with Grant funds
Finance Officer’s Responsibilities

- Provides full accounting support and financial advice to Grants Officers, Program Officers, the operating unit, and others as needed.
- Records the financial transactions associated with each financial assistance award from inception to close-out of the final financial report, including obligation and de-obligation of funds, and payments.
Grants Online Processing

- Phase I: Financial Closeout
  De-obligation Memo
- Phase II: Administrative Closeout
  Administrative Closeout Checklist
MEMORANDUM: NOAA Finance Office
FROM: Grants Management Division
SUBJECT: FINANCIAL CLOSEOUT
De-obligation Request for Award: NA06NOS4190162

Total Federal Funding (entire award): $2,606,000.00
Recipient Name:
EIN:
DUNS:
ASAP ID (if applicable):
Award Period:
Federal Program Officer:
Obligation Number:
Total De-obligation Amount from CBS: $55,097.91

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The Grants Management Division has reviewed the subject award for final closeout. This document serves as authorization to proceed with the de-obligation process.

The Grants Management Division received the Final SF-425 (attached) and authorizes the close-out process to proceed. De-obligations and closeout are authorized for the remaining balance identified on the final Federal Financial Report (SF-425) which reconciles with the Commerce Business System (CBS).

Grants Officer Approval: Grants Online-CBS Interface
De-obligation Completed: Grants Online-CBS Interface
Finance Office Approval: N/A
Administrative Closeout Checklist

1. The countersigned copy of the grant award/amendments
2. Cost-share/match requirements/met in accordance with the award
3. Indirect costs consistent with the award
4. Suspended/disallowed costs resolved
5. Government property accounted
6. Patents/royalties/invention submitted, if applicable
Administrative Closeout Checklist

7. Advance/excess payments returned
8. Final SF-270 (if applicable) received & forwarded to Finance
9. Final financial reports (SF-269/SF-272/SF-425) received forwarded to Finance
10. Final performance certification/report received & accepted (to include satisfying the terms and conditions)
11. File purged of unneeded and duplicate correspondence
Equipment Definitions:

- **Equipment**: Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000.

- **Exempt Property**: Federally-owned property that has been vested in a Recipient without obligation to the Federal Government.

- **Intangible Property**: Property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).
Definitions: (Continued)

• **Personal Property:** Property other than real property. It may be tangible, having physical existence, or intangible.

• **Real Property:** Land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

• **Supplies:** All tangible personal property other than those described as Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or $5,000, regardless of the length of its useful life.
• Title vests in the Recipient
• Must be used for its original intended purpose as long as needed by Recipient
• When no longer needed on the original project, disposition instructions must be requested from the Awarding Agency
  ✓ The grantee shall retain title after compensating the Awarding Agency (Awarding Agency percentage times the current market value of the property)
  ✓ Grantee may be directed to sell the property and pay the Awarding Agency (Awarding Agency percentage times the proceeds of the sale, less reasonable selling expenses)
  ✓ Transfer title to the Awarding Agency or third party (Grantee receives Grantee percentage times the current market value of the property)
Equipment

• Title vests in the Recipient
• Equipment may not be used to provide services for a fee that is less than what private companies charge for equivalent services
• When no longer needed
  ✓ Current per-unit fair market value less than $5,000, the equipment may be kept, sold or disposed of with no further obligation to the Awarding Agency
  ✓ Current per-unit fair market value is $5,000 or more with a useful life of one or more years, the Recipient may keep or sell the equipment. In such cases, they must compensate the Awarding Agency (Awarding Agency % times the current market value of the equipment)
If the current per-unit fair market value is $5,000 or more, and the recipient doesn’t want the equipment, it can be used on another agency project or report the equipment to the General Services Administration for use on other Federal projects.
Equipment Disposition

- If disposition instructions are not issued within 120 calendar days, the Recipient will sell the equipment and reimburse the DOC (Awarding agency percentage times the current market value of the equipment, less $500 or 10% of the proceeds)
- The Recipient may be instructed to ship equipment elsewhere. In this case, the Recipient shall be reimbursed by the DOC (Recipient percentage times the current market value of the equipment, plus $500 or 10% of the proceeds, for shipping and storage costs)
Equipment Disposition

- When disposing of the equipment, the cost of the disposal shall be charged to the grant or paid to the Recipient by DOC.
- The DOC reserves the right to transfer the title to the Federal Government or a third party.
Supplies and Other Expendable Property

• Title shall vest in the Recipient
• Upon completion of the project, if the residual inventory of unused supplies exceeds $5,000 in total aggregate (current fair market value), and if the supplies are not needed for another federally sponsored project, the Recipient shall compensate the Awarding Agency (Awarding Agency percentage times the current market value of the supplies)
• The Recipient shall not use supplies to provide services to non-federal organizations for a fee that is less than private companies charge for equivalent services
Federally-Owned and Exempt Property

• Title remains vested in the Federal Government
• If the DOC no longer needs the property, after completion of the project, it shall be declared excess and reported to the General Services Administration
• The DOC has the option to vest title in the Recipient when considered appropriate by the DOC (exempt property)
Intangible Property

• The recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award

• The DOC reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so
SF-428/SF-429 Tangible, Personal Property Reports

- SF-428 is the cover sheet
- SF-428A if required, is used to provide annual inventory listing of Federally-owned property
- SF-428B is used at closeout to report on Federally-owned property, property purchased with Federal grant funds and residual unused supplies with total aggregate fair market value exceeding $5,000
- SF-428C is to request disposition instructions at any time other than closeout
- SF-428S is the supplemental sheet
- SF-429 is used for inventory/disposition of real property
Forms SF-428 and SF-428-A

SF-428: Cover sheet

SF-428A: Federally-Owned Property Inventory form
Forms SF-428-B and SF-428-C

SF-428-B: Closeout Form

SF-428-C: Disposition Request at anytime other than closeout
Forms SF-428-S and SF-429

**SF-428-S: Supplemental Inventory Sheet**

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**SF-429: Inventory/Disposition of Real Property**
Real Life Situations:

• A Recipient has a piece of equipment they purchased from an award that has been closed for three years. The Recipient would like to trade in the piece of equipment to buy a newer model. Can they make a trade in? If so, what do they need to do?
Real Life Situations:

• A Recipient, with a warehouse full of equipment, is terminated for cause. If the Awarding Agency instructs the Recipient to hold an auction to sell that equipment, what happens to the proceeds?
Questions?