

# WITT O'BRIEN'S

## American Rescue Plan Closeout Plan

*for implementation and use by Kansas Department of  
Commerce for programs funded by the American  
Rescue Plan Act (ARP)*

Kansas Department of Commerce ARP CLFR Program Closeout Plan

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### Introduction

This document is intended to assist Witt O'Brien's staff with the closeout of funds allocated by the American Rescue Plan Act of 2021 ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("CLFR"). Congress passed ARP on March 11, 2021. The Strengthening People and Revitalizing Kansas (SPARK) Executive Committee and the Kansas Legislature allocated \$643,598,672 to the Kansas Department of Commerce (KDC) to implement projects as allowable by ARP. As outlined in a Memorandum of Agreement between the Kansas Office of Recovery and the Kansas Department of Commerce, Witt O'Brien's will provide contracted grant administration services<sup>1</sup> for the following programs:

- BASE 1.0 and 2.0: \$145M for economic development and revitalization.
- SPRINT: \$30M for tourism development and revitalization.
- ALOFT: \$19.1M for training and workforce development in the aviation and aerospace industry.
- DRAW: \$8.8M for workforce training and equipment.
- ABODE: \$9.8M for expansion and construction of residential facilities for elderly and disabled.
- Legislative: (KPB, University Challenge, Private and Independent Colleges, legislative appropriation).

The Closeout Plan provides a framework to ensure compliance with the ARP, 2 CFR 200 Uniform Guidance, Department of Treasury (the "Treasury") SLFR-Compliance and Reporting Guidance, and Kansas Office of Recovery and Kansas Department of Commerce governing rules. Furthermore, the Plan provides a framework to closeout individual programs or projects and overall grant closeout.

While this is intended to be an internal guide for assisting Witt O'Brien's staff in closeout reviews supporting KDC, the document may also be provided to KDC and its grantees as a tool for their respective closeout process. This document covers the closeout overview, process, roles and responsibilities, schedule, and checklists to complete the review for program or project closeout and overall grant closeout.

**As of the execution of this Closeout Plan, Treasury has not provided closeout guidance. Witt O'Brien's is relying upon experience and expertise on this subject to develop this Plan. Should closeout guidance be provided at a future date, this Plan will be updated as necessary.**

This Closeout Plan is subject to modification and/or revision when deemed necessary to address unique circumstances and/or programmatic variances among grantees. These modifications and/or revisions would still comply with ARP CLFR compliance requirements and would simplify or streamline the process(es) as needed. This includes usage of the checklists and other work documents within this plan.

### Closeout Overview

Closeout is the process used to confirm all ARP CLFR and program requirements have been completed. Once it has been determined that all requirements have been met and funds expended, the closeout process is initiated, and the closeout procedures contained in this plan should be followed.

Prior to closeout, a pre-closeout assessment should be performed. The process is shown in the Closeout Process Section below. The Witt O'Brien's Closeout Lead will determine if a program or project is ready for

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closeout. Once a determination is made and the program is ready for closeout, the closeout package should be completed. An overall grant closeout should be performed after the individual programs or projects are closed. This should reflect the overall closeout of all programs and/or projects completed by KDC.

Treasury's SLFRF-Compliance and Reporting Guidance states, "any funds not obligated or expended for eligible uses by the timelines above must be returned to Treasury, including any unobligated or unexpended funds that have been provided to subrecipients [grantees] and contractors as part of the award closeout process pursuant to 2 C.F.R. 200.344(d)."<sup>1</sup>

**What the Closeout Process is NOT**

Just as it is essential to realize the elements of the closeout process, it is also essential to realize what the closeout process is **not** to ensure successful closeout and that the program or project is audit ready.

**Closeout:**

- Is NOT a time for reconsideration of eligibility;
- Is NOT a resubmission of previously validated work or cost(s);
- Is NOT a re-write of program or project scope of work or cost estimate;
- Is NOT an audit level in its detail; and/or
- Is NOT a reversal of appeal decision.



Figure 1. What Closeout is NOT

**Uniform Guidance Closeout Overview**

Regarding Closeout, Uniform Guidance states in 2 CFR 200.344<sup>2</sup>:

The Federal awarding agency or pass-through entity will close out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity. Furthermore, if the non-Federal entity fails to complete the requirements, the Federal

<sup>1</sup> Treasury SLFRF Compliance and Reporting Guidance <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>

<sup>2</sup> Closeout § 200.344 <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR682eb6fbabcde2/section-200.344>

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awarding agency or pass-through entity will proceed to close out the Federal award with the information available.

Actions that must be taken by the Federal awarding agency or pass-through entity in or to complete the closeout process at the end of the period of performance include:

- **No later than 120 calendar days after the end date of the period of performance**, the recipient must submit all financial, performance, and other reports as required by the terms and conditions of the Federal award (2 CFR 200.344 (a)).
- **No later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and grantee) after the end date of the period of performance**, a grantee must submit to the pass-through entity all financial, performance, and other reports as required by the terms and conditions of the Federal award (2 CFR 200.344 (a)).
- **No later than 120 calendar days after the end date of the period of performance**, as specified in the terms and conditions of the Federal award, a non-Federal entity must liquidate all financial obligations incurred under the Federal award (2 CFR 200.344 (b)).
- Make prompt payments to the non-Federal entity for costs meeting the requirements of 2 CFR 200 Subpart E Cost Principles (2 CFR 200.344 (c)).
- Promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that are not authorized to be retained by the non-Federal entity for use in other projects (2 CFR 200.344 (d)).
  - Refer to See OMB Circular A-129 and 2 CFR 200.346 for more details.
- Make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received (2 CFR 200.344 (e)).
- 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 2 CFR 200.330 (2 CFR 200.344 (f)).
- Recipient is to complete all closeout requirements, and the Federal awarding agency or pass-through entity must promptly complete all closeout actions for Federal awards (2 CFR 200.344 (g)).
- No later than one year after the end of the period of performance, all closeout actions should be completed. Closeout actions include Federal awarding agency actions in the grants management and payment systems (2 CFR 200.344 (g)).
- Federal awarding agency must proceed to close out with the information available within one year of the period of performance end date, even if not all reports were submitted by the non-Federal entity (2 CFR 200.344 (h)).
- Federal awarding agency must report the non-Federal entity's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS) and enforcement actions may be pursued in accordance with 2 CFR 200.339 CFR 200.344 (i)).

**It is important to note that an extension may be granted by the Federal award agency or pass-through entity; however, these possible extensions must be requested and justified.**

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### KDC System of Record

Once a program or project is closed, program files should be stored within the system of record. KDC has established the State of Kansas Commerce SPARK [KDC] SharePoint Site as the official system of record for SPARK grants. The Site contains program and project folders where closeout documentation should be retained.

### Document Retention/File Location for each Program

The established file structure for each program or project on the KDC System of Record is found below.

#### Archive

##### 1. Application

- Application
- SAM.GOV

##### 2. Pre-Award

- Pre-Award Form
- Photos
- Confirmation of Matching Funds
- Grant Administration Plan, Budget & Timeline
- Proof of Ownership-Permission
- Procurement
- Proof of Permits
- Proof of Insurance
- Environmental Review
- Risk Assessment
- W9
- ACH

##### 3. Award

- Notice of Award
- Award Agreement
- Amendment(s)
- Special Conditions
- Payments

##### 4. Post-Award

- Budget
- Quarterly Reporting
- Internal Audits & Compliance

##### 5. Closeout

- Closeout Letter
- Additional Materials

##### 6. External Audit

##### 7. Communications

## Closeout Determination and Criteria

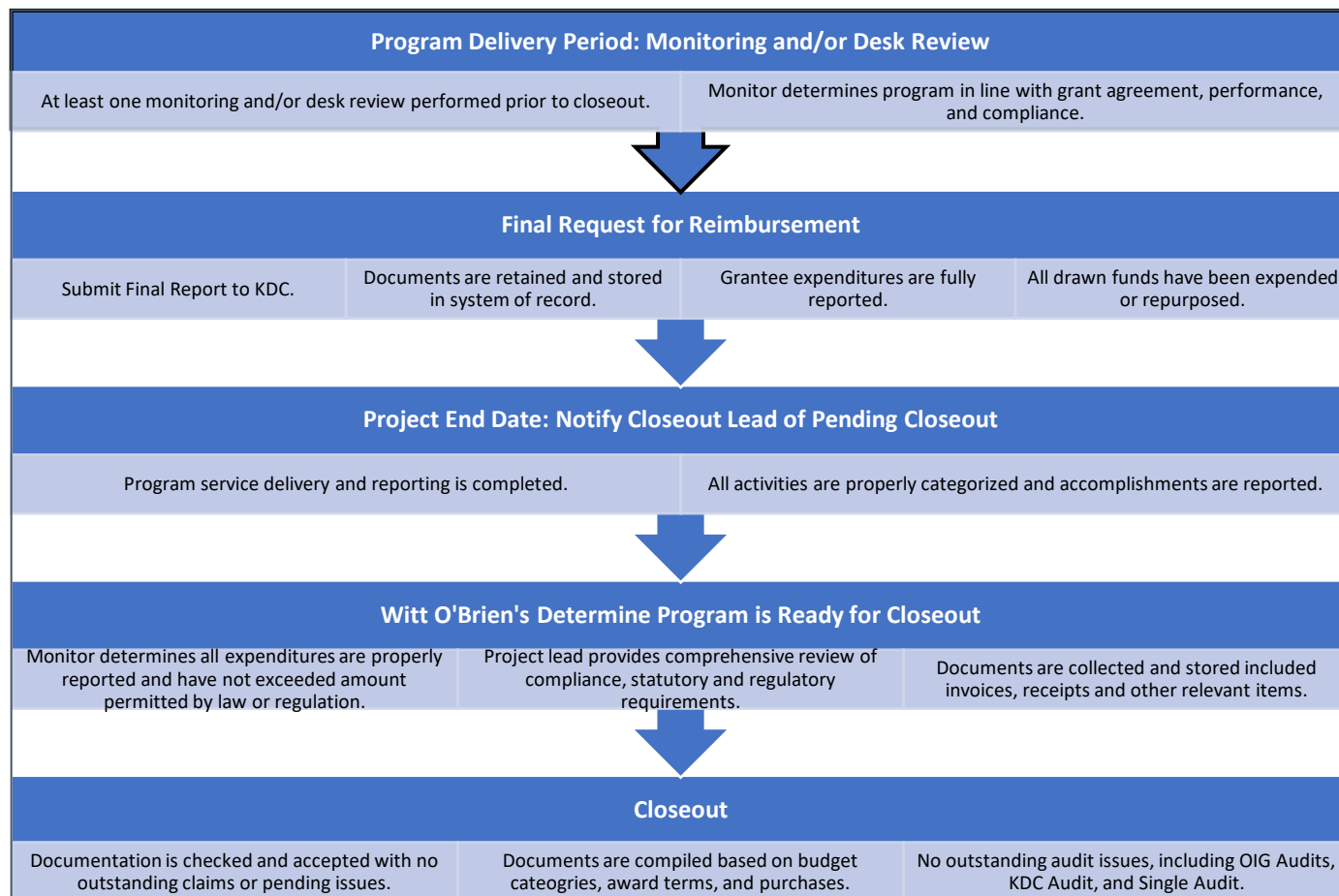
The individual programs or project closeout schedule may vary based on program or project type, work performed, and recipient. The KDC Program Lead, Witt O'Brien's Closeout Lead, and Monitor will determine if a program or project is ready for closeout. A program or project is ready for closeout if it has met all five criteria set below:

1. Program or service delivery is complete, and all related reporting is complete.
  - Activities are properly categorized.
  - Accomplishments have been appropriately reported.
  - Grantee expenditures are fully reported.
2. All financial transactions are complete.
  - All expenditures are appropriately reported.
  - Program does not intend to draw any more funds.
  - All drawn funds have been expended or repurposed.
  - Confirm the final expenditure amount.
3. Documentation is retained in the System of Record, and costs have been substantiated.
  - Invoices, receipts, and other documentation are collected and stored in the System of Record.
4. Monitoring has been performed, and any identified issues have been resolved.
  - At least one monitoring was performed prior to closeout.
  - Contract, performance, and compliance monitoring review complete.
  - All monitoring issues are resolved, and documents are stored in System of Record.
5. No outstanding audits issues and/or corrective actions.\*
  - OIG Audits.
  - KDC Internal Audit.
  - Single Audits.

\*Projects under audit review or corrective action cannot be closed out.

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**Monitoring and Closeout Phases:**



**Closeout Process**

The closeout process entails the following steps:

- Initial assessment.
- Detailed assessment and reconciliation.
- Documentation and reporting review.
- Drafting closeout package for review.

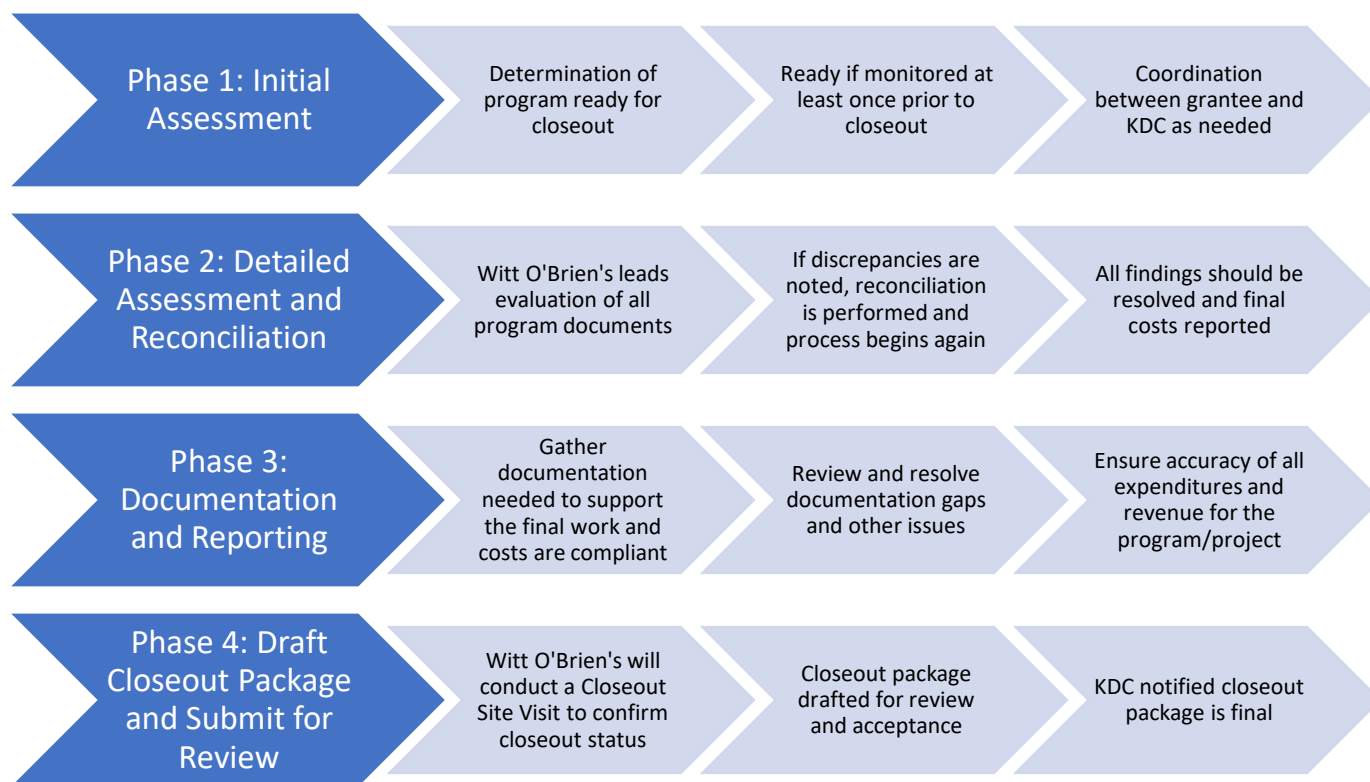
As needed, a closeout package may move back and forth between stakeholders (Witt O'Brien's, KDC, grantees, etc.) until issues are resolved. This section provides details to perform a closeout review for both program or project and overall grant closeout.

Once the closeout review is complete, copies of all records must be maintained in the system of record for the period of five years after all funds have been expended or returned to Treasury, whichever is later.



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**Closeout Process Outline:**



**Initial Assessment**

The Witt O'Brien's Closeout Lead will determine if a program or project is ready for closeout following the completion of the desk review/monitoring. The Closeout Lead conducts the initial assessment to determine if the program or project meets the closeout determination and criteria found on page seven (7) of this plan.

**Detailed Assessment and Reconciliation**

The Witt O'Brien's Closeout Team will conduct a comprehensive evaluation of all available program documents during the detailed assessment. This step will include identification of any findings that preclude the program or project from closing, including identification of any costs or total costs that are out of the budgeted amount and/or used outside of the program's scope.

To conduct an efficient and effective review of expenditures in preparation for grant closeout, grant expenditures as well as the match contribution will be sampled. This sampling process aims to assess program financial accuracy and compliance by selecting a representative sample of transactions for in-depth analysis based on the grantee's risk profile and type of assistance provided. Each sample transaction will be reviewed for compliance with grant requirements, federal cost principles, documentation adequacy, and allowable costs and allocability to the grant program.

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The following criteria will be used to determine the sample size:

- Low Risk: If the program has a low-risk profile, sample approximately 10-15% of total transactions.
- Moderate Risk: For moderate risk, sample 20-30%.
- High Risk: For high-risk areas or expenditure categories, sample up to 40-50%.

This process enables targeted and risk-adjusted sampling, optimizing resources while ensuring thorough compliance checks for grant closeout. If any discrepancies are found in scope completion, budgeted amounts versus funds spent, or other programmatic areas (including audit findings), further reconciliation will be conducted, and the closeout assessment process will restart. All findings must be resolved, and final program costs reported before closeout can proceed.

### Gather Documentation and Reporting

After the detailed assessment has been completed and the program or project is ready for closeout, Witt O'Brien's will work with the grantee to gather any remaining documentation to support the final work and costs being claimed to ensure it demonstrates closeout compliance.

To assist in the documentation and reporting process, Witt O'Brien's is responsible for completing the **Kansas Department of Commerce Detailed Review Summary for Program Closeout**. This form is a comprehensive evaluation to assess the readiness of a grant program or project for closeout. The primary purpose is to ensure that all program activities, expenditures, and compliance requirements have been completed and documented accurately before the closeout process is finalized.

The form requires detailed information in several key areas:

- Awardee and Project Information: Basic details about the awardee, project title, and project duration, including any amendments or extensions to establish the scope and timeline of the project.
- Monitoring Activities: Verifies whether all required monitoring actions (such as desk reviews and quarterly calls) were performed and documented. Any missing or incomplete reports are flagged, along with a request for details on how audit findings or recommendations were addressed.
- Fund Monitoring and Fraud Review: Prompts for information on any fraudulent activities detected and confirms whether they were reported to the appropriate authorities.
- Close-out Activities: Reviews whether all project activities concluded by the project's end date and whether all funds were spent within the specified timeframe. Any remaining unspent funds must be accounted for.
- Closeout Site Visit Checklist: Confirms the information collected during the Closeout Site Visit aligns with the documentation and program files assessed during the detailed closeout review. If discrepancies are found, further explanation is required.
- Documentation Requirements: Verifies all necessary documentation, such as application materials, registration, compliance policies, monitoring records, and expenditure documentation, is properly filed in KDC's SharePoint folder.

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- **Closeout Letter:** Confirms a formal closeout letter has been sent to conclude the project, including the date of issuance or an update on its status.

The purpose of these questions is to ensure that all aspects of the program or project have been properly monitored, that funds have been spent in compliance with grant requirements, and that the necessary documentation is available to support the closeout process. The detailed information collected assists KDC in maintaining accountability and transparency in the management of grant programs.

Any missing documentation or other items requiring further clarification from the grantee should be detailed on the **Kansas Department of Commerce Closeout Site Visit Checklist**.

### Draft and Submit Closeout Package for Review

The first step in completing the closeout package for review is to conduct a program site visit. The purpose of the site visit is to ensure and confirm with the grantee that the grant program was executed as planned, that financial and programmatic compliance was maintained, and to measure the positive impacts of the project on the local economy and community, particularly in the context of pandemic recovery. The site visit provides the opportunity to collect any remaining documentation required for the program file. It also serves as a concluding step in the accountability process for both the awardee and KDC.

The **Kansas Department of Commerce (KDC) Closeout Site Visit Checklist** serves as a structured tool for evaluating the completion and impact of a grant-funded project while on site with the Grantee. The primary purpose is to confirm that all project activities have been completed within the established timeline, that funds have been properly managed, and to assess the broader benefits of the project.

Upon completion of the closeout site visit, Witt O'Brien's will complete the closeout package to be placed in the corresponding program file located within the system of record. The closeout package includes the following documents:

- Closeout Letter to grantee confirming the program closeout date.
- Completed Detailed Review Summary for Program Closeout form.
- Completed Closeout Site Visit Checklist.

Once the closeout package is prepared, WOB will send the Closeout Letter to the grantee with a copy sent to KDC. The closeout package, including a copy of the Closeout Letter transmittal, will be retained in the system of record for the period of five years after all funds have been expended or returned to Treasury, whichever is later.

----- **Appendices should be used as best practice and may be tailored to the program or project** -----

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Appendix 1. Closeout Letter

Appendix 2. Detailed Review Summary for Program Closeout

Appendix 3. Closeout Site Visit Checklist