



**Department of Energy**  
Washington, DC 20585

**EECBG PROGRAM NOTICE 10-020a**  
**EFFECTIVE DATE: October 3, 2011**

**SUBJECT: GUIDANCE FOR ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT RECIPIENTS ON CLOSEOUT PROCEDURES FOR NON-STATE ENERGY OFFICE RECIPIENTS. STATE ENERGY OFFICE RECIPIENTS SHOULD FOLLOW THE FORTHCOMING STATE ENERGY PROGRAM NOTICE FOR GUIDANCE ON CLOSEOUT PROCEDURES**

**PURPOSE**

To provide an overview to Department of Energy's (DOE) Energy Efficiency and Conservation Block Grant (EECBG) Program non-State grant recipients (hereafter referred to as grantees) on procedures for closeout of grant awards.

**SCOPE**

The provisions of this guidance apply to grantees of EECBG funds, pursuant to Formula Grants and the American Recovery and Reinvestment Act of 2009 (Recovery Act).

**LEGAL AUTHORITY**

Title V, Subtitle E of the Energy Independence and Security Act of 2007, as amended, authorizes DOE to administer the EECBG Program. All awards made under this Program shall comply with applicable law, including the Recovery Act, and other procedures applicable to this program.

**GUIDANCE**

This guidance provides grantees with procedural components related to closing out EECBG awards once a grantee has completed all required work relating to the grant or once the period of performance for the Recovery Act grant ends, whichever comes first. The project period for EECBG awards is set forth in the special terms and conditions of the financial assistance award. The DOE Program Office will be able to provide additional details to grantees regarding the closeout procedure, but this guidance is intended to provide a broad overview of the grantees' responsibilities when they are seeking to close out their awards.<sup>1</sup>

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<sup>1</sup> Detailed guidance related to transfer of intellectual property is not included in this document as DOE is not aware of any grantees with intellectual property pertaining to the EECBG program. Grantees that have questions regarding intellectual property should speak with their DOE Project Officer for guidance.

## Regulatory Background

Under the DOE Financial Assistance Rules applicable to State, local, and Tribal governments receiving federal grants, DOE will close out an award upon a determination that all applicable administrative actions and all required work of the grant has been completed (10 C.F.R. § 600.250(a)).

Initiation of Closeout Process: Grantees will indicate that they are ready to close out the EECBG award by:

- 1) Submitting a "Final" Recovery Act-Performance Progress Report to FederalReporting.gov.
- 2) Submitting a "Final" Federal Financial Report (SF-425) and Quarterly Performance Report (QPR) in Performance and Accountability for Grants in Energy (PAGE). To submit these reports, grantees must mark all activities "Complete" and select the "Grant Complete and ready for Closeout" checkbox in the quarterly PAGE report, indicating that the grantee has submitted its final SF-425 and QPR.

The DOE Project Officer will review these reports for completeness and reasonableness, accepting both reports and initiating the closeout process. Upon initiation of closeout, the DOE Contracting Officer or a delegate will transmit a closeout package to the grantee.

## The EECBG Award Closeout Process

DOE's closeout process for EECBG awards is intended to conform to the DOE Financial Assistance Rules and the unique nature of the EECBG Program. This section provides a general description of the EECBG closeout process, outlining responsibilities and obligations of agency personnel and grantees.

Closeout Package: Upon reviewing a grantee's notification request for closeout, the DOE Contracting Officer, DOE Project Office, or delegate will e-mail a closeout package to the grantee. The closeout package will contain the following: (1) a cover letter indicating the necessary required information and action items; (2) an EECBG Property Certificate; and (3) other documents or forms determined by DOE contracting staff to be applicable to the grant. All forms contained therein must be completed and returned to DOE within 90 calendar days after DOE has sent the closeout package to a grantee.

Within those 90 calendar days, the grantee must also submit all financial, performance, and other reports required per the Federal Assistance Reporting Checklist. These may include, but are not limited to, the following:

- (1) Financial Assistance Property Closeout Certificate. If grantees have federally-owned property purchased with EECBG grant funds, grantees must submit an inventory of all federally-owned property. For all property, both federally-owned and property acquired with Federal funds, the recipient must request disposition instructions from DOE for property that is no longer needed, consistent with guidance in the following section below;
- (2) Final Request for Payment (SF-270), or final drawdown of funds through ASAP, as applicable;
- (3) All EECBG Annual Reports (DOE will include a summary of all grantee submitted PAGE reports); and
- (4) Verification/certification that the terms of any Corrective Action Plans related to any formal findings made during the course of monitoring have been fulfilled.

As appropriate, DOE will request from the grantee required financial information pertaining to the award. In particular, DOE may request a copy of the grantee's final voucher/summary settlement statement or financial report describing all grantee expenditures by fiscal year and budget category.

Within 90 days of receiving the closeout package from the grantee, DOE may make upward or downward adjustments to the allowable costs. DOE will also make prompt payment to a grantee for allowable reimbursable costs. The grantee must immediately refund to DOE the balance of any unobligated (unencumbered) cash advance that is not authorized to be retained for use on other non-DOE grants. (10 C.F.R. § 600.250(c)-(d)). Questions about specific costs should be referred to the designated Contract Specialist and/or Contracting Officer.

If a grantee has been determined to be "high risk," has an award exceeding \$1 million, or presents other causes for concern, DOE reserves the right to schedule a monitoring visit prior to closing out the EECBG award.

### **Property**

Real property and equipment acquired by the grantee shall be subject to the rules set forth in 10 CFR 600.130-137, 10 CFR 600.231-233, or 10 CFR 600.320-324, as applicable.

Consistent with the goals and objectives of this project, the grantee may continue to use property acquired with grant funds beyond the period of performance of the award subject to the following: (a) the grantee continues to utilize such property for the objectives of the project as set forth in the award; (b) DOE retains the right to periodically ask for, and the grantee agrees to provide, reasonable information concerning the use and condition of the property; and (c) the grantee follows the property disposition rules set forth in the applicable sections of 10 CFR Part 600, if the property is no longer used by the grantee for the objectives of the project, and the fair market value of property exceeds \$5,000.

Once the per unit fair market value of the property is less than \$5,000, pursuant to the applicable sections of 10 CFR Part 600, DOE's residual interest in the property is extinguished and the grantee shall have no further obligation to DOE with respect to the property.

The regulations as set forth in 10 CFR Part 600 shall also apply to property in the possession of any sub-recipient or other entity where such property was acquired in whole or part with funds provided by DOE under the grant or where such property was counted as cost-sharing under the grant.

The property regulations as set forth in 10 CFR 600 are not applicable to the grantee or sub-recipient who acquired property with funds provided by a revolving loan fund capitalized by DOE or through a consumer rebate program for energy star and other qualified energy efficiency appliances.

### **National Evaluation**

EECBG has contracted with Oak Ridge National Laboratory to conduct a programmatic evaluation of the impact of the programs and projects funded through the Recovery Act. After the closeout process, grantees may be contacted for an interview by the EECBG National Evaluation team. Participation in this study is strictly voluntary.

### **Administrative Costs**

Grantees may incur *minimal* administrative costs for a period of 90 days after the end of the period of performance as they prepare the final report and other required documents. While not intended to be inclusive, the following activities are understood to fall within the definition of *minimal*:

- Tasks related to closing out the EECBG Recovery Act grant, such as PAGE, 1512, and financial reporting;
- Invoice processing for labor, material, and other costs incurred during the period of performance;



- Closeout of sub-awards according to existing grantee procedures;
- Aggregation of reports from sub-recipients;
- Travel for the purposes of final monitoring, evaluation, and any other tasks essential to closing out the grant.

Grantees may not incur equipment costs during this 90-day period.

All final reports submitted to DOE should include all final expenditures and draw downs associated with the grant, including any minimal administrative costs.

Although grantees may make limited draw downs of funds for administrative purposes during the closeout period, grantees should bear in mind that, after the end of the period of performance, DOE *is not obligated* to consider incurred costs to be allowable. As such, grantees should be conservative when incurring costs, and grantees are strongly encouraged to plan and budget in advance for their administrative needs. Any exceptional needs which are anticipated should be brought to the attention of the grantee's Project Officer prior to the end of the grant period.

#### **Non-Administrative Costs**

Grantees may continue to draw down funds and pay invoices for non-administrative costs during the 90-day closeout period, provided that the costs were incurred during the grant's period of performance. Grantees may also make final payment for projects completed within the grant performance period if payments were withheld pending receipt of a certificate of completion, validation of performance, and/or a clean release from future indemnity from their sub-recipients, if stipulated in sub-recipient contracts. Any funds subject to holdback must be paid within the 90-day closeout period. All final reports submitted to DOE should include all final expenditures and draw downs associated with the grant, including any non-administrative costs incurred during the grant's period of performance.

While not mandated by EECBG, many grantees have required their sub-recipients to close out their awards in advance of the end of the period of performance in order to prevent unforeseen delays in project schedules from affecting the grant. EECBG encourages grantees to build in a buffer period if they have not already done so.

**Single Audit Requirements**

All grantees, subgrantees and sub-recipients receiving more than \$500,000 in combined Federal funds during the fiscal year are required to comply with the Single Audit Requirements outlined in OMB Circular A-133.

**CONTINUING ACCESS TO CLOSEOUT GUIDANCE**

Consideration was given to all recognized or potential areas of Recovery Act closeout foreseen on the effective date of this Program Notice. Recognizing the potential need for additional clarification or guidance not contemplated at this time, DOE will establish a mechanism to intake and publish Frequently Asked Questions (FAQ) on its website.

**CONCLUSION**

The DOE Financial Assistance Rules set forth the framework for the agency's implementation of closeout of all financial assistance awards. DOE's closeout procedures for EECBG awards will conform to those principles and the unique nature of the program and implemented by the cognizant DOE office responsible for your award. Please refer to specific guidance available on the EECBG website and guidance provided by the cognizant DOE office for additional information on topics discussed in this document. As grantees begin to consider closeout procedures for their respective awards, they are encouraged to review this guidance and consult with their Project Officer if they should have any questions.



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Energy Efficiency and Renewable Energy