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**Workforce Investment Act  
State Compliance Policies**

**Section: 3.5**

**Contract Closeout**

**August 2005**

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**I. GENERAL:**

- A. The U.S. Department of Labor (DOL) requires that funds be tracked and reported by year of appropriation/allocation. Financial status reports are cumulative and quarterly until all funds are expended within the time limits outlined in WIA State Compliance Policy 3.3.
- B. The purpose of the sixty (60) day closeout period is to allow time for the Local Workforce Investment Boards (LWIBs) and their subrecipients to liquidate obligations.
- C. LWIBs must have written procedures for closing out each subrecipient contract to the same extent as the state's requirements for the LWIB.
- D. LWIBs should contact the state immediately if they have any problems/issues that arise subsequent to closeout so that a way to handle them can be prescribed that will minimize the effort required to resolve them.

**II. CONTRACT CLOSEOUT (29 CFR 95.71, 97.50 & One Stop Comprehensive Financial Management Technical Assistance Guide Section II-15-3):**

- A. A contract closeout package must be submitted to the state by the LWIBs no later than sixty (60) days after the expiration of the contract or when funds have been fully expended prior to the expiration date.

**Note:** LWIB contract(s) may include one or more funding sources and/or program year funding. Closeout packages should reflect the total dollar amount of the individual contracts regardless of the funding source or program year. Department of Employment, Training and Rehabilitation (DETR)/Financial Management will be responsible for submitting the state closeout package to DOL, which will be separated out by year of appropriation as required.

- B. **Contract Closeout Package:** The package must include two (2) copies, with original signatures, of the following reports:
  - 1. Final WIA Financial Status Report(s) (Form F-101).
  - 2. Final Request for Reimbursement, if allowable costs incurred exceed the payments made by the state, or a check from LWIB payable to DETR if payments exceed the allowable costs incurred.

3. Grantee's Release (Form F-201): this form certifies the release of the grantor agency from further monetary obligations under the grant. Certain specific identified claims such as unclaimed wages (subject to Escheat Laws), Workers' Compensation claims, or other outstanding claims must be identified and the list attached to the grantee's release.
4. Grantee's Assignment of Refunds, Rebates and Credits (Form F-202): this form waives grantee's claim to any refunds, rebates, or credits received after the grant has terminated and assures prompt remittance to the grantor.
5. Grantee's Closeout Tax Certification (Form F-203): this form provides assurances that the grantee/subgrantee has complied with all applicable tax requirements.
6. Final Inventory Certificate (Form F-204): this form provides an inventory of all property purchases where the DOL reserves the right to take title or a certification that no such property was acquired with funds from the grant.

**Note:** all contract closeout forms can be located in WIA State Compliance Policy Section 6.

### **III. SPECIAL BANK OR FINANCIAL ACCOUNT:**

LWIBs and subrecipients with special bank accounts established in accordance with the grant must close out these accounts. A bank or financial statement reflecting a zero balance must be included with the closeout forms.

### **IV. AFTER CLOSEOUT:**

- A. Records must be retained for three (3) years after the final expenditure report for that funding period. Records for non-expendable property must be retained for a period of three (3) years after final disposition of the property (§97.42 and §95.53).
- B. The LWIB is responsible to return any funds due as a result of later refunds, corrections, audit disallowances, or other transactions (§97.50 and §95.71).