

**DEPARTMENT OF THE TREASURY
OFFICE OF INSPECTOR GENERAL**



**Coronavirus Relief Fund
Prime Recipient Quarterly Grant Solutions Submissions
Closeout Procedures Guide**

OIG-CA-22-010

February 14, 2022

A. Overview

Title VI of the Social Security Act, as amended by Title V of Division A of the *Coronavirus Aid, Relief, and Economic Security Act*¹ established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion for making payments to States, Tribal governments, units of local government, the District of Columbia, and U.S. Territories. Payments were to be made in accordance with requirements outlined in Title V, of which \$3 billion is reserved for payments to the District of Columbia and U.S. Territories and \$8 billion is reserved for payments to Tribal governments. Further, no State was to receive a payment of less than \$1.25 billion. The CARES Act assigned the Department of the Treasury (Treasury) Office of Inspector General (OIG) with responsibility for monitoring and oversight of the receipt, disbursement, and use of CRF payments. Treasury OIG also was assigned authority to recoup CRF proceeds in the event that it is determined a recipient of a CRF payment failed to comply with requirements of subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)). The *Consolidated Appropriations Act, 2021* extended the covered period for recipients of CRF payments to use proceeds through December 31, 2021.²

The CARES Act stipulated that CRF prime recipients use the funds provided under a payment made under Title V to cover only those costs that:

- (1) are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of March 27, 2020; and
- (3) were incurred between March 1, 2020 and December 31, 2021.

In its *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*³ (Guidance), Treasury had determined that, for a cost to be considered incurred within the covered period, performance of services or delivery of goods must have occurred during the covered period. In December 2021, Treasury revised its interpretation of when a cost is considered incurred in light of the ongoing COVID-19 pandemic surges, supply chain interruptions, and the resolution of litigation that delayed the payment of CRF funds to certain tribes. In its revised guidance, *Coronavirus Relief Fund Revision to Guidance Regarding When a Cost is Considered Incurred*,⁴ Treasury provides that a cost associated with a necessary expenditure incurred due to the public health emergency shall be considered to have been incurred by December 31, 2021, if the recipient has incurred an obligation with respect to such cost by December

¹ P.L. 116-136 (March 27, 2020)

² P.L. 116-260 (December 27, 2020)

³ https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf.

⁴ https://home.treasury.gov/system/files/136/CRF-Guidance_Revision-Regarding-Cost-Incurred.pdf

31, 2021. Treasury defines obligation for this purpose consistently with the definition of financial obligations in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200.1* (Uniform Guidance)⁵ as an order placed for property and services and entry into contracts, subawards, and similar transactions that require payment.

Prime recipients are required to report their CRF expenditures in GrantSolutions no later than September 30, 2022. Treasury expects that this expenditure deadline will provide a sufficient amount of time for prime recipients to expend their funds in accordance with the eligible uses of the CRF. Accordingly, the GrantSolutions quarterly reporting requirement has been extended through September 30, 2022, with final reports for closeout due no later than the quarter ended December 31, 2022.⁶

B. GrantSolutions Reporting Portal

GrantSolutions, a grant and program management Federal shared service provider under the U.S. Department of Health and Human Services, developed a customized and user-friendly reporting solution to capture the use of CRF payments from recipients (hereinafter referred to as prime recipients).⁷ The GrantSolutions portal was prepopulated with prime recipient data to include CRF payment amount(s), date(s) of award, prime recipient Dun & Bradstreet unique identification number (DUNS number),⁸ and contact information. It is the responsibility of the prime recipients to report on uses of CRF payments in the GrantSolutions portal.

Each prime recipient was required to designate at least one preparer (two preparers preferred) to enter data into GrantSolutions and an authorizing official, who is responsible for certification and submission of the prime recipient's quarterly report. The preparer(s) was only permitted to enter data into the required fields and validate entries once completed. The authorizing official was

⁵ <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1>.

⁶ The 90 day closeout period under the 2014 version of the Uniform Guidance, remains in effect for prime recipients to perform closeout procedures in GrantSolutions. The November 2020 revision to the Uniform Guidance, which extended the closeout period to 120 days for recipients of Federal awards to perform closeout procedures, does not apply to closeout of GrantSolutions reporting.

⁷ Prime recipients include all 50 States, units of local governments, the District of Columbia, U.S. Territories, and Tribal Governments that received a Coronavirus Relief Fund payment directly from Treasury in accordance with the CARES Act.

⁸ The Federal Government will stop using a DUNS number to uniquely identify entities on April 4, 2022. Entities doing business with the Federal Government will begin using a Unique Entity Identifier (UEI) generated in the System for Award Management (SAM.gov).

responsible for reviewing and certifying the information prior to submission within the portal. Accordingly, only these individuals were granted user permissions in the GrantSolutions portal.

Data reported by each prime recipient has been provided to the Pandemic Response Accountability Committee (PRAC) on a quarterly basis for publication on its website in accordance with Section 15011 of the CARES Act.⁹

C. Prime Recipient Reporting Requirements

Beginning in September 2020, each prime recipient was required to report COVID-19 related obligations and expenditures incurred during the covered period (the period beginning on March 1, 2020, and ending on December 31, 2021), as outlined in the *Coronavirus Relief Fund Reporting Requirements Update* (OIG-CA-20-025, July 31, 2020).¹⁰ Each prime recipient must report data, as described below, quarterly through September 30, 2022, or until all obligations and expenditures incurred with CRF during the covered period, including loan repayments, have been accounted for in GrantSolutions. Closeout of CRF awards is due in GrantSolutions no later than the quarter ended December 31, 2022.

Projects

The prime recipient must list all projects¹¹ completed with CRF payments. For each project, the prime recipient will be required to enter the

1. project name,
2. identification number (created by the prime recipient),
3. description, and
4. status of completion.

The prime recipient must report on the project's obligations and expenditures.

⁹ Section 15010 of the CARES Act (P.L. 116-136) established the PRAC within the Council of Inspectors General on Integrity and Efficiency to promote transparency and conduct and support oversight of covered funds and the coronavirus response to (1) prevent and detect fraud, waste, abuse, and mismanagement; and (2) mitigate major risks that cut across program and agency boundaries. In accordance with section 15011 of the CARES Act, the reports submitted by CRF prime recipients provided to Treasury OIG are made publicly available on the PRAC website.

¹⁰ The original prime recipient reporting requirements are contained in *Coronavirus Relief Fund Reporting and Record Retention Requirements* (OIG-CA-20-021; July 2, 2020), <https://oig.treasury.gov/sites/oig/files/2021-01/OIG-CA-20-025.pdf>.

¹¹ Projects are a grouping of related activities that together are intended to achieve a specific goal.

Expenditure Categories

The prime recipient must select the specific expenditure category from the available options from a dropdown menu:

- a. Administrative Expenses
- b. Budgeted Personnel and Services Diverted to a Substantially Different Use
- c. COVID-19 Testing and Contact Tracing
- d. Economic Support (Other than Small Business, Housing, and Food Assistance)
- e. Expenses Associated with the Issuance of Tax Anticipation Notes
- f. Facilitating Distance Learning
- g. Food Programs
- h. Housing Support
- i. Improve Telework Capabilities of Public Employees
- j. Medical Expenses
- k. Nursing Home Assistance
- l. Payroll for Public Health and Safety Employees
- m. Personal Protective Equipment
- n. Public Health Expenses
- o. Small Business Assistance
- p. Unemployment Benefits
- q. Workers' Compensation
- r. Items Not Listed Above - to include other eligible expenses that are not captured in the available expenditure categories.

Each prime recipient must also provide detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the prime recipient that are greater than or equal to \$50,000 as follows.

Contracts Greater Than or Equal to \$50,000

- a. Contractor identifying and demographic information (e.g. DUNS number or Unique Entity Identifier (UEI) and location)
- b. Contract number
- c. Contract date, type, amount, and description
- d. Primary place of contract performance
- e. Related project name(s)
- f. Period of performance start date
- g. Period of performance end date
- h. Quarterly obligation amount
- i. Quarterly expenditure amount
- j. Expenditure categories (listed above)

Grants Greater Than or Equal to \$50,000

- a. Grantee identifying and demographic information (e.g. DUNS number or UEI and location)
- b. Award number
- c. Award date, amount, and description
- d. Award payment method (reimbursable or lump sum payment(s))
- e. Related project name(s)
- f. Period of performance start date
- g. Period of performance end date
- h. Primary place of performance
- i. Quarterly obligation amount
- j. Quarterly expenditure amount
- k. Expenditure categories (listed above)

Loans Greater Than or Equal to \$50,000

- a. Borrower identifying and demographic information (e.g. DUNS number and location)
- b. Loan number
- c. Loan amount, date (date when loan signed by prime recipient and borrower), and description
- d. Loan expiration date (date when loan expected to be paid in full)
- e. Purpose of loan
- f. Primary place of performance
- g. Related project(s)
- h. Quarterly obligation amount
- i. Quarterly payments on outstanding loans
- j. Recipient plans for reuse of Coronavirus Relief Fund loan repayments
- k. Loan/expenditure categories

Transfers to Other Government Entities Greater Than or Equal to \$50,000

- a. Transferee/government unit identifying and demographic information (e.g. DUNS number or UEI and location)
- b. Transfer date, amount, and description
- c. Related project(s)
- d. Quarterly obligation amount
- e. Quarterly expenditure information
- f. Expenditure categories (listed above)

Direct Payments Greater Than or Equal to \$50,000

- a. Payee identifying and demographic information (e.g., DUNS number or UEI and location)
- b. Direct Payments amount and date
- c. Related project(s)
- d. Quarterly obligation amount
- e. Quarterly expenditure amount
- f. Expenditure categories (listed above)

Aggregate reporting below \$50,000

Aggregate reporting is allowed on contracts, grants, transfers made to other government entities, loans, and direct payments that are below \$50,000, and all payments to individuals.

D. Required Corrections for FEMA Cost Share Changes

In January 2021, a Presidential Memorandum was issued extending certain Federal support to increase reimbursement and other assistance provided to States, U.S. Territories, Local Governments, Tribal Governments, and the District of Columbia. The Federal Emergency Management Agency (FEMA) is to provide certain assistance at a 100 percent Federal cost share until September 30, 2021.¹² Shortly thereafter, a February 2021 Presidential Memorandum was issued extending Federal support and making the 100 percent Federal cost share retroactive from January 20, 2020 through January 20, 2021.¹³ More recently, a November 2021 Presidential Memorandum announced that funding to support all eligible Coronavirus Disease 2019 work will continue at a 100 percent Federal cost share from January 20, 2020 through April 1, 2022.¹⁴

A prime recipient that used CRF proceeds for the non-Federal cost share of a project, which FEMA has since provided 100 percent Federal cost share, will need to correct/modify its Quarterly Financial Progress Report in GrantSolutions beginning in Cycle 8 due April 11, 2022. To correct or modify a prior period's data, please refer to questions 52 and 57 in Section E – Reporting Corrections of the *Department of the Treasury Office of Inspector General Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*

¹² <https://www.federalregister.gov/documents/2021/01/28/2021-02043/memorandum-to-extend-federal-support-to-governors-use-of-the-national-guard-to-respond-to-covid-19>.

¹³ <https://www.federalregister.gov/documents/2021/02/05/2021-02569/maximizing-assistance-from-the-federal-emergency-management-agency-to-respond-to-covid-19>.

¹⁴ <https://www.federalregister.gov/documents/2021/11/17/2021-25185/maximizing-assistance-to-respond-to-covid-19>.

(Revised) (OIG-CA-20-028R; March 2, 2021).¹⁵ A prime recipient should refer to Treasury's guidance when applying CRF proceeds, which are freed up as a result of FEMA's 100 percent Federal cost share coverage, to other eligible uses under the CARES Act.¹⁶

To make changes to Quarterly Financial Progress Reports after a prime recipient has already submitted its final report for closeout of its CRF award, the prime recipient's authorizing official must submit a request to reopen the report for correction to the Treasury OIG at CARES@oig.treas.gov.

E. Treasury OIG GrantSolutions Monitoring

The CARES Act assigned Treasury OIG the responsibility for monitoring and oversight of the receipt, disbursement, and uses of CRF payments. Treasury OIG was assigned authority to recoup funds in the event that it is determined a prime recipient of a CRF payment failed to comply with requirements under Section 601(d) of the Social Security Act, as amended by Title V of the CARES Act.

Reviews of the GrantSolutions' quarterly submissions is the first step in the Treasury OIG's overall monitoring and oversight responsibilities to ensure accountability and transparency of each prime recipient's uses of CRF payments. Reviews were designed to identify material omissions and significant errors, and where necessary, include procedures for notifying prime recipients of misreported data for timely correction. The scope of the quarterly monitoring and reviews includes prime recipients' quarterly submissions in GrantSolutions for 11 reporting cycles that began with the first quarter submission on September 21, 2020, and ending with the quarter ending December 31, 2022. See Treasury OIG's frequently asked questions for the reporting timeline¹⁷ and monitoring and review guide for quarterly review procedures.¹⁸

F. Closeout of Prime Recipient's Reporting Requirements

Treasury OIG requires that each prime recipient that has reported all CRF obligation and expenditure data in GrantSolutions perform closeout procedures

¹⁵ <https://oig.treasury.gov/sites/oig/files/2021-03/OIG-CA-20-028R.pdf>.

¹⁶ See footnotes 3 and 4 for links to Treasury's guidance documents.

¹⁷ *Department of the Treasury Office of Inspector General Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping (Revised)* (OIG-CA-20-028R. March 2, 2021), <https://oig.treasury.gov/sites/oig/files/2021-03/OIG-CA-20-028R.pdf>.

¹⁸ *Prime Recipient Quarterly GrantSolutions Submissions Monitoring and Review Procedures Guide* (OIG-CA-20-029R; April 19, 2021), <https://oig.treasury.gov/sites/oig/files/2021-04/OIG-CA-20-029R.pdf>.

in its final quarterly validation and certification report.¹⁹ The final closeout report should take place when all of a prime recipient's CRF proceeds, including loan repayments have been expended or returned to Treasury, but no later than the quarter ending December 31, 2022.

Once the prime recipient preparer(s) has entered and validated data for the final quarterly review cycle, the prime recipient's authorizing official is responsible for reviewing and certifying the information prior to submission within the GrantSolutions portal. To make the closeout request, the prime recipient's authorizing official will select a checkbox when signing the quarterly financial progress report indicating that the report is ready for closeout.²⁰ This request should only be made when no financial adjustments are required in future reporting periods as the portal will no longer allow for adjustments in upcoming review cycles after the checkbox is selected.

Authorizing officials are required to attest in GrantSolutions that all obligations and expenditures have been reported for the CRF program and that no financial adjustments are expected in future reporting cycles and any unused funds have been returned to Treasury.²¹ If, subsequent to the closeout period, a prime recipient determines that a correction is required with respect to obligations and/or expenditures reported for any period prior to December 31, 2022, the authorizing official should make a written request to Treasury OIG to reopen the GrantSolutions final report for correction.

Once the prime recipient's reporting requirements in GrantSolutions are complete after closeout, prime recipients should maintain all records for a period of five (5) years after final payment is made using CRF monies. These record retention requirements are applicable to all prime recipients and their grantees and subgrant recipients, contractors, and other levels of government that received transfers of CRF payments from prime recipients. Our approval of the closeout is a confirmation that the submission has been completed and the data meets specific data entry validation checks. It is the responsibility of a prime recipient's authorizing official to certify that the information provided in the quarterly Financial Progress Report is "true, complete, and accurate, and the information is provided for the purposes and intent set forth in the CARES Act,

¹⁹ *Coronavirus Relief Fund Reporting Requirements Update* (OIG-CA-20-025: July 31, 2020), <https://oig.treasury.gov/sites/oig/files/2021-01/OIG-CA-20-025.pdf>.

²⁰ See *Marking a Coronavirus Relief Fund Financial Progress Report as Complete* instructions at https://www.grantsolutions.gov/oldcdocs/pdf/oig/Treasury%20OIG%20PRAC%20-%20MarkingReportAsComplete_Updated062921.pdf.

²¹ Treasury provides instructions for the return of unused CRF payments to Treasury on page 1486 of its Guidance document (https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf).

Public Law 116-136.” Please note that if any litigation, claim, or audit is started before the expiration of the 5-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

The prime recipient will continue to be subject to desk reviews and audits after closeout of the report. Treasury OIG will perform desk reviews to evaluate the prime recipient’s documentation supporting the uses of CRF proceeds as reported in GrantSolutions, and assess risk of unallowable use of funds. Treasury OIG will perform audits to assess whether prime recipients used CRF payment proceeds in accordance with subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)) and other Treasury guidance, as applicable.

G. Closeout Procedures

The purpose of these closeout procedures is to assist the Treasury OIG in performing final reviews to ensure that the prime recipient’s final financial progress report meets specific data validation checks, no further corrections or additional reporting is necessary, and unobligated and/or unexpended CRF proceeds are returned to Treasury. Once a prime recipient’s final report (with the box checked for closeout) is submitted in GrantSolutions the prime recipient will no longer be able to initialize a new report or make edits for prior reporting periods unless a written request is made to the Treasury OIG CARES Act team. These requests will be reviewed, and approved as appropriate, by the Treasury OIG CARES Act Audit Director and/or Audit Manager.

The following procedures will be used by Treasury OIG Reviewers and Approvers when reviewing a prime recipient’s closeout report in GrantSolutions. These procedures are to be used at the discretion of the reviewer and do not exclude other reviews and analysis of prime recipient data as deemed appropriate. In addition to the closeout procedures, Treasury OIG may also perform desk reviews and/or audits of a prime recipient.

CARES Act : CRF Reporting Closeout Procedures

Objective: To review the prime recipient’s quarterly submission and determine whether the data entered is complete and passes all data validation checks.

Assessment of Prime Recipient Quarterly Reporting for Closeout.

1. Did the prime recipient submit a current quarter financial progress report that was accepted as part of Treasury OIG’s monitoring and review procedures guide?

a. Yes No

i. If no, contact the prime recipient to make corrections to the current quarter report.

2. Did the prime recipient submit quarterly financial progress reports that were accepted by Treasury OIG in previous reporting quarters?

a. Yes No

i. If no, determine the reasons for non-compliance in previous reporting periods and ensure prime recipient corrections from the previous cycles were made as part of the current quarter report.

3. Did the prime recipient report that CRF proceeds were used for a non-Federal cost share associated with FEMA’s public assistance program?

a. Yes No

i. If yes, contact the prime recipient to make corrections to the current quarter report.

4. Did the prime recipient report that CRF proceeds were used to issue loans?

a. Yes No

i. If yes, did the prime recipient report all loan repayments as of the end of the current quarter?

1. Yes No

- a. If yes, determine whether funds were applied to other eligible expenditures or returned to Treasury.
- b. If returned to Treasury, follow up with Treasury to confirm receipt.
- c. If no, the prime recipient is not eligible to close out its financial progress report until all loan repayments have been made.
 - i. Notify the prime recipient that corrections to the current quarter report to account for loan repayments need to be made.
 - ii. If loan repayments are ongoing, notify the prime recipient that the financial progress report closeout will not be approved and the prime recipient should provide details of when final loan repayments are scheduled/estimated to be made. Treasury OIG will continue to monitor the prime recipient's status until closeout can take place.

5. Have all obligations reported by the prime recipient been fully expended?

a. Yes

No

- i. If no, inquire whether the funds were returned to Treasury. If not and the prime recipient needs to enter further obligation and expenditure data in GrantSolutions in future reporting periods (no later than December 31, 2022), do not accept the closeout request.
- ii. Alternatively, the prime recipient will need to de-obligate CRF funds if other funding sources were used to cover an obligation or if the obligation was cancelled.

6. Has the prime recipient obligated and expended all available CRF prior to the closeout request?

a. Yes

No

- i. If no, inquire whether the funds were returned to Treasury. If not, request that funds be returned to Treasury or the prime recipient may need to enter further obligation and expenditure data in GrantSolutions (no later than December 31, 2022) (see 5.a.i. above). If additional obligation data is entered after December 31, 2021, documentation will need to be submitted to Treasury OIG to demonstrate that the obligation was incurred before December 31, 2021.
- ii. If any award amount is unobligated and/or the prime recipient does not need to report further obligation and expenditures and has not returned funds to Treasury, send the prime recipient a letter with instructions to return the funds to Treasury.

7. If the prime recipient was selected for a desk review or audit, were all findings addressed and necessary correction made to the financial progress report?

a. Yes

No

- i. If no, determine whether any findings required correction to the prime recipient's final quarterly report.
- ii. Document the desk review and/or audit number, if applicable.

8. Did the prime recipient update the project section of its financial progress report, award descriptions, and expenditure or cost categories to justify use of CRF for COVID-19 related uses?

a. Yes

No

- i. If no, return the financial progress report to the prime recipient to ensure that the project fields, award details and descriptions, and expenditure or cost categories are sufficiently documented to justify the use of CRF for COVID-19 related uses.

Treasury OIG Quarterly Submission Closeout Approval

9. For the CARES Act Audit Director or Audit Manager, has the Treasury OIG reviewer resolved all closeout procedures 1 through 8 prior to approving the prime recipient's final report for closeout?

a. Yes

No

- i. If yes, document the date approved. Treasury OIG will provide the prime recipient with notification that the report was approved for closeout.
- ii. If no, return the report to the prime recipient with an email to the authorizing official documenting the corrections needed based on procedures 1 through 8, as applicable. Repeat these procedures 1 through 8 until the prime recipient satisfies the requirements for GrantSolutions financial progress report closeout.