

# Preparing your CDBG-DR Grant for Closeout and Managing Program Income

COSCEA 2025 Program Managers Training Conference

Washington, DC

Tuesday, March 18, 2025 | 10:15AM-11:45AM

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*Director, Disaster Recovery*

- Introductions
- Closeout Process Overview
- DRGR Requirements
- Closeout Tips
- Program Income
- Resources
- Discussion: Challenges and Feedback

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## Closeout Process Overview

### ➤ Notice CPD-22-14: Closeout Instructions

This Notice explains the readiness determination, criteria, and instructions for grant closeouts for all CDBG programs

- HUD published an updated CPD Closeout Notice (CPD-22-14) on December 8, 2022 which replaced CPD Notice 14-01
- Changes include:
  - **Reduced paper work for grantees**—grantees are no longer required to submit the Grant Closeout/Review Checklist or the Closeout Certification
  - **Changes to the Closeout Agreement requirements**—the Notice states that the closeout agreement must require the grantee to repay HUD the amount of any costs not allowed by subsequent audits or HUD's reviews



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## Closeout Process Overview



### Readiness Determination and Criteria for Closeout

- HUD will determine that a grant is ready for closeout when the **criteria at 24 CFR 570.509 and 24 CFR 570.489(o)**, as modified by waivers and alternative requirements in applicable Federal Register Notices, have been met:
  - All activities are complete, met a national objective, allowable, and the grant met the overall benefit requirements
  - All funds have been expended, the expenditure deadline has passed, or the grantee is de-obligating unused funds to close the grant
  - HUD staff confirmed the grant did not exceed any regulatory caps
  - **Grantee** has submitted all reporting requirements
  - **Grantee** has closed or addressed all outstanding monitoring or audit findings
  - **Grantee** enters into a closeout agreement that requires repayment of costs disallowed by subsequent audits



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## Closeout Process Overview



### Grantee Submissions

The Grantee will submit the following documents to HUD within the period as required by 24 CFR 91.520(a) (unless modified by waivers and alternative requirements):

- **Final QPR Performance Report** Federal Financial Report SF-425 (submitted in DRGR with the QPR)
- **Closeout agreement**, which will include information provided by the grantee via the final QPR, signed by the grantee; If closing a grant with a remaining balance, include Form HUD-7082 or CDBG-DR, CDBG-MIT or CDBG-NDR Agreement, as applicable, for deobligation of any unused funds (as prepared by HUD)

After the agreement is signed by both HUD and the **grantee**, the grant will be closed in LOCCS and DRGR.



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## Closeout Process Overview

### > What Happens After Closeout?

Grantees need to plan for the following:

- **Compliance oversight after closeout** Who will do it (responsible entity)?
  - How will oversight efforts be funded?
  - What happens if ineligible costs are discovered post-closeout?
- **Program Income (PI) generated after closeout** Where will it go?
  - Be sure it is only used for costs/expenditures for eligible CDBG activities
- **Record retention begins!**
  - The date of the signed Closeout Agreement from HUD marks the beginning of the record retention – inform any subrecipients and/or partners



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## Closeout Process Overview

### > Post-Closeout –Recordkeeping Requirements

CDBG-DR **grantees** must maintain files documenting its certifications, the eligibility and national objective classification for each funded activity, and all financial records

- Each **grantee** must also maintain files documenting compliance with the requirements applicable to CDBG-DR funds Any costs paid with CDBG-DR funds which were not previously audited will be subject to coverage in the **grantees'** next single audit performed in accordance with 2 CFR 200 Part F
- The **grantee** may be required to repay HUD any disallowed costs based on the results of the audit or on additional HUD reviews provided for in the closeout agreement



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## DRGR Requirements



### Closeout Process in DRGR

#### CDBG-DR Grant Closeout Phases

- Initial Assessment
  - Is the grant ready to close?
- Pre-Closeout Grantee and ODR Grant Manager, Regional DRGR Specialist and Financial Analyst coordination to complete data analysis/reconciliation and correction data (addressing flags), if necessary.
- Closeout Grantee completes and HUD processes required closeout documentation and complete tasks in DRGR system to finalize closeout.



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## DRGR Requirements



### Assessing CDBG-DR Grants for Closeout in DRGR

What makes a CDBG-DR grant appear to be "Ready for Closeout" consideration in DRGR?

- Financial Status of Grant
  - Grant is at least 90% drawn, and/or
  - Grantee hasn't drawn funds "in a while" Reviewing [CDBG-DR and CDBG-MIT Financial Monthly Reports](#)
- Status of DRGR "Activities"
  - Majority of activities have a status of "Completed" in DRGR Action Plan
  - Performance of Grant
  - Grantee has reported significant "Actual" accomplishments for majority of activities via Performance Report (QPR)



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## DRGR Requirements

### > ODR Assessment of Grants with "Ready to Closeout" Status

- Action Plan and Performance Report (QPR) are in "good" condition Activity(ies) are accurately categorized Activity Type and Activity Status
- Activity National Objectives are accurate Eligibility and national objective classification for each funded activity
- All financial required "caps" have been met

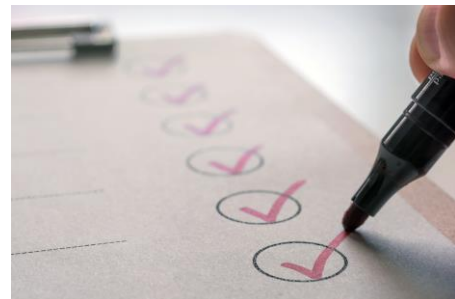


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## DRGR Requirements

### > ODR Assessment of Grants with "Ready to Closeout" Status

- Performance Measure "Actual" Accomplishments have been reported accurately in applicable QPR
- All financial transactions are complete. Grantee does not intend to draw additional funds.
  - All drawn funds have been expended by grantee.
  - Recaptured or remaining funds
- No open audit of any funds in the grant and the closeout agreement must require the grantee to repay HUD



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## DRGR Requirements



### Assessing CDBG-DR Grants for Closeout in DRGR Overview

#### *Grant Management: Action Plan and Performance Report (QPR)*

- All activities are complete, met a national objective, eligible/allowable, and the grant has met the overall benefit requirements.
- Grantee has submitted all reporting requirements.
  - Action Plan amendments, Final QPR Submission (including SF-425)

#### *Financial Module: Obligations and Expenditures*

- All funds have been expended, the expenditure deadline has passed, or the grantee is de-obligating unused funds to close the grant.
- HUD staff confirmed the grant did not exceed any regulatory caps.
- Grantee requires repayment of costs disallowed by subsequent audits.



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## Closeout Tips: DRGR



### CDBG-DR Grant Closeout Phases

Initial Assessment:	Gather team	Pre-Closeout	Closeout
<ul style="list-style-type: none"> <li>• Is the grant ready to close?</li> </ul>	<ul style="list-style-type: none"> <li>• Grantee</li> <li>• ODR Grant Manager</li> <li>• Regional DRGR Specialist</li> <li>• Financial Analyst</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis data</li> <li>• Correct data</li> <li>• reconciliation data</li> <li>• Address flags, if necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Grantee completes documentation</li> <li>• HUD reviews documentation</li> <li>• tasks are completed in DRGR to finalize closeout.</li> </ul>

***What can grantees do to prepare for closeout?***

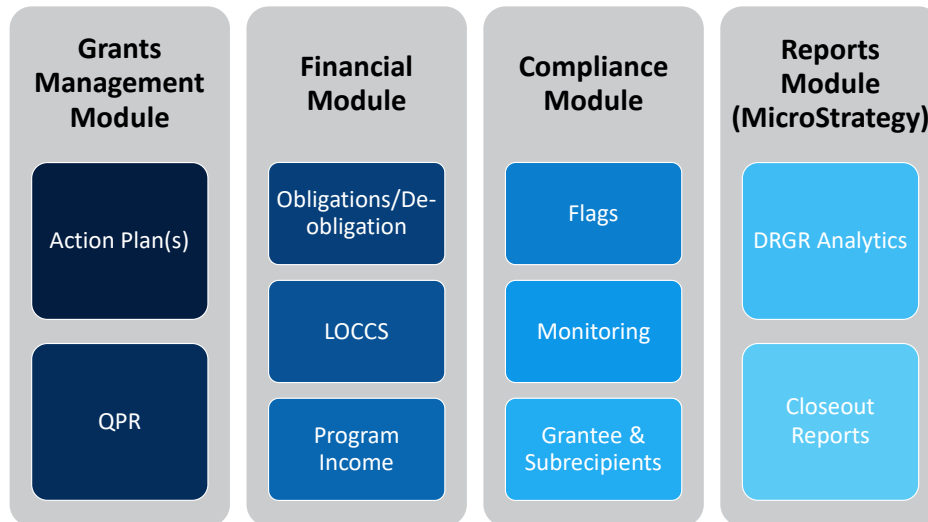


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## Closeout Tips: DRGR

### ➤ DRGR System Modules



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## Closeout Tips: DRGR

### ➤ DRGR Action Plans (Projects and Activities)

Start with **initial** Action Plan and subsequent amendments proposing required performance measures when setting up activity(ies)

- Action Plans (Projects and Activities) in DRGR are living documents
- Assist with grantees "Telling their Story!"

Budget reconciliation at the **activity level**

- De-obligations and reallocation of funds
- Review and make edits to Action Plan applicable activity(ies)
- Do not wait until end of grant and repay funds that could have assisted recovery

Ensure **National Objectives** and **eligibility** is identified accurately for each funded activity

- Add and/or review all applicable "Activity Associations" in DRGR to ensure proper reporting and activity details to ensure eligibility



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## Closeout Tips: DRGR

### DRGR Action Plans (Projects and Activities)

Activity Associations

**Manage Activity**
[Back](#)

Grant Number:

B-16-DL-22-0001

Grantee Name:

Louisiana

Appropriation Code:

2016 LTW

National Objective:

Low/Mod

Project Number:

3096

Project Title:

Restore LA Rental Housing

Activity Number:

09FDPB4401

Activity Title:

Lee Hardware and United Jewelers Apts

Activity Type:

Affordable Rental Housing

Projected Start & End Date:

06/15/2021 - 03/20/2023

Benefit Report Type:

Direct: Households

Responsible Organization:

New Shreveport Renewal, LLC

Activity Status:

Under Way

Financials

Details

Documents

Measures

Environmental

Associated Activities

[Associate Activity](#)

Responsible Organization	Activity Type	Project Number	Activity Number	Activity Title	PIA Name	Primary Activity	Actions
No Results Found							



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## Closeout Tips: DRGR

### Performance Reports (QPRs)

Outcomes (Accomplishments/performance measures)

- Tell your story!
- Report Section 3 Labor Hours in DRGR (formally SPEARS)
- Ensure minimum performance measure requirements: *Review tables on next slides*
- Explanation (justification) of why projections were not met included in narrative



QPR Submissions

- Review and/or submit **ALL** outstanding QPRs
- Is the final QPR accurate, complete, and consistent with LOCCS, the Action Plan, and/or approved Action Plan amendments?
- Ensure “checkbox” to indicate final QPR submission is selected

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## Closeout Tips: DRGR



### Closeout Tips and Tricks

Activity Type	Performance Metrics
<b>Housing –Owner Occupied</b>	# of Single Family Units and # of Owner Households
<b>Housing –Multi Family</b>	# of Multi-Family Units and # of Renter Households and # of Properties
<b>Economic Development</b>	# of Businesses and # of Jobs Created or # of Jobs Retained



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## Closeout Tips: DRGR



### Closeout Tips and Tricks

Activity Type	Performance Metrics
<b>Public Facilities</b>	# of Public Facilities or # Properties
<b>Public Services</b>	# of Public Facilities or # of Businesses
<b>Infrastructure</b>	# of Public Facilities and/or # Linear Feet of Improvements or # Linear Miles of Improvements
<b>Clearance/Demolition</b>	# of Properties
<b>Debris Removal</b>	# of Properties and/or # of Households



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## Closeout Tips: DRGR



### Financial Module

#### Financial Expenditures

- Ensure activity budgets are adjusted in Action Plan as needed
  - Recapture or Return of funds
  - Reallocating grant funds to other eligible activities
  - Obligating and De-obligating Funds
- Use QPR and reports to track required grant financial caps
- HUD will use LOCCS and DRGR Analytics financial related reports (for example: F67) to reconcile grant financial expenditures

#### Program Income

- Post grant closeout if grantee expects to receipt additional PI the Grantee has the option to transfer to State or Entitlement CDBG grants



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## Closeout Tips: DRGR



### Flags / System Validations / Grantee Events

#### Compliance Module (Flags and Monitoring/Audit/TA Events)

- Review flags guidance document
- Review and attempt to resolve flags throughout duration of grant
- Utilize upload templates if multiple activity edits required
- Ensure ALL required grantee monitoring, audit and TA events data is entered accurately for HUD review for applicable grant appropriation

#### System Validations

- Validate data entered into applicable fields of the Action Plans and QPRs prior to grantee submission for review
- System performs validation checks on specific data fields when grantee user selects "Validate..." or "Submit..." links on applicable module screens (*Manage Action Plan or Manage Performance Report screens*)



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## Closeout Tips: DRGR

### Closeout Reports–Data Analysis Review

MicroStrategy Reports (DRGR Analytics project) included with Final CDBG-DR

Closeout Documentation Package:

- Review these reports throughout the duration of the grant to ensure compliance and make necessary corrections to Action Plan and QPR prior to closeout

#### Global Finance

- F21-AP** –Grant Budgets by National Objective –Activity Level
- F63-CUM** –Fin Data –Grant Level
- F67-CUM** = Grant Financial Summary –by Activity, Resp Org, Act Type and Nat Obj

#### Global Performance

- P33-QPR** –Household Characteristics for Direct Benefit Activities by Tenure and Ethnicity
- P41-CUM** –Planned and Actual Performance Measures by Activity and Income Level

#### Global Compliance

- C14 –GEN** = Flag Details (Activity Level)



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## Program Income

### Program Income

As allowed in Federal Register Notices....grantees can transfer the program income generated by their CDBG-DR programs to the local CDBG state or entitlement programs prior to grant close out.

Per 24 CFR 570.489(e) and 570.504, the following rules apply: A State grantee may transfer program income to its annual CDBG program before close out of the grant that generated the program income. In addition, a State grantee may transfer program income before close out to any annual CDBG-funded activities carried out by a local government within the State

15844 Federal Register / Vol. 83, No. 28 / Friday, February 9, 2018 / Notices

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
URBAN DEVELOPMENT  
(Notice No. FH-2018-01)

**Allocations, Common Application, Winners, and Alternative Requirements for 2017 Disaster Community Development Block Grant Disaster Recovery Grants**

**Summary:** This notice allocates \$7.28 billion in Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated by the Supplemental Appropriations for Disaster Relief Requirements, 2017, for the purpose of assisting in long-term recovery from 2017 disasters. This notice describes applicable waivers and alternative requirements, relevant statutory provisions for grants provided under this notice, the grant award process, criteria for action plan approval, and eligible disaster recovery activities. Given the extent of damage to housing in the eligible disaster areas and the very limited data at present regarding unmet infrastructure and housing needs in these areas, this notice requires each grantee to primarily consider and address its unmet housing recovery needs.

**DATES:** Applicability Date: February 14, 2018.

**FOR FURTHER INFORMATION CONTACT:** Isaac Hanfland-Kane, Acting Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 401 7th Street SW, Room 5000, Washington, DC 20590; telephone number 202-708-3587; Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-477-8339. Facsimile inquiries may be sent to Ms. Kane at 202-401-2144. (Except for the "FOUO" notice, these telephone numbers are not toll-free.) E-mail inquiries may be sent to disaster\_recovery@hud.gov.

**SUPPLEMENTARY INFORMATION:**

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**1. Allocations**

The Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-90), approved September 8, 2017, appropriated \$7.28 billion in Community Development Block Grant disaster recovery (CDBG-DR) funds for necessary expenses for activities performed under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCD Act) related to disaster relief, economic revitalization, and infrastructure and housing, and economic revitalization in the most impacted and distressed areas.

Based on further review of the emergency and disaster declaration, and estimates of unmet need, HUD is providing the following allocations:

**TABLE 1—ALLOCATIONS UNDER PUBLIC LAW 115-90**

Disaster No.	Grantee	Allocation	Minimum amount that must be expended for recovery in the HUD-identified "most impacted and distressed areas"
4322	State of Texas	\$4,019,275,000	Watts, Jefferson, Orange, Galveston, Fort Bend, Brazoria, Montgomery, Liberty, Harris, Chambers, Aransas, Wharton, San Patricio, San Antonio, Newton, and Victoria Counties. (Pub. L. 115-90, 7702, 7703, 7804, 8442-737/802)
4327	State of Florida	\$15,820,000	Alachua, Baker, Bay, Brevard, Citrus, Collier, Duval, Escambia, Franklin, Gadsden, Hardee, Hernando, Hillsborough, Indian River, Jackson, Jefferson, Leon, Levy, Manatee, Marion, Miami-Dade, Oklawaha, Osceola, Palm Beach, Polk, Putnam, Santa Fe, Seminole, Suwannee, Volusia, and Washington Counties. (Pub. L. 115-90, 7702, 7703, 7804, 8442-737/802)



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## Program Income

### > Program Income

#### What is the process for transferring PI to other (State or Entitlement) CDBG grants?

HUD DRAFT request form to be used by the grantee to request PI transfer:

**Important:** CDBG-DR funds transferred to another program take on all characteristics of CDBG funds. All CDBG-DR/MIT waivers are lost, and the funds cannot be transferred back to either the CDBG-DR/MIT grant.

\*Work with your CPD Representative to confirm the latest approved process.

HUD Program Income Form  
DRAFT September 2024

**Grantee Request to Transfer CDBG-DR or CDBG-MIT Program Income to the Annual CDBG Program or CDBG Entitlement Program**

Grantee: \_\_\_\_\_ Date: **1/1/2025**

Grant No. (one grant per request form): \_\_\_\_\_

1. Request to transfer all future program income that may be received after this request to the State Annual CDBG Program or Entitlement Program (check one) Yes ☐ or No ☐
2. Name of Entitlement Community, if applicable: \_\_\_\_\_
3. Total amount of available program income to transfer: \_\_\_\_\_
4. Total estimated amount of future CDBG-DR/MIT program income that may be transferred (if applicable): \$ \_\_\_\_\_
5. Activity number(s) associated with the CDBG-DR/MIT activity(ies) that generated the program income or is anticipated to generate program income if a request is made to transfer future program income: \_\_\_\_\_



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### Key Takeaways

Closeout process is cumulative throughout duration of the grant. It's never too early to consider improvements that will make closeout easier.

- Start with the end in mind
- Maintain accurate and detailed records
- Use your System of Record
- Keep QPRs up to date and accurate
- Monitor with compliance checklists
- Understand program income
- Run DRGR closeout reports



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## Resources

- [DRGR-User-Manual-Chapter-31-Closeout.pdf](#)
- [DRGR-User-Manual-Chapter-32-Flags.pdf](#)
- [DRGR-User-Manual-Chapter-35-Reports.pdf](#)
- [Can I correct performance data from prior QPRs in my current QPR? - HUD Exchange](#)
- [Preparing your CDBG-DR Grant for Closeout: Checklist, Certification, and DRGR - HUD Exchange](#)
- [CDBG-DR: 7 tips for successful grant closeout | ICF](#)
- [Notice CPD-22-14: Closeout Instructions for CDBG Programs -HUD Exchange](#)
- [24 CFR §570.489 -Program administrative requirements](#)
- [24 CFR §570.509 -Grant closeout procedures](#)

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## Challenges and Feedback

### Opportunity to provide feedback on waste and inefficiencies.

- What is most challenging?
- What can be improved in this process?
- Ideas and best practices.



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