

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

March 3, 2021

FINANCE MEMORANDUM

MEMO NO. 21-04

To: All Department Heads

From: Craig K. Hirai /s/
Director of Finance

Subject: Close-Out Procedures for CARES Act Coronavirus Relief Fund Subawards

Please find attached close-out procedures for departments that received a subaward from the CARES Act Coronavirus Relief Fund.

If you have any questions about these procedures, please contact Mr. Robert Yu, Deputy Director, Department of Budget and Finance at 586-1516.

c: Curt Otaguro, Comptroller, Department of Accounting and General Services

CARES Act CRF Close-Out Procedures

I. Close-Out Deadline

The deadline for closing out CRF subawards is March 31, 2021. The following will need to be completed by this date:

- A. Contract and claims encumbrances should be liquidated or cancelled and remaining cash balances returned to the B&F appropriation account that sourced the funds (either S-20-247-O or S-20-358-O).
- B. A final review of OIG reporting data and other data checks between B&F/OFAM and the department's authorized representative.

II. Request for Extension

To request an extension to the March 31, 2021 deadline, an e-mail should be sent to Mr. Robert Yu at robert.yu@hawaii.gov. The request should include a justification and new proposed close out date. Mr. Yu will approve or disapprove all requests for extensions. B&F/OFAM will track new approved close out deadlines.

III. Close-out Process

The close-out process will be as follows:

- A. B&F/OFAM will determine the subawards that are ready for close-out by identifying appropriation accounts with a 'zero' encumbrance balance and a 'zero' cash balance.
- B. B&F/OFAM will e-mail the "*CARES Act CRF Close-out Report*" form to the department's authorized representative for completion and signature. The fields below will be pre-filled on the report by B&F/OFAM. The department's authorized representative should review the accuracy of the fields.
 - Department/Agency Name
 - Point-of-Contact
 - Date
 - CRF Subaward Name
 - State Appropriation Account
 - Amount of Subaward
 - Amount of De-obligation (if applicable)
 - Cash Balance Returned (if any)
 - Total Expenditures

CARES Act CRF Close-Out Procedures

- C. The department's authorized representative will recommend readiness for close-out to the authorized certifying official. The authorized certifying official will attest to the below, sign and return the form to B&F/OFAM.
- There are no encumbrance or cash balances in the appropriation account (or official accounting record if not using FAMIS).
 - Expenditure data provided to B&F for reporting to the OIG GrantsSolutions portal has been reconciled with FAMIS (or official accounting system if not using FAMIS) and is complete and accurate.
 - They are aware of and have informed subawardees about the CARES CRF record keeping requirement.
- D. B&F/OFAM will verify the accuracy of the data provided by the subawardee for reporting to OIG Treasury and utilize a "*CRF Close-out Check List*" form and do other data checks to verify proper use of the funds:
- Compare DataMart/FAMIS total expenditure amount to the sub-award amount.
 - Compare the OIG Treasury "All Cycles" total expenditure amount to the sub-award amount.
 - Calculate DataMart/FAMIS totals for \geq \$50,000 categories; compare to the amount reported to the OIG Treasury (cumulative for all cycles).
 - Calculate DataMart/FAMIS totals for $<$ \$50,000 in aggregate categories; compare to the amount reported to OIG Treasury (cumulative for all cycles).
 - Review cash transfers made from the appropriation account.
 - Check P-card data that "First Hawaiian Bank" has not been reported as a sub-recipient and that P-card payments \geq \$50,000 have been reported as subrecipients.
- E. After the *CRF Close-out Check List* form is completed, OFAM/B&F will sign the "*CARES Act CRF Close-out Report*" to recommend close-out and forward the form to Mr. Robert Yu.
- F. Mr. Robert Yu will review and sign the "*CARES Act CRF Close-out Report*".
- G. B&F/OFAM will send the signed, completed "*CARES Act CRF Close-out Report*" to the authorized department representative. A copy of the report will also be retained by B&F/OFAM.