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DIRECTOR

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

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

February 18, 2022

FINANCE MEMORANDUM

MEMO NO. 22-03

TO: Department Heads
County Government CSFRF (ARPA) Coordinators

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

SUBJECT: Close-Out Procedures for Coronavirus State Fiscal Recovery Funds
Subawards

Please find attached close-out procedures for departments and the counties that received a subaward from the Coronavirus State Fiscal Recovery Fund (ARPA).

If you have any questions about these procedures, please contact Mr. Mark Anderson, Department of Budget and Finance at 586-3035.

c: Curt Otaguro, Comptroller, Department of Accounting and General Services
Gloria Chang, Deputy Director, Department of Budget and Finance

**Coronavirus State Fiscal Recovery Fund (CSFRF) Close-Out Procedures
State of Hawai'i Department Subawards**

I. Close-Out Deadline

- A. CSFRF subawards awarded in Fiscal Year 2022 have been assigned a performance period end date of June 30, 2022.
- B. Cash balances that are unencumbered at the end of the performance period should be returned to the Department of Budget and Finance (B&F) appropriation account that sourced the funds, S-21-248-O.
- C. Encumbrances should be liquidated ninety days after the performance period end date, cash balances returned to the B&F appropriation account that sourced the funds, S-21-248-O, and encumbrance balances cancelled.

II. Request for No Cost Extension

If subrecipient determines that additional time will be required to complete the objective of the subaward, Form *CSFRF-3 NCE* should be completed to request an extension to the performance period and emailed to dbf.docs@hawaii.gov.

III. Close-out Process

- A. B&F/OFAM will monitor whether subawards are ready for close-out by referencing the performance period end dates and/or by identifying appropriation accounts with no encumbrance and cash balances.
- B. B&F/OFAM will complete a "*CSFRF Close-out Check List*" form for purposes of reporting such data to U.S. Treasury reporting portal, to verify the accuracy of the data provided by the subrecipient and to verify proper use of the funds:
 - The DataMart/FAMIS total expenditure amount will be compared to the sub-award amount.
 - The OIG Treasury "All Cycles" total expenditure amount will be compared to the sub-award amount.
 - "Contracts \geq \$50,000" total will be calculated using DataMart/FAMIS data and compared to the amount reported to the U.S. Treasury (cumulative for all cycles).
 - "Aggregate of Contracts Awarded for $<$ \$50,000" total will be calculated using DataMart/FAMIS data and compared to the amount reported to U.S. Treasury (cumulative for all cycles).
 - Cash transfers made from the appropriation account will be reviewed.

**Coronavirus State Fiscal Recovery Fund (CSFRF) Close-Out Procedures
State of Hawai'i Department Subawards**

- C. B&F/OFAM will prefill a “*CSFRF (ARPA) Close-out Report*” form for the fields noted below and forward to the department’s authorized representative.
- Department/Agency Name
 - Point-of-Contact
 - Date
 - CSFRF Subaward Name
 - State Appropriation Account
 - Subaward Amount
 - Amount De-obligated (if applicable)
 - Cash Balance Returned
 - Total Expenditures
- D. The department’s authorized representative will review the data for accuracy and recommend readiness for close-out to the authorized certifying official. The authorized certifying official will attest to the below, sign and return the “*CSFRF (ARPA) Close-out Report*” 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 U.S. Treasury reporting portal has been reconciled with DataMart/FAMIS (or official accounting system if not using DataMart/FAMIS) and is complete and accurate.
 - Subrecipients have been informed about the CSFRF audit and record keeping requirement.
- E. OFAM/B&F will sign the “*CSFRF (ARPA) Close-out Report*” to recommend close-out and forward to the B&F Deputy Director for review and signature.
- F. B&F/OFAM will send the approved “*CSFRF (ARPA) Close-out Report*” to the department’s authorized representative.

**CORONAVIRUS STATE FISCAL RECOVERY FUND (CSFRF) SUBAWARD
CLOSE-OUT REPORT**

Department/Agency Name		Point-of-Contact Name	Date
CSFRF Subaward Name			State Appropriation Account
Amount of Subaward	Amount De-Obligated (if applicable)	Cash Balance Returned (if any)	Total Expenditures
<p>I certify that:</p> <p><input type="checkbox"/> There are no encumbrance or cash balances.</p> <p><input type="checkbox"/> Expenditure data provided to B&F for reporting to the U.S. Treasury portal has been reconciled with FAMIS (or the entity's official accounting system) and is complete and accurate.</p> <p><input type="checkbox"/> We are aware of and have informed our subawardees about the CSFRF record keeping requirement.</p> <p><input type="checkbox"/> We are aware of and have informed our subawardees about the Single Audit requirement if total expenditures exceed \$750,000.</p> <p>Certification: I attest to the best of my knowledge that the above statements are true and accurate and that expenditures and disbursements were for the purposes and intent set forth in the award documents.</p>			
_____ Name of Authorized Certifying Official		_____ Signature	_____ Date

Review by OFAM has been completed and close-out is recommended.	
_____ Mark Anderson, Department of Budget and Finance, Office of Federal Awards Mgmt	_____ Date

<input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED	
_____ Gloria Chang, Department of Budget and Finance, Authorized Representative	_____ Date

PLEASE SUBMIT ON DEPARTMENT LETTERHEAD

(Date)

TO: Craig K. Hirai
Department of Budget and Finance, Finance Director

FROM: (Name, Title)
(Department OR State Agency)

SUBJECT: No-Cost Extension Request for Coronavirus State Fiscal Recovery Fund
(CSFRF) Subaward

This is to request an extension to the performance period of our Coronavirus State Fiscal Recovery Funds (CSFRF) subaward.

This request is for:

1. **Project name:**
2. **Subaward Amount:**
3. **Appropriation Account Symbol:**
4. **Extended Performance Period Requested:**
Note: Encumbrances must be liquidated by 90 days after the performance period end date.

Current: May 11, 2021-June 30, 2022

Request: May 11, 2021- _____

5. **Provide a narrative on why a no-cost extension is needed to complete the original scope of work using the awarded funds.**

CSFRF Subaward Request for No-Cost Extension
(Department OR State Agency)
(Date)

6. Will the subaward funds be fully encumbered by June 30, 2022.

- Yes.
- No. Please explain.

I certify that the information on this form is correct and complete.

Name
[Award Administrator]

Date

Name
[Fiscal Administrator]

Date

- APPROVED
- DISAPPROVED

Craig. K. Hirai
CSFRF Authorized State Representative

Date

c: Curt Otaguro, Comptroller, Department of Accounting and General Services
Neal Miyahira, BPPM, Department of Budget and Finance
Mark Anderson, OFAM, Department of Budget and Finance

Coronavirus State Fiscal Recovery Fund (CSFRF) Close-Out Procedures County Subawards

I. Close-Out Deadline

The deadline for closing out CSFRF subawards is December 31, 2026. The following will need to be completed by this date:

- A. Contract and claims encumbrances should be liquidated or cancelled and remaining cash balance returned to the State Department of Budget and Finance (B&F) by December 31, 2026.
- B. A final review of U.S. Treasury reporting data and other data checks between B&F/OFAM and an authorized representative from the county.

II. Early Close-Out

To process a close-out prior to the December 31, 2026 deadline, please send an e-mail to dbf.docs@hawaii.gov, to the attention of the Deputy Director at the Department of Budget and Finance mentioning that the subaward is ready for close-out.

III. Close-out Process

The close-out process will be as follows:

- A. An authorized representative from the county will email dbf.docs@hawaii.gov, attention to the Deputy Director at the Department of Budget and Finance that the county is ready to close-out the CSFRF subaward.
- B. On behalf of the Deputy Director, B&F/OFAM will e-mail the “CSFRF Subaward Close-out Report” form to the county’s authorized representative for completion and signature. The fields below on the report will be pre-filled by B&F/OFAM. The county’s authorized representative will review the accuracy of the entered data.
 - County Name
 - County Point-of-Contact
 - Date
 - CSFRF Subaward Name
 - Amount of Subaward
 - Amount of De-obligation (if applicable)
 - Total Expenditures
 - Cash Balance Returned (if any)

**Coronavirus State Fiscal Recovery Fund (CSFRF) Close-Out Procedures
County Subawards**

- C. The county's authorized representative will recommend readiness for close-out to the county's authorized certifying official. The county's authorized certifying official will attest to the below on the close-out report, then sign and email the "CSFRF Subaward Close-out Report" form to dbf.docs@hawaii.gov.
- There are no encumbrance or cash balances.
 - Expenditure data provided to B&F/OFAM for reporting to the U.S.Treasury portal is accurate.
 - We are aware of and have informed sub awardees about the CSFRF audit and record keeping requirement.
- D. B&F/OFAM will verify the accuracy of the data provided by the county for reporting to the U.S. Treasury, utilize the "CSFRF Close-out Check List" form and do the data checks below to verify proper use of the funds:
- Compare total expenditure amount to the sub-award amount.
 - Compare data reported to the U.S.Treasury to the sub-award amount.
- E. After the "CSFRF Close-out Check List" form is completed, B&F/OFAM will sign the "CSFRF Subaward Close-out Report" to recommend close-out and forward the form to the Deputy Director, Department of Budget and Finance.
- F. The Deputy Director will review and sign the "CSFRF Subaward Close-out Report".
- G. B&F/OFAM will transmit the signed, completed "CSFRF Subaward Close-out Report" to the county's authorized representative. A copy of the report will be retained by B&F/OFAM.

**CORONAVIRUS STATE FISCAL RECOVERY FUND (CSFRF) SUBAWARD
COUNTY CLOSE-OUT REPORT**

County		Point-of-Contact Name		Date
CSFRF Subaward Name				
Subaward Amount	Amount De-Obligated	Cash Balance Returned	Interest Earned	Total Expenditures
I certify that:				
<input type="checkbox"/> If CSFRF funds received from the State were invested in an interest bearing account, interest earned and other proceeds of these investments were expended according to federal guidance. <u>Please reference page 4193, #B.3 of the Federal Register.</u>				
<input type="checkbox"/> There are no encumbrance or cash balances.				
<input type="checkbox"/> Expenditure data provided to B&F for reporting to the U.S. Treasury portal has been reconciled with the County's official accounting system and is complete and accurate.				
<input type="checkbox"/> We are aware of and have informed our subawardees about the CSFRF record keeping requirement.				
<input type="checkbox"/> We are aware of and have informed our subawardees about the Single Audit requirement if total expenditures exceed \$750,000.				
Certification: I attest to the best of my knowledge that the above statements are true and accurate and that expenditures and disbursements were for the purposes and intent set forth in the award documents.				
Name of Authorized Certifying Official		Signature		Date

Review by OFAM has been completed and close-out is recommended.	
Mark Anderson, Office of Federal Awards Management	Date

<input type="checkbox"/> APPROVED	<input type="checkbox"/> DISAPPROVED
Gloria Chang, Department of Budget and Finance, Authorized Representative	Date