DATE: APR 3 0 2019

TO: Operating and Staff Division Chief Grants Management Officers
Inna Faenson, Director of the Office of eRA
Michael Curtis, Executive Director, GrantSolutions
Adriane Burton, HRSA Chief Information Officer, EHB Owner

FROM: Sheila Conley
Deputy Assistant Secretary, Office of Finance
Chair, Grants Closeout Executive Steering Committee

Jose Arrieta
Acting Deputy Assistant Secretary, Office of Grants and Acquisition Policy and
Accountability

CC: Chief Financial Officers
Cheryl Bodden, Executive Officer, ASPE
Victor Harper, Acting Executive Officer, ASPR
Ruth Roman, Acting Executive Officer, OASH
Robert Owens, Executive Officer, OIG
Nicky Greene, Executive Officer, OGA
Lisa Lewis, Executive Officer, ONC

SUBJECT: HHS Grants Closeout Remediation – Action 1 Results Memo

This memo communicates the results of our expedited grants closeout efforts under Action 1, which closed out 97.7% of the documents that met the criteria below:

- **Action 1A** – Close documents, with an end date of September 30, 2017 or earlier, in Sub-Accounts and Pooled Accounts with cancelled or expired funding that reconcile in the Payment Management System (PMS).

- **Action 1B** – Mark as closed, all documents within Pooled Accounts and close after necessary adjustments all documents within Sub-Accounts, with cancelled funding, with an end date of September 30, 2017 or earlier, where the grant recipient reported a charged advance amount equal to the disbursement amount which are less than the amount authorized (CHG ADV = DISB < AUTH).

- **Action 1C** – Mark as closed all documents, with an end date of September 30, 2017 or earlier in Pooled Accounts that only contain cancelled funding, if they contain no debt, apparent over draws or under-reported disbursements.

The Grants Closeout Remediation Team identified a total of 12,396 documents meeting the Action 1 criteria. Based on your responses, we successfully completed Action 1 on March 25, 2019, closing a total of 12,108. The remaining 288 documents were either identified by the Operating Division or Staff Division (OpDiv/StaffDiv) as exceptions or the Program Support Center (PSC) was unable to close them. Specific results are summarized below and detailed in the attachment:

Summary of Action 1 Results

Disposition	Sub-action 1A	Sub-action 1B	Sub-action 1C	Totals
Documents identified in Action 1 for closure	8,617	2,050	1,729	12,396
<Less> OpDivs/StaffDiv exceptions	176	86	10	272
Documents approved by OpDiv/StaffDiv for closeout	**8,441**	**1,964**	**1,719**	**12,124**
<Less> Documents PSC was unable to close	16	-	-	16
Total Documents Closed in Action 1	**8,425**	**1,964**	**1,719**	**12,108**

OpDivs/StaffDivs identified 272 documents to be excepted from closeout, resulting in the PSC attempting to expedite the closure of 12,124 documents. During this process PSC was unable to close 16 documents, due to the funds no longer reconciling. For the 288 documents identified but not closed during Action 1, the respective OpDiv/StaffDiv is responsible for completing the closeout of these documents.

Prior to executing these sub-actions, the Grants Closeout Remediation Team communicated with the Grants Management System Owners regarding the system capabilities for marking the grants closed in each grants management system. OpDivs/StaffDivs should work with their respective Grants Management System Owner to confirm that documents closed through this expedited action will be marked as closed in your system. To maintain an effective audit trail, we recommend for each sub-action, OpDivs/StaffDivs specifically notate in the official grant files each document that was financially closed in PMS.

For documents closed through Action 1, the HHS Office of Grants and Acquisition Policy and Accountability is waiving the requirements for financial closeout in PMS. *However, OpDivs/StaffDivs are still responsible and should follow their policy and procedures for administrative/programmatic closeout.* OpDivs/StaffDivs may exercise unilateral closeout procedures as needed in accordance with HHS policy.

As you are aware, grants closeout has been a long-standing management challenge at HHS resulting in a substantial backlog of open but expired grants and cooperative agreements and

your active engagement has been and will continue to be critical as HHS reduces the grants closeout backlog. If you have any questions, please contact Stephanie Sowalsky at (Stephanie.Sowalsky@hhs.gov) or 215-490-7777 or Richard Brundage at (Richard.Brundage@hhs.gov) or 202-401-6107.

Attachment – Action 1 Documents and Results