

§ 13.50

the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either §13.43 or paragraph (a) of this section.

Subpart D—After-The-Grant Requirements

§ 13.50 Closeout.

(a) *General.* The Federal agency will close out the award when it determines that all applicable administrative actions and all required work of the grant has been completed.

(b) *Reports.* Within 90 days after the expiration or termination of the grant, the grantee must submit all financial, performance, and other reports required as a condition of the grant. Upon request by the grantee, Federal agencies may extend this timeframe. These may include but are not limited to:

- (1) *Final performance or progress report.*
- (2) *Financial Status Report (SF 269) or Outlay Report and Request for Reimbursement for Construction Programs (SF-271) (as applicable.)*
- (3) *Final request for payment (SF-270) (if applicable).*
- (4) *Invention disclosure (if applicable).*
- (5) *Federally-owned property report:*

In accordance with §13.32(f), a grantee must submit an inventory of all federally owned property (as distinct from property acquired with grant funds) for which it is accountable and request disposition instructions from the Federal agency of property no longer needed.

(c) *Cost adjustment.* The Federal agency will, within 90 days after receipt of reports in paragraph (b) of this section, make upward or downward adjustments to the allowable costs.

(d) *Cash adjustments.* (1) The Federal agency will make prompt payment to the grantee for allowable reimbursable costs.

(2) The grantee must immediately refund to the Federal agency any balance of unobligated (unencumbered) cash advanced that is not authorized to be retained for use on other grants.

44 CFR Ch. I (10–1–04 Edition)

§ 13.51 Later disallowances and adjustments.

The closeout of a grant does not affect:

- (a) The Federal agency's right to disallow costs and recover funds on the basis of a later audit or other review;
- (b) The grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
- (c) Records retention as required in §13.42;
- (d) Property management requirements in §§13.31 and 13.32; and
- (e) Audit requirements in §13.26.

§ 13.52 Collection of amounts due.

(a) Any funds paid to a grantee in excess of the amount to which the grantee is finally determined to be entitled under the terms of the award constitute a debt to the Federal Government. If not paid within a reasonable period after demand, the Federal agency may reduce the debt by:

- (1) Making an administrative offset against other requests for reimbursements,
- (2) Withholding advance payments otherwise due to the grantee, or
- (3) Other action permitted by law.

(b) Except where otherwise provided by statutes or regulations, the Federal agency will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (4 CFR Chapter II). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

Subpart E—Entitlement [Reserved]

PART 14—ADMINISTRATION OF GRANTS: AUDITS OF STATE AND LOCAL GOVERNMENTS

Sec.

14.1 Scope of part.

14.2 Non-Federal audits.

APPENDIX A TO PART 14—OMB CIRCULAR A-128, "AUDITS OF STATE AND LOCAL GOVERNMENTS"

AUTHORITY: Reorganization Plan No. 3 of 1978; E.O. 12127, E.O. 12148, 31 U.S.C. 7505.

SOURCE: 51 FR 24347, July 3, 1986, unless otherwise noted.

§ 14.1 Scope of part.

(a) This part contains standards for non-Federal audits of recipients of financial assistance from the Federal Emergency Management Agency (herein called recipients). This includes, without limitation, assistance under the Disaster Relief Act of 1974 as amended, and the Federal Civil Defense Act of 1950, as amended.

(b) FEMA may not impose on recipients additional requirements concerning non-Federal audits. However, it may provide recipients with suggestions and assistance on this subject.

§ 14.2 Non-Federal audits.

(a) *Governmental recipients.* Recipients that are governments shall comply with OMB Circular A-128 including any amendments published in the FEDERAL REGISTER by OMB. The Circular is codified verbatim as Appendix A to this part.

(b) *Grant or contract audits.* Recipients of \$25,000 or more, but less than \$100,000 in Federal financial assistance that choose not to have an organization wide single audit must conduct individual grant or contract audits on all FEMA awards over \$25,000.

(c) *Submission of audit reports.* All copies of audit reports that a recipient is required under OMB Circular A-128 to submit to FEMA shall be addressed to the FEMA District Inspector General responsible for the FEMA Region in which the recipient is located. The FEMA Office of Inspector General will distribute copies as appropriate within the Agency. Recipients therefore are not required to send their audit reports to any FEMA officials other than the responsible District Inspector General.

APPENDIX A TO PART 14—OMB CIRCULAR A-128, “AUDITS OF STATE AND LOCAL GOVERNMENTS”

EXECUTIVE OFFICE OF THE PRESIDENT

Office of Management and Budget

CIRCULAR NO. A-128

April 12, 1985

To the Heads of Executive Departments and Establishments.

Subject: Audits of State and Local Governments.

1. *Purpose.* This Circular is issued pursuant to the Single Audit Act of 1984, Public Law 98-502. It establishes audit requirements for State and local governments that receive Federal aid, and defines Federal responsibilities for implementing and monitoring those requirements.

2. *Supersession.* The Circular supersedes Attachment P, “Audit Requirements,” of Circular A-102, “Uniform requirements for grants to State and local governments.”

3. *Background.* The Single Audit Act builds upon earlier efforts to improve audits of Federal aid programs. The Act requires State or local governments that receive \$100,000 or more a year in Federal funds to have an audit made for that year. Section 7505 of the Act requires the Director of the Office of Management and Budget to prescribe policies, procedures and guidelines to implement the Act. It specifies that the Director shall designate “cognizant” Federal agencies, determine criteria for making appropriate charges to Federal programs for the cost of audits, and provide procedures to assure that small firms or firms owned and controlled by disadvantaged individuals have the opportunity to participate in contracts for single audits.

4. *Policy.* The Single Audit Act requires the following:

a. State or local governments that receive \$100,000 or more a year in Federal financial assistance shall have an audit made in accordance with this Circular.

b. State or local governments that receive between \$25,000 and \$100,000 a year shall have an audit made in accordance with this Circular, or in accordance with Federal laws and regulations governing the programs they participate in.

c. State or local governments that receive less than \$25,000 a year shall be exempt from compliance with the Act and other Federal audit requirements. These State and local governments shall be governed by audit requirements prescribed by State or local law or regulation.

d. Nothing in this paragraph exempts State or local governments from maintaining records of Federal financial assistance or from providing access to such records to Federal agencies, as provided for in Federal law or in Circular A-102, “Uniform requirements for grants to State or local governments.”

5. *Definitions.* For the purposes of this Circular the following definitions from the Single Audit Act apply:

a. *Cognizant agency* means the Federal agency assigned by the Office of Management and Budget to carry out the responsibilities described in paragraph 11 of this Circular.

b. *Federal financial assistance* means assistance provided by a Federal agency in the