

the grantee has met the requirements of this part.

(Approved by the Office of Management and Budget under control number 2577-0191)

**§ 1003.506 Reports.**

(a) *Status and evaluation report.* Grantees shall submit a status and evaluation report on previously funded open grants 45 days after the end of the Federal fiscal year and at the time of grant close-out. The report shall be in a narrative form addressing these areas.

(1) *Progress.* The progress made in completing approved activities should be described. This description should include a listing of work remaining together with a revised implementation schedule, if necessary.

(2) *Expenditure of funds.* A breakdown of funds spent on each major project activity or category should be provided.

(3) *Grantee assessment.* If the project has been completed, an evaluation of the effectiveness of the project in meeting the community development needs of the grantee should be provided.

(b) *Minority business enterprise reports.* Grantees shall submit to HUD, by April 10, a report on contract and subcontract activity during the first half of the fiscal year and by October 10 a report on such activity during the second half of the year.

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**§ 1003.507 Public access to program records.**

Notwithstanding the provisions of 24 CFR 85.42(f), grantees shall provide citizens with reasonable access to records regarding the past use of ICDBG funds, consistent with applicable State and tribal laws regarding privacy and obligations of confidentiality.

**§ 1003.508 Grant closeout procedures.**

(a) *Criteria for closeout.* A grant will be closed out when the Area ONAP determines, in consultation with the grantee, that the following criteria have been met:

(1) All costs to be paid with ICDBG funds have been incurred, with the ex-

ception of closeout costs (e.g., audit costs) and costs resulting from contingent liabilities described in the closeout agreement pursuant to paragraph (c) of this section. Contingent liabilities include, but are not limited to, third-party claims against the grantee, as well as related administrative costs.

(2) With respect to activities which are financed by means of escrow accounts, loan guarantees, or similar mechanisms, the work to be assisted with ICDBG funds has actually been completed.

(3) Other responsibilities of the grantee under the grant agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further Federal interest in keeping the grant agreement open for the purpose of securing performance.

(b) *Closeout actions.* (1) Within 90 days of the date it is determined that the criteria for closeout have been met, the grantee shall submit to the Area ONAP a copy of the final status and evaluation report described in § 1003.506(a) and a completed Financial Status Report (SF-269). If acceptable reports are not submitted, an audit of the grantee's program activities may be conducted by HUD.

(2) Based on the information provided in the status report and other relevant information, the grantee, in consultation with the Area ONAP, will prepare a closeout agreement in accordance with paragraph (c) of this section.

(3) The Area ONAP will cancel any unused portion of the awarded grant, as shown in the signed grant closeout agreement. Any unused grant funds disbursed from the U.S. Treasury which are in the possession of the grantee shall be refunded to HUD.

(4) Any costs paid with ICDBG funds which were not audited previously shall be subject to coverage in the grantee's next single audit performed in accordance with 24 CFR part 44. 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.

(c) *Closeout agreement.* Any obligations remaining as of the date of the closeout shall be covered by the terms

of a closeout agreement. The agreement shall be prepared by the grantee in consultation with the Area ONAP. The agreement shall identify the grant being closed out, and include provisions with respect to the following:

(1) Identification of any closeout costs or contingent liabilities subject to payment with ICDBG funds after the closeout agreement is signed;

(2) Identification of any unused grant funds to be canceled by HUD;

(3) Identification of any program income on deposit in financial institutions at the time the closeout agreement is signed;

(4) Description of the grantee's responsibility after closeout for:

(i) Compliance with all program requirements, certifications and assurances in using program income on deposit at the time the closeout agreement is signed and in using any other remaining ICDBG funds available for closeout costs and contingent liabilities;

(ii) Use of real property assisted with ICDBG funds in accordance with the principles described in §1003.504; and

(iii) Ensuring that flood insurance coverage for affected property owners is maintained for the mandatory period;

(5) Other provisions appropriate to any special circumstances of the grant closeout, in modification of or in addition to the obligations in paragraphs (c) (1) through (4) of this section. The agreement shall authorize monitoring by HUD, and shall provide that findings of noncompliance may be taken into account by HUD as unsatisfactory performance of the grantee in the consideration of any future grant award under this part.

(d) *Termination of grant for convenience.* Grant assistance provided under this part may be terminated for convenience in whole or in part before the completion of the assisted activities, in accordance with the provisions of 24 CFR 85.44. The grantee shall not incur new obligations for the terminated portions after the effective date, and shall cancel as many outstanding obligations as possible. HUD shall allow full credit to the grantee for those portions of obligations which could not be canceled and which had been properly in-

curred by the grantee in carrying out the activities before the termination. The closeout policies contained in this section shall apply in such cases, except where the approved grant is terminated in its entirety. Responsibility for the environmental review to be performed under 24 CFR part 50 or 24 CFR part 58, as applicable, shall be determined as part of the closeout process.

(e) *Termination for cause.* In cases in which HUD terminates the grantee's grant under the authority of subpart H of this part, or under the terms of the grant agreement, the closeout policies contained in this section shall apply, except where the approved grant is canceled in its entirety. The provisions in 24 CFR 85.43(c) on the effects of termination shall also apply. HUD shall determine whether an environmental review is required, and if so, HUD shall perform it in accordance with 24 CFR part 50.

**§ 1003.509 Force account construction.**

(a) The use of tribal work forces for construction or renovation activities performed as part of the activities funded under this part shall be approved by the Area ONAP before the start of project implementation. In reviewing requests for an approval of force account construction or renovation, the area ONAP may require that the grantee provide the following:

(1) Documentation to indicate that it has carried out or can carry out successfully a project of the size and scope of the proposal;

(2) Documentation to indicate that it has obtained or can obtain adequate supervision for the workers to be used;

(3) Information showing that the workers to be used are, or will be, listed on the tribal payroll and are employed directly by a unit, department or other governmental instrumentality of the tribe or village.

(b) Any and all excess funds derived from the force account construction or renovation activities shall accrue to the grantee and shall be reprogrammed for other activities eligible under this part in accordance with §1003.305 or returned to HUD promptly.

(c) Insurance coverage for force account workers and activities shall, where applicable, include worker's