

Implementation Tips for USAID Partners

Sharing Resources and Knowledge Among the Global CSO Community

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Definitions

Non-Funded Extension (sometimes called a No-Cost Extension)—When the recipient requests an extension to the agreement's period of performance, either to complete program activities that were delayed through no fault of the recipient or to carry out additional activities within the project's scope using unspent funds. Having unspent funds near a project's end by itself is insufficient justification to request such an extension and there is no guarantee that USAID will approve. It is a best practice to request non-funded extensions from your AO 90 days before the end of the agreement date.

Documenting the successes and lessons learned during your program will help your organization, USAID and your local partners improve future activities.

References

Review your Cooperative Agreement for specific award close-out requirements.

- For general guidance consult [22 CFR 226.71](#)
- Close-out procedures or [2 CFR 200.343](#)

Project Close Out: Timeline

Q. Our USAID Cooperative Agreement is coming to an end. What steps should we take to close out our award?

A. There are several important steps your organization is required to take during the final phase of your award. Because many of these steps take time and money, they must be planned, budgeted and started well before the end date of the award. Other steps may be completed after the end date, but it is advised to complete them beforehand if possible because *project funds may not be spent after the award end date* and staff may move on to other projects. Below you will find a checklist of what is required when preparing to end a USAID cooperative agreement.

Close-Out Timeline

This timeline covers close-out tasks to be undertaken in the final 12 months of your award, plus key tasks that may be completed either before or after your award end date. Some of these items are required of all recipients, while others, such as reporting cost share, may only be applicable to certain recipients.

Items on this timeline are relevant to both prime recipients and subrecipients. Primes should work closely with their subs throughout the close-out process to make sure they understand and comply with their requirements.

In Your Agreement

When Does Your Agreement End?

Check your Cooperative Agreement to find out the exact end date of your award. If you have received an extension, you should have a modification of your agreement from your AO documenting the change that states the new end date.

Agreement End Date versus Program End Date

Your agreement end date may not be the same as your program end date. In many cases, organizations continue implementing their programs with new funding sources.

When USAID gives you a follow-on award to fund an ongoing program, it may be in the form of a modification or amendment to the original award, or it may be an entirely new agreement. If you receive a follow-on award from the USG that is a new agreement altogether, you must close out the original award.

You are required to retain all accounting records related to your award for at least three years following the submission of the final financial report.

Time	Activity	Who	Details
12 months before end of award	Budget for close out <i>(required)</i>	Program Manager	Develop a workplan and budget for the project's final year that includes costs for all close-out-related activities.
9 months before end of award	Plan for continuity of services or other project-funded activities <i>(optional, but highly recommended)</i>	Executive Director	<ol style="list-style-type: none"> Assess the need for continuing your project's services or interventions, and, if warranted, explore options for future funding. In consultation with partners, community leaders, beneficiaries and donors, determine whether your organization will: <ol style="list-style-type: none"> Continue the project with funding from new sources. Transfer management of the project or responsibility for services or interventions to a local partner who has alternate funding. Close out your activities because, for example, there is no ongoing need for the services. Create a plan that describes the steps necessary for a smooth transition.
6 months before end of award	Begin end-of-project evaluation <i>(optional)</i>	M&E Manager or Consultant	Conduct an evaluation of the project and document your experiences. This will help USAID and your local partners improve future activities.
	Request non-funded extension <i>(optional, as needed)</i>	Program Manager	Determine whether your program needs a non-funded or other type of extension. Then, begin discussions with your Agreement Officer's Representative (AOR) and/or Agreement Officer (AO). Review your pipeline and burn rates to determine whether you will have funds remaining at the end of your program. The USG officials will require an explanation of why you need the extra time and what you plan to achieve during the proposed extension period. A detailed budget for any expenditures to be incurred after the original award end date will be required for a cost or non-funded extension.
	Work with key staff on employment transition (as needed)	Executive Director	Discuss employment opportunities and end-of-project transitions with staff early. This should help to retain them as long as possible and also prepare you if a person chooses to leave before the end of the project period. Consult local labor laws to ensure you comply with all requirements.

**Red indicates required activity*

It is best to have your subrecipients close out 90 days before the end of the award to ensure that all final costs and reports are complete.

Time	Activity	Who	Details
12 months before end of award	Develop close-out requirements for subrecipients (as needed)	Prime and subrecipient Program Managers	<ol style="list-style-type: none"> 1. Review close-out requirements with subrecipients and make sure they have the resources and help necessary to comply. 2. Set a deadline for when reports must be submitted to you to ensure you have ample time to incorporate them into your final report.
	Begin subrecipient close out	Subrecipient Executive Director	It is a best practice to have subs close out 90 days before the end of the prime award, so they can be sure that all final costs and reports are complete before the award end date. To achieve this you should begin close out discussions with your subs during this period.
3 months before end of award	Submit the final SF-270 request for funds	Financial Manager	Submit your final funding request or invoice to cover all final expenses. (If not operating on a quarterly advanced-funding basis, review the practices of USAID's Financial Management Office for SF-270 deadlines).
	Begin tracking accruals	Financial Manager	Keep a close eye on remaining award funds by tracking accruals during the last three months of your award.
	List administrative close-out tasks	Program Director	List all contracts, leases, insurance policies and other items that will need to be cancelled or transferred, as well as important dates and contract provisions to be considered.
	Submit inventory disposition request to your AOR	Program Manager	<p>Review the regulations regarding selling or using equipment outside of award-related activities.</p> <p>Create a detailed description of what you propose to do with the equipment or unused supplies when the award ends. Note that USAID has the final say over equipment disposition.</p> <p>Submit this to your AO who will either approve your proposals or provide further instructions as to what is to be done with the equipment. If you do not hear from the USG within 120 days of submitting the inventory report, you may sell the equipment and reimburse the USG for its share.</p> <p>(For more information, review the "Title To and Use of Property" provision in your Cooperative Agreement.)</p>

**Red indicates required activity*

Keep a close eye on all remaining grant funds by tracking accruals during the last three months of your award.

Time	Activity	Who	Details
End of award	Review information needed for financial and performance reports required by your donor	Executive Director, Financial Manager	<ol style="list-style-type: none"> 1. Cease incurring costs to be charged to the award (unless you have prior approval, which means the award date has been extended). 2. Begin financial close out, including demonstrating that you have met all the cost-share requirements and finalizing all award-related expenditures.
60 days after end of award	Collect subrecipient reports due to prime <i>(recommended)</i>	Subrecipient Executive Director	If your subs did not close out before the end of the award, collect their reports now to ensure adequate time to incorporate their contributions into your final report.
	After receipt of subrecipient reports, send close-out letter to subs		Send a letter formally ending your contractual relationship with your subrecipient(s).
90 days after end of award	Submit the final SF-425 Federal Financial Report <i>(required)</i>	Financial Manager	Submit the final SF-425 in accordance with the terms of your agreement covering the entire award period. Be sure it demonstrates that you have met any and all cost-share requirements and that your accounting system confirms your cost share, in case of an audit. Unspent funds must be returned to USAID.
	Submit final performance report <i>(required)</i>	Program Manager	Submit final performance report, which focuses on final outcomes and lessons learned throughout the entire award period to your AOR and the Development Experience Clearinghouse (DEC), in accordance with the terms of your agreement.
	Submit final inventory report <i>(required)</i>	Program Manager	Submit final inventory report in accordance with the terms of your agreement including: <ol style="list-style-type: none"> 1. A list of equipment costing US\$5,000 or more, with a useful life of one year or more, purchased with USAID funds. 2. A statement describing where the final inventory was disposed.
	Submit VAT (foreign tax) report <i>(required)</i>	Financial Manager	Submit the final VAT report, which covers taxes paid and reimbursed through the end of your award in accordance with the terms of your agreement.

**Red indicates required activity*

For More Information

For this or other issues of *Implementation Tips*, please visit www.NGOConnect.net. The Web site is a dynamic and interactive portal dedicated to connecting and strengthening CSOs, networks and CSO support organizations worldwide.

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Time	Activity	Who	Details
End of your fiscal year after award close out	Submit final audit (required)	Auditor	Conduct a final audit covering the last year of your award. You may conduct this in sync with the end of your organization's fiscal year and submit as you would other audits in accordance with the terms of your agreement.
3 years following submission of final financial report	Maintain records (required)	Headquarters Office Financial Manager	Maintain all accounting records related to your award for at least three years following the submission of the final financial report. The USG retains the right to audit you or your subrecipient(s) at anytime during those three years. (For more information, review the "Accounting, Audit and Records" provision in your Cooperative Agreement.)

