

USAID Office of Food for Peace
P.L. 480 Title II
Program Closeout and Closeout Plan Guidance
July 2008

1. Background and Purpose

Per [ADS Chapter 303](#), the closeout of a grant or cooperative agreement is defined as “the process by which AID determines that all applicable administrative actions and all required work of the grant or cooperative agreement have been completed by the recipient and AID...” The closeout of Title II activities can be a lengthy process, and largely depends on the quality of Cooperating Sponsor (CS) program planning and management over the life of the activity. Accordingly, in order to both update and streamline the closeout process for Title II programs, Food for Peace is reissuing its Closeout Plan Guidance of 1996. This guidance applies to all Closeout Plans and closeouts for programs expiring **on or after October 1, 2008**, unless and until a program extension or new program has been officially approved in writing by USAID.

2. General Guidance

To ensure the timely and orderly closeout of Title II programs, CSs:

- should familiarize themselves with closeout-related references and key provisions, as set forth in Sections 3 and 4 below.
- should incorporate closeout management functions and responsibilities, relevant costs, and other closeout activities into the original program proposal and, per the guidance, keep USAID/Food for Peace (FFP) informed of any potential closeout difficulties during the life of the activity (LOA).
- should begin closeout preparation no less than 6 months prior to the end of the agreement for Development Activity Programs (DAPs) and Multi-Year Assistance Programs (MYAPs), and 3 months for Single-Year Assistance Programs (SYAPs). An exit or sustainability strategy should be developed before this time to ensure that its recommended plans of action, activities, and resource transfers/disposition requests are captured within the Closeout Plan itself.¹ To best do so, CSs should coordinate with their FFP/W and Mission/regional office on all stages of the closeout process.
- must submit a detailed list of activities, inventory for disposition, action items and expenses (with a budget and a narrative) and property disposition plan related to closeout in a Closeout Plan to be submitted to FFP/W. This applies to all CSs implementing DAPs, MYAPs and/or SYAPs, as set forth in Section 7.III below. The World Food Programme (WFP) is exempt from this guidance.
- must communicate regularly with FFP/W and the relevant Mission/regional office to complete all closeout actions, including any outstanding claims or vouchers, as stipulated in the Closeout Plan and U.S. Government (USG) regulations until they have met all remaining obligations to USG.

3. Closeout References for Cooperative and Grant Agreements

USAID assistance agreements contain and/or reference existing regulations and policy guidance that explain closeout requirements (see reference documents below). It is important to note that because food aid projects can receive more than one type of funding, CSs will be expected to follow the closeout regulations and provisions associated with each of these resources (as stipulated in the agreement or funding document). The guidance contained herein is not intended to replace any of the regulations or policy associated with specific funding sources, but to provide a reference by which CSs can report to

¹ For DAPs and MYAPs, this information should be captured in the Pipeline and Resource Estimate Proposal (PREP) approved for the final fiscal year.

FFP/W and USAID Missions their overall plans for closing out a specific food aid program, regardless of the source of funding.

CSs in the process of closing out Title II cooperative and grant agreements should consult the following documents, in addition to any applicable provisions specified in the funding document:

- a. [USAID Regulation 11 \(22 CFR 211\)](#), "Transfer of Food Commodities for Food Use in Disaster Relief, Economic Development and Other Assistance." As Regulation 11 does not contain specific grant agreement language for closeout of Section 202(e) funds, ITSH funds, and Development Assistance (DA) funds provided by Missions for Title II program support, CSs should consult [ADS Chapter 303](#) and [22 CFR 226 Sub-Part D](#) for reference, in addition to any provisions that are part of the CS's grant agreement;
- b. [OMB Circular A-110](#), "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations." Circular A-110 pertains to all U.S. Government-supported grants and agreements;
- c. USAID's codification of OMB Circular A-110, called [22 CFR 226](#), "Administration of Assistance Awards to U.S. Non-Governmental Organizations". [22 CFR 226 Sub-Part D](#) specifically details closeout procedures. ;
- d. [ADS Chapter 303](#), "Grants and Cooperative Agreements to Non-Governmental Organizations." ADS Chapter 303, formerly Handbook 13, interprets sections of A-110 relevant for AID-funded agreements. Non-U.S. Non-Governmental Organizations should note differences as applicable in their Standard Provisions²;
- e. USAID's Automated Directives System ([ADS](#)) [Chapter 591](#) on "Financial Audits of USAID Contractors, Grantees, and Host Government Entities";
- f. [USAID Regulation 2 \(22 CFR 202\)](#), "Overseas Shipments of Supplies by Voluntary Non-Profit Relief Agencies"; and
- g. [ADS Series 200](#) on Programming Policy. Note that although "Handbook 9" is available as an Additional Help document, cooperating sponsors should rely on [22 CFR 211](#) and [22 CFR 226](#), mentioned earlier, for the most up-to-date guidance.
- h. OMB A-122 cost principles, as well as OMB A-133.

4. Key Closeout Provisions

A. USAID Regulation 11 (22 CFR 211), Section 211.11, "Suspension, Termination and Expiration of Program"

Regulation 11 pertains to the use and disposition of Title II resources, and provides the overarching guidance for Cooperating Sponsors in the process of closing out their program activities. Section 211.11 states, in pertinent parts, that:

"(a) Termination or Suspension by A.I.D. ...When a program is terminated or suspended, title to commodities which have been transferred to the cooperating sponsor, or monetized proceeds, program income and real or personal property procured with monetized proceeds or program income shall, at the written request of USAID, the Diplomatic Post or USAID/Washington, be transferred to the U.S. Government by the cooperating sponsor or shall otherwise be transferred by the cooperating sponsor as directed by USAID/Washington. Any then excess commodities on hand at the time the program is terminated shall be disposed of in accordance with Section 211.5 (o) and (p) or as otherwise instructed by USAID or the Diplomatic Post."

"(b) Expiration of Program. Upon expiration of the approved program under circumstances other than those described in paragraph (a), the cooperating sponsor shall [return to the U.S. government] any remaining monetized proceeds or program income, or the cooperating sponsor shall obtain approval from AID/W for the use of such monetized proceeds or program income, or real or personal property procured with such proceeds or income, for purposes consistent with

² [ADS Chapter 303 Mandatory Standard Provisions for Non-U.S. Nongovernmental Recipients](#)

those authorized for support from A.I.D." Should the CS be found to owe the USG money as part of the closeout process, it may remit the money to USAID via one of three ways:

1. via electronic wire transfer via Mission/post disbursement officers or other recognized wire transfer mechanism, or directly to M/CFO in Washington, D.C. The wire transfer should direct the funds to be deposited against the Treasury Symbol Account 72-12x2278 and should reference in the supporting documentation the applicable Title II Cooperative Agreement Number that is being closed out; or,
2. via check, citing the applicable Cooperative Agreement number, for deposit with the Mission Controller or Disbursement Officer who must register a receipt of the funds, crediting Treasury Symbol Account 72-12x2278; or,
3. via check, directly to M/CFO/Washington, referencing the applicable cooperative agreement number on the check, and listing the Treasury Symbol Account 72-12x2278. Noting Treasury Symbol Account 72-12x2278 and the applicable award agreement will ensure that the money is credited back to the Title II general funds account.

Based on the above, all remaining property, funds and commodities must be accounted for at the termination or expiration of the project and transferred to the U.S. Government, unless USAID approves a plan to allow the cooperating sponsor to use, transfer or dispose of the assets. Thus, the Closeout Plan must be negotiated between USAID and the cooperating sponsor for the disposition of all remaining assets.

B. ADS Chapter 303

ADS Chapter 303 states that "USAID closeout procedures include the following requirements:

1. Upon request, USAID shall make prompt payments to a recipient for allowable reimbursable costs under the grant or cooperative agreement being closed out.
2. The recipient shall immediately refund any balance of unobligated (unencumbered) cash that AID has advanced or paid and that is not authorized to be retained by the recipient for use in other grants or cooperative agreements.
3. USAID shall obtain from the recipient within 90 calendar days after the date of completion of the grant or cooperative agreement all financial, performance, and other reports required as the condition of the grant or cooperative agreement. USAID may grant no-cost extensions when requested by the recipient.
4. When authorized by the grant or cooperative agreements, USAID shall make a settlement for any upward or downward adjustments to USAID's share of costs after these reports are received.
5. The recipient shall account for any property acquired with USAID funds, or received from the Government in accordance with the provisions of this chapter.
6. In the event a final audit has not been performed prior to the closeout of the grant or cooperative agreement, USAID shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit."

C. USAID Regulation 2 (22 CFR 202), "Overseas Shipments of Supplies by Voluntary Non-Profit Relief Agencies"

5. Responsibilities within USAID

Cognizant Technical Officer (CTO) and Agreement Officer (AO)

Unless otherwise arranged, the Agreement Officer assumes the lead role in ensuring that closeouts are accomplished. However, applicable mission/regional office staff as well as the Cognizant Technical Officer (CTO) assists the Agreement Officer in closing out Title II programs. While responsibility for finalizing Closeout Plans and ultimately the closeout itself rests with the CTO and AO, depending on the action(s) required, Food for Peace Officers in Washington and at the associated mission/regional office serve as primary points of contact for CSs during the closeout process. Once closeout procedures begin,

CSs will be informed of their primary points of contact. CSs should direct all related materials and correspondence to these individuals.

USAID/Washington-Mission Coordination

FFP handles Title II-related issues and serves as Agreement Officer for Title II Cooperative Agreements, while the applicable Agreement Officer at the Mission/regional office is responsible for cooperative agreements or grants provided directly by their office to CSs. CSs should be in consultation with their program's applicable Agreement Officer accordingly regarding closeout.

Although coordination with several offices could be required depending upon the source of funds, in all cases, both the Mission/regional office and FFP/W should be consulted during closeout and receive copies of the CS's Closeout. The CS should also expect to work closely with the Mission/regional office as to the recommendations made in the Closeout Plan (including the closeout schedule and disposition request, among others and implementation of the plan itself.

Although Missions/regional offices and FFP/W should both be consulted during closeout, note that final approval of Closeout Plan will be carried out in accordance with the signed agreements between USAID and the Cooperating Sponsors, and approved as follows:

I) Title II commodities, Section 202(e), monetization proceeds, and ITSH:

Final approval will be provided by FFP/W with Mission/regional office concurrence.

II) Development Assistance (DA) funds:

For Development Assistance funds, final approval will be granted by the Agreement Officer whose office has control over the funds. This would likely be the Agreement Officer at the Mission/regional office (if the funds were Mission-provided) or, in USAID/Washington the Director of FFP (if delegated) or the applicable Agreement Officer.

6. Closeout Plan Submission

Cooperating sponsors must submit the Closeout Plan electronically to the applicable CTO, ffpdocs@amexdc.com, and the Mission (or regional office in non and limited presence countries) no less than six months prior to the expiration of the Cooperative Agreement. For SYAPs operating for 12 months or less, the Closeout Plan should be submitted no less than 3 months prior to the expiration of the agreement.

The Closeout Plan must be submitted regardless of whether there have been discussions with FFP concerning a continuation of the project. Unless an extension is formally granted, CSs must submit a Closeout Plan on the designated date. Should FFP provide notice of a new expiration date. CSs must submit a Closeout Plan six months prior to this new end date, or within 30 days of such notice should less than six months remain. A Closeout Plan should be submitted in English (local language version is optional), and budgets provided in US dollars (USD).

7. Closeout Plan Contents

Where applicable, a Closeout Plan should follow the original DAP/MYAP/SYAP submission annex formats (e.g., budgets, schedule, etc.). CSs are encouraged to review their original submissions prior to submitting a Closeout Plan.

A COMPLETE CLOSEOUT PLAN INCLUDES:

I. CLOSEOUT SUMMARY

Cooperating sponsors should provide a brief summary of why the project is ending and the implications, if any, for the country and Title II beneficiaries, the project, and the CS's in-country operations. Where applicable, discuss how the CS has or will implement efforts to sustain project activities or disseminate lessons learned.

II. CLOSEOUT SCHEDULE

Cooperating sponsors should provide a detailed implementation plan and schedule, in both narrative and table form by month, for closeout of the project. Detail provided should capture, at a minimum, and as applicable:

- timeline for and notification of termination or transfer to all sub-recipients and other partners of all contracts, leases, and/or agreements;
- disposition of property and equipment;
- termination of staff;
- dates by which all commodities will be distributed/monetized by activity and a “zero balance” will be achieved;
- finalization of and timeline for all audits, evaluations and required reports (including patent reports, copyright reports, royalty reports, etc., as applicable);
- settling of claims;
- transfer of activities to government ministries, community organizations, etc., if applicable; and
- scale-down and completion of other critical activities still in process.

The schedule should detail whether such activities are in process, planned, and/or completed. Target dates should be assigned to those activities that are not yet completed, subject to approval by FFP.

In addition, the closeout schedule should include key events and milestones during the remaining months of program operation, including key personnel's main responsibilities and activity goals related to closeout. If the same closeout activities are taking place at different times or in different locations, or differ per targeted beneficiary population, the schedule should clearly delineate such.

III. INVENTORY OF AND DISPOSITION REQUEST FOR COMMODITIES, ASSETS, EQUIPMENT, AND FUNDS

Definitions and disposition of property is covered in 22 CFR 226. In lieu of a disposition request to FFP, the CS should describe how it proposes to dispose of commodities, supplies and property, and cash resources at the end of the program. Specifically, CSs should provide for a *separate* disposition of (i) commodities, (ii) property and equipment, and (iii) cash resources separated by source, including monetization-generated funds, ITSH, Section 202(e), DA, within the parameters below. For property/equipment procured with non-USG resources, the CS should note “Not Applicable (N/A).”

- a) *Commodities*: Prior to the project completion date, all commodities should be distributed to the intended recipients. If this is not possible, the CS should propose an alternative solution, and advise the relevant Mission and FFP/W of the quantities, location and condition of the food. CSs will receive a response within 30 days as to the subsequent course of action in such cases.
- b) *Supplies and Non-expendable property/equipment procured through Section 202(e), monetization and/or other USAID funds*³: The Closeout Plan should include an inventory of and current status for all supplies and non-expendable property/equipment procured with funds provided by USAID, or obtained through the monetization of Title II commodities with a unit acquisition cost of \$5,000 or more, and with a useful life estimated to exceed one year. In lieu of a disposition request to

³ For additional information on and definitions of non-expendable property/equipment (as defined by the U.S. Government), please check [OMB Circular A-110](#) Subpart A and/or USAID's [22 CFR 226](#), sections 226.2, 226.34 and 226.71.

FFP/W, the CS should describe how it proposes to dispose of each piece of property and what will be done with the proceeds if the items are sold (transfer proceeds to local community organizations, return to USG, etc.). CSs will receive a response within 30 days of such a request. To facilitate such requests, CSs should ideally provide separate tables for items based on disposition preference (donation, transfer, etc.), category type (office equipment, vehicles, motorcycles, etc.), as applicable. No such property or equipment should be disposed of until written approval is provided by FFP/W.

CSs are reminded that the final inventory of property purchased with USG funds, should they have a unit acquisition cost of \$5,000 or more with a useful life of one year or more, require the following detail, as applicable:

- Description of equipment
- Manufacturer's serial number (identification number)
- Source of the equipment
- Where the title is vested
- Acquisition date
- Location and condition of the equipment
- Unit acquisition cost
- Current fair market value
- Vehicle registration number, make, year of manufacturer, chassis and engine numbers (applicable for motor vehicles)

c) *Cash Resources:*

*Monetization Proceeds, Local Currency, and Program Income*⁴: CSs should plan to spend all remaining monetization proceeds, local currency and program income by the end of the program agreement. A Closeout Plan should detail how all cash resources will be expended in its closeout schedule and budget (provided in US dollars). In some cases, the CS may identify a balance of such resources that is expected to remain unspent at the date of closeout. If a balance is anticipated, the Closeout Plan should describe a proposed return to USAID, or use or transfer of these resources (consistent with those authorized in USAID Regulation 11, [Section 211.5](#)). Resources remaining through sub-recipients (through loan portfolios, etc.) should be captured as well.

Cash Resources: ITSH, Section 202(e) and DA: Any remaining ITSH and/or 202(e) funds cannot be carried over to other Title II programs and will be deobligated by USAID and returned to the U.S. Government. In conjunction with the mission, CSs should provide a disposition request for DA resources.

Per [22 CFR 226](#), the U.S. government reserves the right to request and provide disposition information on property valued under \$5,000 and/or with a useful life of less than one year to ensure that such items are being used according to USG preferences and regulations.

IV. OUTSTANDING CLAIMS

Title II programs cannot be closed until all claims obligations have been met or released. Accordingly, the CS should provide detailed information on all outstanding invoices that will be submitted, including ocean and inland transportation charges applicable to the program. Only invoices for reported charges can be honored.

- i. All outstanding claims resulting from damage, loss or improper distribution of commodities valued above \$500 or below \$10,000 must be completed, or waived, prior to termination of the Title II agreement. Claims must be handled in accordance with [Section 211.9](#) of Regulation 11. For large claims valued at \$10,000 or more, claim waiver authorization requests must be received by FFP's Program Operations Division in Washington for review.

⁴ Note that local currency and program income should include all resources applied to implementation of the subject Title II project, including Title II and Title III monetization proceeds, interest and reflows, container funds and beneficiary contributions.

- After such waivers are granted by the Agreement Officer, the CS should affirm that a release of claim letter will be issued after receipt of any final claims.
- ii. Before submitting the Closeout Plan, the CS should notify the Mission/regional office and FFP/W if there are losses due to the fault of others, pursuant to Reg. 11, [Section 211.9\(e\)](#), and whether the CS has filed a claim, made demands for collection, and pursued legal action. These cases will be reviewed by USAID and by USDA.

V. AUDITS

- i. State whether there have been any recent audits of the project (or will be) and the status of resolving outstanding audit recommendations. Attach a copy of the audit to the Closeout Plan or provide a date for expected completion and send separately to the USAID Mission/regional office and FFP/W once finalized.
- ii. A U.S.-based non-profit organization is required to submit its OMB Circular A-133 audits within 13 months after the close of its fiscal year, which shall be accepted as fulfilling the closeout audit requirements. Individual closeout audits (of specific country projects) will only be requested when a specific need is identified by FFP/W and the applicable mission/regional office, and coordinated with the Bureau for Management's Contract Audit Management Branch (M/OP/PS/CAM) per [ADS 591.5.8](#)
- iii. For non-U.S.-based organizations, the Agreement Officer shall determine whether a closeout audit shall be conducted based on a review of the organization's audits covering all of the fiscal year periods for the agreements. Based on discussions between FFP/W and the applicable Mission/regional office, a request for a specific closeout audit shall be made to the cognizant Regional Inspector General's Office per [ADS 591.5.8](#)
- iv. An audit concern regarding receipt and disbursement of Title II program funds will result in the retention of records for three years from the receipt by USAID of the audit report.
- v. The Bureau of Management, Office of Acquisition and Assistance, Cost, Audit and Support Division (M/OAA/CAS) is responsible for negotiating and finalizing indirect cost rates for all U.S.-based organizations and performing the close-outs for all awards administered by USAID/Washington. This Office must audit the direct and indirect cost rates incurred under the awards to determine the allowable direct costs and recommend the final indirect cost rates.

VI. PERSONNEL

To the extent that the CS must discharge and/or reassign staff as a result of this program termination, the CS must comply with all discharge, reassignment and severance laws of the host country. The Closeout Plan should describe how this will be accomplished and the associated costs should be detailed in the closeout budget submitted. This should include: current or prospective host country issues and costs related to staff discharge, reassignment (including travel/moving costs) and severance; personnel levels, shifts and coverage of critical activities at each stage of the closeout period as staffing levels diminish; and, a disaggregation of associated personnel costs, including salary increases, bonuses, holiday and leave expenses owed, if not taken in advance of program closeout and being applied retroactively.

VII. CLOSEOUT BUDGET

The CS should provide a budget and narrative detailing all costs associated with closeout (e.g., legal resolution of claims, payment of loans, disposition of property, completion of audits and evaluations, and termination of personnel), broken out by month. CSs should use the budget format approved as part of its Cooperative Agreement, or subsequent approved modifications, as a model for presenting the closeout budget information. The plan should clearly identify whether these expenditures were planned in the original program budget, or whether additional resources will be needed to meet these expenses. If sufficient resources will not be available, the plan should describe how the CS plans to cover these unanticipated expenses.

VIII. OTHER RELEVANT INFORMATION

If there is other information relevant to the closeout of this Title II project which has not been requested in other parts of this guidance, the CS should provide this information under Section VIII. For example, state whether there has been (or will be) a final or impact evaluation of the project. If it has been completed and not yet sent to FFP, attach a copy of the evaluation to the Closeout Plan. If an evaluation has not been completed but is planned, discuss briefly plans to carry out the evaluation, a target date for completion and if possible, attach the evaluation Scope of Work (SOW).⁵ CSs should provide the evaluation separately to the USAID Mission/regional office and FFP/W once finalized.

In addition, CSs should include in this section contact information (names, official address, phone and fax numbers, and email addresses) for staff members charged with resolution of issues unresolved at the expiration of the program, as well as contact information for the person(s) given access to the program's files in storage.

CSs are also highly encouraged to include lessons learned on the closeout process for use by FFP and other Title II partners in this section. Lessons learned for the program as a whole should be provided in the final Results Report, which covers all FY activities as well as the entire Life of Activity (LOA).

Also, if a CS has a final NICRA rate determination, the latest NICRA Agreement must be received prior to finalization of the closeout process.

8. Closeout Plan Response and Closeout

Within 30 days of receipt, CSs will receive formal notification from the CTO as to the status of their Closeout Plan submissions, including modifications necessary prior to formal approval. While formal approval may be granted, CSs should expect to engage in continuing dialogue with FFP/W and the Mission/regional office to resolve any outstanding issues related to implementation of the plan and final closeout. It is only once all Closeout Plan issues are addressed that the CS's Closeout Plan (including its disposition request) will be approved. A response to the CS's Closeout Plan will be provided within 30 days of receipt, while approval will take place within 120 days of receipt.

The award is physically closed once: (1) the CS has completed the required deliverables or has performed all services and the U.S. government has inspected and the U.S. Government has accepted the deliverables and agreed to the disposition of any remaining assets under the DAP, MYAP, or SYAP; and, (2) the U.S. Government has provided the CS with a Notice of Agreement termination letter. A MYAP, SYAP or DAP may not be closed if it: (1) is in litigation or under appeal or has outstanding claims, vouchers or NICRA rates that need to be finalized; or (2) is in termination, and all termination actions have not been completed.

⁵ Final evaluation Scopes of Work require CTO approval.