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# SAN JOAQUIN COUNTY WORKNET EMPLOYMENT AND ECONOMIC DEVELOPMENT DEPARTMENT POLICIES AND PROCEDURES DIRECTIVE

DIRECTIVE NO.	EFFECTIVE DATE	APPLICABILITY	PAGE
D-38	July 1, 2017	FMD, GMD, ISD	1 of 4
<b>SUBJECT: CLOSEOUT OF CONTRACTOR'S AGREEMENT</b>			

## I. PURPOSE

The purpose of this directive is to establish a uniform procedure for the closeout of WIOA expired contracts with the San Joaquin County Employment and Economic Development Department's service providers.

## II. GENERAL INFORMATION

The final phase of the contract process is the closeout procedure. The contract is officially closed when all administrative actions have been completed, including final payment, and a release or settlement has been agreed to by both parties to the agreement.

The following procedure is intended to officially advise the Contractor of the termination of the agreement, allow the completion of all required administrative works under the contract and provide a basis for the San Joaquin County Employment and Economic Development Department (EEDD) to deobligate or transfer funds, to be utilized for other WIOA programs and activities. Its general intent is to guard against misuse of funds, afford a measure of legal protection to EEDD and to assist EEDD in complying with the WIOA closeout procedures.

## III. POLICY

It is the administrative policy of EEDD that this procedure be complied with, to insure the effective disposition of contract funds and property.

San Joaquin County EEDD shall follow the close out procedures described in 2 CFR 200.343-345, and in the grant agreements as specified by the granting agency.

San Joaquin County EEDD and all subrecipients shall liquidate all obligations incurred under the grant or contract within 60 days of the end of the grant or contract agreement.

#### IV. PROCEDURE

##### A. Notification

###### 1. Fixed Unit Price Contract

###### a. Closeout Notice

The EEDD shall notify the Fixed-Unit-Price Contractor in writing of closeout compliance needs after the last participant has been terminated from the training program, but no later than fifteen (15) days after the contract expiration date. This one-page written notice shall include a statement of contract expenditure and balance, a date for submission of outstanding claim(s), and a statement that the contract balance will be deobligated, to be used for other WIOA programs and activities.

###### 2. Cost Reimbursement Contract

Because closeout of cost-reimbursement contracts requires the completion of more complex administrative actions, the EEDD shall forward the closeout package to the contractor within thirty (30) days in advance of the contract expiration date. This allows the Contractor time to resolve any problems in completing the package, finalize the required reports and meet the designated date for submission of the completed documents.

##### B. Response

###### 1. Fixed Unit Price Contract

The Contractor will be given twenty (20) working days from the date of notification to respond to the closeout notice.

###### 2. Cost-Reimbursement Contract

The completed closeout package, including all cost data, claims for reimbursement of other fiscal adjustments deemed allowable under the contract must be returned to the EEDD no later than thirty (30) calendar days from the contract expiration date.

##### C. Processing of the Package/Outstanding Claims

The review and verification of the completed closeout package/notice of outstanding claims submitted by the Contractor, as well as the processing of all requests for payment of outstanding claims shall be the responsibility of the Financial Management Division. FMD will inform EEDD of the status of the final claims submitted by the contractor and provide a statement of the remaining balance of the contract, if any.

D. Notice of Deobligation of Contract Funds

After the receipt of the notice of status of final claim/payment from FMD but no later than sixty (60) days from the contract termination date, the EEDD shall notify the Contractor of the action taken on the unspent funds.

E. Deobligation/Transfer of Contract Funds/Property

After the Notice of Deobligation has been issued and within the period of specified in the closeout package the Financial Management Division will:

1. Deobligate any final unspent funds;
2. Transfer unexpended funds to the EEDD subgrant for use in other WIOA programs and activities;
3. Check the property inventory listing against the list of property purchased with WIOA funds or on loan to the Contractor. A copy of the inventory listing will be given to the Information Systems Division (ISD) and EEDD with findings of discrepancy, if any.

The ISD will, upon receipt of the inventory listing from FMD:

1. Check the inventory listing against the list(s) of property previously sent by FMD and EEDD and which are on file with the ISD. These lists are sent by FMD and EEDD as costs are reimbursed and as on-site monitoring occurs;
2. Check for other property loaned to the Contractor but which are not included in the inventory listing;
3. Arrange for the retrieval of the property. The EEDD will coordinate with the ISD in this effort.

Arrangement for the retrieval of property shall be made with the Contractor before the contract termination date. Actual retrieval shall be made after checking the inventory listing, but no later than 90 days from termination of the contract.

V. QUESTIONS REGARDING THIS DIRECTIVE

May be referred to the Executive Director of EEDD via Managers or designee.

VI. UPDATE RESPONSIBILITY

The Executive Director of EEDD and/or designee shall be responsible for updating this directive, as appropriate.

VII. APPROVED



JOHN M. SOLIS  
EXECUTIVE DIRECTOR

JMS: