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

DIRECTIVE NO.	EFFECTIVE DATE	APPLICABILITY	PAGE
25-32	June 1, 2026	FMD, GMD, ISD	1 of 6
SUBJECT:	**CLOSEOUT OF CONTRACTOR AGREEMENTS**		

I. PURPOSE

The purpose of this directive is to establish a uniform procedure for the closeout of Workforce Innovation and Opportunity Act (WIOA) expired contracts with the San Joaquin County Employment and Economic Development Department's (EEDD) service providers in accordance WIOA, 2 CFR Part 200, 20 CFR Part 683, and applicable state guidance.

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 (2 CFR 200.343).

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 EEDD to deobligate or transfer funds, to be utilized for other WIOA programs and activities (WSD16-03). Its general intent is to guard against misuse of funds, afford a measure of legal protection to EEDD and to assist in complying with the WIOA closeout procedures (2 CFR 200.343, 200.344, 200.345, and WSD16-05).

This directive supersedes PPD D-38 Closeout of Contractor's Agreement, dated July 1, 2017.

References

- Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128

- Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- Title 2 CFR Part 2900, Department of Labor (DOL) Exceptions to Uniform Guidance
- Title 20 CFR Part 683, Administrative Provisions Under Title I of the Workforce Innovation and Opportunity Act
- WSD19-05, Monthly and Quarterly Financial Reporting Requirements
- WSD16-10, Property – Purchasing, Inventory, and Disposal
- WSD16-05, WIOA Closeout Requirement
- WSD16-03, Unilateral De-Obligation

III. POLICY

It is the policy of EEDD to ensure the timely and compliant closeout of all Workforce Innovation and Opportunity Act (WIOA) agreements in accordance with applicable federal, state, and local requirements, including 2 CFR Part 200, 20 CFR Part 683, and WSD16-05, and grant agreement provisions issued by the awarding agency.

All contractors and subrecipients shall complete all required administrative, fiscal, and programmatic closeout activities within established timeframes following the expiration or termination of an agreement. Closeout activities shall include submission of final reports, liquidation of obligations, reconciliation of expenditures, resolution of outstanding claims, and disposition of property purchased with WIOA funds (2 CFR 200.343, WSD16-05).

The EEDD and all subrecipients shall liquidate all obligations incurred under the agreement within sixty (60) calendar days following the agreement end date unless otherwise authorized in writing by the awarding agency (2 CFR 200.343(a)).

Closeout of an agreement does not affect EEDD's authority to disallow costs, recover funds, or resolve audit and monitoring findings identified after closeout (2 CFR 200.344, 2 CFR 200.345).

IV. PROCEDURE

A. Closeout Notification

1. Fixed Unit Price Agreements

   EEDD shall issue a written closeout notification to the Contractor no later than fifteen (15) calendar days following the agreement expiration or termination date, or upon completion of all participant services funded under the agreement, whichever occurs first (WSD16-05).

   The closeout notification shall include, at a minimum:

a. The agreement end date;
b. Instructions for completing closeout requirements;
c. A summary of expenditures, payments, and remaining balances;
d. Deadlines for submission of final fiscal and programmatic reports;
e. Instructions for submitting outstanding claims or adjustments;
f. Property inventory and disposition requirements, if applicable; and
g. Notice that unexpended funds remaining after closeout will be deobligated and returned for allowable WIOA program use (WSD16-03).

2. Cost Reimbursement Agreements

For Cost Reimbursement Agreements, EEDD shall provide the Contractor with a closeout package no later than thirty (30) calendar days prior to the agreement expiration date to allow sufficient time for completion of required closeout activities (WSD16-05). The closeout package shall include all required forms, instructions, reporting requirements, property inventory requirements, and applicable closeout deadlines.

B. Contractor Closeout Requirements

1. Fixed Unit Price Agreements

The Contractor shall submit all required closeout documentation within twenty (20) working days from the date of the closeout notification unless otherwise approved in writing by the EEDD.

2. Cost Reimbursement Agreements

The Contractor shall submit a complete closeout package no later than thirty (30) calendar days following the agreement expiration or termination date (2 CFR 200.343, WSD16-05).

The closeout package shall include, as applicable:

a. Final fiscal reports (WSD19-05);
b. Final invoices and requests for reimbursement;
c. Final programmatic and performance reports;
d. Documentation supporting outstanding obligations and accrued expenditures;
e. Property inventory certifications (WSD16-10; 2 CFR 200.313);

f. Participant and program records required by the agreement; and
g. Any additional documentation required by the EEDD to complete closeout.

Failure to submit required closeout documentation within established timelines may result in delayed payment, disallowance of costs, or other corrective action authorized by the agreement or applicable regulations (2 CFR 200.339).

C. Fiscal Review and Reconciliation

The Financial Management Division (FMD) shall review and reconcile all submitted closeout documentation to ensure completeness, accuracy, allowability of costs, and compliance with applicable federal, state, and local requirements (2 CFR 200.403, 200.404, 200.405).

Closeout review activities shall include, as applicable:

1. Verification of final expenditures and obligations;
2. Review of outstanding claims and accrued costs;
3. Reconciliation of cash advances and program income (2 CFR 200.305, 2 CFR 200.307);
4. Identification of disallowed or unsupported costs (2 CFR 200.410);
5. Confirmation that all required reports have been submitted; and
6. Determination of final agreement balances.

FMD shall notify the EEDD of the status of final claims and provide a final reconciliation identifying any remaining unobligated or disallowed funds.

D. Notice of Final Closeout and Deobligation

Following completion of the fiscal reconciliation process, and no later than sixty (60) calendar days following the agreement expiration or termination date, the EEDD shall issue written notice to the Contractor regarding the final closeout status of the agreement (2 CFR 200.343; WSD16-05).

The notice shall identify:

1. Final approved expenditures;
2. Final payment amounts, if any;
3. Disallowed costs, if applicable;
4. Amounts subject to deobligation (WSD16-03); and
5. Property disposition requirements, if applicable.

E. Deobligation and Transfer of Funds

Following issuance of the final closeout notice, FMD shall:

1. Deobligate all unexpended or unallowable funds remaining under the agreement (2 CFR 200.343; WSD16-03);
2. Return or transfer available funds in accordance with applicable WIOA grant requirements and EEDD procedures; and
3. Maintain documentation supporting all deobligation and fiscal adjustment actions.

F. Property Management and Disposition

FMD shall review property inventory records for all equipment and property purchased in whole or in part with WIOA funds or loaned to the Contractor during the agreement period (2 CFR 200.313; WSD16-10). Property purchased with WIOA funds shall be managed and disposed of in accordance with 2 CFR 200.313, WSD16-10, and EEDD property management procedures. A copy of the inventory review and any identified discrepancies shall be provided to the Information Systems Division (ISD) and the EEDD.

The ISD shall:

1. Verify inventory records against property records maintained by FMD and the EEDD;
2. Identify any missing, transferred, or unaccounted-for property;
3. Coordinate with the EEDD and Contractor regarding return, transfer, or disposition of property; and
4. Arrange for retrieval of property, as necessary.

Whenever feasible, arrangements for return or disposition of property shall be coordinated prior to the agreement expiration date. Final property disposition activities shall be completed no later than ninety (90) calendar days following the agreement expiration or termination date unless otherwise authorized in writing by the EEDD (2 CFR 200.313(e)).

G. Records Retention and Continuing Responsibilities

Contractors and subrecipients shall retain all financial, participant, property, procurement, and programmatic records in accordance with 2 CFR 200.334, 200.335, 200.336, 200.337.

Closeout of an agreement does not affect the EEDD's authority to conduct monitoring, resolve audit findings, recover disallowed costs, or require corrective action after the closeout process has been completed (2 CFR 200.344-200.345.

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

Patricia Virgen

PATRICIA VIRGEN
EXECUTIVE DIRECTOR

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