

RULE 9.4 – AWARD CLOSURE

Adopted Date: 10/03/2011

Revised Date: 06/27/2023

PURPOSE

The purpose of this fiscal accountability rule is to establish the guidelines for closing awards with sponsors within the City and County of Denver's (city) system of record, including determining the disposition of property purchased with award funds (refer to [Grants Resources Center - Award Closeout](#)).

This fiscal accountability rule shall be read in conjunction with, and users shall comply with all applicable provisions of, the following Denver Revised Municipal Code, Fiscal Accountability Rules, and Executive Orders noted to ensure compliance and understanding:

- [City Charter, Title I – Revised Municipal Code – Chapter 20 – Finance, Article IV – Division. – Generally, Sec. 20-52. – Approval of grants-in-aid](#)
- [Fiscal Accountability Rule 1.2 – System of Record](#)
- [Fiscal Accountability Rule 4.2 – Capital and Controlled Assets](#)
- [Fiscal Accountability Rule 9.1 – Awards, Applications, and Grant Proposals](#)
- [Fiscal Accountability Rule 9.2 – Award Management](#)
- [Fiscal Accountability Rule 9.3 – Subawards](#)
- [Executive Order 8 – Contracts and Other Written Instruments of and for the City and County of Denver](#)

In addition, all users shall refer to the Code of Federal Regulations (CFR) for federally funded awards.

This fiscal accountability rule does not apply to donations.

DEFINITIONS

Award – Financial assistance that provides support or stimulation to accomplish a public purpose.

Award Period – The span of time established in the grant or cooperative agreement during which activities and expenditures are to occur. This may also be referred to as the period of performance.

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Cooperative Agreement – A legal instrument that is similar to a grant agreement but is distinguished in that it provides for substantial involvement between the sponsor and the recipient.

Disposition – Procedures for retaining, selling, or disposing of equipment, supplies, property, and materials when no longer needed to support a federally funded grant project.

Donation – A gift given to the city that generally does not require a written document or contract and has minimal, if any, requirements or restrictions other than potentially a designated purpose for the donation.

Equipment – Any tangible, personal property (including information technology systems) having a:

- Useful life of more than one year; and
- Per-unit cost that equals or exceeds the lesser of the capitalization level established by the recipient for financial statement purposes, or five thousand dollars (\$5,000).

Grant Agreement – A legal instrument that documents the financial assistance in the form of money or property to an eligible recipient. This may also be referred to as a grant or award.

- Competitive – Award of funding is based upon specific criteria and the scoring of a proposal.
- Formula – Non-competitive allocation of funding determined by distribution formulas or legislative mandate. This may also be referred to as an allocation or Intergovernmental Agreement (IGA).

Real Property – Land, land improvements, and structures.

- Real property does not include moveable machinery and equipment.

Recipient – The department or agency to which a grant or cooperative agreement is awarded, and which is accountable for the use of the funds provided.

Sponsor (also known as **Grantor**) – The external entity awarding a grant or cooperative agreement.

Subrecipient – A non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program.

Supplies – Any tangible, personal property that does not fall under the definition of equipment.

System of Record – The authoritative data source for a data element or piece of information.

Useful Life – The estimated life of an asset for financial reporting purposes.

RULES

1. Recipients shall begin the closeout process ninety (90) days before the award period end date. This includes, but is not limited to, accounting for unspent funds, program income, and cost sharing/matching funds requirements.
2. Recipients shall record every award in the city's system of record as closed within ninety (90) days after the end of the award period or as specified within the terms and conditions of the grant. Awards without a specified end date shall be closed within ninety (90) days of the final transaction.
3. Recipients who have acquired real property and/or equipment shall:
 - A. Request disposition instructions from the sponsor at the time of closeout if the property and/or equipment is to be used for purposes other than the originally authorized purpose;
 - B. Ensure that subrecipients have and follow disposition instructions; and
 - C. Continue equipment monitoring until disposition is completed or equipment is depreciated below five thousand dollars (\$5,000).
4. Recipients who have residual inventory of unused supplies shall retain the unused supplies for use on other activities or sell the unused supplies and compensate the sponsor if the following conditions are met:
 - A. The residual inventory of unused supplies exceeds five thousand dollars (\$5,000) in total aggregate value upon termination or completion of the project or program; and
 - B. The supplies are not needed for any other federal award.

AUTHORITY AND ACCOUNTABILITY

The **Office of the Chief Financial Officer** and the **Controller's Office** are responsible for this fiscal accountability rule and any procedures, guides, job aids, forms, and one-page summaries associated with this rule.