March 3, 2021

FINANCE MEMORANDUM

To: All Department Heads

From: Craig K. Hirai /s/
      Director of Finance

Subject: Close-Out Procedures for CARES Act Coronavirus Relief Fund Subawards

Please find attached close-out procedures for departments that received a subaward from the CARES Act Coronavirus Relief Fund.

If you have any questions about these procedures, please contact Mr. Robert Yu, Deputy Director, Department of Budget and Finance at 586-1516.

c: Curt Otaguro, Comptroller, Department of Accounting and General Services
I. Close-Out Deadline
The deadline for closing out CRF subawards is March 31, 2021. The following will need to be completed by this date:

A. Contract and claims encumbrances should be liquidated or cancelled and remaining cash balances returned to the B&F appropriation account that sourced the funds (either S-20-247-O or S-20-358-O).

B. A final review of OIG reporting data and other data checks between B&F/OFAM and the department’s authorized representative.

II. Request for Extension
To request an extension to the March 31, 2021 deadline, an e-mail should be sent to Mr. Robert Yu at robert.yu@hawaii.gov. The request should include a justification and new proposed close out date. Mr. Yu will approve or disapprove all requests for extensions. B&F/OFAM will track new approved close out deadlines.

III. Close-out Process
The close-out process will be as follows:

A. B&F/OFAM will determine the subawards that are ready for close-out by identifying appropriation accounts with a ‘zero’ encumbrance balance and a ‘zero’ cash balance.

B. B&F/OFAM will e-mail the “CARES Act CRF Close-out Report” form to the department’s authorized representative for completion and signature. The fields below will be pre-filled on the report by B&F/OFAM. The department’s authorized representative should review the accuracy of the fields.
   - Department/Agency Name
   - Point-of-Contact
   - Date
   - CRF Subaward Name
   - State Appropriation Account
   - Amount of Subaward
   - Amount of De-obligation (if applicable)
   - Cash Balance Returned (if any)
   - Total Expenditures
CARES Act CRF Close-Out Procedures

C. The department’s authorized representative will recommend readiness for close-out to the authorized certifying official. The authorized certifying official will attest to the below, sign and return the form to B&F/OFAM.

- There are no encumbrance or cash balances in the appropriation account (or official accounting record if not using FAMIS).
- Expenditure data provided to B&F for reporting to the OIG GrantsSolutions portal has been reconciled with FAMIS (or official accounting system if not using FAMIS) and is complete and accurate.
- They are aware of and have informed subawardees about the CARES CRF record keeping requirement.

D. B&F/OFAM will verify the accuracy of the data provided by the subawardee for reporting to OIG Treasury and utilize a “CRF Close-out Check List” form and do other data checks to verify proper use of the funds:

- Compare DataMart/FAMIS total expenditure amount to the sub-award amount.
- Compare the OIG Treasury “All Cycles” total expenditure amount to the sub-award amount.
- Calculate DataMart/FAMIS totals for >/=$50,000 categories; compare to the amount reported to the OIG Treasury (cumulative for all cycles).
- Calculate DataMart/FAMIS totals for <$50,000 in aggregate categories; compare to the amount reported to OIG Treasury (cumulative for all cycles).
- Review cash transfers made from the appropriation account.
- Check P-card data that "First Hawaiian Bank" has not been reported as a sub-recipient and that P-card payments >/=$50,000 have been reported as subrecipients.

E. After the CRF Close-out Check List form is completed, OFAM/B&F will sign the “CARES Act CRF Close-out Report” to recommend close-out and forward the form to Mr. Robert Yu.

F. Mr. Robert Yu will review and sign the “CARES Act CRF Close-out Report”.

G. B&F/OFAM will send the signed, completed “CARES Act CRF Close-out Report” to the authorized department representative. A copy of the report will also be retained by B&F/OFAM.