



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

Special Attention of:

Regional Directors
Field Office Directors
CPD Division Directors
HOPWA Program Grantees and Project
Sponsors

Notice: CPD-26-12

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Expires: This Notice is effective until it is amended, superseded, or rescinded.

Cross Reference: 24 CFR Part 574, 2 CFR Part 200

Subject: Closeout Instructions for Housing Opportunities for Persons With AIDS (HOPWA)
Program Grants

Contents

I. Purpose	1
II. Deobligations	2
III. Determination of Readiness for Closeout	3
IV. Closeout Timeline	3
V. Closeout of Project Sponsor Agreements	4
VI. Reports	4
VII. Final Payment and Financial Reconciliation	5
VIII. Property	6
IX. Addressing Open Audit or Monitoring Findings	7
X. Post-Closeout Adjustments and Continuing Responsibilities	7
XI. Contact Information	8

I. Purpose

This Notice supersedes [Notice CPD-23-04](#), published on April 12, 2023, for Housing Opportunities for Persons With AIDS (HOPWA) grantees with HOPWA formula and/or HOPWA competitive (HOPWA-C) grants with a period of performance end date on or after the date of the publication of this Notice. This Notice also provides policy guidance and procedural instructions for Community Planning and Development (CPD) Field Offices and HOPWA grantees regarding closeout of certain HOPWA grants. HOPWA Coronavirus Aid, Relief, and Economic Security (CARES) Act formula grants (HOPWA-CV), and HOPWA CARES Act competitive grants (HOPWA-C-CV) must continue to use the closeout process outlined in [Notice CPD-23-04](#).

An important step of completing grants management is to process grant closeouts. Grant closeout requires U.S. Department of Housing and Urban Development (HUD) to determine that all applicable administrative actions and all required work of the grant have been completed by the grantee. The closeout process is guided and governed primarily by [2 CFR 200.344](#), which lays out

specific steps and obligations for both HUD and the grantee. If the grantee fails to complete the requirements in 2 CFR 200.344, HUD will proceed to close out the grant with the information available. HUD will begin assessing the need to proceed with closeout without all required documents beginning one year plus one day after a grant's period of performance (PoP) end date.

Beginning on the publication date of this notice, HOPWA grant closeouts will be conducted in the Integrated Disbursement and Information System (IDIS) grant closeout module. All HOPWA grants with PoP end dates on or after the date of publication of this notice must use the closeout process as outlined in this notice. Any HOPWA grant with a PoP end date before the date of publication of this Notice must utilize the closeout process outlined in CPD-23-04. Grantees with HOPWA grant PoP end dates before the date of publication of this Notice that want to use the new process outlined in this Notice can express interest in doing so by emailing their Field Office representative and HOPWA@hud.gov. Please note that CARES Act grants must use the closeout process outlined in CPD-23-04 and cannot use the IDIS closeout module.

II. Deobligations

Per [2 CFR 200.344\(c\)](#), any costs incurred during the grant's PoP must be liquidated no later than 120 calendar days after the end of the PoP. Any funds left unliquidated on a HOPWA grant 121 days after the end of the grant's PoP will be deobligated by HUD as soon as is administratively feasible (unless there is an approved reconciliation period extension, in which case, the unliquidated funds will be deobligated as soon as is administratively feasible after the reconciliation period extension). The CPD Funds Control Matrix states the deobligation of grant funds occurs when a deobligation memo is signed by the Deputy Assistant Secretary (DAS) for Special Needs or General Deputy Assistant Secretary (GDAS) with a file listing funding to be deobligated.

If a deobligation on a grant is required, it must occur before the IDIS closeout process can be initiated.

The Office of HIV/AIDS Housing (OHH) will distribute quarterly to HUD Field Offices a list of HOPWA grants with balances that have passed their 120-day reconciliation period. Field staff should work with the HOPWA grantees and OHH desk officer to indicate whether the remaining funds should be retained or deobligated. Field staff must respond to OHH within 2 weeks of receiving the report. If indicating that a remaining balance should be retained, the Field Office must provide justification for retaining the funds. Examples of acceptable and non-acceptable justification to retain grant balances include:

Examples of Acceptable Justifications	Examples of Non-Acceptable Justifications
Monitoring	
The grant has open monitoring or audit findings that may require repayments back to CPD. <i>Note: The response to OHH must include the date of the monitoring letter and the number of open findings with due date for response from the recipient.</i>	The grant has open monitoring or audit findings that do <i>not</i> require repayments back to CPD (see Section IX. Addressing Open Audit or Monitoring Findings). <i>Note: Even if a grant cannot be closed due to open monitoring findings, unliquidated obligations should still be deobligated.</i>

Financial	
The grantee has been approved for a reconciliation period extension that is not reflected in the 120-day reconciliation period end date provided by OHH.	The recipient has incurred costs within the PoP for which it has not drawn down funds for reimbursement, and the reconciliation period is over (unless there are extraordinary circumstances that are explained in detail).
Reporting	
	The final reports for this grant have not been submitted or have been rejected and returned.

OHH will work with the Office of the Chief Financial Officer (OCFO) to deobligate funds, which will involve the following steps:

- a. Review of the quarterly list of grants
- b. Generate a memorandum from the DAS for Special Needs to the Assistant CFO for Accounting to initiate the deobligation. The memorandum will include the file containing all remaining balances to be deobligated.

III. Determination of Readiness for Closeout

The grant closeout module in IDIS will be available for use once

- (1) The grants balance is \$0.00,
- (2) All grant activities are either completed or canceled in IDIS, and
- (3) The PoP has ended.

The [Using IDIS Online for the HOPWA Program](#) manual details the steps that Grantees must follow to complete activities in IDIS.

The “Closeout Requirements & Conditions” tab will be available in IDIS to CPD Field staff after the above 3 criteria are met. CPD Field staff will review the closeout requirements listed in the tab to ensure the grantee submitted all relevant closeout documents and will work with the grantee to resolve any outstanding issues. After all issues are resolved, the grantee must complete and upload the Closeout Certification. The closeout process is officially complete after CPD Field Office staff, CPD Field Office Director, and HUD headquarters all certify approval of the grant closeout.

IV. Closeout Timeline

HUD must make every effort to complete closeout actions no later than one year after the end of the PoP unless otherwise directed by authorizing statutes. However, if there are existing audit or monitoring findings that affect the grant at the time of closeout review, closeout actions must be delayed until findings are addressed, even if this extends the closeout process for longer than one year after the PoP. Occasionally, the reporting requirements of [24 CFR 91.520](#) may also delay closeout actions due to the performance reporting timeframe related to the program year of formula grantees (See Section V. Reports for more information). If a closeout is expected to extend beyond the standard one-year timeframe, CPD Field staff will notify the appropriate HOPWA Desk Officer and also email HOPWA@hud.gov. If there are extenuating circumstances that do not allow a grantee to complete all closeout actions, HUD will begin assessing the need to proceed with closeout without all required documents beginning one year plus one day after a grant’s PoP end date.

V. Closeout of Project Sponsor Agreements

Grantees must adhere to the [2 CFR 200.344](#) regulations for project sponsor requirements at closeout. All financial, performance, and other reports as required by the terms and conditions of the grant must be submitted by the project sponsor to the grantee no later than 90 calendar days (or an earlier date as agreed upon by the grantee and project sponsor) after the end date of the PoP for the subaward. The grantee may approve extensions for these submissions when requested and justified by the project sponsor, as applicable, provided the extension(s) do not interfere with the grantee's ability to meet its own closeout obligations under 2 CFR 200.344.

VI. Reports

Per [2 CFR 200.344\(b\)](#), the grantee must submit all financial, performance, and other reports required as a condition of the grant no later than 120 calendar days after the PoP ends. Upon request by the grantee with justification, HUD may extend this timeframe. In accordance with the requirements for HOPWA formula grants, however, the formula grantee submission of the CAPER (including the HOPWA-specific component) is not subject to this 120-day deadline but is required to be submitted to HUD within 90 days after the close of the jurisdiction's program year, as provided by [24 CFR 91.520](#).

The HOPWA Consolidated APR/CAPER (form number HUD-4155) is to be used for either case when completing (a) the annual performance report required for each HOPWA competitive grant or (b) the HOPWA-specific component of the Consolidated Performance and Evaluation Report (CAPER) required for HUD's formula grants.

For grantees with both formula and competitive grants, performance data for formula and competitive grants should not be combined into a single report.

A. Required Reports for Closeout

1. Final performance reports.

HOPWA formula grantees are required to complete an annual performance report as provided by [24 CFR 91.520](#) and [574.520\(a\)](#). HOPWA competitive grantees are required to submit an annual performance report as provided by [24 CFR 574.520\(b\)](#) and [2 CFR 200.329](#). Completion of the Consolidated APR/CAPER fulfills these requirements for competitive grantees and formula grantees. These reports must include a complete narrative or executive summary which describes all activities carried out with grant funds. This should include all performance measures achieved, benchmarks achieved, numbers and demographics of people served, numbers of housing units provided, and types of housing assistance and supportive services provided.

a) HOPWA formula grant performance reporting.

Since appropriations occur annually and grant PoPs are three years, most HOPWA formula grantees operate multiple HOPWA formula grants in a fiscal year. This results in the performance of multiple grants reported in a single Consolidated APR/CAPER. The administrative requirements for grant closeout at [2 CFR 200.344](#) are understood to include the use of the Consolidated APR/CAPER submitted after the PoP end date. Accordingly, HUD

Field Offices will not be expected to commence closeout actions on a HOPWA formula grant until HUD receives the Consolidated APR/CAPER that is due most closely after the grant's PoP end date. With respect to submitting the Consolidated APR/CAPER for formula grantees, the reporting deadline under [2 CFR 200.344\(a\)](#) does not supersede the deadline under [24 CFR 91.520\(a\)](#);

b) HOPWA competitive grant performance reporting.

For HOPWA competitive grants, the same administrative requirements of [2 CFR 200.344](#) apply and are understood to include the use of a final HOPWA performance report (i.e., for competitive grants the final Consolidated APR/CAPER);

2. Financial status reports, and/or requests for reimbursement reports (e.g., financial information that is up to date in IDIS and available for system-generated reports);

3. Complete Standard Form Federal Financial Report (SF-425).

The SF-425 must be uploaded in the IDIS Closeout Module. A version of the SF-425 can be pulled as an IDIS MicroStrategy report for this purpose. Sections on Program Income (part 10. I2 and N2) and Indirect Expenses (part 11) must be completed manually, since IDIS does not currently capture this information for HOPWA grants.

B. Reports Not Submitted

If the grantee does not submit all reports in accordance with [2 CFR 200.344](#) and [24 CFR.91.520\(a\)](#) and the terms and conditions of the grant, HUD must proceed to close out with the information available within one year of the PoP end date (except for formula grantee Consolidated APR/CAPERS with due dates close to the closeout deadline (see Section IV.a(i) "HOPWA formula grant performance reporting" section above). If the required reports are not submitted within one year of the PoP end date, HUD must report the grantee's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently SAM.gov). HUD may also pursue other enforcement actions per [2 CFR 200.339](#).

VII. Final Payment and Financial Reconciliation

Following are the final payment and financial reconciliation requirements when closing HOPWA grants.

A. Final IDIS draws should be made (i.e. all IDIS vouchers should be created and approved by two separate grantee IDIS users) by the grantee for costs incurred during the PoP within 120 calendar days after the end date of the PoP unless HUD authorizes an extension, as specified in the terms and conditions of the grant. Any funds left unliquidated on a HOPWA grant 121 days after the end of the grant's PoP will be deobligated by HUD as soon as is administratively feasible (see Section II. Deobligations).

- B. HUD will make prompt payment to the grantee for allowable costs meeting the requirements in [2 CFR part 200 subpart E](#) and [24 CFR part 574](#) to the extent that HUD determines that grant funds remain available, and the grantee has not been paid for those costs.
- C. The grantee must promptly refund any balances of unobligated cash that HUD paid in advance or paid and that are not authorized to be retained by the grantee for use in other projects. See [OMB Circular A-129](#) and see [2 CFR 200.346](#), for requirements regarding unreturned amounts that become delinquent debts.
 - 1. The grantee must immediately return to HUD any balance of grant funds that the grantee drew down but did not show were expended on allowable costs meeting the requirements in [2 CFR part 200 subpart E](#) and [24 CFR part 574](#) for the grant to be closed out.
 - 2. Any funds paid to the non-Federal entity in excess of the amount to which the non-Federal entity is finally determined to be entitled under the terms of the Federal award constitute a debt to the Federal Government. If not paid within 90 calendar days after demand, the Federal awarding agency may reduce the debt by:
 - a) Making an administrative offset against other requests for reimbursements;
 - b) Withholding advance payments otherwise due to the non-Federal entity; or
 - c) Other action permitted by Federal statute.
 - 3. Except where otherwise provided by statutes or regulations, the Federal awarding agency will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards ([31 CFR parts 900 through 999](#)). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.
 - 4. Consistent with the terms and conditions of the grant to be closed out, HUD must make a settlement for any upward or downward adjustments to the Federal share of costs after the closeout reports are received.

VIII. Property

The grantee must account for any real and personal property acquired with Federal funds or received from HUD in accordance with [2 CFR 200.310 through 200.316](#) and [200.330](#).

- 1. A grantee must make an inventory of all real property and personal property acquired or improved under the grant and request disposition instructions from HUD if real property, equipment, or intangible property is no longer needed as provided by [2 CFR 200.311](#), [200.313](#), and [200.315\(a\)](#) respectively.
- 2. If there is a residual inventory of unused supplies exceeding \$10,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity may retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share as provided by [2 CFR 200.314\(a\)](#).

3. Grantees should be reminded that even if the minimum use period is satisfied on a structure acquired, constructed, or rehabilitated with HOPWA funding (see requirements at [§574.310\(c\)](#)), disposition requirements still apply if grantees wish to sell or change the use of the property (see requirements at [2 CFR 200.311](#)).

IX. Addressing Open Audit or Monitoring Findings

Grantees and project sponsors must comply with the audit requirements at [2 CFR part 200, subpart F](#). In addition, HUD Field Office staff engage in grantee monitoring to assess compliance with programmatic requirements. If there are outstanding monitoring or audit findings preventing closeout, the Field Office must contact OHH to alert the program office and discuss timeline for finalizing closeout. Therefore, it is understood that in some circumstances, post-award monitoring can extend through PoP and closeout, but if there are outstanding monitoring or audit findings (e.g., CPD monitoring findings, OIG audit findings, Single Audit findings) at the time of closeout review, HUD should not proceed to close out the grant.

Furthermore, the closeout of a Federal award does not affect audit requirements in 2 CFR part 200, subpart F. An award may be closed before submission of a Single Audit. If, after closeout has been completed, a subsequent audit report identifies questioned costs, HUD may disallow costs and recover an amount based on sustained audit findings. The Field Office must also make OHH aware of findings issued after the PoP.

X. Post-Closeout Adjustments and Continuing Responsibilities

The closeout of a HOPWA grant does not affect any of the following:

- A. The right of HUD to disallow costs and recover funds on the basis of a later audit or other review. HUD must make any cost disallowance determination and notify the grantee within the record retention period ([2 CFR 200.345\(a\)\(1\)](#)).
- B. Records retention as required in [2 CFR 200.334](#) through [200.337](#) ([2 CFR 200.345\(a\)\(6\)](#)). The obligation to follow the applicable HOPWA recordkeeping requirements at [24 CFR 574.530](#) and [24 CFR 91.105\(h\)](#), [24 CFR 91.115\(g\)](#), and [24 CFR 91.401](#). For formula grants, the record retention period for HOPWA is the longer of 4 years (as specified by 24 CFR 574.530) or the period specified by 24 CFR 91.105(h), 24 CFR 91.115(g), and 24 CFR 91.401. For competitive grants, the record retention period is 4 years as specified by 24 CFR 574.530.
- C. The requirement of the grantee to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments ([2 CFR 200.345\(a\)\(2\)](#)).
- D. The ability of the Federal awarding agency to make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments ([2 CFR 200.345\(a\)\(3\)](#)).
- E. The audit requirements at 2 CFR Part 200, subpart F ([2 CFR 200.345\(a\)\(4\)](#)).

- F. Property management and disposition requirements in [2 CFR 200.310 \(Insurance coverage\) through 200.316 \(Property trust relationship\)](#) ([2 CFR 200.345\(a\)\(5\)](#)) and minimum use period required by [24 CFR 574.310\(c\)](#).

After closeout of the HOPWA grant, a relationship created under the grant may be modified or ended in whole or in part with the consent of HUD and the grantee, provided the responsibilities of the grantee referred to in [2 CFR 200.345\(a\)](#), including those for property management as applicable, are considered and provisions made for continuing responsibilities of the grantee, as appropriate ([2 CFR 200.345\(b\)](#)).

XI. Contact Information

Questions regarding the content of this notice may be directed to the Office of HIV/AIDS Housing's email box at HOPWA@hud.gov