



CCI Closeout Webinar Q&A

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Speakers

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Q&A

Reporting:

Q: If your award end date falls on the last day of your fiscal year, do you need to submit a second ARRA report for your closeout time period?

A: Yes, a recipient must submit an additional ARRA report to account for the final ASAP drawdown that will occur during the closeout period. ARRA reporting requires recipients to submit a quarterly report 10 -14 days after every quarter. A recipient may also need to submit an ARRA report for the quarter even after the award is closed out.

Q: If, at the end of the grant, the recipient's matching contribution is larger than originally budgeted, would NTIA and NOAA reduce the amount of Federal funds received? Would the additional match be captured in the quarterly Performance Progress Report (PPR) and Federal Financial Report (FFR)?

A: Recipients should report any additional match in the quarterly PPR and FFR. Matching contributions larger than originally budgeted will not result in any reduction of the federal funds for the project.

Q: Should the final SF-424C reflect the actual funds expended or the approved program budget?

A: The final SF-424C should reflect the actual funds expended.

Property documentation:

Q: On the property documentation forms, the SF-428 and SF-429, and UCC-1 filings, do you list the current fair market value or the acquisition cost?

A: The SF-428 and the SF-429 provide instructions pertaining to whether acquisition cost or current fair market value (or appraised value) should be used in assessing the value of the property. Please follow the applicable instructions in completing the SF-428 and SF-429, including all attachments thereto. For the UCC-1, the actual acquisition cost should be used. NTIA expects that the equipment is relatively new therefore there should be little difference from the purchase price.

Q: How do you document the acquisition cost if the property was purchased with a percentage of Federal funds and matching funds?

A: The acquisition cost should be listed as the actual cost to acquire the property and includes all federal and matching funds attributable to the acquisition of the subject property. In cases where a federal participation rate is required to be reported, recipients should use the overall Federal cost share percentage under the BTOP award and not the cost share percentage referenced in the project budget for a specific item of property. Funding for the project is fungible and, as such, recipients may not designate certain facilities as purchased or constructed solely with matching non-federal funds. If



a BTOP award has an 80 percent Federal and a 20 percent non-federal cost share percentage, the Federal participation relative to BTOP property acquisitions would be 80 percent, notwithstanding that the project budget relative to the specific property acquisition at issue may be greater or less than the overall cost share percentage under the BTOP award.

Q: If a recipient acquired the property with matching funds, is the property subject to the Federal Interest documentation requirements (e.g., Covenant of Purpose, Use and Ownership for real property or UCC-1 for personal property)?

A: Yes, real and personal property acquired or improved in whole or in part under a BTOP award is subject to the BTOP Federal Interest documentation requirements and recipients are required to record a Covenant of Purpose, Use and Ownership for real property, or file a UCC-1 for personal property. However, for previously acquired real or personal property that is contributed to a BTOP award as a recipient, subrecipient or third party in-kind matching contribution, recipients and subrecipients are not required to document or record evidence of the Federal Interest in such property to the extent that such property is not subsequently improved under the BTOP award. Please refer to the BTOP Fact Sheet discussing the Federal Interest Documentation Requirements for additional information.

Q: Are towers considered fixtures (real property) or equipment (personal property)?

A: A tower may be classified as equipment or a fixture (real property) depending on the construction process used to anchor the tower. Towers typically are fixtures due to the concrete foundations, and represent a change to the land. Regardless of whether the tower is classified as equipment or a fixture, the recipient or subrecipient will need to file a UCC-1 with the appropriate state office in accordance with that state's codification of the Uniform Commercial Code (UCC), Article 9 (for personal property not affixed to land) and/or recorded in the real property records of the jurisdiction where the real property is located if the assets are affixed to the land.

The recipient or subrecipient should consult the law of the state where the asset is located to determine whether it should be classified as real or personal property. If the state considers a fixture real property, then the recipient should report the tower on the SF-429. If the state considers fixtures to be personal property, then the tower should be reported on the SF-428.

Q: Is a Right-of-Way (ROW) considered real property or personal property?

A: NTIA classifies a ROW as real property. The recipient must ensure that the associated agreement with the ROW acknowledges the Federal Interest in the property, which should provide for a right of assignment if the recipient fails to act in accordance with the terms and conditions of the BTOP award. If no such language exists, then the recipient must file a covenant that acknowledges the Federal Interest.

Q: What is personal property and how long must a recipient keep an inventory of all equipment over \$5000?

A: Personal property covered under the Federal Interest requirement includes equipment, intangible property, and debt instruments, but not supplies (unless the residual inventory upon completion of the project exceeds \$5,000). The recipient is required to maintain inventory records for the useful life of the equipment, and at minimum, update the inventory every two years. NTIA encourages recipients to update equipment records annually in preparation for OIG audits. Even if the equipment's value falls below \$5,000, NTIA expects the recipient to record the equipment.



Q: What happens if a recipient would like to sell or dispose of BTOP funded equipment?

A: If the recipient is a state, then the applicable state laws and regulations would apply when the recipient wishes to sell equipment. While states and local governments fall under the same section of the Uniform Administrative Requirements (UAR), this does not apply to local governments, which the UAR specifically excludes from this opportunity. Therefore, if the recipient is a local government or other non-state entity, then it must contact NTIA and NOAA to receive permission to dispose of the asset through the federal property disposition process.

Q: How are vehicles reported? Must NTIA be included as a lien-holder on the title?

A: Vehicles purchased with BTOP funds should be recorded as personal property. NTIA will not require a recipient or subrecipient to indicate the Federal Interest on the vehicle's title, but they should file UCC documentation in accordance with the personal property requirements.

Allowable closeout activities and costs:

Q: What are examples of allowable closeout costs that can be charged during closeout?

A: Generally, and in accordance with the Department of Commerce's Standard Terms and Conditions for awards and the Office of Management and Budget (OMB) Cost Principles applicable to your award, allowable costs during the closeout period include costs associated with the actual preparation of final closeout documents. Such costs may include personnel costs to file final reports, accounting fees for audits, or attorney fees for UCC-1 filings. Costs associated with shutting down sites (i.e., the shipping costs required to return equipment) are also allowable. Please work with your grants specialist, closeout analyst, and FPO to determine reasonable costs for closeout. See 15 CFR § 14.71 and 15 CFR § 24.50.

Q: If construction was completed before the award end date, but the final invoicing occurs after the award end date, can you draw down for those costs during the closeout period?

A: Yes, recipients can draw down funds for work performed prior to the end date of the award and invoiced during the closeout period. A recipient has 90 days to reconcile those bills.

Q: Are attorney fees associated with UCC-1 filings conducted during closeout an allowable cost?

A: Yes, during closeout, attorney fees associated with UCC-1 filings are allowable costs. NTIA strongly recommends that all UCC-1 filings and other property records be submitted prior to the award end date to facilitate the closeout process.

Q: Do you have to competitively bid for attorneys and accountants associated with the closeout process?

A: No, NTIA understands that many recipients keep attorneys on retainer, which is an allowable cost under the OMB Cost Principles. The recipient is required to follow the procurement standards set forth in 15 CFR §§ 14.40-14.48 and 15 CFR § 24.36 (as applicable). For final audit requirements, recipients may use the same independent accountants from previous award audits, provided that the recipient competitively bid those services in accordance with the applicable provisions of the (UAR) for the award.



Q: Can work continue on the project during the closeout period if the work performed is not paid for with federal funds?

A: If the work you plan to perform during closeout is part of your original BTOP project plan, then, no, work may not continue during the closeout period. Your project would be considered to be incomplete at the time of the award end date. If you anticipate that your project will not be complete by your award end date, and the costs associated with the remaining activities are allowable and applicable to the BTOP project, you should seek a no-cost extension for the project.

Q: Can a recipient use grant funds to pay for the audit even if the audit is due 90 days after closeout period?

A: Yes. The audit is due 90 days after the closeout period so that it may cover expenses incurred and invoiced during closeout. NTIA expects that the audit should be nearly complete by the end of the closeout period.

Other:

Q: How would a no-cost extension impact a recipient's matching percentage?

A: A no-cost extension does not impact the recipient's match and matching requirements; thus, under a no-cost extension, match and matching requirements remain the same. The extension will enable a recipient to complete its BTOP project with remaining grant funds. Those funds may be a combination of federal and matching funds, and the recipient may only expend funds in budget categories from an approved budget.

Q: Will NTIA support staff exist beyond the project's expiration to assist with potential OIG audits within the three year post-award time frame?

A: NTIA anticipates staff will remain to assist recipients.

Q: Where can you find templates or list of required documents needed in the final closeout documentation?

A: To assist BTOP recipients in preparing for closeout, please view the resources and closeout materials on NTIA's website: <http://www2.ntia.doc.gov/compliance#closeout>.