



# PREPARING FOR CLOSEOUT MONITORING HOME & CDBG

Contains Audio



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# CLOSEOUT DEFINITION

The project is considered closed and complete when the following requirements are met:

- ✓ All title transfer requirements and construction work have been completed
- ✓ Completed a physical inspection by a IHCDCA inspector
- ✓ Completed a closeout monitoring by a IHCDCA auditor
- ✓ Received a monitoring clearance letter from IHCDCA auditor
- ✓ All claims have been disbursed for the project
- ✓ Received a closeout packet and affordability requirements from IHCDCA auditor



# STEPS TO CLOSEOUT....

## Step 1: Scheduling – physical inspection

- Schedule inspection with IHEDA inspector

## Step 2: Submit Closeout Documents

- Fill out closeout documents and submit to the Accounting department
- IHEDA Accounting will forward closeout documents to regional Compliance Auditor

## Step 3: Scheduling – file monitoring

- Respond to regional Compliance Auditor monitoring request

## Step 4: Preparing files for the monitoring

- Organize files according to the checklist

## Step 5: Monitoring Results

- Receive results letter, if issues found - 30 days to respond formally

## Step 6: Monitoring Clearance

- Receive clearance letter when all findings/concerns are resolved

## Step 7: Submit final claim

## Step 8: Closeout

- Receive closeout packet and start the affordability period compliance



# STEP 1: SCHEDULING – PHYSICAL INSPECTION

- All IHCDCA-assisted units must be inspected twice during the award period
- First inspection – at the completion of the documented scope of work and prior to IHCDCA’s final physical inspection
- Second inspection or final physical inspection – upon completion of the construction and prior to closeout
- Useful tip: recipient should schedule final inspection before submitting closeout documents (step 2) to avoid delay in close of grant.



# STEP 2: SUBMIT CLOSEOUT DOCUMENTS

- When all activities are complete, recipient will submit completion report to Real Estate Funds Management to initiate the closeout monitoring process
- A complete closeout document includes the following items:
  - Match document/report (if applicable)
  - Recorded Lien and Restrictive Covenant Agreement (s)
  - Beneficiary reports
  - Insurance (if applicable)
- Once the package is complete, Funds Management will deliver closeout package to the regional Compliance Auditor
- Note- Recipient should be aware of the award expiration date and request an extension if project can't be completed in time



## STEP 3: SCHEDULING – FILE MONITORING

- IHCD regional Compliance Auditor will contact the recipient once receives closeout package from Funds Management (refer to Step 2)
- Recipient chooses the date and the location for the file monitoring
- A “Monitoring Confirmation” letter will be issued with following details:
  - Date and Time
  - Location
  - File checklist specific to the award – to be organized in listed order
- IHCD regional Compliance Auditor may decide to perform a “desktop” closeout monitoring when the file sample is less than 3 beneficiaries.



# STEP 4: PREPARING FILES FOR THE MONITORING

- The Monitoring Confirmation letter outlines the required documents and folders to be presented at the time of monitoring
  - Client Eligibility and tenant files
  - Procurement
  - Davis Bacon (if applicable)
  - Fair Housing
  - URA
  - Award Conditions
  - Financial
- Communicate with your regional Compliance Auditor early if there are any questions
- Items not found in the folder will be considered as a finding





# STEP 5 &6: MONITORING RESULTS AND CLEARANCE

- A review letter will be submitted to the recipient within thirty (30) days of completion of the monitoring
- Monitoring results and issues summary letter –
  - The issues summary will summarize a list of findings and concerns in each category and its required corrective actions to resolve these issues
  - A written response to any findings and concerns are required within thirty (30) days of receipt of the letter
- Monitoring Clearance letter –
  - No issues that need further clarifications
  - Completion of the file closeout monitoring
  - Beginning of award closeout process



## STEP 7: SUBMIT FINAL CLAIM

- Recipient can now submit or re-submit the final claim to IHEDA once receiving the Closeout Clearance letter (step 6)
- Tips- If the final claim has been previously submitted prior to closeout monitoring, it will be denied from the system. Re-submitting the final claim simply by clicking on that claim receipt number online.



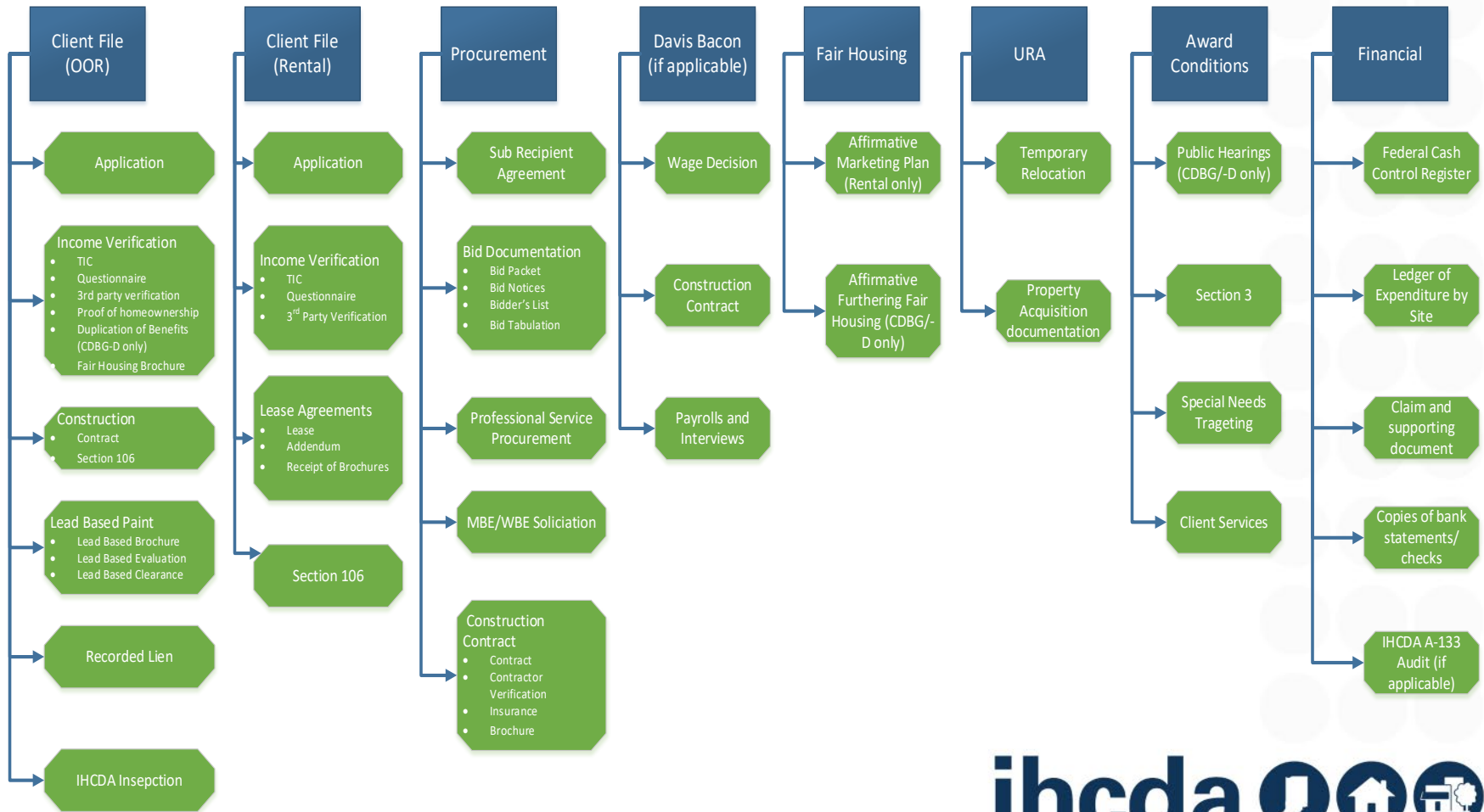
# STEP 8: CLOSEOUT

- Recipient will receive a closeout packet from the regional Compliance Auditor
- A Closeout packet includes
  - Official closeout letter and associated affordability requirement
  - Financial summary of the project
  - Applicants and Beneficiary Summary of the project
  - Beneficiary report
  - Match report

## Helpful note-

- The affordability period begins after recipient receives the final closeout letter
- The final closeout letter shows when the project is considered complete
- Submitting IHCD's project completion report (refer to step 2) does not constitute the beginning of the affordability period

# FILE ORGANIZATION AT A GLANCE



# COMPLIANCE MAP



## Real Estate Department Compliance and Asset Management

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**Note:** Marion Co. is handled by all compliance staff for ongoing rental projects. Actual auditor may deviate slightly from this map based on work load



## TAKE AWAY POINTS

- Closeout process steps 1-8
- Start of affordability period
- File organization
- Contact regional Compliance Auditor early

**THE END**  
**THANK YOU FOR ATTENDING**