

Frequently Asked Questions EAC Closeout Processes

Question: What is the timeline for closeout?

In general, EAC will close grants for which a final Federal Financial Reports (FFR) and progress report have been submitted within 120 days of receipt of the reports. This provides both EAC and grantees time to complete all required steps. As part of the closeout process, EAC needs to confirm the disposition of any equipment bought with grants funds that has a current fair market value over \$5,000, any unused supplies with a current aggregate fair market value over \$5,000 and any amounts owed back to the U.S. Treasury.

Question: What are the steps in the process?

When the grantee notifies the EAC that they are ready to submit a final FFR and progress report, we will send out an email to the state election office staff with close out instructions that includes a certification letter the state must submit. The letter will describe the disposition of equipment and supplies bought with grant funds and include an inventory of equipment bought with grant funds that has a current fair market value over \$5,000. States must also close out any subgrants under the grant as part of the process, ensuring the subgrantees have completed required financial and programmatic reporting and confirming the disposition of equipment bought with subgrant funds. Once EAC receives and reviews the FFR, progress report and certification letter and any unexpended federal or interest balances are returned, we will issue a formal closeout letter describing the requirement for record retention and any other remaining responsibilities.

Question: What is the definition of equipment?

The regulation at 2 CFR 200.33 defines equipment as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or a lesser amount if the state has a lower threshold.

Question: Does the equipment inventory we need to send to EAC include all equipment that was purchased over \$5,000?

Answer: At closeout, states only need to provide an inventory list for any equipment that has a current fair market value over \$5,000. If states subgrant funds, they are responsible for determining the disposition of equipment by their subgrantees.

Question: What is fair market value and how do we determine it?

Answer: Fair market value is what a reasonable third party would be willing to pay. The resale value is the same as fair market value. We would expect the resale value to be less than what the jurisdiction originally paid for the supplies unless there is an extreme shortage and high demand, but you shouldn't assume that the value would be reduced without doing some documented market research.

You can access online reseller resources to determine fair market value and document your methodology. You could also provide guidance to your counties to access online resources, e.g. Amazon, eBay or other reseller marketplaces, to see what the unused supplies they have are selling for on the open market.

Question: If my state provided subgrants to county governments and they purchased equipment with that, does that also need to be reported on the equipment inventory?

Answer: States are not required to submit inventories from their subgrantees to EAC, but states must oversee equipment purchases by their subgrantees and determine their disposition when the grant ends. States will submit inventories to EAC for equipment the state agency bought for its own use, but only for equipment that still has a current per unit fair market value over \$5,000. For subgrantees, states follow the regulations at 2 CFR 200.305 which describe the requirements for managing and disposing of equipment. At closeout, states should request and review an inventory of equipment with a current fair market value over \$5,000 and determine how those subgrantees will continue to use and maintain the equipment. If the subgrantees are not going to continue to use the equipment for HAVA purposes, contact EAC to determine disposition of the equipment. If subgrantees will continue to use the equipment for election purposes, states will certify that subgrantees have met all financial and programmatic requirements under the grant and that equipment will continue to be used for HAVA purposes.

Question: What is the inventory process for equipment?

Answer: Generally, states are required to follow their own laws and procedures for using, managing and disposing of equipment during the grant period. Absent state procedures you can find the minimum requirements in 200.313 for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place.

Property records must be maintained through the life of the property that include:

- a description of the property,
- a serial number or other identification number,
- the source of funding for the property (including the FAIN),
- who holds title,
- the acquisition date,
- cost of the property,

- percentage of Federal participation in the project costs for the Federal award under which the property was acquired,
- the location,
- use and condition of the property,
- Status of the property including any ultimate disposition data including the date of disposal or sale price of the property.

If states subgrant funds, they must ensure their subgrantees follow the requirements at 2 CFR 200.313 for equipment which provide the parameters for equipment inventories. This is a long-standing requirement under federal grants. At closeout, grantees inform EAC how any remaining equipment will be used once the grant closes.

Question: How do I access my final reports in GrantSolutions?

Answer: In GrantSolutions, open the reports for the current reporting period and select "Final" as the Report Type. Additional fields will populate for final progress reports.

Keep in mind that final reports cover the full period of the grant and should describe activities and accomplishments during the entire grant period for each required question. Responses should not be limited to activities from the last fiscal year.

Question: The progress report asks to report on the number and type of articles of voting equipment obtained with the funds, including the amount expended on the expenditure table. Do we need to provide the entire list of voting equipment for the final report?

Answer: For annual and mid-year reports you should have this content ready for reporting. For the final report, you can summarize the data in the narrative and supplement later with an inventory list as part of the closeout process. You can include in your response that you will provide the full inventory list in your closeout documents.

Question: At closeout if there is a balance of unspent federal interest, does it need to be returned to EAC? If so, what is the threshold?

Answer: Any unspent federal interest must be returned to EAC. Interest earned amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense.

If you made subgrants to local governments and required them to deposit funds in an interest-bearing account, they may keep up to \$500 for administrative costs, but must return any earned interest above that amount to the state.

The state must roll up any interest returned from subgrants along with unexpended interest earned at the state level to EAC. We will work with you when you are ready for closeout to determine the interest amount that must be returned to EAC.

Question: If we have not used our full federal grant, will our state obligation will be changed?

Answer: Yes, once we determine the award amount that is to be returned to EAC, we will adjust your next FFR to reflect the decrease in federal award and the required match will be applied according to the updated federal award.

Question: If we earn interest on the unliquidated obligations balance for our CARES grant after December 31, 2020 how should we report it?

Answer: If you have a federal unexpended or unliquidated balance as of December 31, 2020, you will likely continue to earn interest until closeout and will report cumulative interest earned and expended as usual on the next FFR on Line 10l – 10o. EAC will collect unexpended interest separately from any unexpended balance of federal funds after the state repays the unexpended federal amounts. States will calculate the amount of cumulative unexpended interest earned under the CARES grant up to the date the federal funds are returned to EAC and work with EAC to complete the collection process.