

WEATHERIZATION ASSISTANCE PROGRAM CLOSEOUT  
FREQUENTLY ASKED QUESTIONS

**INVENTORY CONTROL**

**1. Q: How should local agencies deal with bulk purchasing of weatherization materials?**

A: Local agencies should plan any purchase of materials based on projected needs for completing Recovery Act production. Grantees should monitor local agencies to make sure they have adequate inventory systems to manage and account for materials purchased for the WAP.

**2. Q: When Recovery Act ends there will most certainly be materials left in inventories. How do local agencies deal with weatherization materials and supplies on hand at the end of the project period?**

A: (a) Title to supplies acquired under a grant or subgrant will vest, upon acquisition, in the Grantee or Subgrantee respectively.

(b) Grantees and Subgrantees may use inventories for Weatherization work being performed under the annual appropriated grant or on any other federally-funded project or program. If none, then they can seek disposition.

(c) Disposition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally-sponsored programs or projects, the Grantee or Subgrantee shall compensate the awarding agency for its share and may retain or sell the supplies or materials without further obligation to the agency. [10 CFR 600.233](#)

**3. Q: Can remaining inventory be transferred to the regular appropriated WAP grant?**

A: Yes. However, it is incumbent on the Grantee and Subgrantee to ensure that the tracking and accounting of the remaining inventory is in accordance with their established policies and procedures. [10 CFR 600.233](#)

**MATERIALS**

**1. Q: Can Recovery Act purchased materials be carried forward beyond March 31, 2012?**

A: Yes. However, it is incumbent on the Grantee and Subgrantee to ensure that the tracking and accounting of the remaining inventory is in accordance with their established policies and procedures. It is not recommended that large amounts of inventory are retained and transferred between recovery act and appropriated funds. Unused funds for inventory become unexpended Recovery Act funds and would be returned to the US Treasury. Material balances should follow State and Federal disposition requirements. [WPN 12-3](#)

## **POST-PROJECT PERIOD ADMINISTRATIVE COSTS**

- 1. Q: How should Grantees/Subgrantees approach closeout costs (e.g. data collection; reporting; inventories; financial audits; monitoring; transfer of assets and disposition; transfer of records; consolidation)?**

A: It is incumbent upon the Grantee/Subgrantee to manage existing grant funds to ensure that adequate funds remain to complete ALL closeout activities in accordance with the grant requirements (90 days after expiration of the grant award). Grantee administrative dollars may be used to perform closeout activities within this 90-day timeframe.

- 2. Q: Does DOE plan on allowing Grantees/Subgrantees to use regular appropriated WAP funding to pay for Recovery Act closeout costs?**

A: No. WAP regular appropriated funds cannot be used for closeout of Recovery Act grants. It is incumbent upon the Grantee and local agencies to manage existing grant funds to ensure that adequate funds remain to complete ALL closeout activities in accordance with the grant requirements (90 days after expiration of the grant award). [WPN 12-3](#)

- 3. Q: How should Grantees fund Subgrantee costs for closeout?**

A: Grantees must manage their Recovery Act grant(s) to ensure that adequate funds remain to complete ALL closeout activities in accordance with the grant requirements. Grantee administrative dollars may be used to perform closeout activities within the closeout period but must not exceed the limits on grant funds used for administrative purposes set forth in 10 CFR 440.18(e). [WPN 12-3](#)

- 4. Q: Can Subgrantees spend Recovery Act funds on the final inspection of completed units after March 31, 2012?**

A: No. WPN 12-3 stipulates that all units be completed and inspected prior to March 31, 2012.

- 5. Q: Can Grantees spend Recovery Act funds to complete monitoring activities after March 31, 2012?**

A: No, Recovery Act funds may not be spent after March 31, 2012. Grantees must complete all monitoring activities as stipulated in their approved Recovery Act Plan. If a Subgrantee reports a unit complete near or on March 31, 2012 and Grantees are unable to meet the monitoring requirements identified in their plan until after March 31, 2012, then these activities must be paid for with regular appropriated funds. Grantees shall work with their respective Project Officer and Contracting Specialist regarding the use of regular appropriated funds for these monitoring requirements.

Be advised that Recovery Act funds can be used in conjunction with other funding as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related guidance. **Note: This flexibility applies to Grantees only.**

**6. Q: How do Grantees handle units with unresolved issues after March 31, 2012?**

A: WPN 11-3, *Policy Regarding the Use of DOE Program Funds to Pay for Call-Back/Add-On Work after Reported to DOE as a Completed Unit*, provides the method to address these issues. [WPN 11-3](#)

**7. If a local agency is defunded and part of the Grantee resolution is re-inspecting units, how can the Grantee continue this process after the Recovery Act ends?**

A: WPN 11-3, *Policy Regarding the Use of DOE Program Funds to Pay for Call-Back/Add-On Work after Reported to DOE as a Completed Unit*, provides the method to address these issues. [WPN 11-3](#)

**8. Q: How should Grantees handle units that are not completed by March 31, 2012?**

A: WPN 12-3 stipulates that all units be completed and inspected prior to March 31, 2012. However, in those instances where this is not possible, Grantees should follow WPN 11-3, *Policy Regarding the Use of DOE Program Funds to Pay for Call-Back/Add-On Work after Reported to DOE as a Completed Unit*, provides the method to address these issues. [WPN 12-3](#) and [WPN 11-3](#)

**9. Q: How do Grantees and Subgrantees pay for the costs associated with the National Evaluation of activities, including SERC, after March 31, 2012?**

A: The costs associated with all Recovery Act evaluation related activities prior to March 31, 2012 are to be paid for with existing Recovery Act grant funds. After March 31, 2012 the Grantees and Subgrantees can charge their WAP regular

appropriated funds for these costs. The tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related guidance.

**10. Q: Can Recovery Act funds spent after March 31, 2012 be used to collect and monitor utility usage for SERC projects?**

A: No. The program guidance stipulates that all Recovery Act funds must be spent prior to March 31, 2012. No monitoring should occur after the performance end date March 31, 2012. Grantee monitoring plans should account for SERC projects. After March 31, 2012 the Grantees and Subgrantees can charge their WAP regular appropriated funds for these costs. The tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related guidance.

**11. Q: Can Grantees spend Recovery Act funds past March 31, 2012 to monitor savings metrics?**

A: No. Grantees should have budgeted for metric tracking/evaluation and those funds should already be obligated and spent by the end of the award period, March 31, 2012. After March 31, 2012 the Grantees and Subgrantees can charge their WAP regular appropriated funds for these costs. The tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related guidance.

**CLOSING AGENCIES**

**1. Q: Where do we get guidance regarding how to close Subgrantees?**

A: See [WPN 11-14](#): Updated Subgrantee Selection Guidance. This Document Supersedes WPN 96-4 Issued January 26, 1996.

**DAVIS-BACON**

**1. Q: If materials were purchased with Recovery Act funds, do Davis-Bacon wages apply in installing those materials on projects completed after March 31, 2012?**

A: No. The installation of remaining materials purchased with Recovery Act funds will not trigger the Davis-Bacon Act requirements on projects started after March 31, 2012. All Recovery Act funded projects started prior to March 31, 2012, must be completed prior to March 31, 2012. WAP grantees are reminded that stockpiling materials is not allowed.

**2. Q: Will any aspects of the Davis-Bacon Act apply after March 31, 2012?**

A: Yes. While Davis-Bacon wage rates and other requirements are not applicable to weatherization work funded with annual appropriations, there are certain DBA requirements that will continue for all weatherization work funded with Recovery Act funds. Grantees and Subgrantees, in accordance with DOL regulations and grant requirements, must continue DBA compliance requirements, in particular collecting final certified payrolls, reviewing the submitted certified payrolls, and maintaining all certified payrolls and other records for a period of three years following the submission of the final cost report for the grant. Contractors must maintain payroll records and supporting documentation for a period of three years following the end of the contract. These records must be made available to DOE, DOL, or other interested parties upon request. [10 CFR 600.242](#)

**3. Q: Do Subgrantees and their contractors have to continue to address wage concerns from DBA covered employees after March 31, 2012?**

A: Yes. The DOE Contracting Officer must be notified of all disputes and complaints regarding DBA compliance. If the Subgrantee and Grantee are unable to resolve the DBA issues, the DOE may involve the Department of Labor to obtain final resolution.

**EQUIPMENT and VEHICLES**

**1. How do Grantees and Subgrantees dispose of vehicles and equipment purchased with Recovery Act funds?**

A: Vehicles and equipment purchased under the Recovery Act grant may be transferred to the annual appropriated grant and used by the Grantee or Subgrantee for its intended purpose, performance of weatherization activities. If the vehicles and equipment are no longer needed for their original project or program, then the Grantee or Subgrantee may use them for other federally-supported activities or programs. If there is no need then they must be disposed of in accordance with the financial assistance regulations in 10 CFR 600. Grantees and Subgrantees must look at the value of the item in order to determine the appropriate disposition method. Subgrantees must refer to the respective sections in 10 CFR for disposition depending on the type of entity they are; non-profit Subgrantees refer to 600.134 and for-profit subgrantees refer to 600.321. [10 CFR 600.232](#) (b)-(e)

**2. Q: Should we still be considering approval of vehicle purchases that are not replacement items, now that we are over halfway through the Recovery Act? Is there a cutoff date for purchasing vehicles with Recovery Act funds?**

A: As a general rule, DOE will not approve the purchase of any vehicles using Recovery Act funds from October 14, 2011 forward. Grantees and Subgrantees

will be required to use existing fleets to meet the production needs between now and the end of the performance period. Any request to purchase vehicles based on extenuating circumstances will be addressed on a case-by-case basis by the Project Officer. [WPN 12-3](#)

**3. Q: What should Grantees and Subgrantees do if additional vehicles are needed in order to complete Recovery Act activities?**

A: As a general rule, DOE will not approve the purchase of any vehicles using Recovery Act funds from October 14, 2011 forward. Grantees and Subgrantees will be required to use existing fleets to meet the production needs between now and the end of the performance period. Any request to purchase vehicles based on extenuating circumstances will be addressed on a case-by-case basis by the Project Officer. [WPN 12-3](#)

**4. Q: What is the guidance governing the disposition of vehicles and capital equipment (less than \$5,000) that were purchased with Recovery Act funds?**

A: For Grantees, vehicles and equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency (i.e. DOE). Subgrantees shall follow their respective Grantee property policies and procedures and those contained in 10 CFR 600.

**5. Q: How are vehicles purchased with Recovery Act funds transferred from the Recovery Act grant onto the WAP regular appropriated grant?**

A: Vehicles and equipment purchased under the Recovery Act grant may be transferred to the annual appropriated grant and used by the Grantee or Subgrantee for its intended purpose, performance of weatherization activities. If the vehicles and equipment are no longer needed for their original project or program, then the Grantee or Subgrantee may use them for other federally-supported activities or programs. Grantees should transfer vehicles from the Recovery Act grant to the WAP regular appropriated grant in accordance with the Grantee's property procedures which should address inventory, tracking and reporting. . Items being transferred need to be accurately reflected in the reports submitted to DOE for both the Recovery Act grant and the WAP regular appropriated grant. It is the Grantee's responsibility to manage and track all vehicles and equipment. [10 CFR 600.232](#)  
(b)-(e)

**6. Q: A number of vehicles will not be needed after ramp down. What are the recommended processes for disposition and return of funds to an award (Recovery Act or WAP regular appropriated grants)?**

A: For vehicles and equipment with a current per-unit fair market value of less than \$5,000 see answer to Question 4 above.

For vehicles and equipment with a current per-unit fair market value in excess of \$5,000 Grantees shall refer to 10 CFR 600.232; Subgrantees shall follow 10 CFR 600 and their respective Grantee’s property policies and procedures. [10 CFR 600.232](#) (b)-(e)

Grantees shall work with their respective Project Officer and Contracting Specialist regarding the return of funds to DOE.

**7. Q: Do vehicles purchased with Recovery Act funds become “government provided property” under the WAP Regular Appropriated grant?**

A: No. Vehicles transferred from the WAP Recovery Act grant to the WAP Regular Appropriated grant are still considered “Grantee/Sub-Grantee-Acquired Property.”

**8. Q: What do we do with vehicles purchased by agencies that are not going to be funded post-Recovery Act?**

A: Any Subgrantee organization with a vehicle purchased under the Recovery Act grant must follow disposition rules identified in 10 CFR 600. [10 CFR 600.232](#)

## **FINANCIAL**

**1. Q: How should Grantees reallocate Recovery Act funds among Subgrantees?**

A: Grantees should have identified in their state plans if and how funds were to be reallocated among Subgrantees to fully expend Recovery Act funds. If this was not addressed in their DOE approved state plans, then Grantees will need to hold a public hearing. [10 CFR 440.14](#) and [10 CFR 440.15](#)

**2. Q: How will the cost of A-133 financial audits be paid after Recovery Act performance period?**

A: Financial audit costs will be recovered by the Grantee in accordance with the Grantee’s standard financial and administrative operating procedures. Reference A-133 Rule.

**3. Q: How will findings with an A-133 audit be resolved by the Grantee?**

A: Grantee’s shall follow their established procedures for resolving A-133 audit issues. Findings identified in an A-133 audit must be reconciled between the Subgrantees and the Grantee.

4. **Q: How will disallowed costs be addressed/reconciled as a result of the A-133 audit?**

A: A-133 disallowed costs associated with the Recovery Act grant will be addressed/reconciled during the closeout process. Any reallocation must comply with Grantee, DOE and A-133 requirements.

5. **Q: Although Program Income is to be spent first, what will happen to any residual Program Income? Does it disappear or can it be spent to do additional weatherization activities after the Recovery Act period is over?**

A: In accordance with the Grant terms and conditions, program income earned during the award period shall be added to the funds committed to the grant agreement and used for the purposes and under the conditions of the grant agreement (10 CFR 600.225 (g) (2)). DOE would encourage additional homes to be completed within this period.

There are no Federal requirements governing the disposition of Program Income earned after the end of the award period, unless the terms of the agreement or the Federal agency regulations provide otherwise. [10 CFR 600.225 \(h\)](#)

6. **Q: At closeout, how should funds drawn in excess of need be handled? Would a check be sent to the Treasury?**

A: Grantees should return the funds to the Automated Standard Application for Payment System (ASAP) through their financial institution via FEDWIRE. Returned payments are monitored by the Regional Finance Center and must be correctly identified and processed so they can be classified back to the correct account. If for some reason a Grantee is unable to process a reverse electronic payment, Grantees can send a check for the appropriate amount (made out to the U.S. Department of Energy) to the cognizant Contracting Officer/Contract Specialist. Grantees must include the grant number on the check for tracking purposes.

## **INSURANCE**

1. **Q: Can insurance coverage be extended beyond March 31, 2012 in the event of potential claims?**

A: No, these are term insurance policies with a definite expiration date. In order for previous work to be covered, a continuation of the current policy must occur.

## **MONITORING**

1. **Q: How are Grantees to fund cost of Institute of Building Technology and Safety (IBTS) Quality Assurance visits post March 31, 2012?**

A: IBTS is not expected to be escorted to homes by Grantee or Subgrantee staff. Of course if Grantee and/or Subgrantee staff wishes to participate in these visits they are welcome to do so. If there are costs incurred post March 31, 2012 for this purpose these costs can be charged to the DOE regular appropriated program. The tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related guidance. [10 CFR 600.223](#)

## **PRE-PAID COSTS**

1. **Q: The rent for local agency office and warehouse space is often paid ahead of time (maybe a quarter or two, or perhaps even a year). Is there are problem using Recovery Act funds for this as long as the expenditure occurs prior to March 31, 2012?**

A: Recovery Act funds can be used for rent as long as the expenditure and rental period does not go beyond the end of the grant period, which is March 31, 2012. A check must be written on or before March 31, 2012 and can only cover costs through March 31, 2012.

2. **Q: Are there written limits or guidelines Grantees and Subgrantees should follow related to pre-paid costs?**

A: Grantees and Subgrantees can not charge expenditures for pre-paid costs beyond the end of the grant period. Grantees and Subgrantees should follow their respective OMB guidance for allowable costs.

## **PRODUCTION**

1. **Q: How do we deal with production reporting after the project performance end date?**

A: Grantees are advised that any weatherization work undertaken using Recovery Act funds must be completed and inspected, and all necessary monitoring and follow-up activities must be completed, by the performance period end date of the grant. If costs are incurred after the performance period, these costs must be covered by another funding source. The only exception is minimal administrative costs that may be incurred within 90 days after the performance period end date for closeout and final reporting. [WPN 12-3](#)

**2. Q: How do we handle Recovery Act projects in progress after the end date of the grant, March 31, 20?**

**A:** Grantees are advised that any weatherization work undertaken using Recovery Act funds must be completed and inspected, and all necessary monitoring and follow-up activities must be completed, by the performance period end date of the grant. If costs are incurred after the performance period, these costs must be covered by another funding source. The only exception is minimal administrative costs that may be incurred within 90 days after the performance period end date for closeout and final reporting. [WPN 12-3](#)

**3. Q: What is the last date agencies should begin multifamily work to be sure the work is completed by closeout?**

**A:** If any multi-family project is incomplete at the end date of the performance period, only those costs incurred prior to the performance period end date may be charged to the Recovery Act grant. [WPN 12-3](#)

**4. Q: Can invoices for work completed before March 31, 2012, but submitted for payment after that date be paid for with Recovery Act funds?**

**A:** Yes, as long as the work included in the invoice was completed and inspected on or before March 31, 2012.

**5. Q: Toward the end of the Recovery Act grant period, how does the Grantee handle units in progress?**

**A:** Grantees are advised that any weatherization work undertaken using Recovery Act funds must be completed and inspected, and all necessary monitoring and follow-up activities must be completed, by the performance period end date of the grant. If costs are incurred after the performance period, these costs must be covered by another funding source. The only exception is minimal administrative costs that may be incurred within 90 days after the performance period end date for closeout and final reporting. [WPN 12-3](#)

**6. Q: Since the Recovery Act prohibits the co-mingling of funds, how will units audited, but not completed be transferred to regular appropriated WAP funds? Or is this prohibited?**

**A:** Grantees are advised that any weatherization work undertaken using Recovery Act funds must be completed and inspected, and all necessary monitoring and follow-up activities must be completed, by the performance period end date of the grant. If costs are incurred after the performance period, these costs must be covered by another funding source. The only exception is minimal administrative costs that may be incurred within 90 days after the performance period end date for closeout and final reporting. [WPN 12-3](#)

In rare instances when work is not completed on Recovery Act units, the Grantees and Subgrantees should follow the guidance provided in [WPN 11-3](#), *Policy Regarding the Use of DOE Program Funds to Pay for Call-Back/Add-On Work after Reported to DOE as a Completed Unit*, provides the method to address this issue.

As a reminder, [WPN 09-1B](#) Section 2.5 Budget, issued March 12, 2009, specifically prohibits the co-mingling of Recovery Act funds and any type of Federally-appropriated funds. No part of the funds from the Recovery Act shall be commingled with any other funds or used for a purpose other than that of making payments for costs allowable for Recovery Act projects.

**7. Q: When production ends on March 31, 2012 do Historic Preservation reporting requirements continue?**

A: Any unit(s) not included in the Historic Preservation report for the period ending during the closeout would be included in the next reporting period due after March 31, 2012. Historic Preservation reporting is likely to continue for the WAP regular appropriated program.

## **SUSTAINABLE ENERGY RESOURCE FOR CONSUMERS (SERC) GRANTS**

**1. Q: Do SERC activities have to be completed by March 31, 2012?**

A: Yes, SERC is part of the Recovery Act grants and must be completed by March 31, 2012.

**2. Q: My State has spent out of all Recovery Act funding except for the SERC grants, which only went to certain Subgrantees. Do I have to wait until all funds are expended, including SERC, to close out my Recovery Act grant?**

A: Yes. The SERC funding is part of the Recovery Act grant, thus that grant cannot be closed out until all Recovery dollars are spent or the performance period has ended. However, to facilitate the orderly closeout process while minimizing the workload, DOE recommends that Grantees begin closeout of their individual activities and/or Subgrantees as they are completed.

## **UNEMPLOYMENT**

**1. Q: How will agencies handle unemployment insurance cost increases as a result of Recovery Act layoffs?**

A: Unemployment taxes are collected from an employer based upon the gross wage paid to all employees of the firm. The cost to the employer is reflected each year when the amount of unemployment collected by employees of that firm is tallied up. The upcoming year's assessment may well go up for the employer based upon how much unemployment compensation is collected against the firm's record.

2. **Q: How will agencies address changes to unemployment insurance costs for employees hired with Recovery Act funds?**

A: These costs will vary from one Grantee to the next. Grantees and Subgrantees should contact their respective state employment agency for specific guidance.

3. **Q: Can Recovery Act funds be used after March 31, 2012 to make contributions to unemployment?**

A: No, Recovery Act funds cannot be used after March 31, 2012 for this purpose or any other purpose. The only exception is minimal administrative costs that may be incurred within 90 days after the performance period end date for closeout and final reporting. [WPN 12-3](#) However, indirect costs incurred due to increased unemployment insurance will be negotiated with the Contract Officer and Contract Specialist during the next grant period.

### **WEATHERIZATION TRAINING CENTER (WTC) GRANTS**

1. **Q: Do training centers have to be closed out by March 31, 2012?**

A: No. Training center awards do not end on March 31, 2012.

2. **Q: Does having training center grant(s) within my State affect my ability to close out by Recovery Act grant?**

A: No. WTC awards are different agreements and do not affect the close out of the Grantee Recovery Act award.

### **CALL BACKS**

1. **Q: Can Subgrantees use Recovery Act funds to pay for callbacks that occur after March 31, 2012?**

A: No. Units completed using Recovery Act funds that require call back to address necessary repairs or missed opportunities cannot be paid for with Recovery Act funds. [WPN 11-03](#).