

- A. **Budget Reconciliation:** Budget estimates are not used as support for charges to Federal awards. However, MC² may use budget estimates for interim accounting purposes. The system used by MC² to establish budget estimates produces reasonable approximations of the activity actually performed. Any significant changes in the corresponding work activity are identified by MC² and entered into MC²'s records in a timely manner.

MC²'s internal controls include a process to review after-the-fact interim charges made to a Federal award based on budget estimates and ensure that all necessary adjustments are made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

- B. **Grant Closeout Requirements:** At the end of the period of performance or when the Federal awarding agency determines MC² has completed all applicable administrative actions and all required work under the grant, the agency will close out the federal award. If the award passes through the State, MC² will have 90 days from the end of the period of performance to submit to the State all financial, performance, and other reports as required by the terms and conditions of the award.

Failure to submit all required reports within the required timeframe will necessarily result in the Federal awarding agency reporting MC²'s material failure to comply with the terms of the grant to the Office of Management and Budget (OMB) and may pursue other enforcement actions.

MC² must maintain all financial records and other documents pertinent to the grant for a period of three years from the date of submission of the final expenditure report, barring other circumstances detailed in 2 CFR 200.344.

Revision History:

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