U.S. Department of the Treasury
Homeowner Assistance Fund (HAF): Closeout Resource

The following information is to be used as a resource by HAF recipients ("recipients")[1] for closeout of their Homeowner Assistance Fund (HAF) awards. The period of performance for HAF awards (including Tribal allocation adjustment payments, as applicable) ends on September 30, 2026.

- **Section I** of this document details closeout information and resources.
- **Section II** of this document provides additional post-closeout compliance reminders.

Recipients are advised to monitor the HAF Guidance page on Treasury's website for additional compliance resources.

Section I: Closeout Information and Resources

General Closeout Overview

The purpose of award closeout is to ensure that:

- recipients have completed the HAF award objectives as outlined in their HAF plan.
- HAF Final Reports indicate that HAF award funds were expended on allowable costs.
- any balances of unobligated and unexpended funds remaining on the HAF award are returned to Treasury.
- a proper accounting of any real or tangible personal property purchased with HAF award funds is submitted.
- recipients certify that the data submitted in the HAF Final Reports comply with the terms and conditions of the HAF Financial Assistance Agreement (HAF FAA).[2]

The period of performance (POP) for HAF awards ends on September 30, 2026 (end of the award term), which marks the last day that recipients may obligate HAF award funds for administrative and program expenses, and such obligations must be paid in full within 120 calendar days after September 30, 2026 to facilitate inclusion of those transactions in the Final Reports.

For the purposes of this document, please note the following distinctions:

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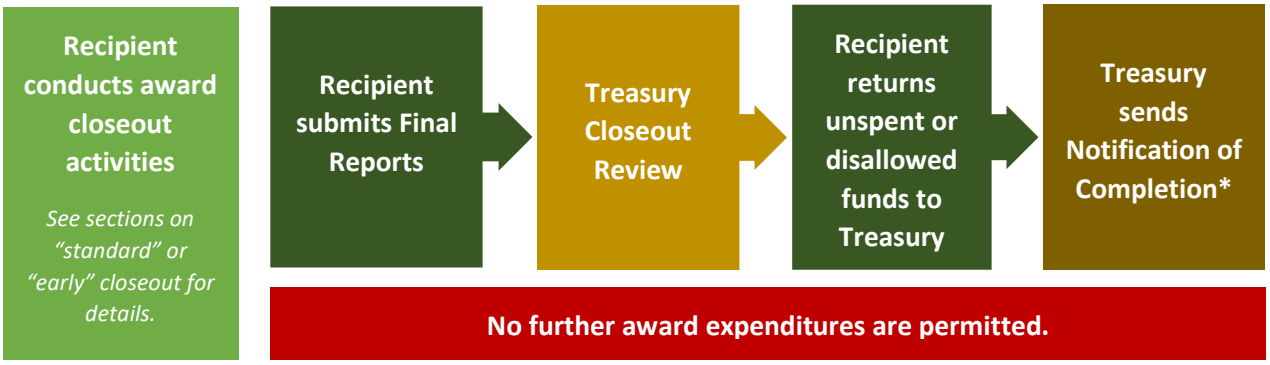
[1] HAF Guidance also refers to HAF recipients as "HAF Participants." These terms may be used interchangeably.
[2] Note the HAF FAA stipulates federal regulations applicable to this award include Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this award and subject to such exceptions as may be otherwise provided by Treasury. HAF recipients continue to be subject to the November 12, 2020 version of 2 C.F.R. Part 200 in effect at the time that the HAF FAA were executed by HAF recipients, unless otherwise specified. See eCFR :: 2 CFR Part 200 (Nov. 12, 2020) -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

- recipients that have not initiated award closeout and the award POP has not expired will be referred to as having "**open awards**."
- recipients that submitted the Final Reports to Treasury for closeout of their HAF award within 120 calendar days after September 30, 2026 are in "**standard closeout.**"
- recipients may choose to initiate the award closeout process before September 30, 2026 and those that do so are engaged in "**early closeout**."
- "**closed awards**" refer to recipients for which Treasury has completed its closeout process on their award and issued a **Notification of Completion** to the recipients.

All recipients are required to submit their Final Reports to Treasury to close out their HAF award. The "Final Reports" consist of two reports, the HAF Annual Report and the HAF Quarterly Report, which includes a special section for tangible personal property.[3] Treasury reserves the right to request additional documents to support the Final Reports. **Failure to submit timely and accurate Final Reports may result in administrative closeout and affect future Federal funding to the HAF recipient.**[4] Treasury may also pursue other enforcement actions per 2 CFR 200.339. No later than 120 calendar days after September 30, 2026, recipients must complete the following closeout activities:

- reconcile financial expenditures associated with the HAF award.
- liquidate all HAF award obligations incurred by September 30, 2026.
- determine whether any balances of unobligated and unexpended funds remain on the HAF award.
- determine the status of all real and tangible personal property and unused supplies purchased with HAF award funds.
- prepare and submit the required Final Reports to Treasury.

Figure 1: General Closeout Process



**Generally, the Notification of Completion will be issued within one year of the POP end date (September 30, 2026) or, in the case of early closeout, one year from the date the recipient submitted the Final Reports to Treasury.*

[3] Please see page 8 for more details.
[4] If the recipient fails to submit the Final Reports, Treasury may proceed with administrative closeout of the HAF award in accordance with 2 CFR 200.344(h) and the recipient will be deemed noncompliant with the HAF Award Terms.

After the submission (or submission deadline) of a recipient's Final Reports, Treasury will implement a **Closeout Review of HAF awards** (see page 9 for more details). Upon the completion of closeout actions and resolution of any outstanding matters regarding the HAF awards, Treasury will send a **Notification of Completion**.

"Early Closeout" Process

Recipients that complete all award objectives, including administrative actions (which include any final operational activities), on their HAF award prior to September 30, 2026 may initiate "early closeout" of their HAF awards.[5]

Recipients initiate early closeout by submitting the Final Reports. Any final obligations must be liquidated (expenses charged/billed against the award must be completed) and operational activities associated with the award must be completed ***prior*** to submitting the Final Reports to Treasury. Once the recipient has submitted the Final Reports to Treasury, ***the recipient may not obligate or expend any remaining award funds for any purpose.*** Once the recipient submits the Final Reports, the recipient is also no longer required to submit regular HAF quarterly and annual reports. The recipient will remain subject to records retention and audit requirements (see page 14 for more details).

Treasury has established a review process to help support a successful early closeout (Figure 2):

1. **Recipient determines that it will soon be ready to initiate early closeout**, forecasting completion of award objectives and expenditures, including administrative actions like final operational activities.
2. **Recipient may request to closeout** its award early through Treasury's Portal.
3. **Treasury will review the early closeout request** and consult with the recipient, if needed.
4. **Treasury will notify and provide the recipient access to the Final Reports through Treasury's Portal**, if Treasury determines that the recipient may proceed with early closeout.

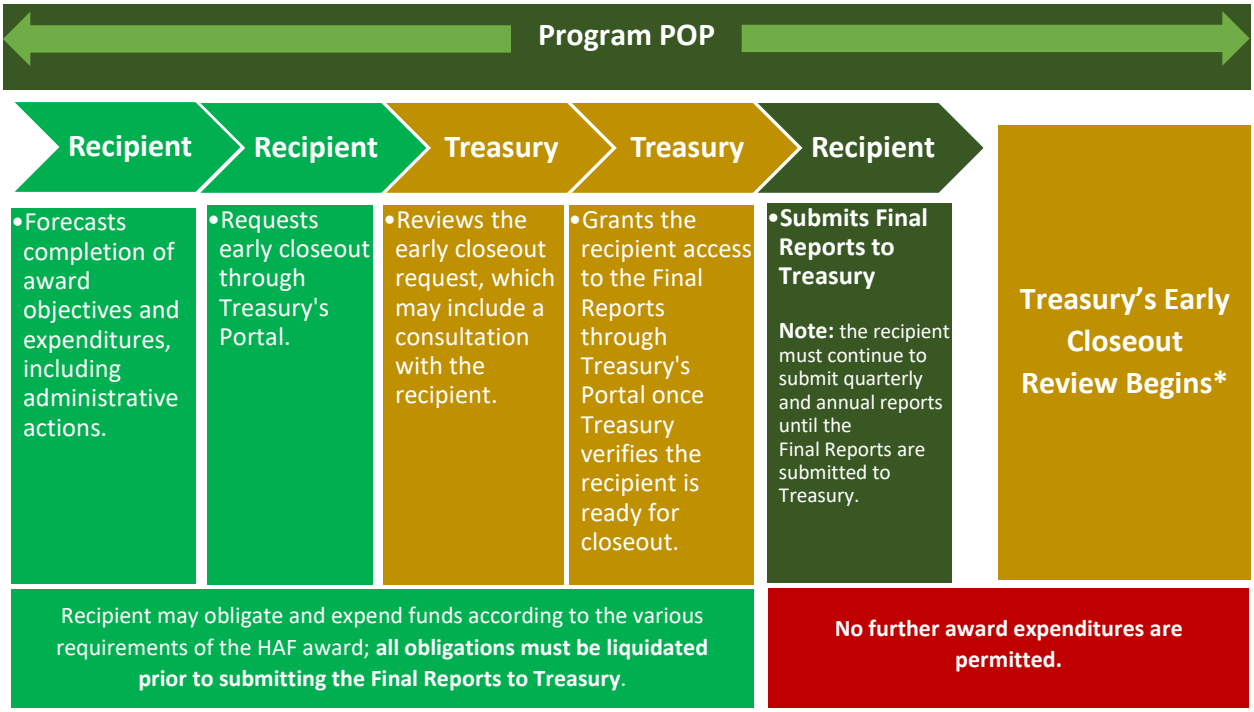
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[5] Per 2 CFR 200.340, the early closeout of a HAF award can be triggered by one of the following circumstances: (1) termination of the HAF award by Treasury with the consent of the recipient prior to the end of the POP, in which case the two parties must agree upon the termination conditions (see 2 CFR 200.340(a)(3)); (2) termination of the HAF award by the recipient prior to the end date of the POP because it is no longer able to carry out the objectives of the award (see 2 CFR 200.340(a) (4)); (3) termination of the HAF award by Treasury prior to the end date of the POP because the recipient failed to comply with the requirements of the HAF Financial Assistance Agreement (termination for cause, see 2 CFR 200.340(a)(1)); or (4) termination of the HAF award by Treasury prior to the end date of the POP because the award no longer effectuates the program goals or agency priorities (termination for convenience, see 2 CFR 200.340(a)(2)). In addition, early closeout can be triggered by the recipient when it has expended all its award funds and completed all the objectives of the HAF award, including administrative actions, prior to the end of the award POP. See 2 CFR 200.344.

5. **The recipient submits the Final Reports** to Treasury to initiate the award closeout process. *Note that the recipient must continue to submit all regular quarterly and annual reports until the Final Reports are submitted to Treasury.*[6]

In general, Treasury will begin to review the Final Reports within 90 days. Treasury will work with the recipient to finalize the award closeout, generally within one year of the submission of the Final Reports.

Figure 2: "Early Closeout" Process



**Please refer to* Figure 1: General Closeout Process *for process steps following the start of Treasury's Closeout Review process.*

"Standard" Closeout Process and Timelines

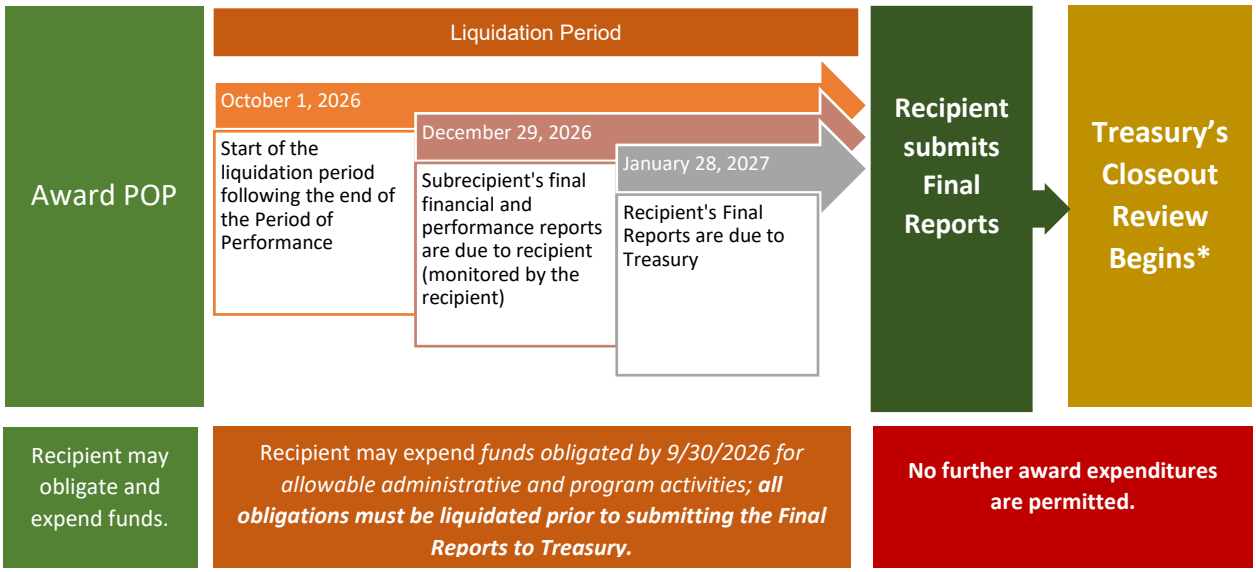
The end of the award term marks the beginning of the "standard" closeout process for all recipients of HAF awards that did not initiate early award closeout. Recipients will have 120 calendar days after September 30, 2026 to submit their Final Reports to Treasury via Treasury's Portal. Subrecipients must submit their final financial and performance reports, as applicable, to the recipients no later than within 90 calendar days after September 30, 2026 (Figure 3).

Recipients must obligate award funds by September 30, 2026 to cover administrative costs

[6] Treasury retains the right to reject the submission of a recipient's Final Reports. In this case, the recipient must continue to submit regular quarterly and annual reports through the end of the award POP.

for closeout activities carried out during the liquidation period (October 1, 2026 - January 28, 2027). Obligations incurred by September 30, 2026 for allowable administrative and program expenses must be paid in full prior to the end of the liquidation period and those transactions must be included in the Final Reports, which must be submitted to Treasury by January 28, 2027.[7]

Figure 3: "Standard Closeout" Process and Timeline



**Please refer to* Figure 1: General Closeout Process *for process steps following the start of Treasury's Closeout Review process.*

Standard Closeout Liquidation Period: Prohibited and Allowable Activities

After September 30, 2026, recipients are <u>prohibited</u> from using HAF award funds for the following program activities:

- *new obligations* of funds to support administrative activities;
- *assessment of applicant eligibility* for HAF services and assistance;
- *provision of counseling or legal services* to homeowners;
- *prospective assistance*. Examples of prohibited prospective assistance expenditures include but are not limited to:
    - mortgage payment assistance to prospectively cover mortgage expenses for a period beyond September 30, 2026;

[7] Note that obligations incurred by subrecipients by September 30, 2026, must be paid in full within 90 calendar days after September 30, 2026 for allowable administrative and program expenses or an earlier date as agreed upon by subrecipient and recipient.

  - home repair costs where the home repair activities will occur after September 30, 2026.

Allowable administrative and program activities using HAF award funds must be obligated by September 30, 2026 and may include:

- *administrative expenses* to support closeout activities (including administrative support services and other direct and indirect expenses that support administrative activities provided through staffing costs, subawards, contracts, preparation of Final Reports and documents, etc.).
- *payment processing* for:
  - approved HAF applicants; this would include payment processing for mortgage reinstatement, utilities, or other allowable expenses incurred for a period prior to September 30, 2026. Note that payment processing is prohibited for prospective program assistance (e.g. prospective assistance for mortgage, utility bills, housing counseling, etc.) that are incurred for a period after September 30, 2026.
  - housing counseling or other services that occurred prior to September 30, 2026.
- *documentation, assessment, and retention activities*. See page 8 for details on obligating and expending funds for this purpose.
- *data security measures* and protection of personally identifiable information, which may include appropriate measures to ensure that the privacy of homeowners is protected and provide confidentiality protections for data collected about any homeowners who are survivors of intimate partner violence, sexual assault, or stalking.
- *review and reconciliation* of general ledger, accounting, reporting, bank reconciliation, program policies, procedures, and controls to prevent fraud and improper payments, which may involve follow-up with end-beneficiaries (e.g., homeowners, mortgage servicers, utility companies) to reconcile documentation, as needed.
- *continued internal auditing* of approved applications for potential duplication of benefits and associated remedial activities, as appropriate.
- *single audits or program-specific audits* required per 2 CFR 200 Subpart F, Audit Requirements, if applicable.

Preparing to Submit Final Reports

Recipients must submit Final Reports with cumulative financial, tangible personal property, and performance information. For general reporting requirements and other reporting resources, please see HAF Reporting webpage.

The following considerations and questions can help support an accurate report and clear communications as recipients work through the closeout process:

- *Does the budget in Treasury's Portal accurately reflect your actual HAF award budget?* Recipients may make adjustments to their budgets through Treasury's Portal, but these changes should be submitted to Treasury for approval prior to accessing their Final Reports.

- *Does the data align with HAF program guidance?*
  For instance:
  - Does the total amount expended for planning, community engagement, needs assessment, and administrative expenses fall within the limit of 15% of the total HAF award amount as set forth in the HAF Guidance?[8]
  - Does the total amount expended on housing counseling and legal services fall within the limit of an aggregate amount up to 5% of the total HAF award amount as set forth in the HAF Guidance?[9]

- *Do the Final Reports accurately reflect the recipient's aggregate financial and programmatic data throughout the award POP?*
  Recipients should check:
  - whether total expenditures and obligations align with the total (net) award.
  - whether there are any unobligated balances by the end of the POP or unliquidated obligations by the end of the closeout period; if yes, see pages 10-13 for more information about repaying of HAF award funds.
  - the completeness and accuracy of the project data and participant demographics (as applicable), as submitted in the Final Reports.
  - to ensure that any tangible personal property, supplies, or other assets purchased for the provision of allowed activities to support the housing stability of eligible homeowners were installed prior to the expiration of the POP (in the case of standard closeout) and prior to the recipient submitting the Final Reports (in the case of early closeout). For example, propane tanks and fuel purchased to cover utility costs or materials to support home repair projects must be delivered to and, as applicable, installed for the homeowners prior to September 30, 2026 to be considered an eligible expense for standard closeout.

[8] See HAF Guidance for information on the limit for planning, community engagement, needs assessment, and administrative expenses (page 4).
[9] See HAF Guidance for the limit on expenses for housing counseling and legal services pursuant to the HAF Guidance (page 4).

- *Have you accounted for record retention requirements?*
  The HAF Financial Assistance Agreement stipulates that recipients must retain records pertaining to the HAF award for "5 years after all funds have been expended or returned to Treasury." As such, Treasury determined that the start date for the record retention period for HAF recipients is the submission date of their Final Reports to Treasury for award closeout.
    - Any administrative funds utilized to support record retention requirements:
        - must be reasonable and consistent with the recipient's policies and procedures regarding the standard for retaining such records and the amount of money the recipient would have paid for retaining its non-federal records.
        - must not exceed the limit for administrative costs which is 15% of the total HAF award amount.
        - should not be the cost of maintaining a financial system for its Federal awards.
        - must be obligated by September 30, 2026, end of the award POP and such record retention obligation must be paid in full during the closeout period (120 calendar days after September 30, 2026) and prior to the recipient's submission of its Final Reports to Treasury to the extent that the record retention expense is within the 15% limit on administrative costs.
    - Recipients must ensure that the method of record retention used for HAF award records is secure and it sufficiently protects the personally identifiable information and other sensitive information the recipients collected from homeowners and others to implement their HAF award.

- *Did you purchase equipment or supplies that will need to be reported?*
  All HAF recipients must report on **tangible personal property** (equipment and supplies) acquired with HAF award funds during the award POP.[10] Recipients are responsible for reporting on behalf of their subrecipients if their subrecipients used HAF award funds to acquire equipment or supplies, or both.

  Tangible personal property that needs to be reported in the Final Reports include:
    - Acquired equipment with an acquisition cost of $10,000 or more.
    - Residual inventory of unused supplies with a total aggregate fair market value greater than $10,000.

  Per the Uniform Guidance, 2 CFR 200.1, tangible personal property includes equipment and supplies. It does not include copyrights, patents or securities. A computing device is considered a supply if the acquisition cost is less than $10,000 per unit, regardless of the length of its useful life.

[10] On August 13, 2025, Treasury notified HAF Recipients that Treasury will apply the 2024 revised 2 CFR 200.313(e) regarding equipment disposition and 2 CFR 200.314(a) regarding supplies to all HAF awards.

Consistent with the Uniform Guidance, 2 CFR 200.313(e)(1) and 2 CFR 200.314(a), equipment acquired with HAF award funds with a current per unit fair market value of $10,000 or less at the end of the award period of performance may be retained, sold, or otherwise disposed of by HAF recipients with no further responsibility to Treasury. Supplies acquired with HAF award funds with the total aggregate value of $10,000 or less at the end of the award POP may also be retained by HAF recipients with no further responsibility to Treasury. Additionally, Treasury permits recipients with equipment with a per unit fair market value of more than $10,000 or unused supplies that have a total aggregate value of more than $10,000 to be retained by the recipient if it is needed for another federal award or for activities for non-federally funded programs or projects for the government entities which have similar objectives as the HAF program.

Closeout Review of HAF Awards

After the submission (or submission deadline) of a recipient's Final Reports, Treasury will implement a **Closeout Review of HAF awards**, which may include:

- requesting verification of award closeout information from recipients,
- engaging recipients to resolve any issues found in their Final Reports; if a report requires revision, Treasury may send instructions to revise and resubmit the Final Reports or an Information Document Request (IDR) for the recipient to provide further clarity.
- notification of disallowed costs, as applicable.
- sending repayment instructions to recipients.
- initiating or proceeding with applicable remediation actions.

For each of these activities, Treasury will communicate specific instructions and deadlines to recipients. Treasury may engage in further compliance activities, closeout review, and communication with recipients, as needed and in alignment with applicable provisions of the Uniform Guidance (2 CFR Part 200), Treasury's guidance, and the terms and conditions of the HAF Financial Assistance Agreement. If a recipient does not resolve outstanding issues, Treasury will provide a formal opportunity to remedy the noncompliance prior to the recipient being found noncompliant with the requirements set forth in the HAF Financial Assistance Agreement.

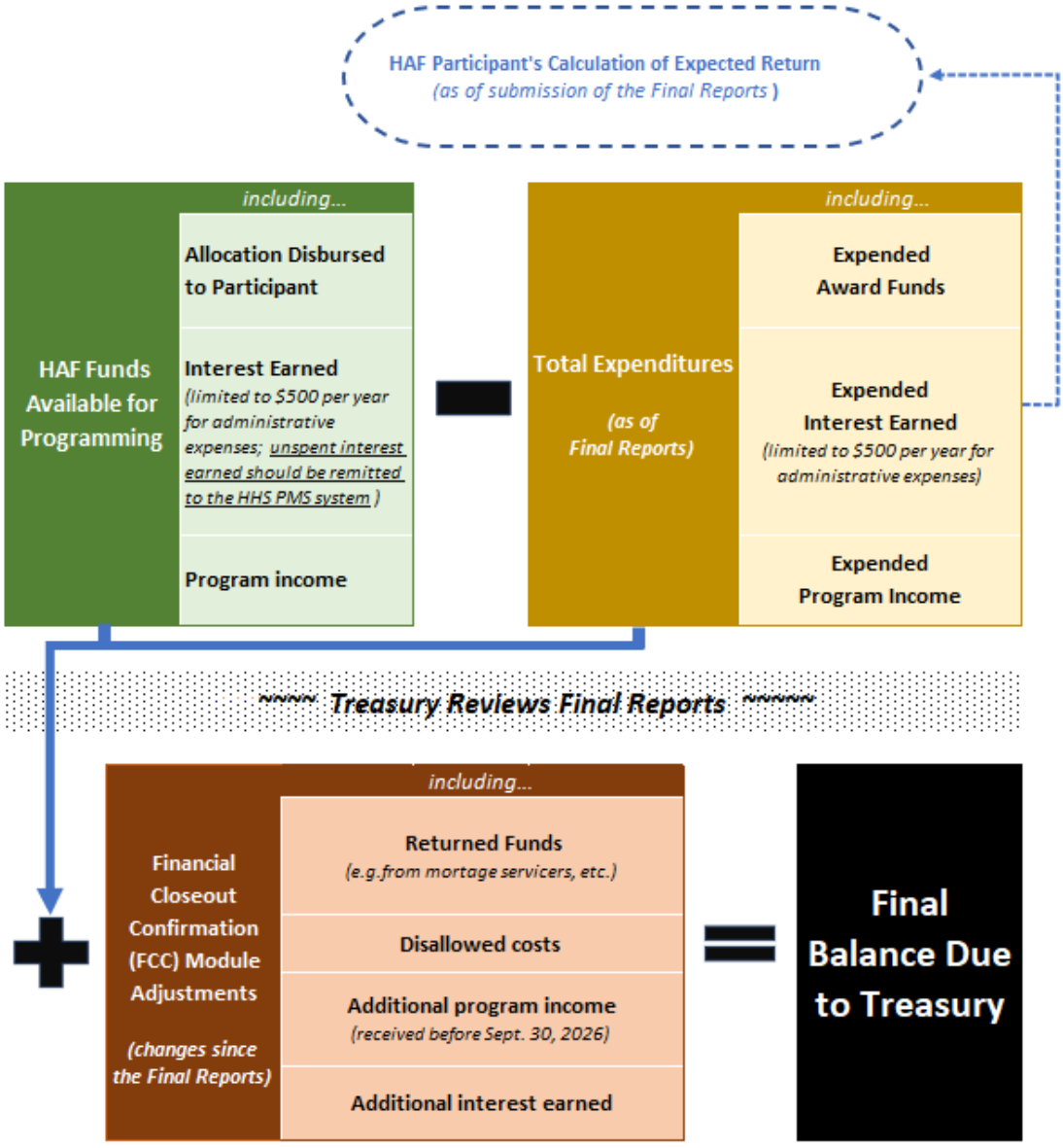
Upon the completion of closeout actions and resolution of any outstanding matters regarding the HAF awards, Treasury will send a **Notification of Completion**, informing each recipient that its award has been closed out and no further action is required other than its compliance with certain terms and conditions of the HAF award that extend beyond the closeout period.[11]

[11] Examples of the terms and conditions of the HAF FAA that extend beyond the closeout period include record retention requirements, compliance-monitoring, and, if applicable, resolution of audit findings after award closeout.

Repayment of HAF Award Funds

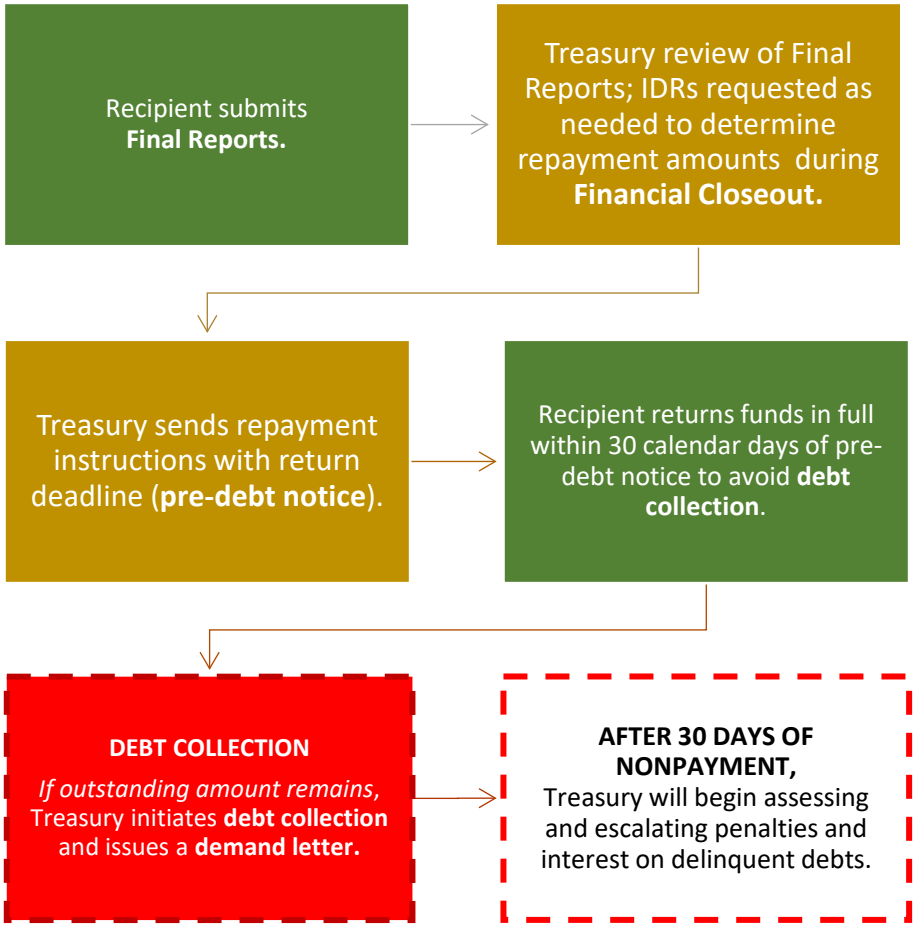
Following receipt and review of the recipient's Final Reports, the recipient will enter into **"financial closeout"** where Treasury reviews unliquidated obligations and unexpended award funds to determine any adjustments following the submission of the Final Reports and/or repayment amounts. Treasury will send a notice to the HAF recipient to verify financial information through the Financial Closeout Confirmation Module to make any updates to the total unobligated balances reported in the Final Reports. Reasons for updating unobligated balances may include servicers or vendors returning funds after the HAF recipient submitted its Final Reports to Treasury or Treasury determining that there are disallowed costs during its Closeout Review of the Final Reports.

Figure 4: Calculating Final Returns to Treasury



If a recipient owes money to Treasury due to, for instance, excess funds, unobligated balances, improper use of funds, or other noncompliance issues under the HAF award, Treasury will send repayment instructions and deadlines to make payments, as appropriate (also referred to as a **"pre-debt notice"**), and if repayment is not made timely Treasury may seek other legally available remedies. Recipients will have 30 calendar days to repay funds to avoid debt collection. Once the recipient enters into **debt collection**, Treasury will issue a **demand letter** that outlines escalating penalties for non-payment per 31 U.S.C. 3717 (see Figure 5).

Figure 5: Repayment Process



In general, the conclusion of financial closeout is often the last step in Treasury's closeout process and may be followed by Treasury sending the recipient a **Notification of Completion** (see Figure 1). Please note that after the Notification of Completion, Treasury retains the right to engage in a post-closeout adjustment to disallow costs and recover funds on the basis of a later audit or other review pursuant to 2 CFR 200.345.

If Treasury determines that a recipient is not in compliance with repayment instructions and/or have other outstanding issues, **Treasury may also put a "financial hold" on the recipient's HAF award, which may result in withholding of payments remaining on its other awards under Treasury programs or take other enforcement actions.**[12]

Specific Repayment Situations

Earned Interest

Please also note that HAF awards are subject to the requirement to remit annually any earned interest on the HAF award above $500 to the Department of Health and Human Services' Payment Management System pursuant to 2 CFR 200.305(b)(9)(ii). Annually earned interest refers to any interest earned by the recipient on the HAF award amount during the award period of performance, for instance, interest earned while HAF award funds were held in a deposit account at a bank.

If the annual earned interest is *less than $500*, the recipient may retain and use the funds for administrative expenses. These funds may be used for administrative purposes until the recipient submits the Final Reports. Once a recipient submits the Final Reports, any unexpended earned interest remaining that is less than $500 must be returned to Treasury along with any unexpended HAF award funds.

Figure 6: Repayment Requirements for Earned Interest

Type of Funds	Open Awards	Upon Submitting Final Reports
Earned interest > $500 per year	*Annually remit to DHHS PMS System*	*Remit to DHHS PMS System**
Earned interest < $500 per year	*May be retained for administrative expenses*	*Must repay funds not expended as administrative costs to Treasury along with unexpended HAF award funds*

**Please note that any interest earned on unobligated HAF award funds remaining with the recipient after submission of its Final Reports must be returned to Treasury.*

[12] Per 2 CFR 200.339(a)

Repayment of recovered or returned HAF Award Funds

Recipients receive recovered or returned award funds for several reasons. A recipient may recover program income (e.g., homeowner loan repayments) or improper payments. HAF recipients may also receive returned homeowner financial assistance from mortgage servicers, utility companies, home repair contractors, or other end beneficiaries for a variety of reasons.

For most recovered or returned funds, recipients with open awards may redeploy any of these funds for HAF program purposes. Once a recipient enters the closeout process, recipients must plan to repay recovered or returned funds to Treasury, with an ***exception specific to recovered program income***. Recipients are not required to return recovered program income to Treasury that they received after September 30, 2026.[13]

Following the Notice of Completion, if HAF recipients have any further repayments to make to Treasury, they should contact Treasury about the reason and the timing of the return of funds and use the previously provided repayment instructions for any further repayments to Treasury, unless otherwise instructed.

Figure 7: Repayment Requirements for Returned or Recovered Funds

	Prior to September 30, 2026		After September 30, 2026
Type of Funds	**Open Awards**	**Awards in "Early Closeout"** (after HAF recipient submits their Final Reports)	**All Awards**
Returned funds (e.g. homeowner financial assistance returned to recipient by servicer, utility company, home repair contractor, or other end beneficiaries)	*May redeploy funds for eligible HAF purposes*	*Must repay funds to Treasury*	*Must repay funds to Treasury*
Recovered Program Income (e.g. homeowner loan repayments (principal and interest))	*May redeploy funds for eligible HAF purposes*	*Must repay funds to Treasury*	*Not required to return funds to Treasury*
Other recovered funds (e.g., recipient recovers improper payments, etc.)	*May redeploy funds for eligible HAF purposes*	*Must repay funds to Treasury*	*Must repay funds to Treasury*

[13] Recipients that initiate early closeout must return recovered program income to Treasury between the period that they submit their Final Reports, initiating "early closeout," and the end of the POP on September 30, 2026. After September 30, 2026, all recipients of HAF awards are not required to return recovered program income to Treasury.

Section II. Post-Closeout Compliance Reminders

Following the submission of the Final Reports and the Notification of Completion, Treasury may continue to engage in further compliance activities, closeout-review, and communication with recipients, as needed and in alignment with applicable provisions of the Uniform Guidance (2 CFR Part 200), Treasury's guidance, and the terms and conditions of the HAF Financial Assistance Agreement. The following is a non-exhaustive list of post-closeout recipient responsibilities.

Records Retention & Documentation

Per the HAF Financial Assistance Agreement, financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to the HAF award must be retained for a **period of five years** after all funds have been expended or returned to Treasury.[14] As such, Treasury determined that the start date for the record retention period for HAF recipients is the submission date of their Final Reports to Treasury for award closeout. If an audit, litigation, or other action involving the HAF records starts before the end of the appropriate retention period of five years, the records should be maintained until the end of the appropriate retention period or until the audit, litigation, or other action is completed, whichever is later.

Documentation of Compliance with Federal Civil Rights Statutes and Regulations:

Recipients are required to comply with federal civil rights statutes and regulations, including Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and the Fair Housing Act (Title VIII of the Civil Rights Act of 1968) as outlined in the HAF Financial Assistance Agreement executed by the recipients in connection with their HAF awards. *Note: Treasury does not impose nondiscrimination requirements on Tribal governments beyond what would otherwise apply under federal law.*

Information about the recipients' civil rights obligations can be found in Treasury's Civil Rights Toolkit.[15]

Audit Requirements

Thoughtful and thorough work related to award closeout can help support an accurate and effective audit. Audit activities may fall outside of the timelines associated with closeout activities. However, recipients with open awards may use HAF award funds towards single audit or program-specific audit costs, as applicable and within the administrative costs limit, for

[14] Please note that 2 CFR 200.334 provides that pass-through entities that receive federal awards must not impose any other record retention requirements on non-Federal entities, except those outlined in 2 CFR 200.334(a)-(f).

[15] On March 4, 2026, Treasury rescinded its Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons for consistency with Executive Order 14224, titled, " Designating English as the Official Language of the United States and dated March 1, 2025, which revoked Executive Order 13166, titled Improving Access to Services for Persons with Limited English Proficiency. See 70 Fed. Reg. 6067. As such, Treasury revised the HAF Program Closeout Resource on March 30, 2026 to remove all references to Treasury's rescinded guidance regarding language access services to Limited English Proficient Persons.

annual single or program-specific audits, as applicable, until fiscal year 2026 and in accordance with 2 CFR 200.425 and 2 CFR Part 200, Subpart F – Audit Requirements, as long as the costs are obligated before the end of the award POP and expended within 120 calendar days (or 90 calendar days in the case of subrecipients) after September 30, 2026 per 2 CFR 200.344(a). Please note that, in the case of a recipient engaging in **early closeout**, HAF award funds may only be expended to support audit activities that occur after the recipient submits its Final Reports to Treasury if the recipient expended HAF award funds prior to submitting the Final Reports and during its current fiscal year that will be audited.

Detailed information regarding single audits and program-specific audits can be found in 2 CFR Part 200, Subpart F, Audit Requirements. Here is some basic information regarding auditee responsibilities (2 CFR 200.508) to help recipients plan:

- Recipients that expend $1,000,000 or more in federal awards during their fiscal year that begins on or after October 1, 2024 are required to undergo either a single audit or program-specific audit for that fiscal year.[16]

- Recipients are responsible for procuring or otherwise arranging for audits and ensuring the auditor has the necessary experience to perform this type of audit in accordance with 2 CFR 200.509.
    - Information with instructions for how auditors must perform these audits can be found at 2 CFR 200.514-200.520 and in the HAF 2024 Compliance Supplement published by the Office of Management and Budget.
    - Recipients are advised to continue to check the HAF Guidance page on Treasury's website for additional compliance resources, e.g., Compliance Supplements.

- Recipients must prepare their financial statements and other materials required by their auditors to perform their audits and provide the auditors with all necessary documentation (e.g., records).

- Recipients are expected to take prompt corrective action following any audit findings.

- Recipients must submit and certify their single audit reports to Federal Audit Clearinghouse "within the earlier of 30 calendar days after receipt of an auditor's report(s), or nine months after the end of the audit period" per 2 CFR 200.512(a)(1). The audit period is a recipient's fiscal year.

- Recipients with audit findings must work with Treasury, as appropriate, to resolve those findings.

[16] With the 2024 revision of 2 CFR Part 200, the expenditure threshold that requires a recipient to conduct a single audit or a program-specific audit increased from $750,000 to $1,000,000 in federal funds for (see 2 CFR 200.501). This new threshold applies to recipients whose fiscal year begins on or after October 1, 2024.

APPENDIX A: Definitions

Administrative activities generally include activities to support closing out the award in accordance with 2 CFR 200.344, including, but not limited, to administrative support services and other direct and indirect expenses that support administrative activities provided through staffing costs, subawards, contracts, preparation of Final Reports and documents, etc.

Administrative closeout occurs if the Final Report has not been submitted and Treasury initiates the closeout process on behalf of the participant, per 2 CFR 200.344 (h)-(i).

Closeout refers to the process by which the federal awarding agency or pass-through entity determines that the participant (or subrecipient) has completed all applicable administrative actions and required work of the federal award have been completed. And therefore, the federal awarding agency or pass-through entity takes actions as described in 2 CFR 200.344.

Financial Closeout refers to the review of unliquidated obligations and unexpended award funds by the end of the award term POP and closeout period. Financial closeout determines whether that amount will be repaid to Treasury and includes recoupment of any disallowed or ineligible costs.

Participant/recipients means the eligible entities, states, the District of Columbia, U.S. territories, Indian Tribes, Tribally Designated Housing Entities, and the Department of Hawaiian Home Lands that received a HAF award under the Homeowner Assistance Fund program pursuant to section 3206 of the American Rescue Plan Act, 2021. In the case of this document, "recipient" and "participant" may be used interchangeably. These terms do not include subrecipients (e.g. vendor, nonprofit partner, etc.) or beneficiaries of the award (e.g. homeowners, mortgage servicers, utility companies, etc.).

Period of performance means the total estimated time during which the recipient and subrecipient must perform and complete the work authorized under the Federal award; it is the interval between the start of an initial federal award and the planned end date.

Post-closeout adjustment describes activities that occur after a federal awarding agency closes out an award pursuant to 2 CFR 200.345. These activities include: (1) The right of the federal awarding agency or pass-through entity to disallow costs and recover funds on the basis of a later audit or other review; (2) The requirement for the recipient to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments; (3) The ability of the federal awarding agency to make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments; (4) Audit requirements; (5) Property management and disposition requirements; and (6) Record retention requirements.

Remediation actions refer to activities pursued to correct a recipient's noncompliance with statutes, regulations, or the terms and conditions of their award agreement.

Subrecipient means an entity that receives a subaward from a pass-through entity (e.g. a HAF recipient) to carry out part of a federal award; but does not include an individual that is a beneficiary (e.g. homeowners, mortgage servicers, utility companies, etc.) of such award.

Unexpended obligations means the amount of funds that have been obligated by the recipient under a federal award but not paid; may also be referred to as *unliquidated obligations*.

Unobligated balance means the amount of funds under a federal award that the recipient has not obligated.