

CITY OF NEW ORLEANS
CHIEF ADMINISTRATIVE OFFICE

POLICY MEMORANDUM No. 25 (R)

March 18, 2002

TO: All Departments, Boards, Agencies and Commissions

FROM: Cedric S. Grant, Chief Administrative Officer

SUBJECT: CLOSEOUT REQUIREMENTS FOR TERMINATION OF FEDERAL PROGRAMS

I. PURPOSE.

This memorandum establishes an updated policy for the orderly termination of federal programs administered by City agencies.

II. PROCEDURES.

A. Notice of termination.

The Chief Administrative Officer and the Departments of Finance and Property Management should be advised sixty (60) days prior to the scheduled termination of a project or program. Programs which normally carry a termination date at their inception, such as summer activities, are excluded from this requirement. The responsibility for notification resides jointly with the programs director and the appointing authority of the agency administering the program. This procedure is also applicable to extended contracts, with the notification requirement date defined as sixty (60) days prior to the extended termination date.

B. Department of Finance.

1. Inventory. The Bureau of Accounting should be given a complete inventory of movable property thirty (30) days prior to termination of the project. A reconciliation is required at least ten (10) days prior to termination if the inventory changes during the period, for example, if property is damaged, lost, or stolen.
2. Disposition of Movable Property. The Bureau of Purchasing will take possession of the movable property and dispose of it in accordance with Charter requirements. When contractual requirements are in conflict with Charter requirements, the Mayor's Division of Federal and State programs will coordinate disposition.

3. **Requisitions, Purchase Orders, Public Vouchers.** Unless specifically prohibited by grant guidelines, requests for supplies and materials, contractual services and equipment should not be initiated later than thirty (30) days prior to termination of a program or project. Exceptions will be considered individually. However, all exceptions will require specific authorization by the Bureau of Purchasing.
4. **Payrolls.** Complete payroll documentation of employment termination is required by the Bureau of Accounting not less than fifteen (15) working days prior to the end of the contract. Terminal leave and fringe benefits will be encumbered at termination of the applicable contracts by the Bureau of Accounting.
5. **Insurance.** The program director will review all insurance coverage with the Risk Management Unit of the Department of Law in order to initiate steps to cancel or adjust City insurance schedules to reflect any changes in coverage.
6. **Audits.** All federal programs must advise the Department of Finance of closeout audits. All federal programs will be audited by Federal or independent auditors upon termination. The Chief Administrative Office will initiate an analysis whenever any audit finding indicated the possibility of City liability. The Department of Finance must be advised of the designated auditor or audit agency engaged to accomplish the closeout audit at least sixty (60) days prior to program termination. This notification is to be made in writing.

C. **Department of City Civil Service.**

The name and classification of each employee scheduled for layoff must be submitted to the City Civil Service at least ten (10) days prior to the effective date of termination or transfer unless termination guidelines defined by contract specify otherwise. As a practical matter, it is recommended that this list be submitted at least twenty (20) days in advance to allow for changes and corrections. The program director is required to notify employees in writing of their layoffs at least ten (10) days prior to the effective date unless termination guidelines defined by contract specify otherwise. Affected employees are to be advised to consult with City Civil Service for transfers and reemployment applications. The Advantage Human Resources System (AHRS) personnel actions procedures are to be processed in the usual manner by the affected department.

D. **Department of Property Management.**

A program director engaged in the lease of property shall advise the Department of Property Management, in writing, at least sixty (60) days prior to the termination of the project. The Department of Property Management, through the Management Information Systems (MIS), shall also be notified of a program's termination to allow for cancellation of telephone service, reassignment of office space (if applicable), and physical distribution of property records.

E. Mayor's Division of Federal and State Programs.

1. The program director will advise the Mayor's Division of Federal and State Programs of anticipated closeout schedules at least sixty (60) days prior to program termination.
2. All records are to be packed by the staff of the program with the contents listed on a form attached to the boxes. Since some records must be retained for three (3) years or more, the storage or transfer of appropriate records should be coordinated with the Mayor's Division of Federal and State programs and the Department of Finance.
3. **Special Requests.** Unusual requirements deemed necessary to facilitate closeout of federal programs will be coordinated through the Mayor's Division of Federal and State Programs.

F. Check List.

A Federal Programs Closeout Check List is attached to the memorandum. Programs anticipating closeout should prepare copies of this list to facilitate coordination of all activities related to termination. As each phase of the closeout process is completed, the responsible authority should certify with signature and date. Upon completed of closeout, copies of this list are to be provided to the Department of Finance and the Mayor's Office of Federal and State Programs.

III. INQUIRIES.

Any questions concerning this memorandum should be addressed to the Mayor's Office of Federal and State Programs.

Cedric S. Grant
Chief Administrative Officer

CSG/CW/emk

Attachment

