



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 15 – Fiscal Administration of Grants and Contracts 5.0	EFFECTIVE DATE: 03/22/1991
TITLE: CARS Closeout Procedures and Processing Late Expenditure Reports	REVISION DATE: 04/01/2019
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

BACKGROUND

This bulletin documents the Community Aids Reporting System (CARS) closeout procedures to assure that providers and Divisions follow policies necessary to comply with proper contract administration and Department reconciliation procedures. These procedures apply to all contracts (including tribes) paid through CARS but not to the Consolidated State/County contract.

POLICY

1. Department contracts with providers shall be closed timely in accordance with contract terms, Department policy and program regulations.
2. Payments may not be made on a contract after the contract has been closed or after the final report due date. A contract is to be closed when the final expenditure report is received or on the due date of the final report whichever comes first. The final report due date is specified in the contract. Requests for extending the final report due date must be approved by the Bureau of Fiscal Services with notice to the lead accountant(s). All requests and approvals shall be in writing and may be submitted via E-mail.
3. Monies due the Department of Health Services (DHS) as a result of payments made in excess of allowable costs shall be refunded per the contract terms to the Department in accordance with closeout procedures. Generally, monies shall be recovered by reducing future payments to the provider. Recovery shall first be against payments for any contracts related to the period being closed.
4. If there are not sufficient payments related to that period, recoveries may be made by reducing future payments and contracts.
5. It is the responsibility of the provider, receiving payments from the Department, to submit timely and accurate expenditure reports in accordance with reporting instructions. It is also the provider's responsibility to verify that reported and reimbursed expenditures are supported by adequate documentation and are reconciled to their own accounting records on a timely basis.

PROCEDURES

1. The final expense report shall clearly identify only the adjustments to be made to previously submitted expenses. The final report shall be clearly marked "FINAL." Final reports which are not prepared in accordance with reporting instructions may be returned to the provider. An email identifying the reason(s) will be prepared and sent to the provider.

2. A provider desiring an **adjustment to their final expense report** shall submit an additional final expense report. The CARS unit shall review the additional final expense report. If the report is past the close out period, CARS staff will consult with the program division and lead accountant for approval or denial.
3. Adjustments reported to the Department after contract closeout which result in monies due the Department of Health Services shall follow the policy found under APP Section 3 – Revenues and Refunds 1.0.4. A Closeout Profile Report is published on the CARS web page.

REFERENCES

[DHS APP Section 3 – Revenues and Refunds 1.0](#) (Accounting for Revenues and Refunds of Expenditure)

CONTACTS

[Deputy Director, Bureau of Fiscal Services](#)

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