

## Chapter 11. Final Accounting

### Overview

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## **1. Process for Final Accounting**

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**Change Date** February 12, 2014, Change 1

- This entire section has been updated.

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**a. General Information on Final Accounting** Final accounting is completed to verify the following:

- the release of all available funds associated with the project,
- the costs associated with the project, and
- evidence that the project has been completed.

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**b. When to Perform** Obtain the required exhibits and supporting documentation when all grant funds are released and the escrow account is closed.

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## 2. Obtaining the Supporting Documentation and Providing Required Exhibits to Close the File

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- This entire section has been updated.

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**a. Items to Obtain** Obtain the following required exhibits and supporting documentation as it relates to the Specially Adapted Housing (SAH)/Special Housing Adaptation (SHA) grant:

- evidence that the escrow account has been closed, such as a letter or disbursement statement/summary of payment from the escrow agent;
- if an interest bearing escrow account was used, evidence that any interest earned was paid to the Veteran, such as a printout from the escrow agent showing the total interest earned and a copy of the check made payable to the Veteran;
- if grant funds were to be applied to the principal balance of a mortgage, evidence such as a copy of the check to the mortgagee, and a printout or mortgage statement from the Veteran indicating the grant funds were applied to reduce the principal balance;
- *HUD-1 Settlement Statement* (if applicable) from the Veteran or lender; and
- any other supporting documentation from the Veteran, lender, or escrow agent, as applicable to support the cost of the project and the release of funds.

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### 3. Requirements for Closing Final Accounting

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- This entire section has been updated.

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**a. When to Perform** Upon receipt of all final documentation by the Regional Loan Center (RLC), and upon confirmation that there are no outstanding issues with the completed construction, the final accounting may be completed.

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**b. Timeliness Requirements** The final accounting must be completed and certified (and the case closed) no later than 75-business days after the date the final field review was completed.

Closing the SAH or SHA grant within the 75-business day timeframe provides better performance tracking metrics.

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**c. Extenuating Circumstances** There will occasionally be situations in which the RLC is unable to obtain final accounting documentation, or in which the documentation received is incorrect. The SAH Agent must make every attempt to obtain all required final accounting documentation and to ensure its accuracy. If a third party does not provide correct and complete documentation, the SAH Agent must document all attempts to obtain the documentation and then contact Central Office for authorization to close the case.

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