

**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
**Division of Contract Management**  
**Instructions for the**  
**Cost-settled Agreement Closeout Report**

**Purpose**

The Agreement Closeout Report (ACR) reconciles the revenue earned by the contracting agency with the expenses incurred by that agency to provide contracted services. The Agreement Closeout Report is the financial settlement of the agreement between the Department and the social service agency.

A separate ACR must be completed for each component in the agreement. The number of components in an agreement may be determined by checking the number of Rider F-1 Pro-Formas included with the budget package or the number of columns on Budget Form 1 (excluding the total column). Each component is budgeted independently. (The total column on Budget Form 1 does not require an ACR.)

The Sub-recipient Agreement Closeout Report is a separate form. Sub-recipient funds must be accounted for individually. When a sub-recipient's expenses are less than the budgeted amount, a refund of the balance is due from the Sub-recipient to the Lead Contractor, as indicated on the Sub-Recipient Agreement Closeout Report. Under MAAP rules, the Lead contracting agency will return funds to the Department if appropriate as reflected on the Lead contractor's ACR.

The ACR must correspond to the budget forms, specifically to the Rider F-1 Pro Forma and must follow the settlement methods specified in the Rider F-2 Agreement Compliance section. The MAAP rules apply to all agreements and the closeout processes.

Disclaimer: In the event of a conflict with federal circulars, MAAP, or program restrictions, the rule/regulation takes precedence.

**Submission**

The Agreement Closeout Report shall be submitted electronically as an email attachment within the timeframe stated in the agreement to the [contract-budgets.dhhs@maine.gov](mailto:contract-budgets.dhhs@maine.gov) team email. Include all ACRs and Sub-recipient Reports in one electronic workbook for a contract. While each component is budgeted independently, DHHS closes the multiple components with same component end date simultaneously.

Providers without email shall submit the reports by regular mail to the Single Point of Contact.

- If a balance is due the provider, the payment will be authorized by DHHS after the ACR is reviewed and approved.
- If a balance is due DHHS, after receiving the final ACR Workbook from the Department, submit a check for the full amount made payable to "Treasurer, State of Maine" with a copy of all ACRs for that contract. Mail the check and reports to Attn: Accounts Receivable-closeouts, 109 Capitol St 1<sup>st</sup> floor, State House Station 11, Augusta, ME 04333.

## **Review**

The Agreement Closeout Report is used to finalize all agreements. DHHS Contract Management will review and verify the ACRs and then send the Provider letter to indicate acceptance of the ACRs and the conclusion of the contract. Please note that this acceptance is contingent upon an audit by the DHHS Division of Audit, if required.

## **Instructions**

### **Use the TAB key to move through the ACR form.**

The Provider must fill only the orange colored cells on the revised ACR form.

- Formulas and links will calculate all the other information.
- Additional information on the ACR form and these expanded instructions are intended to reduce errors and expedite the closing process.
- If providers have a problem with the form, they should contact [contract-budgets.dhhs@maine.gov](mailto:contract-budgets.dhhs@maine.gov) for assistance.

First, enter the required information in the seven fields in the header of the report. These fields are:

- Community Agency
- Fiscal Year End
- Funding Department
- Program/Service
- Agreement Number
- Component Period
- Component Amount

The Agreement Component Amount in the seventh field will automatically fill Line 10 which is a locked cell linked to this line.

## **Part I: AGREEMENT TOTALS**

**Line 1) Actual income and expense per agency records and reports.** Enter the actual revenue and expenses as positive amounts. These amounts must agree with the fourth quarter financial report (or last monthly financial report), which is also due 60 days after the contract end date. **Use the accrual method.**

**Line 2) Enter Agreement Adjustments.** Enter adjustments to revenue and expenses required by MAAP and/or the agreement. Part I of the Rider F-1 Pro-Forma will specify all Agreement Adjustments.

The following table indicates how some adjustments must be entered.

Type of Adjustment	Entry on Closeout Report		
	Revenue	Expense	Balance
<ul style="list-style-type: none"> <li>Remove fee for service revenue and an equal amount of expenses (for example; MaineCare).</li> </ul>	-	-	
<ul style="list-style-type: none"> <li>Remove MaineCare State Certified Seed funds and an equal amount of expenses. (If the State agreement funds are used for Certified Seed, they must be shown as a separate adjustment from the Federal MaineCare revenue received. If you do not know the actual amount of Certified Seed, use this calculation: Total MaineCare amount / the Federal MaineCare percentage x the State MaineCare percentage).</li> </ul>	-	-	
<ul style="list-style-type: none"> <li>Remove restricted revenue and related expenses which purchase a specific item as indicated on the Rider F-1.</li> </ul>	-	-	
<ul style="list-style-type: none"> <li>Remove sub-recipient agreement amount and related actual expenses <u>not to exceed</u> the sub recipient agreement amount. Amounts not used by a sub recipient must be returned to the funding state agency and will not be absorbed into the contract without a prior budget revision approved by the Department. Sub-recipient awards are to be reported using the Subrecipient Agreement Closeout Form.</li> </ul>	-	-	
<ul style="list-style-type: none"> <li>Remove unallowable expenses.</li> </ul>		-	
<ul style="list-style-type: none"> <li>Remove In-Kind revenue and expenses.</li> </ul>	-	-	
<ul style="list-style-type: none"> <li>Remove client fees – program and an equal amount of expenses.</li> </ul>	-	-	
<ul style="list-style-type: none"> <li>Include the balance of Department agreement funds not already included in Part I – Agreement Totals, Line 1. (i.e. – include the difference between the agreement award and the revenue actually recognized). <i>Do not include the subrecipient amount(s) in this adjustment.</i></li> </ul>	+		+
<ul style="list-style-type: none"> <li>Include the balance of additional “unrestricted funds” not already included in Part I – Agreement Totals, Line 1. (i.e. – include the difference between the budgeted “unrestricted” amount and the amount of “unrestricted funds” actually recognized). This represents the commitment made by the agency.</li> </ul>	+		+

**Line 3) Total Agreement Adjustment.** This amount, the subtotal of Line 2 a through g, is automatically calculated with a formula in this locked cell.

**Line 4) Total Available for Cost Sharing.** This amount is automatically calculated with a formula in this locked cell. This cell also links to Line 8.

## Part II. AGREEMENT COST SHARING

**If Part II is not filled out correctly, Part III will not be correct. The Rider F-1 Pro-Forma will provide assistance.**

**Line 5) Agreement State Funds.** Enter in the Revenue Column a positive amount of agreement state funds (General or Dedicated) minus funds used to support any sub-recipient agreement amount or any State Certified Seed amount entered in Part I Agreement Totals, Line 2. This entry should conform to the Rider F-1 Pro-Forma Part II.

**Line 6) Agreement Federal Funds.** Enter in the Revenue Column a positive amount of agreement federal funds minus funds used to support any sub-recipient amount entered in Part I - Agreement Totals, Line 2. This entry should conform to the Rider F-1 Pro-Forma Part II, which is in the budget forms.

**Line 7) All Other.** This is a locked field that is automatically calculated by a formula once Lines 5 and 6 are completed.

**Line 8) Total Available for Cost Sharing.** These amounts are automatically calculated and linked to Line 4 in Part I.

The information in the expense column of Part II will be automatically calculated by a formula once the Revenue Column has been filled on Line 5 and 6.

### **Check points:**

- If Line 7 is negative, then the amounts entered on Line/s 5/6 are incorrect. Refer to Rider F-1 to check for the correct amounts to cost share.
- Since Line 8 is linked to Line 4, the sum total of Line 5 and Line 6 cannot exceed Line 8.
- Conditional Formatting in Lines 5 through 7 will turn cells blue if it is negative.

## Part III. AGREEMENT SETTLEMENT

**Line 9) Agreement Expense. *This cell is no longer locked.*** This amount is usually the sum of Line 5 and Line 6 and the formula is included.

However, the Agreement Settlement must conform to the Rider F-1 Pro-Forma. Refer to the Rider F-1 Pro-Forma Part I for additional assistance regarding the treatment of sub-recipient expenses and other adjustments.

If there are sub-recipients or other adjustments on Line 2, it will be necessary to include these funds in the final calculation. Since they appear as negative amounts on Line 2,

use a *minus sign* to include them on Line 9. This double negative will result in a positive addition to Line 9. Other adjustments treated similarly on Line 2 may also need to be added back to Line 9. The Rider F-1 or the DCM [contract-budgets.dhhs@maine.gov](mailto:contract-budgets.dhhs@maine.gov) team will assist you if you have a problem.

**Line 10) Agreement Component Amount.** The total agreement component amount links to the header and fills automatically.

**Line 11) The Lesser of Line 9 or Line 10.** This amount is automatically calculated by a formula. This cell is locked.

**Line 12) Amount Received from DHHS.** Enter the actual amount of the agreement revenue received from DHHS.

**Line 13) Line 11 minus Line 12.** This amount is automatically calculated by a formula in this locked cell.

**Line 14) This locked line contains a formula and determines:**

- A. If Line 13 is +, Amount is due Agency
- B. If Line 13 is -, Amount is due DHHS
- C. If Line 13 is zero; no amount is due to the Agency or DHHS

If funds are owed to DHHS, after receiving the final ACR Workbook from the Department, submit a check payable to Treasurer, State of Maine, for the full amount made payable to:

Accounts Receivable-closeouts  
109 Capitol St.  
11 SHS  
Augusta, ME 04333

The electronic Excel version of the report should be sent to [contract-budgets.dhhs@maine.gov](mailto:contract-budgets.dhhs@maine.gov) to expedite the closeout process and ensure prompt payment if funds are due the Provider.

***Insert preparer's name on form and date the form. A signature is not required.***

#### **Part IV NOTES AND COMMENTS**

Enter explanatory notes and comments related to entries on the Agreement Closeout Report.

#### **Instructions and Forms on the Web**

These instructions and the Agreement Closeout Report are available on the DHHS website at [Contract Documents | Department of Health and Human Services \(maine.gov\)](#)