

U.S. Department of Housing and Urban Development
Office of Housing Counseling
Best Practices/Lessons Learned – LHCA's
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Facilitated by
Booth Management Consulting, LLC
7230 Lee DeForest Drive, Suite 202, Columbia, MD 21046

FACILITATED BY:
Robin Booth, CPA



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Training Topics

- Lessons Learned
- Best Practices
 - Budgeting
 - Time and Attendance
 - Quarterly Reporting
 - Processing Reimbursements
- Things to Remember

LESSONS LEARNED

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LESSONS LEARNED

Internal Control

1. Failure to train new staff (change in personnel)
2. Inadequate policies and procedures regarding
 - a) Internal Control
 - b) Cash Receipts
 - c) Cash Disbursements
 - d) Payroll
 - e) Cash Management
 - f) Time Tracking and Personnel Activity Reporting
 - g) Cost Policy
 - h) Program Income

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LESSONS LEARNED

Budget

1. Inadequate budget assumptions with budget submissions
2. Failure to monitor budget vs. actuals
3. Failure to submit budget modifications
4. Failure to communicate with HUD POC
5. Lack of communication between program and accounting to ensure budget compliance

Indirect Costs

1. Use of incorrect negotiated indirect cost rate
2. Incorrect base used to determine indirect costs
3. Duplication of costs included in the negotiated indirect cost base.

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LESSONS LEARNED

Cost Reimbursement

1. Use budgeted hourly rates instead of actual rates
2. Indirect costs charged included excess amounts
3. Inadequate supporting documentation for reimbursements, including personnel, fringe benefits, travel, training, supplies, etc.
4. Inadequate time and attendance tracking and reporting. Timesheets do not indicate HUD service hours
5. Request not filed timely

LESSONS LEARNED

Quarterly Reporting

1. Filed late
2. Omission of quarter to date and cumulative to date information
3. Failure to file zero activity reports
4. Incomplete filings, not including all requirements in Article XI, A of the Grant Agreement.

LESSONS LEARNED

Personnel Activity Reporting

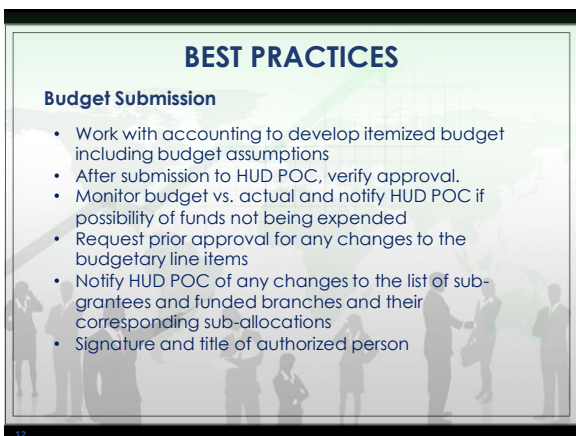
1. Not maintained on a monthly basis.
2. Not signed by employee and supervisor
3. Insufficient information to determine allowability, allocability and reasonableness

Leveraged Funds

1. Inadequate tracking procedures
2. Inadequate supporting documentation
3. Failure to obtain support for leverage activity from Sub-grantees at regular intervals – quarterly or semi-annually are recommended.







BEST PRACTICES

Indirect Costs

- Obtain the most recent NICRA from accounting/finance to verify rate, period of performance, and what costs are included in the base.
- Verify that the costs that can be included in the base per the NICRA are not duplicated as direct costs in the approved budget.
- Request assistance from accounting/finance to prepare or review the computation of the indirect costs prior to budget and reimbursement submission.

Note: An Agency can use a rate lower than the approved indirect rate but not higher. An indirect rate cannot be rounded, i.e. if approved indirect rate is 31.8% it can not be rounded to 32%.

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Time and Attendance

BEST PRACTICES

Timesheets

- Personnel Activity Report (PAR)
- Should clearly indicate the various tasks that the employee can charge time to
- Should be approved according by responsible official (ie, electronic approval, etc.)

Billing Rate

- Should be based on actual
- Can be different for each person
- Can include fringe benefits
- Should not include indirect costs

Invoice

- Should be calculated based on the HUD hours identified in the timesheet and multiplied by the Billing Rate

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BEST PRACTICES

Time and Attendance

- Ensure time is tracked by task (i.e. HUD grant(s))
- Hourly rates should only include direct costs associated with the HUD grant(s)
- Ensure timesheets are complete and approved
- For personnel activity reporting, establish a charging/billing code by activity that can be included on the timesheet. For example by type of service:

Code	Activity
1001	Direct Counseling
1002	Marketing and Outreach
1003	Follow Up with Client
1004	File management and back office support

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Quarterly Reporting

BEST PRACTICES

Quarterly Reporting

- Read the reporting requirements in Article XI, A of the Grant Agreement
- Required even if,
 - If not requesting payment
 - If there is no activity (No Activity Report)
- Inform accounting of all critical due dates with accounting
- Request accounting to review all quarterly reports and requests for payments prior to submission to HUD
- If amending report, recommend indicating "AMENDED" or "CORRECTED" on the top of report

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BEST PRACTICES

Quarterly Reporting

- Monitor the reimbursement to date for sub-grantees and notify HUD POC of sub-grantees/branches that may not expend the approved funds
- Reconcile quarterly reports to request for payments and the approved budget
- If the report will be late, request an extension prior to due date in writing
- All reports, except for request for payments, should be submitted to HUD POC

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QUARTERLY FINANCIAL REPORTING

Grantees must submit a separate report containing the following: **LHCA FY15-17 Grant Agreement**

1. **Grantee's name, address, and Grant number** as they appear on the Grant document.
2. **Start and end dates** of the report period;
3. **Hourly rate.** Identify each counselor or other employee whose time/activity is being billed to the Grant, the individual's title, and the hourly billing rate used to calculate reimbursement from HUD for that individual's time/activity. Explain the method used for calculating hourly rates, e.g. where benefits are included in the rate;
4. **Fixed Price Reimbursement.** Grantee must document actual expenses which must be reasonable and cannot not exceed actual costs.
5. **Staff hours.** Indicate for each relevant counselor and other employee the total number of hours being billed to the Grant cumulatively and for the quarter. For each individual whose work time will be reimbursed from the Grant, multiply the relevant hours by the relevant hourly rate (see item #3) and indicate the cumulative total and total for the quarter;
6. **Itemized Accounting of Actual Costs.** Submit a detailed, comprehensive itemized accounting of actual costs listing expenses for each distinct quarter, and the Grant period to date, under the Grant. At a minimum, the accounting must include the following as applicable: salaries, fringe and other benefits, training, travel, rent, phone, postage, supplies, technology/equipment, marketing, and indirect costs. The accounting must itemize the expenditure of each dollar being billed to the Grant. The itemized accounting of actual expenses may be submitted on Form HUD-424 CB, or in a format of the Grantee's choosing if the Form HUD-424 CB does not provide enough detail. Any deviation between the itemized accounting of actual costs and the budget submitted at the time of Grant execution must be explained in detail and approved by the CTR.
7. **Required Certification.** In accordance with 2 C.F.R. § 200.415(a), include a certification, signed by an individual who is authorized to execute the certification on behalf of the Grantee, which reads as follows: "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729 - 3730 and 3801 - 3812)." "

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Processing Reimbursements

BEST PRACTICES

Processing Reimbursements


- All disbursements must be compliance with Grant Agreement and the applicable OMB Uniform Grant Guidance.
- Establish an payment review and acceptance process to ensure sub recipients are paid within 3 business days after receipt of payment from HUD
- Provide a template that includes the required documentation for submission with the request for payment

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THINGS TO REMEMBER

- **Read the HUD Grant Agreement**
- **Share information with accounting area**
- **When possible, standardize and document processes to ensure consistent applications**
- **Do not hesitate to contact your HUD POC if you have any questions**

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Questions

Please forward any questions to

housing.counseling@hud.gov with
Best Practices/Lessons Learned
LHCAs
in Subject line

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