



**U.S. Department of Housing and Urban  
Development  
Office of Housing Counseling  
Best Practices/Lessons Learned –  
LHCAs**

**June 19, 2015**

**12:00 PM Eastern Standard Time**

Facilitated by

**Booth Management Consulting, LLC**

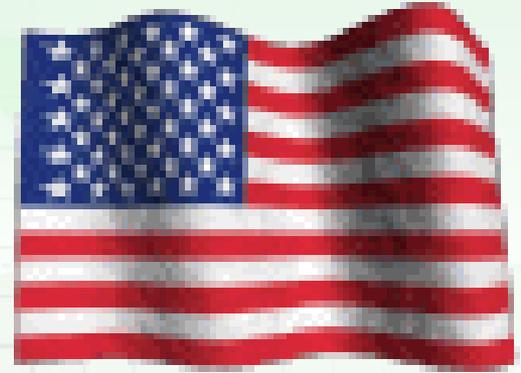
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**BMIC**  
BOOTH MANAGEMENT CONSULTING, LLC

# Training Topics

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



# LESSONS LEARNED



# FINANCIAL GRANT LIFE CYCLE



# 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

# 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

# LESSONS LEARNED

## Cost Reimbursement

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

# LESSONS LEARNED

## Quarterly Reporting

1. Filed late
2. Inaccurate omitting quarter to date and cumulative to date
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

Why emphasize this?



# BEST PRACTICES



# Budgeting

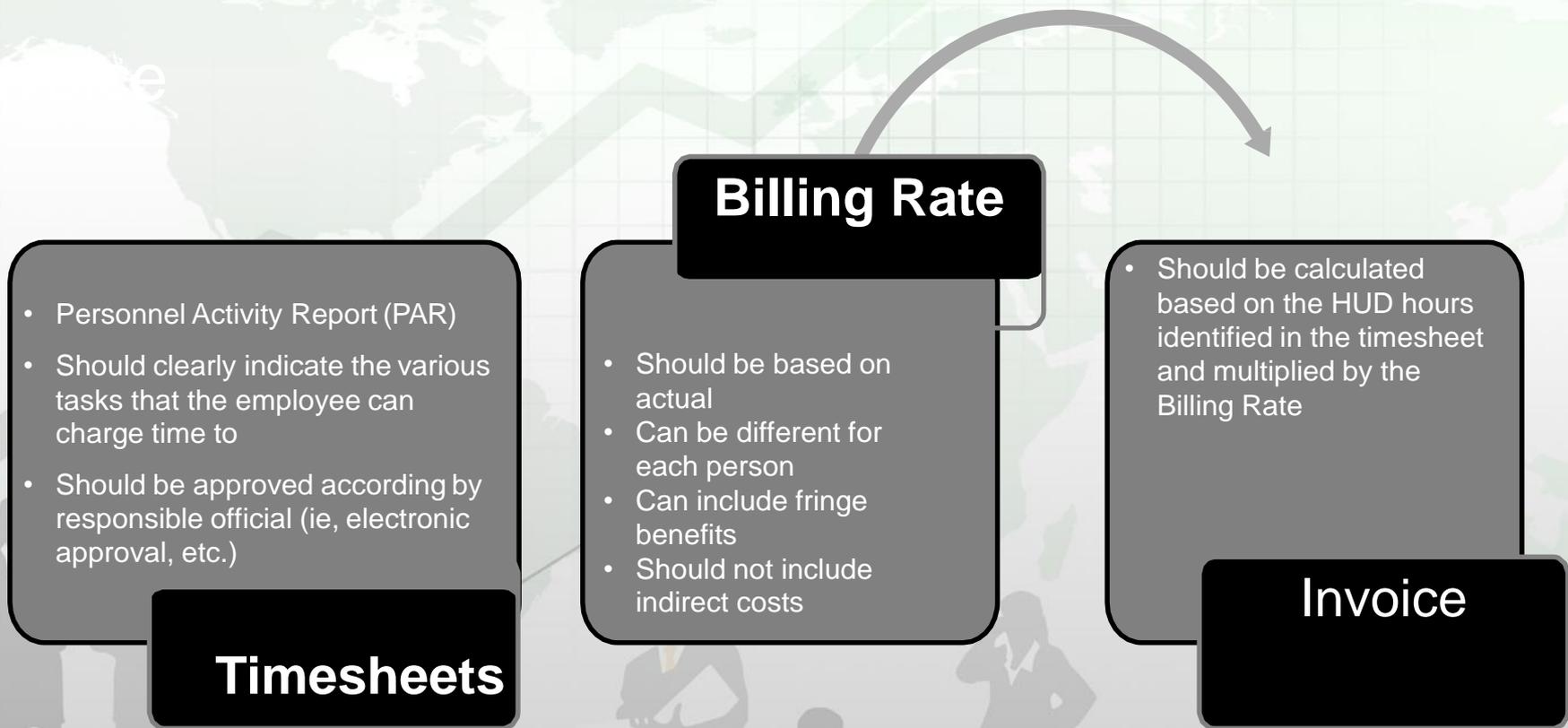
# BEST PRACTICES

## Budget Submission

- Work with accounting to develop itemized budget including budget assumptions
- After submission to HUD POC, verify approval.
- Monitor budget vs. actual and notify HUD POC if possibility of funds not being expended
- Request prior approval for any changes to the budgetary line items
- Notify HUD POC of any changes to the list of sub-grantees and funded branches and their corresponding sub-allocations
- Signed and dated by authorized person

# **Time and Attendance**

# BEST PRACTICES



# 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 an activity code by activity that can be included on the timesheet. For example by type of service:

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

# **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

# BEST PRACTICES

## Quarterly Reporting

- 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

# QUARTERLY FINANCIAL REPORTING

## ARTICLE XI REPORTING

LHCA FY14 Grant Agreement

**A. Quarterly Performance Reports.** Given that Grant Funds will be awarded mid-way through the Period of Performance, the first quarterly report will be due to the GTR or GTM not later than August 31, 2014. This Quarter 3 report should reflect Grantee's cumulative activity for Quarters 1, 2 and 3. This report must satisfy all requirements described below for both the reporting period and cumulative period. Unless the Grant has been fully expended and a final report as described in Section B of this Article has been submitted to close out the Grant, a quarterly report is due 30 days after each quarter ends.

Grantees must submit a separate report containing the following:

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; or, in the event of fixed-price reimbursement, document actual expenses. Explain the method used for calculating hourly rates;
4. 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;
5. Budget. Submit a detailed, comprehensive budget listing expenses for each distinct quarter, and the Grant period to date, under the Grant. At a minimum, the budget must include the following as applicable: salaries, fringe and other benefits, training, travel, rent, phone, postage, supplies, technology/equipment, marketing, and indirect costs. The budget must account for the expenditure of each dollar being billed to the Grant. If reimbursement is being requested for activity attributable to the Grant that occurred in the first or second quarter, the third quarter budget submission must include an itemized accounting/budget reflecting expenses incurred during the correct time period.
6. Authorization. Include the signature and title of a person authorized by the Grantee to sign the report;

# BEST PRACTICES

## Quarterly Reporting

Affix the certification below to all annual financial reports and requests for payments:

“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.”

- The person signing should be the authorized person communicated to HUD.

# **Processing Reimbursements**

# BEST PRACTICES

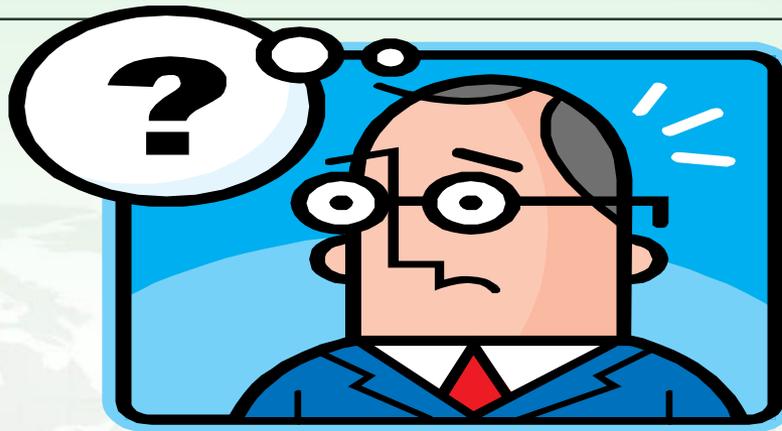
## Processing Reimbursements

- All disbursements must be compliance with Grant Agreement and the applicable OMB Circulars.
- 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

# **Things to Remember**

# 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**



## Questions

**Please forward any questions to**

[housing.counseling@hud.gov](mailto:housing.counseling@hud.gov) with

**Best Practices/Lessons Learned**

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**in Subject line**

THANK  
YOU