



Final Transcript

HUD-US DEPT. OF HOUSING & URBAN DEVELOPMENT: Financial Services for Agencies External

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SPEAKERS

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PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by. Welcome to the Financial Services for Agencies conference call. At this time, all participants are in a listen-only mode. Later, we'll conduct a question and answer session. [Operator instructions]. As a reminder, this conference is being recorded.

Now, I'd like to turn the conference over to our host, Miss Petergay.

Please go ahead.

Petergay

Hello, everyone. I am Petergay Bryan, the Project Manager with Booth Management Consulting. Today, we'll be going over the financial services available for agencies who are recipients of the HUD Housing [audio disruption] Grant.

During today's call, as the operator already told you, audio is going to be recorded; however, the playback, along with any presentations, handouts, and the transcript, they will be available to you on the SharePoint. You should also have received the handout by email, however, if not, if you look on your control panel, there is a section for handouts where you can actually download a copy of the handout and keep for your records.

In addition to that, as your training certificate, within 24 to 48 hours after today's training, you will receive an email. It will be a thank you email. That's going to be your Certificate of Training. So, please save that, and store it as your record of having participated in today's training.

If you have questions, I will pause at the end of today's presentation and take live questions at that time. However, if you wanted to ask a question during the presentation, if you click on your control panel, there is an option for questions and it will look like this, that you're seeing on your

screen now. You can type your questions there, and we do have personnel from Booth Management Consulting who are on standby and will be able to answer your questions as they come in.

During the presentation, please keep your lines muted. Again, whenever there is time for live questions, the operator will give you instructions on how you can do that.

We'll go ahead and get started with today's training. Again, I'm Petergay Bryan. I'm a Project Manager with Booth Management Consulting, or BMC. We were hired by HUD to assist agencies who are recipients of the Housing Counseling Grant funds.

Under that contract that we have with HUD, we provide various types of financial services under the contract. During today's training, we'll be talking about the different services that are available to you under the contract that BMC has with HUD. We'll provide you with instructions on how you can go about requesting services, some benefits to grantees or agencies that have received these types of services, and hopefully we'll be able to clarify any questions or concerns that you may have.

At the end of today, you'll have a clear idea of if you had a financial-related issue relative to your Housing Counseling Program, how you would go about requesting the assistance needed.

The contract that we have with HUD, we have a lead technical monitor, and that is Linda Bozeman. Her co-GTMs are Gail Osgood and Tracy Fields. What that means is that these individuals are the ones who would approve any services that we provide to recipients of the HUD grant fund.

If you needed assistance on any of the topics that we'll go over today or anything on the financial side of your Housing Counseling Grant, one of these ladies would be the ones to approve the request that's made on your company's behalf. The services that we provide, they're available to grantees, intermediaries, local housing counseling agencies, as well as the HUD POCs and any other designated personnel. Our services range from providing training, to action plans, to technical assistance, or to providing some type of a financial analysis to the above-mentioned individuals.

Under the training umbrella, for agencies that are new to the Housing Counseling Program, or if you're not new to the Housing Counseling

Program but you haven't received a grant in a while, or you had changes in your key personnel, we provide modules 1 through 5 type training.

Module 1 training is where we actually go over the grant requirements.

So, we're looking at the NOFA, and we're looking at your HUD grant agreement and we're providing you with training so that you are aware of what you're requirements are under the grant program.

In Module 2 we provide training for agencies when they're submitting their budget. We talk about the various budgetary line items and the various items that can be submitted for reimbursement under the grant.

We also talk about any assumptions that agencies may make while preparing their budget.

Under Module 3, we talk about the grant financial reporting. If you take a look at your HUD grant, as we mentioned, you know that there's financial reports that must be submitted periodically. We do provide training on what needs to be included on those financial reports, and who those reports should be sent to, and who should be signing off on those reports, and what types of supporting documents you need to maintain on file to support the costs that you're submitting for reimbursement.

Under Module 4, for agencies that will be charging direct services to the grant, and submitting that for reimbursement, we provide personnel activity reporting and timekeeping training, where we provide assistance to agencies letting them know what types of documents would be able to evidence or track the activities that are performed by employees who are charging their time to the grant.

HUD does allow for indirect costs to be charged to the grant. Agencies who have opted to use the 10% de minimis rate, we provide very intense training, or detailed training on how you could apply the 10% de minimis rate, what types of costs you could use as your direct costs to then apply the 10% rate to.

Modules 6 through 9 is really geared toward intermediaries. For intermediaries that use the HUD funds to procure goods and services, we do provide training, giving them an overview of what the procurement requirements are, making sure that whatever they have in place is lining up with the uniform guidance requirements.

Under Module 7, we provide training on intermediaries, how they go about awarding and then monitoring their sub-grantees. We give them certain tools that they could use to do so easily. We also provide training

on how parent agencies can go to their own financial and administrative reviews just to make sure that their sub-grantees are performing in line with the terms and conditions of the HUD grant award.

We provide training on helping intermediaries know what to look for when they're reading the financial statements of their sub-grantees and also understanding internal controls so that they can assess whether or not their sub-grantees are compliant with their own internal control policies and procedures.

Other topics that we provide training on would include the financial reporting training. We sit one-on-one with agencies and help them to prepare quarterly financial reports. We also provide training on the federal financial report, which is also known as Form SF425.

For the financial management system training, recipients of the HUD award are required under the uniform guidance to set up a separate fund for HUD transactions. Sometimes agencies do not do that, or they don't have the capacity, so we work with agencies to actually reconfigure their accounting systems to make sure that they're properly accounting for the HUD grant funds.

We do also provide one-on-one training to review agencies' policies and procedures and update those policies and procedures to make sure that they're in line with uniform guidance requirements. We also provide the uniform guidance one-on-one training. The uniform guidance became effective in 2016 and so a lot of agencies may not know how did this change or impact their HUD grant and things that they need to make sure are in place because of the changes in the uniform guidance. We do provide one-on-one training to agencies just to make sure that they're meeting the requirements of the new uniform guidance.

Under the action plan umbrella, we're pretty much assessing where agencies are. Typically, that's what the action plan is. In the first block here, where we conduct an assessment of your compliance with the uniform guidance, we would request documents, such as your policies and procedures and some sample reports from you. We would conduct a readiness assessment to determine whether or not from a high level it appears that your agency is aware of what the requirements are and also whether or not you're complying with those requirements.

Under the internal control assessment section, here we would ask your agency to conduct an internal control self-assessment. We would obtain

your policies and procedures, and we would also ask you to conduct a segregation of duties grid. A combination of those three would help us to conduct an assessment of your internal control and to verify whether or not you're in compliance with the uniform guidance requirements.

For the procurement assessment, we would review your client procurement policies and procedures. If there are any deficiencies or gaps identified in there, we would definitely communicate with your agency to let you know, okay, you're compliant in some areas, but there are certain deficiencies in other areas.

Under the financial analysis umbrella, one of the things that we do is we conduct financial capability assessments. A financial capability assessment is where we review your agency to determine whether or not you're financially capable of performing the grant. [Audio disruption] and pass-through entities have asked us to conduct a financial capability assessment of their sub-recipients and HUD POCs have asked us to conduct one for their agencies. It's really geared towards any agency that may be showing a financial difficulty to perform the grant, or if an agency hasn't received their financial statement audit within the past two years, as

they're required to, then we could conduct a financial capability assessment in lieu of conducting the audited financial statement.

So, that is the type of assistance we provide to give HUD as well as parent agencies some type of assurance that their grantees or sub-grantees are able to perform the grant from a financial perspective. For agencies that are parent agencies and that have sub-grantees, we also review their grant execution documents. We conduct their financial capabilities assessments, as I mentioned before, and we review any other financial data that they may provide.

So, as a parent agency if you had a sub-grantee and you wanted us to review their grant execution package, we do review that on behalf of the parent agency. We perform the financial capability assessment, and we could also review their quarterly financial reports that they submit to you. If you wanted us to do that for all of your sub-grantees, we could, and compile all of that information and then provide it to you for you to submit to your HUD POC.

We do also provide grant execution package reviews for HUD POCs.

Once you guys have been awarded the grant, and you're now required to

submit the grant execution packages, we do oftentimes review the package on behalf of HUD POCs.

Another type of assistance that we provide is we conduct risk assessments, especially for parent agencies and their subs. Because of the uniform guidance, it is required that parent agencies do conduct a risk assessment of each sub-grantee periodically to see whether or not they are able to perform or if they pose a risk to the grant network. We do conduct risk assessments for high-risk agencies, or if they aren't identified as high-risk agencies but you definitely need the assistance for us to do so, we do provide that type of assistance as well.

Other types of financial analysis that we perform would include the quarterly financial reports. For each agency, whether a parent or an LHCA, you are required to submit quarterly financial reports. We do provide assistance to review your quarterly financial reports for accuracy and completeness.

We want to make sure that the report reflects all of the key elements that are required by HUD. We want to make sure that it's being submitted timely, want to make sure that it is showing the amount the way that HUD

needs the amounts to be reported, and also that it's being signed off by the authorized official. Also in this type of training, we let you know, based on the types of expenses that you're submitting for reimbursement, what types of supporting documents you need to maintain on file, how long you need to maintain that information on file, etc.

One of the quarterly financial reports training that we also do specifically for pass-through entities though again is the federal financial report, where we go through each line of the federal financial report and let you know what needs to be put on each line and how you move from one quarter to another quarter and update that information correctly.

For agencies that opt to charge indirect costs to the grant, we review that agency's methodology. We want to make sure that it's a solid methodology and that it is compliant with the uniform guidance requirements. We're also reviewing your application of the indirect costs, so we're actually recalculating your calculation of the indirect costs and making sure that it's accurate.

If you had questions whether a cost is direct or is an indirect cost, or anything like that, we do provide assistance with helping you guys

determine what should be direct versus indirect, which one of the pools it goes into. If you had a negotiated indirect cost rate agreement, what period you could apply that rate to, what is the base that you can apply the rate to, and things of that nature.

For your billing methodologies, we do review billing methodologies to make sure that they're compliant with federal requirements. We want to make sure that the assumptions that are being used in the billing methodology, that these are sound assumptions, and that they're in line with basic accounting principles.

We also conduct accounting systems reviews. We're looking at your accounting systems to make sure that you have the ability to account for the grant in accordance with the federal requirements. Again, we're making sure that you have a separate fund set up for your HUD housing counseling grant, that you're tracking any receipts or expenditures related to the HUD grant.

If you had program income related to housing counseling, we would look to see how your accounting system is tracking that. If you had leverage funds related to housing counseling, we would also look to see how your

accounting system is tracking that. For agencies that needed assistance to update their accounting systems, again we do provide that type of assistance to agencies.

For technical assistance, we provide various types of technical assistance.

A lot of times we get questions from HUD POCs or grantees that may have an issue with interpreting a standard that's in the uniform guidance.

So, agencies may not know how to apply that standard or want a clearer definition on what does this standard mean, and things like that. They would pose a question, and we do provide technical assistance in breaking it down for agencies and making sure that they understand what the standard means and how to apply it to their specific situation.

Also, if an agency had a financial and administrative review or an action plan and they had a follow up, they needed assistance based on the review or the assessment that we did, we do provide technical assistance to address any deficiencies or observations that may have come about from those reviews. Also, if an agency had a review and they needed to develop a corrective action plan, we would help the agency to develop a corrective action plan as well as to implement that corrective action plan

just to make sure that any findings, or observations, or deficiencies have been resolved.

We also provide various templates. We provide templates for quarterly financial reporting. We provide templates for personnel activity reporting and timekeeping. We provide templates for documenting your policies and procedures.

So, say, for example, you're a smaller agency, and you have your procedures in place as far as how you handle business, but you don't have a written policy and procedure for the business process. We do work with your agency to develop those procedures that you perform, and document them, and make sure that they're tailored specifically to your agency. These are things that can carry forward to different programs as well as long as they're relevant of course.

Other technical assistance that we provide for the uniform guidance implementation, so agencies that haven't received an action plan and they needed some assistance with implementing changes that came about with the new uniform guidance, we do work with agencies to look at where are you at today and what needs to be done to get you guys in compliance

with the uniform guidance requirements. We provide that type of assistance depending on the agency and what is needed.

For the procurement assistance, we do develop, modify, and/or update your procurement policies and procedures. If you don't have procurement policies and procedures, but you will be using the HUD funds to procure goods and services, we would develop those for you. If you had procurement policies and procedures, but they haven't been updated in over five years, or maybe your procedures have changed or the titles of individuals involved in the process have changed, we would then go ahead and make those updates for you and we would also make sure that they're compliant with the new uniform guidance requirements.

For any other policies and procedures that you have, we would modify them to make sure that the actions that are being taken by personnel at your agency, that those procedures are clearly documented. We would update them according to what is being done and make sure that whatever you guys are actually doing is compliant with the uniform guidance requirements. For agencies that do not have any policies or procedures, we would work with your agency to develop those policies and procedures.

In the process, we would be letting you know, for example, what type of activities needed to be segregated by individuals if possible. If you're unable to really have full segregation of duties, what are some mitigating controls that you can put into place and put into your policies and procedures to make sure that there is some type of a mitigating control in place.

For the personnel activities, for agencies whose counselors or personnel will be charging their time to the grant, we look at what systems you have in place and we help you to develop templates for how you are tracking and reporting activities that are performed under the grant, so at the end of a period you'll be able to report that information accurately.

We also provide templates for quarterly financial reporting, where we develop templates for your agency, because a lot of these things aren't one-size-fits-all. We have to really customize them to your agency's needs because in a lot of cases what you use for one grant can transfer to additional grants as well if it's a requirement for that.

In this next section we'll talk about how you could request services. There are two different ways that agencies can request service. You have the

direct service request, or a request that may be a result from an action plan, or a financial and administrative review. We'll go through each type in a few seconds.

For the direct service request, as an agency you determine I need some assistance with this particular item, the first thing that you would need to do is to contact your HUD POC and let them know the type of assistance that you need. They would then contact one of the GTMs on our contract. Remember, previously I said the GTMs are Linda Bozeman, Gail Osgood, or Tracy Fields.

Your HUD POC would then in their correspondence with the GTM, they would state the type of service that's being requested. If it's assistance with a quarterly financial report, or if it's a question that you had with implementing a standard, or anything like that, that would have to be specified in the communication with the HUD GTM.

They would list your name and your contact information. If they approve it then they would communicate that information to us at Booth Management Consulting, who would then work with your agency to

resolve the issue, provide the assistance, and then provide a final deliverable. Usually, the final deliverable is in the form of a report.

If there's something where it's just an email response, you would have the email as your evidence that you received the assistance. Sometimes it may [audio disruption] a template developed and we would then create the template and submit that deliverable to you and then complete the assignment.

The next way to request assistance, sometimes the need for assistance may be a result of an action plan or a financial and administrative review.

Whenever we conduct an action plan or a financial and administrative review, if there are any observations or findings, we usually recommend that you receive technical assistance for those findings. Then we would follow up with you to see whether or not your HUD POC approves and whether or not your agency is interested in receiving the technical assistance that we recommend.

If so, then the GTMs would then have to approve the work. Then, once that's approved by the GTMs, then we would contact your agency to schedule a date and a time to provide the assistance to your agency. It's

usually in the form of technical assistance or training, depending on what the finding was.

Some known benefits for participating in these types of trainings, and technical assistance, and action plans, and things of that nature, we've realized that the assistance that we provide to agencies have helped to minimize the burdens of implementing the new regulations especially with the new uniform guidance, as the various things that may have changed.

A lot of times, agencies aren't even aware of the changes that have been made and how they're reporting requirements and just requirements under the grant in general have been impacted by the new regulations. A lot of times we're able to bring awareness to things that needed to be updated and we also are able to reduce the burden of implementing the new regulations.

Another benefit is that it could potentially reduce any findings during your performance reviews or financial reviews. By taking a proactive approach to make sure that you are aware of what the requirements are and then how to implement them, that is definitely likely to reduce any potential for a finding in your performance or financial review.

Another huge benefit is that we provide financial and administrative technical assistance that can be transferred to other federal programs. This is a federal grant, so mostly the requirements under this grant, a lot of them are transferable to additional grants. That can be a huge benefit for agencies.

For intermediaries, and parent agencies, we have helped to reduce the administrative burden through the training of your sub-grantees, because that is one of the things that we do as well. The training is not just available to LACAs and parent agencies, but we also do provide training to sub-grantees as well.

A lot of the times, if we have to provide training to sub-grantees, we like to come on-site, where we can really give that one-on-one type training to agencies and answer any questions that they have. We usually do it in a workshop style. For example, I did one in Delaware a few months ago where the parent agency's sub-grantees, they were present, and they brought their actual reports. They brought their quarterly financial reports, their budgets, and we worked through each line item together on a one-on-one basis. The agencies found that very helpful.

I will pause for any questions at this time, Operator.

Moderator [Operator instructions]. One moment for the first question. You have nobody queuing up for questions.

Petergay Okay. Well if you think of any questions, please email them to housing.counseling@hud.gov and use Financial Services for Agencies in the subject line. That way it's just easier for us to figure out what training the question is related to.

I want to thank you all for joining the training today. Hopefully, if you are in need of any technical assistance, or training, or action plan, you'll have an idea of how you can go about requesting that. Thank you for your time.

Moderator That does conclude our conference for today. Thank you for your participation and using AT&T [audio disruption].