



Final Transcript

**HUD-US DEPT. OF HOUSING & URBAN DEVELOPMENT: Comp
Grant Agreement Training**

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SPEAKERS

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Edward Golding
Sarah Gerecke
David Valdez
Tracy Badua
Brianna Benner
Connie Barton
Jamie Spakow

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by and welcome to the

Comp Grant Agreement Training conference call. At this time all

participants are in a listen-only mode. Later we will conduct a question

and answer session. (Operator instructions.) And as a reminder this

conference is being recorded.

I would now like to turn the conference over to our host, Mr. Ben Yanetta.

Please go ahead, sir.

Ben

Thanks, thank you very much and hello, everyone. Thank you for joining the HUD Office of Housing Counseling for this extremely important training on the 2016 Comprehensive Housing Counseling Grant Agreement. Before we get started I'd like to share a few things about this webinar.

As you heard, the audio is being recorded. In about a week the phone number to call in to hear the replay along with this PowerPoint presentation will be posted to our HUD Exchange website where we have a growing list of previous trainings. This is a great resource if you've missed out on previous trainings, want to review this presentation or have colleagues that were unable to join us today.

The handouts that you received when you registered for this webinar have links listed on them, but they're not live links. Once the presentation is posted, the PowerPoint that's up on the website will have live links that you can use. We'll announce through the OHC Listserv when the presentation is uploaded.

As you heard the lines are all going to be muted, but we will have, time permitting, a question and answer period. And if you have a question to ask we'll give instructions at that time, and when you do ask a question, we ask that you keep us off speakerphone. The sound quality usually makes it too hard to hear your question.

In addition to the question and answer session, you can submit your questions through the question box in the webinar interface. You just type it in there and it will go into a queue that we'll be reviewing as the presentation goes on. And if you think of a question that you'd like ask after the presentation is completed, you can always send an email to housing.counseling@hud.gov and if you put grant agreement in the subject line, that'll help us route it to somebody to get your question answered faster.

When you exit the webinar, a window will pop up and ask you to complete a brief survey. We really want to hear what you have to say and what went well and what could be improved, so we can give you the best possible training. It really does help us when we develop future presentations and trainings.

Everybody that logged into the webinar today will receive a thank you for attending email from Go To Webinar. This email itself, the email itself is your certificate of training. There's no attachment or anything. You print out the email and save it for your records.

At this time I'd like to turn it over to Mr. Edward Golding, Principal Deputy Assistant Secretary for Housing. Mr. Golding, the floor is all yours.

Edward

Thank you very much and good afternoon and good morning from those of you joining us from the West Coast, Alaska and Hawaii. I want to thank you all for joining the call today for grantee training, but more importantly I want to thank you for working to create a housing market that serves everyone. Building a sustainable financial future is easier with the tools and advice that you provide and more broadly counseling can help meet critical needs in communities and help stabilize neighborhoods.

When I talk about access to credit, which I often do, I almost always pair it with a discussion of the importance of housing counseling. We need informed buyers who are ready to take on the responsibility of home

ownership. In short HUD supports housing counseling because housing counseling works. In fact June was a very busy month, so before I turn things over to Sarah and her team, I want to celebrate a few of the wins in June.

First the White House hosted the first ever home ownership month event Dare to Own the Dream. Secretary Castro and I along with about 100 stakeholders heard incredibly moving stories from homeowners and their housing counselors about how they beat the odds to become homeowners by working with HUD-approved housing counseling agencies. The Office of Housing Counseling recently posted additional information about how you can create a local event highlighting your own success stories.

In addition, the first ever Housing Counseling Federal Advisory Committee met at the White House for its orientation. The committee brings together outside experts to provide valuable, independent and objective advice to the HUD secretary and feedback to the Office of Housing Counseling.

Another big milestone on June 29th HUD released Early Insights, a report from our long-term research project, the first-time home buyer education

and counseling demonstration. The study will follow 5,800 participants in a randomized experiment, the gold standard of research, to understand the impact of housing counseling on long-term housing success. And even at this early stage the study is providing important data about preferences and barriers.

And finally and perhaps most importantly, we announced more than \$42 million of comprehensive housing counseling grant and training awards for fiscal year 2016. Congratulations on your successful applications.

This funding will continue to support your critical work you do in communities across the country every day.

And I want to thank Sarah and her team for all their hard work, especially over this last few months. I'll wrap up by thanking all our counselors and counseling agencies again. Thank you for creating opportunities for more Americans to experience the pride of purchasing their first home, for creating lasting security and sustainability for families and communities, for helping more hard-working people build a better, more stable future anchored in smart housing decisions.

So now I'll turn things over to Sarah Gerecke to go into more detail about the awards and today's grant agreement training.

Sarah

Thanks so much, Ed. As you see we have a great champion here at HUD for the Housing Counseling Program. I also wanted to take a minute to thank the Office of Housing Counseling team who really have worked very, very hard in the months of May and June to get to this point. Our NOFA team led by Jamie Spakow has really done great work, but I know they're going to be very eager to get feedback from you, so that we can continually improve. As Ben said earlier, we love making our processes and programs even better.

So anyway, the award announcement included details of the selection of the 2016 grant awards under both NOFAs that the Office of Housing Counseling published on February 18th. In the housing counseling training grant NOFA we awarded four agencies over \$2 million in training grant funds, and we hope all counselors will soon be able to benefit from that. In addition 234 agencies were awarded over \$40 million in comprehensive housing counseling grant funds.

I want to add my personal congratulations to you and thank you for all that you to help clients achieve their housing dreams. And, I also want to thank you for doing such a great job as stewards of federal funds. I've become very aware of how important it is. It's a lot of work to get a federal grant, but it's also an important responsibility.

There's a very low rate of waste, fraud, abuse or misspending in this program. In fact historically the program has spent more than 98% of appropriated funds, so we know you put the funds to good use and we know you work hard to make sure that they're spent in a timely manner and that helps us make a great case to the taxpayers and to Congress in tough years.

We value your input on our efforts to provide funding and other support to you. And I invite you to attend our upcoming July 25th stakeholder session to provide feedback on the 2016 NOFA process, so that we can consider that as we move forward.

You're here today for training on the 2016 Comprehensive Housing Counseling Program grant execution process including an overview of the 2016 grant agreements. Today's trainers from the Office of Housing

Counseling staff include David Valdez, Tracy Badua, Brianna Benner, Connie Barton and Jamie Spakow.

David Valdez is going to start the training by discussing the grant execution process, and so I'll turn it over to David.

David

Thank you, Sarah. My name is David Valdez and I represent HUD's Office of Housing Counseling, Office of Policy and Grant Administration. I'm going to be giving you a brief overview of the grant execution process. My colleagues will then go into substantial detail about the articles in the grant agreement itself.

So let's talk about the purpose of the grant agreement. Essentially a grant agreement is going to be a contract between your agency and HUD, and it's going to serve as your definitive guide to periods of performance, payment requests, program reporting requirements, etc. And essentially the purpose of this agreement is just going to set forth the terms and conditions under which HUD is going to provide your agencies with federal funds, and how you're going to comply with our program requirements and how you're going to exactly carry out your HUD-approved Housing Counseling Program.

We've got some key concepts we're going to go over. One is this continuation of streamlined requirements and I think a good example of this would be the grant execution checklist that I'll talk about shortly, which makes your job easy as grantees and makes our job at HUD easy as well and just making sure that we have everything accounted for in the execution process.

Just a reminder that this is a cost reimbursement grant, so you're reimbursed for the actual time spent and your actual costs incurred and the emphasis here is on the word actual. We don't want averages or estimates. We're actually looking for actual time spent and actual costs incurred. In your files it demonstrates exactly where these costs or hours are coming from, and you have to submit those files or records by any kind of due date indicated in the grant agreement itself.

Here's just a brief illustration of the grant lifecycle and so from your perspective we release a NOFA and you apply. You're then—if you reach a fundable score you're then awarded based on an underlying funding methodology.

And then we're at this point where we're at right now where we're talking about grant agreements. We sent out those grant agreements last week and if you have not received them, you should be receiving them shortly. It's very important that in addition to what you're going to get out of this presentation, it's very important that you actually read the grant agreement. It'll have most of the answers to the questions you may have along the way.

And then after that as part of this process, you'll be submitting a projected budget and a 9902, and I'll also talk to you about how to do that. And then along as the period of performance progresses, you'll be doing some actual grant reporting in HCS. Then on a quarterly basis you can also ask for a drawdown for reimbursement and you would do this through the log [ph] system. And then we're also charged in the Office of Housing Counseling with performing performance reviews and so your agency may nor may not be reviewed during the process, but if it is, we'll certainly be looking at a lot of the files that pertain to billing for the grant.

And on the next slide we just have a short little sample here of what the grant execution checklist is going to look like when you receive it. So along with the actual grant agreement, you're going to receive this

checklist and this is a really important document. It's going to guide you. It's going to ensure that you give us all of the documents that are required and all the certifications that are required and you can just neatly check off one by one as you do so.

This is an important date here July 22nd all documents are due back to us. And if for some reason you do not receive it in a timely fashion, the grant agreement, you can always reach out to your HUD point of contact as well to ask for maybe an extension, but you have to put that in writing. But all documents are due July 22nd absent extenuating circumstances.

The HUD 1044 form, this is your assistance award amendment form, and it's going to have your grant amount on this form. It's going to have the grant number that's assigned to the grant and your point of contact at HUD. This is a very important document for you to keep and hold onto.

All we ask is that you sign, date, scan and return the final page of this grant agreement to HUD, so we're only looking for you to return to us that final page. Don't send us back the entire 27 pages or however many pages the grant agreement is. We just need that final page signed, dated, scanned and returned, and then keep a copy of the HUD 1044 for your

own records, so you'll always have a reference for how much your award amount was, what the corresponding grant number is and who you can contact at HUD should you have any questions.

I'm going to briefly go over some things that we're going to be asking for. These are actually also on the grant execution checklists. One thing that we're asking for is if you have a negotiated indirect cost rate and you intend to bill HUD for indirect costs, we need you to provide us with that rate.

Or, you have another option, which is to provide a statement that you've never received a negotiated indirect cost rate and you're going to go ahead and choose a de minimus rate of 10% of modified total direct costs. There is an exception if a governmental department or an agency receives more than \$35 million in direct federal funding you're not eligible for the de minimus rate. I don't think that this will apply to many if any of our grantees.

Or, you have the option if you choose not to bill HUD for indirect costs, just provide us with a short statement indicating such that you will not be billing HUD for indirect costs.

Now another thing we're asking for is for you to provide documentation in the form of a certification demonstrating that your organization's financial management system satisfied regulations. And again, it's just a certification from your executive director or another qualified professional just indicating that your financial management system identifies things such as all federal awards received and expended, the source and application of these funds, including a comparison of expenditures with budget amounts for each award.

We also need an accurate and complete disclosure of financial results of the award, effective control and accountability over funds, property and other assets. These are some of the things that you're certifying, but I strongly encourage you to read the full regulation at the link provided and you'll get a better sense of what you're certifying.

In terms of audits, so for agencies that have expended more than three quarters of a million dollars in federal funds, you will need to provide a single program specific A-133 audit. And for agencies that expended less than this amount, you just have to provide us with the most recent independent financial audit. So, the emphasis here is that if you received

more than \$750,000 in federal funds, keyword on federal funds, then you will provide us with A-133 audit. If it's less than that amount, then just an independent financial audit will do.

This will apply to a few agencies, so many of you have already provided HUD with a code of conduct in the past. If you're a former grantee, you've probably already done this, but it is important that even if you have done so in the past that you go to the website that's this link here and check to see that your agency is listed on this site.

So if not, you have to submit a written code of conduct that meets the requirements outlined on page 3 of the award letter. And I think on the handout side of our presentation here you can get a copy of the award letter and follow along. It's just got to comply with those requirements. If your code of conduct has changed since the last time you gave it to HUD, you also need to submit a new written code of conduct. And if your agency is listed on the site and it hasn't changed, then we don't need you to submit anything. You're fine.

Let's talk about projected budgets. So the budgets that account for how every single dollar is being billed to the grant and how it's going to be

spent and so this is a projection, this happens first. All expenses have to be itemized, and again, you can refer to page 3 of the award letter for different cost categories that have to be itemized. And unless your HUD point of contact or GTR states otherwise, your projected budget is going to be considered your approved budget, and so subsequent payment requests have to align with the approved line items on that approved budget.

Now you're not necessarily locked into this. Should you anticipate that there will be a deviation between a payment request and your approved budget, you should contact your HUD point of contact, your GTR, just as soon as possible and explain in detail in writing why there's that deviation, so you have to get that approved by your HUD GTR. For your projected budget you can use Form HUD 424-CB or you can use your own template maybe that your agency uses already. Just make sure that you're capturing all the required elements that the HUD document covers.

On the next slide it's just got a brief sample here of some of those required elements and this is actually an agency created budget sample. It has all the required elements here of salaries, fringe and other benefits, travel and direct costs. And so, this is a sample of how it can look, but again, you can find the HUD form at the link that we provided in the previous slide.

So now we'll talk about entering projected budgets for parent organizations. These are multi-state organizations, state housing finance agencies and intermediaries. This is just a reminder that you can reimburse your sub-grantees and/or your branches at a fixed rate, but it's important that you document that—essentially you have to show us that it's not exceeding the actual costs. So if you are charging a fixed rate, a fixed cost rate, it just can't exceed actual costs providing the service. And so you have to clearly explain the billing methodology that's going to be employed to reimburse your sub-grantees or branches, whether it be fixed rate or some other format that you choose.

If you indicate the process, so if you're using a fixed cost reimbursement again you just have to provide some sort of proof to us that it doesn't exceed actual costs of providing counseling. You're also going to submit a budget for how all administrative funds, if applicable, will be spent and this includes some of the elements that we went over in the previous slide including training, travel, salaries, equipment and indirect costs.

And so when you actually enter your projections, how do you do it? So this process is completed through the housing counseling system, HCS,

and if you go to page 4 of your award letter it'll outline for you exactly how to enter your projections in HCS. But a brief introduction would be, you're going to be entering your projections under the HUD 9902 menu item. You're going to select projections for NOFA 2016-1.

What you'll do is once you do that, you'll be given a sheet, essentially a spreadsheet, where you'll enter in numbers your projections. And then what you're going to do is you're going to save that as a draft and then you're going to send your projections the total number of households you're going to serve with the grant to your HUD GTR via email, so this is very important. And then at that point, your HUD GTR will go into the system and approve those projections.

Again in addition to what we have outlined on page 4 of the award letter, we also have past webinars and trainings at the following link, which gives you a very, very detailed step-by-step instructions on how to enter projections, what we're looking for. And then we've also attached a PDF document, which is the actual user guide. But, I would visit the presentation archived webinar; it's very helpful.

This is just a screen shot here showing you HCS and where you'll be entering your projections. And if you look up on the top left you'll see that Save as Draft button, and so that's what you do after enter your projections. Then you'll email your HUD GTR, and then the process will go from there.

This is specific to parents again only, MSOs, state housing finance agencies and their intermediaries. You'll have a sub-allocation list and this is also going to be completed on HCS under Budget Allocation screen. You also have to provide us with a brief explanation of how the award amounts for sub-grantees and branches are determined. We're not looking for a long essay or anything on this, just a couple of sentences just briefly outlining how the sub-award amounts were determined.

Finally back to the client management system, so you'll be certifying to us, again, this is on the checklist, that you are utilizing a CMS system, and it's got to be a CMS system that's approved to interface with our systems. And so for a list of HUD approve CMSs, you can go to the following link, and again, this is just a certification, so putting in writing that we use X client management system that interfaces with HUD systems and again specific to intermediaries, MSOs and state housing finance agencies.

You're going to have to do this for all the relevant sub-grantees, so you've got to list that out. If they all use different CMSs make sure to let us know, break it down for us which CMS your sub-grantees use.

And with that, I'll go ahead and hand it off to my colleague, Tracy Badua and she'll be taking you through Articles 1 through 9. Thank you.

Tracy

Articles 1 through 9 of the grant agreement. Next slide please. So Article 1 outlines the general terms and conditions for the 2016 Housing Counseling Program grant awards and also starts out with ceding some of the legal authority and applicable requirements, which include the Housing Counseling Program regulations, statutory requirements like the Dodd-Frank Act and other federal laws, the notice of funding availability for school year 2016/2017, HUD handbook 7610.1 revision 5, which discusses Housing Counseling Program requirements in more detail and then finally also your applications and work plans that you have submitted.

Next slide please. Article 2 contains some key program and grant agreement definitions. And one thing I do want to highlight for you is that Article 2, part N, incorporates definitions available in other references like

in the NOFA, the Housing Counseling Program regulations and also in the handbook. So these are all forms of guidance you'll want to keep handy throughout the grant period anyway, so if there's a term that you come across that you're not entirely familiar with or need a refresher on, you can refer to these different references.

Article 3 describes a period of performance for the fiscal year 2016 grant agreements, and this performance period began on October 1, 2015 and ends March 31, 2017, which means that grantees have up to 18 months to expend their funds. And if you were awarded a grant under the fiscal year 2015 NOFA you'll notice that there are about six months of overlap with that performance period, but just make sure that you're using systems to track time and activity and charge it to their separate grants just like you would do for any other funding source. Then just make sure that you bill costs to only one source, so you shouldn't have too much of a problem if there is some overlap.

And then part B of Article 3 also states that HUD can grant extensions if you need them, but you're going to need to make sure that these are in writing and made at least 30 calendar days before the end of the performance period, so 30 days before that March 31st, so March 1, 2017

is the last day that you can make your written requests for an extension.

You'll have to justify and explain the need for that extension, and this will all be in writing and sent to HUD.

So Article 4 the statement of work starts with a discussion about the scope of services. As a reminder grant funds can only be used for eligible activities, and remember that the eligible activities are those that you propose in your grant application in chart B. So these eligible activities fall into five basic categories: individual counseling and group education classes; marketing and outreach; training; grant administration; and capacity building.

Continuing on Article 4 statement of work, you'll be submitting projections for the number of clients to be served under the grant as part of the grant execution process that David had mentioned earlier. And note that if you'd like to change your work plan, you must request and receive approval from your GTR, so from HUD. Just a reminder that if you do want to change your work plan, you will have to notify and get approval from HUD.

The provision of services section of Article 4 reminds grantees what the requirements are in order for a cost to be eligible for reimbursement, and note here that these activities must be performed and documented in the CMS, the client management system that David had discussed earlier. So first there's third-party authorizations and privacy policy statements, so counselors must secure these authorizations from their clients to make sure that your agency is able to submit the client level data to HUD and to allow HUD to access the files for the purposes of grant oversight and compliance.

There'll also be client's budget and financial analysis and the counselor must review the client's unique financial situation and maintain documentation of this review, and then also documentation of the housing analysis which is the documentation for the counselor reviewing the client housing needs, current housing quality and housing affordability relative to their financial capacity.

Continuing on with the provision of services, the following must also be performed and documented in CMS action plans, so action plans are something that are defined in Article 2, so the definition section in the grantee agreement. And generally this is something that takes a client

from where they are to where they want to be, and it outlines actions that the housing counseling agency and client must do in order to meet their goals or address their housing problems. Just note that this isn't required for reverse mortgage counseling clients, and you'll actually see that language in the grant agreement itself.

Counselors must also discuss alternatives at least three alternatives or options available to their clients addressing their specific housing needs. And then lastly they must also perform and maintain documentation of follow-up. They are expected to make reasonable efforts to follow up with clients and provide close-out and termination of counseling. More information on the timelines for that are located in handbook 76-10.1 revision 5.

And for clients that are participating in pre-purchase counseling and/or home buying education, the file should also note whether the client received the two required documents informing them of the importance of home inspections, so this is for your protection get a home inspection. There's a little screen shot of that there and then the ten important questions to ask your home inspector. Both of these documents are available on HUD's website.

So for group education to be considered eligible for reimbursement, these must be formal classes with established curriculum and instructional goals. And then in general if you are flipping through the agreement, you'll see similar information on what's required of our grantees including coordinating with organizations to work with the client, providing services to low and moderate income clients and so forth, and there's also a section on mandatory referrals. Grantees agree to serve all individuals referred to them unless they don't provide services of this type, they don't have the resources or they don't have session availability during the timeframe that the individual needs it.

So Article 4 part B goes into some more general requirements for the grantees, reminding them of the importance of complying with the programmatic requirements found in the handbook and in our regulations. There's also the HUD compliance client management system, which again was discussed in some more detail earlier and keeping the housing counseling system profile up-to-date. This is especially important because HUD system generates the website listings that clients will use to find you through our HUD website, so it's important to make sure that you keep

your phone numbers and your websites and everything up-to-date on there.

We've also got some more information on disclosing investigations to HUD. These are unresolved findings from other government audits or investigations, and then cooperating with HUD on oversight information and review requests. And then also make sure that any payments from lenders are commensurate with client services received and meet RESPA requirements.

And then lastly there's the reminder that signing and complying with the HUD 1044 grant agreement cover form, which was discussed earlier, this is just a way to renew the assurances and certifications contained in the application. So those include those related to conflicts of interest and meeting local, state and federal requirements.

And then just a couple of assurances and certifications that I wanted to draw your attention to here, just the election law violation certification in part M of Article 4. Grantees need to certify that they haven't been convicted of a violation under federal law relating to a federal election, and they don't employ individuals convicted of this violation. You can

check the SEC website that is on this slide just to get more information to support your certification on this.

Lastly we also want to remind grantees about the certification in part N regarding meeting date cost principles 2CFR part 200, often called the Omni-Circular, so you'll see that mentioned throughout this presentation, the Omni-Circular.

And then a couple additional requirements for intermediaries, FHFAs and MSOs, you're responsible for sub-grantees' compliance with the HUD grant agreement, and you're also responsible for taking appropriate action to resolves problems to ensure compliance. And then lastly, copies of all sub-grant agreements must be maintained and available to HUD. So we've completed Article 4, which was a little bit of a long one.

Now we're going to move on to Article 5. This outlines a general prohibition on subcontracting or sub-granting these funds. As you note from the slide there are a couple of exceptions for this when the sub-grant was described in the approved application, if it's for web-based education, or if it's for the purchase of supplies or materials. And just as reminder

these are subject to those Omni-Circular 2CFR200 requirements that I'd mentioned earlier.

And then in addition if you're a parent agency you have to make sure that the quality of services meet or exceed the standard for HUD-approved LHCA's, submit a written request to HUD to amend your sub-grantee's branches and sub-grant amounts, and then also include the grant responsibilities in each of the sub-grant agreements you have with your sub-grantees.

Article 6 begins by reemphasizing that grantees are subject to the Omni-Circular and then also outlines a few more administrative requirements, like organizational changes. Grantees are responsible for reporting organizational changes to HUD, so this includes things like mergers and acquisitions. You must report these to your point of contact.

Agencies are also responsible for making reasonable efforts to continue services under succession plans and also for maintaining evidence of non-federal leveraged funding. These are the sources of funding mentioned in the NOFA, so make sure you're keeping evidence of that funding as it's received.

Next slide please. Article 7 and 8 outline the requirements for inspection acceptance and conduct of work. The assigned HUD government technical representative or GTR is also frequently referred to as your point of contact, so if you see GTR point of contact, that will mean the same person for the purposes of administering your grant.

This is your main contact for all issues related to the grant like payment requests, questions and technical assistance requests, and performance reviews. And this person will be working with you throughout the grant execution stage, and you can find their point of contact name and phone number by going into the housing counseling system and looking under the HUD affiliation tab. You can also just email housing.counseling@hud.gov and emails that are forwarded here will be sent to your point of contact or other program expert as well.

Finally with Article 9 on price, as David already discussed, grantees are reminded that grant funds are only available for reimbursement of actual costs and prior HUD approval is needed for any work plan and budget revisions that you'll be communicating these to your HUD point of

contact, so ensure that if you're going to be making any changes to these that you do discuss them with your HUD point of contact.

And then Article 9 part D also goes into the cost reimbursement and outlines allowable and indirect cost rates, which were mentioned earlier. And allowable costs are subject to the maximum grant amount in the NOFA, and on block 14 of your HUD 1044, and grantees are responsible for costs in excess of that amount. And then Article 9 will also have the 3 indirect costs options under the Omni-Circular, but since we've gone over those before, we can go ahead and move onto the next slide.

Article 9 states that grantees with multiple funding sources can only bill HUD for eligible services that are not reimbursed from any other funding source. And then HUD does reserve the right to request information related to non-HUD sources of funding, so remember from the article before that mentioned maintaining documentation or evidence of these other sources of funding we do reserve the right to request that information.

And lastly Article 9 covers restrictions on the use of grant awards. Costs must be for eligible activities proposed in your applications, and they must

meet program and other eligibility guidelines. You're not to include non-counseling items, so things like food or child care. For more information on what is eligible and ineligible for reimbursement, you're going to want to check the NOFA you applied under, the rest of this grant agreement, the HUD Housing Counseling Handbook as well as the Omni-Circular. And these will provide you some more detail on what you can and can't request reimbursement for.

So that was a very general overview of Articles 1 through 9. I'd like to turn it over to my colleague Brianna Benner, who'll be talking about Article 10.

Brianna

Thanks, Tracy. This is Brianna Benner and I work in the Office of Housing Counseling's Office of Policy and Grant Administration in the Chicago HUD office. I'll be talking today about Article 10, which discusses payment requests.

Article 10 is where you can find information on general payment procedures, including eLOCCS. You can find information on the timing and amount of payment requests; the types of documentation of expenses and client file lists you'll need to maintain; the standards for your financial

management system. It discusses withholding of funds, overdue reports, and also funds recapture.

Let's first start with the general payment procedures in eLOCCS. Please note that payment requests can only be submitted through eLOCCS. VRS is no longer available. This is not a change; VRS was not available last year either, but we just wanted to state it one more time that payment requests can only be submitted through eLOCCS.

And when you're making that eLOCCS request at the same time you're going to be submitting your voucher requests to your HUD GTR by email. You can find more information about LOCCS in your grant agreement, information about how often to change your password, how you can request LOCCS access and other questions. And you can also find more LOCCS information at the user guides found at the link in this presentation. If you have other LOCCS questions, please contact your HUD POC.

Now in the timing and amount of your payment requests please note that grantees are only allowed to draw down the amount that is necessary for actual and immediate cash needs. For LHCA's this means that they are

required to disperse the funds that they draw down within three days of that drawdown. For parent agencies there's a change this year and they are required to disperse funds within 30 days of drawdown. That's a change from three days in prior years.

Next slide. So let's talk about what kinds of documentation you'll need to maintain of your expenses. You'll need to maintain documentation of your direct costs. The documentation can include invoices, receipts, canceled checks, indirect cost rate agreements, client file number lists and documentation of personal expenses. We'll go into more detail about all of these things, but it's important to note that you should only send this to your GTR upon request. These items should not just automatically be submitted with quarterly or final reports. These are items that your GTR will request from you during a performance review.

So what are some of the types of documentation and activities that you might have that you'll need to maintain documentation on? You might have direct costs related to marketing and outreach initiatives for your items, such as brochures, printing and your time spent marketing. You might have travel and training costs. For all of these your costs must be documented again in items such as invoices, receipts or cancelled checks.

You could also have administrative costs, the costs incurred in administering the program such as personnel reports or management costs. Your documentation for these must indicate specifics about who the individual was and the amount of time they spent. You might also have equipment and capacity building costs related to computer systems or office equipment, the costs associated with hiring additional staff. Like with everything else, make sure you're maintaining documentation about these costs, such as vouchers and invoices.

You'll have to maintain your documentation on your individual counseling and group education. This documentation needs to include the actual time spent with each client, when the session began and ended. Your CMS should have fields for this. You'll need to include the actual time spent on follow-up as well in other case management activity, such as documenting the file, preparing for the counseling session or other case management activities.

So what must your client lists include? It's got to have the individual client and group education file numbers. It needs to have the activity that's attributed to the relevant quarter. You should also have a

cumulative total for the grant year. It needs to include the type of counseling or education provided, and it needs to include the name of the counselor or the other employee providing the service, how long did that service last, what were the total amount of funds charged to the grant and if applicable, was it the branch or where was the branch or main office location where the client was served.

And let's look at an example of a client list on the next screen, so this is just an example. Your client list doesn't need to look exactly like this, but it's just one possible format. You can see we've included many of those items we talked about in the previous slide. We've got a client ID that identifies the client, the type of counseling that was provided is identified. The counselor is identified. We've got the number of hours that that service lasted. We've got the counselor's hourly rate as well, which leads to the amount charged in the file column. At the bottom of the screen you can see that it's been totaled. So this is one type of a client list that you can use when designing your own.

In addition to a client list you're going to need to maintain documentation of your personnel expenses. Now the personnel expense documentation requirements that are outlined in the Omni-Circular specifically at 2CFR

part 200.430I. This section of Omni-Circular sets the standards for how grantees must document their personnel expenses. One of the most important things to keep in mind is that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. And on the next screen we're going to go in details about what these standards are.

So in order to meet the standards of the Omni-Circular, you're going to need to do everything on this screen, and you should definitely read the CFR citation that's included for more details on everything that's required for your personnel expense documentation. It needs to be reasonably reflective of the total activity for which the employee is compensated. That's the total activity, not just the HUD housing counseling activity. It needs to encompass both federally-assisted and all other activities compensated.

If your employee is working on any of the following situations your documentation must support the distribution of that employee's salary or wages among specific activities or cost objectives. Those situations include if your employee is working on more than one federal award, if your employee is working on a federal award and a non-federal award, if

the employee is working on an indirect cost activity and a direct cost activity, if the employee is working on two or more indirect activities which are allocated using different allocation bases, or finally an unallowable activity and a direct or indirect cost activity. If your employee is working on any of those, you need to make sure that your documentation includes the specific activities or cost objectives.

And finally budget estimates do not qualify as support for charges to federal awards. You cannot use estimates that were determined before the services are performed. That's really key. These are actual costs, actual amounts of services performed.

And on the next slide we're going to look at an example of personnel expense documentation. So your documentation doesn't need to look exactly like this one. This is just an example, but you can see what we've got here is on the very left-hand side of the screen the first column has fund codes and the first four fund codes you can see apply to housing counseling and then the last one says special needs, so that's a different program.

This employee is working on the Housing Counseling Program and they're also working on a special needs program and both of them need to be here on this time sheet. The next column discusses the type of activity that was performed by this employee. They engaged in pre-purchase counseling, administrative activities, training and marketing. The activity code is listed on the third column, and you can see there's a legend at the bottom of the screen to help the reader understand what each of those codes mean. And then finally you've got the actual number of hours that this employee worked.

So again this is an example of a sample time sheet. You don't have to follow exactly, but I hope you find it helpful.

And that concludes the presentation on Article 10, and I'm going to turn it over to Connie Barton for a discussion of Article 11.

Connie

Thank you, Brianna. Good afternoon, everyone. My name is Connie Barton. I am also with the Office of Policy and Grant Administration and I am with HUD's Albany, New York office. Today I'll be giving a brief overview on quarterly reporting.

As you already know that the period of performance for this grant is 18 months beginning on October 1, 2015 and ending on March 31, 2017, so for the period of performance of October 1, 2015 to June 30, 2016 the report is due no later than July 31, 2016. For the period of performance July 1, 2016 to September 30, 2016 the quarterly report is due no later than December 31, 2016. And for the performance period of October 1, 2016 to December 31, 2016 the report is due by January 31, 2017. And finally for January 1, 2017 to March 31, 2017 a final report is due by June 30, 2017 or no later than 90 days after the end of the grant.

If your grant has been fully expended at any time before March 31, 2017 grantees must submit a final report to close out the grant. Also the Omniscircular requires a certification when submitting your quarterly reports, and I'll be discussing that in a little bit.

Please be aware that the quarterly reporting schedule for your grant does not affect when your 9902 reports are due. The 9902s are still due at their usual time. The first quarter reports are due January 31st; second quarter, April 30th; third quarter due July 31st; and your fourth quarter reports are due by December 31st.

Please abide by the reporting deadlines, so that your agency will be funded on time. If your reports are late or incomplete, your funds will be delayed. Late or incomplete reports may also result in a performance review finding. If you are an intermediary MSO or FHFA please remember that you are responsible for your sub-grantee compliance with the applicable provisions of the grant agreement.

On our next slide is a list of information that must be submitted with each quarterly report. In a little bit we'll cover each item on this list. All these items are in your grant agreement, so if anything is not clear please review the grant agreement or talk to your POC.

So item number one is grantee's name, address and grant number; two, end dates for the reporting period; three is hourly rate; fourth, fixed price reimbursements; five, staff hours; six is an itemized accounting of actual costs, which could be the Forms 424-CD or a detailed summary; seven is the required certifications; and lastly the Form HUD 9902.

This should be [audio disruption] intermediaries, FHFAs and MSOs must submit the following, [audio disruption] submit their sub-allocations, the administrative costs, a billing methodology, the 9902, which includes all

the [audio disruption], the Federal Financial Report or FF-425, the monitoring and performance review reports and any changes in that work size.

So getting back to each item required to be submitted with the quarterly reports, one is grantee's name, address, and grant number. The grant number will begin with HC16 and you can [audio disruption], so please provide the date [audio disruption].

And the third item is hourly rates. You'll need to identify each counselor or other employee whose time or activity is being billed to the grant, along with the individual's title and the hourly billing rate that is used to calculate reimbursement from HUD or the parent agency. You'll also need to explain how that is used to calculate the hourly rate, so for example if benefits are included in the rate, please provide that information.

The fourth item is fixed price reimbursement. If your agency uses the fixed price reimbursement method, you'll need to document actual expenses, which must be reasonable. Your expenses also cannot exceed the actual costs.

The fifth required item is staff hours. When providing staff hours with your quarterly reporting indicate for each counselor or 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, you'll need to multiply the relevant hours by the hourly rate and then provide a cumulative total and the total number of hours for the quarter.

The next slide shows an example of how you can provide hourly rates and staff hours with your quarterly report. So looking at the chart you'll see that John Blue [ph] is a project director. John's activities being charged to the grant are reporting and mortgage default counseling. In the first quarter John spent 27 hours on reporting and 11 hours on mortgage default counseling. His hourly rate of \$37.25 multiplied by 38 hours is \$1,415.50. This is the amount to be reimbursed by the grant. By completing this for each counselor or staff person, you'll arrive at the total staff hours and amount charged.

The sixth item is itemized accounting of actual costs. You'll need to submit a detailed comprehensive itemized accounting of actual costs,

listing expenses for each quarter and cumulatively for the grant period to date. At a minimum you must include where applicable salaries, fringe and other benefits, training, travel, rent, phone, postage, supplies, technology and equipment used in providing counseling services, marketing and indirect costs. If there's any deviation between the budget submitted at the time of grant execution in itemized accounting of actual costs, it must be explained in detail and approved by the GTR.

So the next slide shows what the HUD 424CD looks like and David provided the link to this earlier during his discussion about submitting the budget. If you wish you can use the 424CD to document your actual expenses and submit with the quarterly reports. And on the next slide if you prefer you can also create and submit your own document listing [audio disruption].

So the seventh required item, as stated on slide 61, in accordance with the Omni-Circular grantees must submit a certification signed by an individual who is authorized to execute the certification on behalf of the grantee, which reads, "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.” Please remember that this certification must be submitted with every quarterly report.

On the next slide is a sample, no activity grant report. If you do not have activities billed to the HUD grant for a particular quarter, you’ll still need to submit a report indicating there was no activity. And this report should include the name and address and grant number, the start and end dates of the reporting period, hourly rate, staff hours, itemized accounting of actual costs, also the required certification and then the 9902s.

And the eighth item that’s required is the 9902. Grantees have to update the 9902 electronically through HCS by filling in the NOFA 2016-1 column. Grantees can submit this information manually in HCS or through their CMS if it has the capability to electronically transmit HUD grant activity data directly into HCS. For more information on reporting, please refer to the 9902 [audio disruption] on the slide so you can refer to it as needed.

And on the next slide for your information is a screenshot of the 9902 that will show the columns that you can enter in your grant activity. This slide still references the 2014 and '15 grants that HCS has been [indiscernible] and now has a column so you can report your activity funded under the 2016 grant.

Ben I apologize but it looks like the screenshot has actually disappeared, but hopefully we're all familiar with the 9902 at this point.

Connie Okay. Thanks, Ben. The first reporting activity for this fiscal year '16 grant will be for the third quarter which covers April, May and June. Grantees should submit third quarter data and update the first two quarters, October through December of 2015 and January through March of 2016, to reflect the HUD grant activity for each quarter.

So, for example, if you are requesting reimbursement for activity that occurred in the first, second, and third quarters of fiscal year '16, your 9902 should reflect the timing of the activity under the grant. Again, please remember that grant activity in the 9902 is cumulative. HUD will not consider retroactive entrees of first and second quarter fiscal year '16

grant activity as late as long as it's submitted with your third quarter report.

And the next couple of slides are applicable to intermediaries, MFOs, and FHFAs. If you are some grantee, this is awful helpful as this is the information that you provide to the [audio disruption] and they submit to HUD. So parent agencies need to submit a listing of all sub-grantees and branches and corresponding HUD housing counseling sub-grant amounts in allocation, and they need to do this for each quarter in cumulative period, and the bonus [ph] number for each sub-grantee and branch. Parent agencies must also provide a detailed accounting of how all administrative funds were spent for each quarter and cumulative period. [Audio disruption] the program.

These are not passed through the sub-grantees or allocated to branches. They are spent by the parent agencies for activities such as training, travel, salaries or equipment.

And next is funding methodology. Parent agencies must also provide a clear explanation of the methodology used to reimburse sub-grantees or branches. For example, he can include the formula for calculating a

counselor's hourly rate attributed to the grant or how each cost is calculated if the fixed cost reimbursement method is used.

Parent agencies will need to explain the process that they use to make sure that the fixed cost reimbursement rate does not exceed the actual cost of providing the housing/counseling services that the sub-grantees in branches are requesting reimbursement for.

Parent agencies must make sure that sub-grantees in branches update their 9902 so that the HUD housing counseling grant activity column reflects the activities funded with the housing counseling grant or sub-grant fund. The 9902 data submitted by sub-grantees are rolled into the parent agencies' 9902 data. Parent agencies are expected to monitor their sub-grantees' 9902 submission.

Parent agencies must also complete and submit the SF-425, Federal Financial Report. The SF-425 summarizes financial data, including program income for each quarter. You can access the form by going to the [whitehouse.gov forms](http://whitehouse.gov/forms) link that's shown on this slide. You may wish to bookmark this link for future reference.

For the FY '16, '17 NOFA, there were significant funding methodology changes. Network size and the number of sub-grantees were still funding methodology factors but the funding methodology slightly decreased the weighting of network size. When parent agencies filled out chart G1 on the grant application, they would have indicated the number of performance reviews they intended to conduct. So if the number of reviews performed changes significantly from what was entered on chart G1, HUD reserves the right to adjust the award amount of this grant.

And the next slide, in determining the level of funding to provide support for a network, HUD also took into consideration the network size and number of sub-grantees. So if your network size changes significantly from that proposed in the grant application, HUD may adjust your award amount.

In addition to all of the items that is required for quarterly reporting, all grantees must submit a final report due 90 days after all grant activities are completed. The final report requires grantees to explain why established goals, including approved 9902 projections, were not met or why they were exceeded, explain new strategies and adjustments that will be made to improve performance in the future, and also briefly summarize the

outcomes of the activities that grantees proposed in housing counseling grant application chart F affirmatively furthering fair housing.

[Audio disruption] also describe in their final report the oversight and quality control activities that were conducted during the period of performance that was proposed in chart G1. The report should also include items such as problems encountered, items that you need additional guidance on, any unusual client needs or problems, if you want to make any recommendations to HUD, the developments having a significant impact on the award-supported activities.

And finally, you'll need to submit a certification signed by an authorized individual stating that all applicable chosen activities required in 2 CFR, part 200.343 have been completed. And please note that this final report certification is in addition to the certification statement that's required when you submit your quarterly reports.

The Federal Subaward Reporting System is applicable to parent agencies only. Grantees are required to file reports in FSRS, and this report is required for sub-awards of \$25,000 or more. But if your entities' gross

income was less than \$300,000 in the previous tax year, you are exempt from the sub-award reporting requirements.

On slide 88 is a brief summary of the GONE Act, or Grants Oversight and New Efficiency Act. This became law in January 2016, so it spells out that grantees with expired grants and undispersed balances at the end of the period of performance must provide a narrative description explaining challenges leading to delays in grant closeouts.

So if you have a grant and you don't use up all of your funds, we need to know why. Because each year we ask Congress for more funding for our programs, so we need to be able to justify when all of the grant dollars are not spent. So, please make it your every effort to use your grant award for all the great housing counseling work you all do.

Moving onto common concerns. So in closing out this topic, here are some common concerns. Please make sure that your reports are complete, as missing items will delay the processing of your reimbursement. Please check your math. Staff hours' information should lineup with your staff expenses that are included in the itemized accounting of actual costs.

Please complete the 9902 properly and don't forget to submit your HUD grant activity data along with all activity. Remember that your actual activity should align with the projected budget and client projections that you submitted during grant execution. Please let your POC know if there are any changes because they need to be approved before you submit your payment requests.

On slide 90, there are links to archive webinars if you need to review the material we covered this afternoon. And if you miss any other trainings, they are also archived here. And, again, there's a link to the 9902 desk guide for reference.

And this concludes the general overview on quarterly reporting. I'd like to now turn it over to Jamie Spakow in the Denver, Colorado office.

Jamie Thanks, Connie, and all the rest of our presenters. Operator, if we could open the line for questions at this time?

Moderator Certainly. (Operator instructions.) And we do have something from the line of Rutland, Vermont. Can you please state your agency?

W Brock Community Action in Southwestern Vermont.

Moderator Thank you. And then please go ahead.

W I see the grant period goes through March of 2017. Is there expected to be another NOFA that would be retroactive to October, 2016? How should we plan to manage this fund? Is that the plan?

Jamie Sure. This is Jamie and I was this year's NOFA coordinator and I can probably give some insight to that. We continued with the 18-month period of performance and I think our plans at this point are to continue with an 18-month period of performance.

And that's to allow grantees the maximum flexibility so you could retroactively charge expenses to the grant back to October 1st of this year, the current grant, or you could make funds last through May of next year, or do both of those or neither of those. So that you, basically decide within that 18-month period of performance which portion or all of the period that you're going to recover grant funds from.

At this time, I expect because the 2016 to 2017 NOFA was a two-year NOFA again, that for agencies that were awarded, they'll have the opportunity to continue if they remain eligible under their 2016 application to receive 2017 funds, where again I anticipate we'll have an 18-month period of performance. And we reserve the right to issue a supplemental NOFA in 2017 in the event we want to provide opportunity for agencies that didn't apply or weren't awarded this year.

So all that said, it's a long, complicated answer to talk about flexibility for grantees, the 18-month performance period. Because that's the way we've run our NOFA, there's a possibility that you'll be recovering from two different HUD grants during the same period. That would be just like an agency recovering from two totally different funding sources during the same period of overlaps. Your records would just need to document what costs you're recovering from the grant source you're recovering it from.

Does that help answer your question?

W

It definitely does. One quick point. You said that it could be a two-year cycle and if we could, you said, remain eligible for [audio disruption]

2017 funds, would that require an additional application or could those be granted under the application we just made?

Jamie Sure. Under the 2016/2017 NOFA, we anticipate like we did in 2014 and 2015. Award funds from 2017 just based on the 2016 application as long as you continue to meet eligibility requirements, and we would use the same funding methodology that we used. So potentially since you're an awardee in 2016, you will not be submitting an application in 2017 but could receive 2017 funds under the application you already have in.

W Okay. Thank you very much.

Jamie Sure.

Moderator Thank you. (Operator instructions.) We do have something from the line of Katie Dean. Can you please state your agency?

Katie Yes. I'm with United Way of Central Alabama.

Moderator Thank you, and please go ahead.

Katie I apologize. I was on another call until about 13 slides in. Where can I get our agency grant agreement? I see the handouts on the slide. But, will we receiving the cover sheet in the mail or is it electronically somewhere?

Jamie Sure. That's a question I can also answer without going to our panelists. Grant agreements were just mailed out on June 30th and so if you have not received them, you should be receiving them in the mail soon. And we sent out just the standard, generic boiler plates so that if you had not received the grant agreement, at least you could look at the items that will be asked for and start working on them in the next few days while you're waiting.

Katie Thank you for answering that again. I appreciate it.

Jamie No worries.

Katie Thank you.

Moderator And next we'll go to the line of Dana Hodge. Please state your agency?

Dana My agency is Mon Valley Initiative.

Moderator Go ahead.

Dana Thank you. Thank you, first of all, for this call. It was very helpful. The question that I had was in regards to the reporting period. I was confused. The way I kind of read it in the grant agreement, it seemed to state that the first report would be due not later than 30 days after the end of the performance period in which the grant agreement was executed.

So is that saying that if the grant agreement is executed in July, I guess, when is the first report actually due? It would seem to me that if it's executed in July, that the end of the performance report—July's in the fourth quarter so it would seem at the end of—the deadline for the first quarter report should be 30 days after September?

Jamie Okay. Since Connie presented the section on reporting, Connie, is that a question that you can take on?

Connie Yes. Can you hear me?

Dana Yes, ma'am.

Connie Hi. So if you had activities before you executed your grant so it just means if you've had activities in October of 2015, so any activities that you've had between October 1, 2015 and June 30, 2016, you can submit them by July 31, 2016.

Dana Okay.

Connie So you can just follow the reporting due dates on slide 61 of the presentation.

Dana So my agency is an intermediary. If we need more than, since we're just going to get now, would we be penalized if we don't get it until, let's just say, August if we don't submit that in August. Would it be considered late?

Connie You should definitely speak with your GPR or your POC and you can submit your request in writing.

Dana Okay. Perfect. Thank you.

Connie You're welcome.

Jamie This is Jamie again, if I could just add a note. Again, because our 9902 report of activity and accomplishments is not necessarily grant-specific except for a couple of columns, many of you are ongoing grantees or have ongoing HUD and not HUD accomplishments from the time period, and so we're reporting those accomplishments in the time period they actually happened.

I do have, Connie, if you're still available, a couple of questions that are related to reporting in the queue from some agencies that talk about, "What do we do if we don't have activity and we aren't requesting funds for the first quarter? Is a zero report possible?"

Connie If they don't have any activity, they should submit the no activity report and that was on—let me see which slide it was. That was on slide 74. So if they just submit the name and address, grant number, the dates of the supporting period, and all that information on slide 74, that should be sufficient. So they should definitely speak with their POC.

Jamie Great. Thanks again for that clarification, Connie.

Moderator Thank you. (Operator instructions.) We do have something from Mary Stewart. Can you please state your agency?

Mary South Dakota Housing Development Authority.

Moderator Thank you, and please go ahead.

Mary Hi. Just in reference to the call that was made about the first report due by July 30th, we had active agencies that depleted their funds in the last round and did report in March with some of the agencies, but we did not have grant agreements with these agencies to even collect the data going back to October 1st to the ones that have depleted their funds.

So, in essence, it's pretty hard to get a report in by July 30th when we just got a grant agreement. So is there a possibility of getting an extension on the first report?

Jamie And this is Jamie again, those are circumstances that sound like great things to talk about with your point of contact.

Mary Okay. Just do that directly?

Jamie To request—yes.

Mary Okay. We'll do that.

Jamie We wouldn't have the ability to allow for extensions for circumstances
and your point of contact is a great place to go.

Mary Okay. And I had the question in the queue so you can delete that one.

Moderator Miss Stewart, does that answer your questions?

Mary Yes, it does. Thank you.

Moderator Okay. Thank you. And next, we will go to the line of Michael Danhof.
Please state your agency?

Michael Center for Nonprofit Housing.

Moderator Thank you and please go ahead.

Michael Yes. A question in regards to the projected budget. I'm looking at slide 20. When we're presenting the budget, are we only expected to be showing the dollars projected to be spent for just this HUD grant or do we need to show, basically, all of our funding sources when we're doing this and kind of giving the broad overview, or are we just strictly looking at, we were given this much for the HUD grant and this is how we plan to spend those dollars?

Jamie That is a great question. I'm looking to, potentially, David or Brianna, if you have an answer for that question.

David My understanding is that we're looking for—this is David—we're looking for how every dollar is being billed to the HUD grant, so that's what we're looking at, is HUD-specific activities.

Brianna, would you agree?

Brianna Yes. I would agree.

portion of that employee's time but you, I believe, are asking specifically about the budget and not the personnel expense report. Is that correct?

Michael Right. I was looking at the budget but maybe you could just kind of expand on that. Again, that was another kind of question I had on the personnel piece as well and that's with our quarterly reports, correct?

Brianna Well, actually, so the personnel expense reports are something you keep on hand and you provide them when the HUD POC requests it.

Michael Right. Yes. Okay. Yes.

Brianna And those are the ones where, if your employee is working on the HUD Housing Counseling Program, and other programs as well, you would include all of them.

Michael Got it. Yes. Yes.

Brianna Okay.

Michael That makes sense.

Moderator Thank you. (Operator instructions.) We do have something from the line of Malcolm Shepherd. Please go ahead, state your agency?

Malcolm Malcolm Shepherd, Mississippi Homebuyer Education Center.

Moderator Thank you, and please go ahead.

Malcolm My question centers around—we're a financial intermediary located in Jackson, Mississippi. What is the procedure for replacing one of our sub-grantees should they drop out during the grant period?

Jamie Is that something, David, that you can take on?

David Can you repeat the question for me? I'm sorry.

Malcolm My statement was that we are a financial intermediary. We have sub-grantees that we provide funding to and at a local level they perform the counseling. What is the procedure for replacing a sub-grantee who drops out for one reason or the other during the program year; that can we replace that sub-grantee? And if so, what is the procedure for doing so?

David So you are able to replace that sub-grantee. In terms of the procedure, that's something that I would have to get back to you on just to give you a precise answer. I don't want to flub it up, but I think that's something that we can follow up on an FAQ with, or perhaps reach out to you on an individual level and we can provide that answer for you.

But it is possible and there is a procedure but I'd like to get the exact procedure outlined for you. It involves contacting your point of contact and that's sort of where you start but from there, there are some internal procedures as well that you will be involved in.

But, again, I'd like to follow up on that.

Malcolm Okay. Thank you.

Moderator Thank you. And we do have something from the line of Miss Davis. Please go ahead and state your agency. Miss Davis, your line is open, please state your agency.

And next we'll go to Barbara Richardson. Please go ahead and state your agency.

Barbara Hartford County Housing Agency.

Moderator Thank you and please go ahead.

Barbara I'm going back to reporting and billing—if we're not going to bill anything to the HUD grant, for say, the first, second, and third quarters, we'll probably start, coming up in the fall, do I still need to submit a quarterly report showing activity for that first, second, and third quarter?

Connie Hi. This is Connie. I can answer your question. So basically, if you don't have any activities, you would still have to submit a report indicating that there were no activities for those particular quarters.

Barbara So, I mean, we had activities, we're just not billing it to the HUD grant so we can just put no activity reports for the first three and then when we start charging HUD, that's when we'll fill out all the expenses?

Connie Right. So when you list under the itemized accounting of actual costs, you can say that no funds were used.

Barbara Excellent. Thank you.

Connie You're welcome.

Moderator Thank you. And Miss Davis, your line is open. Can you please state your agency?

Miss Davis National Urban League. Sorry about that, my line was muted.

Moderator No, that's alright. Go ahead.

Miss Davis I wonder if you could discuss a little bit fixed price reimbursement how an agency would arrive at a fixed price and demonstrate that the fixed price doesn't exceed actual costs.

David This is David Valdez. For the fixed price reimbursement, this is usually something that parent agencies will do just to sort of make things easier on their side, so it's one method of accounting. The only thing that we're

asking is that if you do choose to use the fixed price method, we just need for you to tell us how you arrived at that.

So basically the math behind or the justification of how you reached that value. So we want to make sure, too, so in that process you would figure out what are the actual costs here, the actual costs of counseling, and then you would just make sure at that point, if you're going to be charging a fixed rate, or if you're going to be providing a fixed rate reimbursement, that it's not going to exceed that cost.

So I guess the first step would be to figure out, so on average what are the actual costs here involved, and so that would probably be the first step. And then from there, you could figure out if it would be an appropriate method for you to use and then just sort of provide the justification or have that ready in case we—we do want to know how did you arrive at that value.

So it's just a matter of you actually taking a look at how you're providing reimbursement and figuring out the actual costs of counseling and then deciding if that's the way that you want to go.

Moderator And, Miss Davis, does that answer your question?

Miss Davis It does. I think what I'm looking for are really examples of ways that agencies have come up with that formula and how they're demonstrating that their methodology does not exceed the actual cost incurred. And so maybe that's a better conversation for later so as not to take up too much time but I'm looking for actual examples.

David Right. So I think your POC would probably be a good place to start because personally, my agencies—none of them use that method so I wouldn't be able to provide you with a good example of exactly how they came to that number and how they demonstrated it.

But, certainly, it's possible that your point of contact has other agencies who have done so and so they may be able to provide you with a more detailed, I guess, justification in how they came to that number and all of that.

Miss Davis Okay. Great. Thank you.

Brianna Jamie, this is Brianna. Can you tell me again what the question was about? What kind of documentation? The client file lists and what else?

Jamie It was about things that were in the client file lists and the topics first came up in Tracy's section as well. It was like the client authorizations and the privacy statements, the client's individual budgets and action plans, things of the like. And just a question about, "Was it sufficient to make an entry in the CMS or should it be in the paper file? Did it have to be in both?"

Brianna This is Brianna. I might not be the best person to answer this, actually, being relatively new to the program. Is there another panelist who could answer this?

Tracy Sorry. I was still on mute from earlier. I can handle this one. This one was mentioned in Article 4 and that's part of the provision of services where they were talking about the different third-party authorizations and so forth.

So if you have the grant agreement in front of you and I believe it's also in the handouts, specifically when it talks about the third-party authorizations. It goes into detail on where you should keep that

authorization and also the instance that you just are providing telephone counseling and it's something that's provided verbally, you would just need to note that in the client counseling file.

I'm sorry, were there any other documents they had questions on?

Jamie

Thanks, Brianna and Tracy. In my experience, I think I've seen many different options and ways of retaining things; electronic files, paper files, CMS systems, and as long as you have a system and your system is reliable and regularly how you keep your documentation, I know for telephone counseling, frequently we'll have a CMS entry that says, it was discussed, it was provided, because you don't necessarily have a paper document in the file.

But, somehow, a system that accounts for the fact that all of the required documents were discussed and obtained, whether that's a combination of paper and electronic files, paper and CMS or all in an actual client file, your POC should be able to work with you during a review.

Alright. If there were no more question on the line, I think, Ben, we can go to the very next slide. And at this point, I wanted to thank our panelists

and certainly to thank all of you for your participation today. We have a variety of ways as you've heard through the conversation that we've had so far of communicating with HUD to follow up if you have additional questions or options.

There's more information on the Office of Housing Counseling web page. You have a link there to that new web page on the HUD Exchange. You can always email your questions or comments to housing.counseling@hud.gov. We have a great website for you and your customers to find HUD certified counseling agencies. We've got a link there for that website or the 800 number for your customers.

And that's a great time for me to tell you or remind you as we move forward with a new grant year, to make sure that your information is validated and verified in our HCS system. You'll see a mention of that in the grant agreement documents that come out because it's that information that actually feeds or supplies the information for your potential customers to find you at the hud.gov websites, so you want to make sure your HCS is current and up-to-date and check it periodically to make sure it still is.

With that, I'll conclude today's presentation. Thank you so much for your participation. Congratulations on your grant award and we look forward to working with you.

Moderator

Thank you. And ladies and gentlemen, that does conclude our conference for today. Thank you for your participation and for using AT&T Executive TeleConference Service. You may now disconnect.