



Final Transcript

HUD-US DEPT OF HOUSING & URBAN DEVELOPMENT: FY 2017 Comprehensive Grant Agreement Training

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SPEAKERS

Virginia Holman
David Valdez

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by and welcome to the FY 2017 Comprehensive Grant Agreement Training conference call. At this time, all participants are in listen-only mode. Later, we will conduct a question-and-answer session, and instructions will be given at that time. [Operator instructions]. As a reminder, this conference is being recorded.

I'd now like to turn the conference over to our host, Ms. Virginia Holman. Please go ahead.

Ginger

Thank you very much. Hello, and welcome to today's very important webinar where we're going to give you really important information on the grant agreement for your 2017 grant. But before we get started I do want to go over some logistics for the webinar.

As the operator said, the audio is being recorded. We will be posting a playback number along with the PowerPoint and a transcript on the archives section on OHC's page on the HUD Exchange. And we will send a listserv when those are posted, but it's usually in about a week.

We will be answering questions at the end of the session. Because we have a very large crowd we probably will not be taking live questions, but we do have some other ways that we would encourage you to ask your questions.

On the control panel on the right-hand side of your screen there is a box labeled questions, and if you would just type in your question we will every effort to answer it during the session. If not, we will get back to you on it. Later on if you have question you can send it to housing.counseling@hud.gov and put the subject of today's webinar in the subject line so we can get you to the right person.

There will be a brief survey that will pop up at the end of the session.

Please take some time to fill it out so that we have your input for future planning.

And within 24 to 48 hours you're going to get an email from GoToWebinar, sort of a thank you for attending, but it's going to say that this is your certificate of training. Please, be aware that there is no attachment. It is just that email, so print it out and save it for your records.

At this point, I want to turn the webinar over to David Valdez. David?

David

Thank you, Virginia. My name is David Valdez, and I'm with HUD's Office of Housing Counseling, Office of Policy and Grant Administration. Today's webinar has a dual purpose. We're going to review the grant execution process as well as the requirements set forth in the grant agreement itself.

First, we're going to start with the grant execution process. And by now you should have received your word packages. If you have not it's important that you contact your HUD POC, and we'll do our best to send

an expedited or a digital copy to you. We're aware that there were couple of snags and folks didn't receive their packages until a lot later than we anticipated or not at all. So, if you are one of those, please reach out individually to your HUD POC and we'll solve that for you.

I'm going to talk in detail about the articles and the requirements of our grant agreement later, but I want to start with the general purpose. So, here is the legal language that our Office of General Counsel has set forth. But you can read the legal jargon yourself. Essentially, this is a formal written agreement between your agency and HUD regarding FY17 grant funds, simple is that. So, this document is going to be your ultimate resource and it's going to answer most of your questions.

Just remember, control F is your friend. So, if you have a question about reporting, just control F through the document and find it, it's quite easy. And as you'll see in the presentation later I actually outlined the articles, which each of these topics are covered under as well.

A couple of key concepts for today, just about our grant in general. This is a cost reimbursement grant. Most of you are familiar with that and you can bill us for eligible housing counseling services that date back to

October 1, 2016. So, that's the start of the period of performance for this grant. I'll go over that in detail later as well.

You're going to be reimbursed for the actual time spent and actual cost incurred. So, the emphasis here is on actual and direct so that we need to keep accurate account of the time spent and the costs that you are incurring to be billed to the grant.

Files and records have to demonstrate these costs. There is a chart, and here they have to be submitted by certain due date. Your grant agreement actually lays this out for you in Article 11 and there will be a chart there that shows you the submission dates. We'll talk about that later as well, but in case you're taking notes that's in Article 11.

In your award packages we included a grant execution checklist. This is helpful, but the source of it, the primary source comes from your award letter. So, I advise you to also cross reference and check your award letter and it will outline everything that's required for you to send to HUD. It will tell you what needs to be signed, what needs to be certified. That's actually your ultimate primary source. The execution checklist was built off of that to be a little bit more user friendly, but I always advise you to

look at the award letter and that will outline exactly what you need to return to HUD.

And we do realize that many grantees, as I mentioned, did not receive their packages with sufficient time to respond. So, you may ask your POC for an extension if needed. And just a note in terms of nomenclature, you'll hear the acronym POC and GTR throwing around interchangeably and so for our purposes they're synonymous; they mean the same thing. It's your HUD point of contact, and so if you need an extension, which we understand most of you will, please reach out to your HUD POC and ask for that extension, and we've advised them to be quite generous in terms of granting those extensions. Just make sure that you get that in writing and then follow up appropriately in terms of the timeline that you were—the additional time that you were given.

The HUD 1044, this is also included in your grant agreement package. And this is just the official government form that shows the exact grant amount that you're receiving. It has your grant number, which is going to be something like HC1 and then a series of numbers and it also contains your point of contact. So, if you don't know who your point of contact is for any reason, refer to your HUD 1044, and this will give you the

information including their contact information, their email address, their phone number and you can reach out to them for any issues throughout the process.

Now, HUD doesn't need you to send back the entire grant agreement.

What we really need is the final page of the grant agreement, and then also make sure to keep a copy of your 1044 for your own records. I'd advise the same for all of the documents that you receive in your package, just keep a copy for yourself as well to refer to.

Indirect cost rate documentation, this is also part of the package we sent out. So, there are three options essentially, you've either negotiated an indirect cost rate before and you have a NICRA in place. If you do and you intend to use it to bill this HUD grant you're going to let us know what that indirect cost rate is with the documentation to or 2 CFR 200 has now provided a new option, which is to provide a statement that your agency doesn't have a NICRA and you're just going to use a de minimis rate of 10% of modified total direct costs. There is one exception and that is if your agency receives more than \$35 million in direct federal funding you can't choose the de minimis rate.

Ginger Hi, David, excuse me. This is Ginger. A number of people have asked that you speak up.

David Okay, I'll certainly try. Can you hear me better?

Ginger I can.

David Okay, I'll try to speak up. Thank you. So, your third option is to provide a statement that your agency is not going to bill HUD at all for indirect costs.

Another certification that we're going to require is related to the financial management systems. So, you're going to need to provide documentation in the form of a certification from your executive director or anybody else that may be in charge of the housing counseling program that just demonstrates that your financial management system satisfies the requirements of our regulations.

And so, included in your award package we sent a copy of the pertinent regulation, which is 2 CFR 200.302, and it outlines exactly what we're

looking for. And then I've included a full text hyperlink as well for you to follow along with.

Now, audits, this is simple. It's a simple test here. If you receive more than \$750,000 in federal funds, then you need to provide a program specific A133 audit. If you do not expend less than—if you expended less than \$750,000 in federal funds, you just have to have a recent independent financial audit. So, that's the distinction there. We do get a lot of questions about that issue.

Now, codes of conduct, this only applies if you don't have a code of conduct posted on HUD's site or it's changed since it was last submitted. And you can verify this by going to this link, and it will be a list of all the codes of conduct that have been submitted to date. If your agency isn't listed and you need to submit and if it's changed, you'll also need to submit a new copy.

Now, projected budget, the emphasis here again is on actual costs and being very diligent about documenting how every dollar is being billed to the grant and how that's going to be spend. So, for your projected budget all expenses have to be itemized, and this goes for parent organizations as

well. There have been some questions as to that and I'd refer you to page 3 of your award letters. Those outline the cost categories that must be itemized. So, just pay attention to that and make sure that you're itemizing those costs.

And unless you HUD POC states otherwise your projected budget is your approved budget. And if you want to make changes to your budget, that can be done, but it must be approved by a HUD POC, and the requests have to align with the approved line items and the changes that were made. Any kind of change like a substantial deviation between a request and your approved budget you have to explain in a narrative form essentially, and this has to be approved by your GTR as well.

People often ask, how does a projected budget look? Well, HUD actually has a form, which is the HUD 424 CB, but also a lot of agencies have their own templates or samples that they use. So, you're free to use the HUD template, and this is just a quick example of some of the agency created budget samples. It's very simple. As long as you're capturing the necessary data points that we're asking for and documenting your expenses and such, that's really what we're concerned about.

This applies to parent organizations only. So, this is for state housing finance agencies, MSOs, intermediaries. So, even if you reimburse your subs at a fixed rate, we still require an itemized budget for expenses. And the amount that's going to be billed for the grant obviously cannot exceed the actual costs of providing in the service. So, actual cost is the key here.

You have to clearly explain the billing methodology that you're going to use to reimburse your subs or branches. There have been some questions for that, and there is part later that'll address that a little bit more. You're also going to want to indicate the process used to ensure that your fixed cost reimbursements again don't exceed actual costs. So, that's very important. And then you also submit a budget for how your administrative funds are going to be spent, and this relates to travel salaries, equipment, training, indirect costs.

Now, your projections for housing counseling grant activities, this is what you're proposing and what you think you're going to—what your agency—the activities that your agency is going to engage in the coming period of performance. So, you'll be entering these projections into HCS. Page 4 of your award letter will outline exactly how to do this, but very quickly once you're on HCS and you're logged in, on the top of the screen

you'll see a series of tabs. You'll choose NOFA 2017-1, and your agency this is assuming you're logged in as your agency. So, you'll save it as a draft, and then just know that you're only saving as a draft at that point. You have to actually submit and there is a separate button for that, which I'll show on the next slide. But you then have some time to go in and actually enter the projections at that point, and then once you're ready to submit, then that's a separate process.

I've also included some instructions if you want more detailed step-by-step ones. We actually did a webinar on this issue. So, you can view the presentation. There is also a written user guide that you can use as well. And again, this is an example of what it's going to look like when you log on to enter your projections in HCS. You'll see here that you'll save as a draft first on the bottom left tab or button. And then once you're ready, you have all of your necessary data entered, then you'll submit.

And again, this applies to parents only, but this is regarding the sub allocation list. This is also going to be completed in HCS, and it's under the budget allocation screen. You're going to have to provide a brief explanation of how your sub award amounts for sub-grantees and branches were determined. This has caused a little bit of consternation among some

of the parents. They feel there is not a lot of clarity in what this means.

I'll provide an example later, but again, I think the emphasis here is a brief explanation. We're not looking for a very long narrative or something very detailed, but we do want an explanation of how you're determining, how you're distributing award amounts.

And this is a screenshot for parents again of what it will look like on your budget allocation page. You'll see total budget at the top and then your administrative funds, your indirect costs and then you'll have fields by quarter with all of your subs and you'll be able to enter in all the necessary information.

The last component of the grant award package was the client management system certification. So, this just means that you have to certify that you use the CMS system. There are many CMS systems that are approved by HUD. You can check this link to make sure that your CMS system is certified and approved by HUD to interface with our systems. This is very important for data integrity reasons and to make your life easier with reporting. Intermediaries, again parents, you have to list all relevant sub-grantees and the CMS that they're each using. So, this

is important as well. You can't overlook that, and we recognize that some of your subs may be using different CMS.

This is the meat of the presentation coming up. I'm going to talk about the grant agreement itself and the different articles throughout. Some of it I'll just briefly talk about, and other sections like section 4 or maybe section 11 we'll spend a little bit more time on.

Article 1 is just the general section, and it just outlines the general terms and conditions of our grant awards. It's going to have all of the heart of the legal citations, so, all of the applicable requirements, Dodd-Frank and our regulations 24 CFR 214, the NOFA reference system handbook, etc. That's pretty simple.

Now, the definition section, this is just for consistency across all of the documents that we're using. So, we're outlining key definitions that we're using and incorporating them into other places. So, this will be in the NOFA in our regulations handbook. Again, this is just for consistency across our documents.

Article 3 outlines the period of performance, and the important thing you need to know here is that again you can bill us for eligible housing counseling activities that occurred as of October 1, 2016, and that ends March 31, 2018. HUD POCs may grant no cost extensions. They do have this ability. It is subject to their discretion. If you are going to submit a grant extension request, you have to make sure you do this by March 1, 2018, and that's no later than 30 calendar days prior to that expiration of the period of performance. So again, March 1st, if you anticipate you need an extension you need to ask your POC no later than March 1st.

Article 4, this is a quite extensive one, and it covers several areas, the first of which is statement of work, and this is the scope of services that you're providing. The key here is that your activities have to be consistent with the 9906 you've submitted in your NOFA. And here are just some of the scope and statement of work examples—individual counseling, marketing outreach. You're all familiar with these—capacity building, training, and just continued grantee projections for clients to be served and request HUD approval for subsequent work plan.

So, the key here on this slide is that if you are going to make changes to your work plan, that's permissible, but again it's subject to the discretion

and the review of your HUD POC. So, you would need to submit any proposed work plan changes to your HUD POC and wait for their approval, and that's how that works. Again, that's subject to their discretion, but we're generally pretty liberal with these things.

Now, the provision of services, this is very important part and these are also items that we look for in files when we do performance reviews. To be eligible for reimbursement the following activities must be performed and documented in your CMS. And this is something that I found personally when I do performance reviews. I find a lot of these components are missing and they're all very important to include so I'd like to go through them quickly but individually.

You have to have documented that you have a third party authorization or privacy policy statement. This has to be in every single client file.

Similarly, the budget and financial analysis is a key of what housing counseling is about, and for each and every individual counsel client this needs to be in their file. A housing analysis, and this is really where you're evaluating the client's housing problem, their housing goals, how are they currently meeting their needs, these sort of things, the actual meat

of the analysis. The details are very important to document in your client files.

Similarly, and I find a lot of missing action plans, which is surprising because of how important they are and key to housing counseling in general because this is really where we're outlining what steps, the agency the individual counselor is going to take, but more importantly what steps the client is going to take. So, the action plan takes the client from where they are now and it takes them to meet the housing goal where they want to be essentially. And this is very important and necessary to document in the client file.

Also, discussion of alternatives, especially if we're talking about pre-purchase, things like that, if FHA has mentioned. If we're talking about pre-purchase in general and we're talking about lenders and lending, the counselor has to document that at least three of the alternatives that there were at least three alternatives discussed or different options, and one of those has to be FHA programs as well.

This is another one where I found when I do performance reviews where a lot of agencies are doing the work of followup. They're calling the

clients. They're figuring out if they need any more help, but they're not documenting it well or at all. And this is really your time to shine and show what kind of impact your housing counseling has on your clients. So, we need you to document efforts you made to follow up, so this can just be a quick note in the client file, called on 08/23/17, spoke with client X, and they said they met their housing goal or not and then what you did to follow up and close out or terminate or continue services with that client.

And then the home inspection materials are really limited to pre-purchase counseling and homebuyer education. If you're doing either pre-purchase counseling or you're doing homebuyer education you need to give and document accordingly that you have provided for your protection get a home inspection and ten important questions to ask your home inspector. Both of these documents are available on HUD Exchange and on the HUD Clips, which stores all of the HUD forms. And we've cited the HUD form for the four-year protection get a home inspection and you can easily print those out and just give them to your clients in black and white.

Now, group education, to be eligible for reimbursement for group education, the grantee, the sub-grantee or the branch has to provide formal

classes and these have to have established curriculum and instruction goals.

Also, there is mandatory referral component here. So, you're agreeing to serve all individuals that are referred to you unless you don't provide the service of that's sought, you don't have the resources to provide this service maybe financially or capacity wise, or you don't have an available session during the time that individual need to see someone. So, those are all reasons why you wouldn't need a mandatory referral in those instances.

Now, these are the requirements. I'm not going to go through them in detail because they are outlined in the grant agreement, and we've talked about and touched on many of them. Just you have to use the CMS. You have to keep your profile up to date on HCS. Any investigations, particularly this applies to everyone, but if there are investigations happening, you need to disclose that to your HUD POC, and you need to subsequently cooperate with any kind of document request, review request, things like that. And generally here again, you're just saying that you're going to comply with all of our regulatory and handbook requirements.

An additional assurance and certification that we require is the election law violations. This is just certifying that no one employed by your agency has been convicted of a violation under federal law that involves election for federal office. And if anybody has been convicted of such a violation they cannot be employed at your agency if you were to receive this grant. And then again an assurance that you are familiar with and have reviewed the costs principles and 2 CFR part 200.

This is specific to parents again, and I'll kind of point that out as I go along, which ones are only specific to parents. This is one slide where that is the case, and here all we're saying is that you're responsible ultimately as the parent for your subs' compliance. So, you need to make sure that they're reporting on time. That they're complying with our regulations, our handbook requirements in general and then if not that you're taking action and you've outlined what action you're taking to resolve the problems to bring them back in the compliance.

You also have to maintain copies of your sub-grant agreements. These can very formal or relatively informal, just we need evidence if we were to do performance reviews and maybe for investigations, that sort of thing.

These aren't anything we're asking you for, but they should be made available and kept should HUD need them.

Now, this applies to everyone. The gist of this slide is that you can't contract out housing counseling services. There are types of activities that you can contract out. One very popular example is web-based education is permissible. You can do a sub-grant or contract out for the purchase of supplies and materials that you need for the housing counseling program and then specific to parent agencies, again, this goes back to the oversight of your subs. You have to ensure the quality of the services meets or exceeds HUD approved LHCA standards. So, for those who are individually admitted to our program as HUD approved local housing counseling agencies, your subs are subject to the same requirements. So, think of it in terms if they applied on their own would they be able to become a HUD approved housing counseling agency, and that's where we need them to be.

Now, should you amend your sub-grantee or your branch list or the corresponding sub-grant amounts, you need to also submit a written request to HUD to do this, and you also need to clearly delineate the

mutual responsibilities that you're sharing with your subs in the agreement itself.

And again, this covers administrative requirements, but this also goes back to what you have to tell your HUD POC should you make any changes, and this is the organizational change. So, if you're making a change to your organization, maybe a merger or being acquired or any kind of organizational in general, maybe a leadership, you also need to report that to your HUD office housing counseling point of contact. Also don't forget to update any of the pertinent contact information in HCS. It's very important that's kept up to date, and we do require that you validate quarterly that information is correct.

Now, succession plans, you have to make reasonable efforts to facilitate the continuation of services, for example, should someone leave, so we want to know that you have an appropriate plan in place to keep the program running.

Leverage resources, this is something we've built in to the NOFA actually. We ask you in the NOFA to list your leverage resources, and we're not

asking for you to send it here. Again, we ask for that in the NOFA. So, just keep that documentation, again should HUD ever ask you for it.

And this is just a quick recap really. So your HUD GTR or POC is your main contact, and that's going to be on your 1044. You're going to use your HCS. You have to have a compatible HCS system and certify that you do so. This is very important because this is how you're transmitting your 9902 data, keeping current with making sure that HUD has a validated point of contact, those sort of things.

You can always reach out to us, and we'll mention this again at the end of the presentation, but housing.counseling@hud.gov. It's staffed by several Office of Housing Counseling employees are constantly monitoring and filtering and routing questions to the appropriate individuals within the office. So, please feel free to send us an email there. And that's just one other convenient way to communicate with us.

Article 9 covers price. So, a lot of this again, we've covered as well, but this is a reimbursement grant of actual cost. You have to seek prior HUD approval for any work plan changes, any budget revisions, allowable costs. Some of you indicated a maximum grant amount that you wanted

or maybe a cap. Indirect cost rates we've already talked about, the three options you have, and that's submitting your NICRA, taking the 10%, or just not billing us for indirect cost.

Now, this applies to a lot of you. So, you may have multiple funding resources for your housing counseling program. Now, grantees can bill HUD only for the portion of counseling services that are not reimbursed from any other funding source. So, we don't have any overlap here and double billing is really the gist of this slide. And this is something that's also verified upon performance review. So, we'll take a look at these things and make sure that you were not billing HUD for services that you had already been reimbursed for from another source. So, again, we can request that data. We'll review that data during the performance review. That's very standard procedure. So, just be aware, that's prohibited.

Now, ineligible costs, really this comes down to not including non-counseling related items. So, if it's not related to housing counseling, generally there is a restriction on billing us for it. Examples would be food, child care, maybe doing a group class, that sort of thing. Those are not things that are paid out by our grant. And you can get further details

by going to 2 CFR 200, which outlines allowable cost and our handbook as well.

Article 10 is important because Article 10 outlines how you get paid as a grantee. So, the general way that you're going to get paid is through eLOCCS, and so before we had another system that some of you are familiar with where you called in, it was the voice response system. That's no longer available. Everything is now done electronically through eLOCCS and LOCCS. And you submit a payment request. Your HUD POC will review that request. We will ask for documentation of expenses, client file lists during your quarterly reports, and then at this point it's up to the POC to either request more information if needed or to release those funds for payment.

And like I mentioned, everything switched over to eLOCCS. So, we no longer have that voice response system. You have to submit to your HUD POC by email, and if you need a user guide there is a helpful one on the HUD website. And you can also just Google HUD LOCCS user guide and it will come up.

Now, as grantees, you're only allowed to draw down the amount necessary for actual immediate cash need. So, the key here is actual again, like actual costs. For LHCA's, you're required to disperse funds within three days of drawdown, to have branches. Parent agencies, you're required to disperse funds within 30 days of your drawdown to your subs. So you have 30 days to distribute to your subs after drawdown.

And again, you may see that we're harping a lot on documentation. This is very important since it is a cost reimbursement grant especially. We need you to maintain documentation of direct cost. This would include invoices, receipts, canceled checks, the indirect cost rate agreement that you submitted, client file number list and we'll go over that in a little bit, and the documentation of personnel expenses. This isn't something that you are going to submit quarterly or on your final report. Your GTR or your HUD POC rather may request this information, and again, these are things that are standard for us to review during performance reviews. So, again, just be mindful to maintain documentation of all direct costs and be very careful to store that appropriately and make it available for review should we need it.

Further documentation that you'll have to maintain, any kind of marketing and outreach initiative that you are engaged in, you'll want to maintain appropriate documentation. These can be brochures related to your housing counseling program, any kind of printing that was associated with it, time you spent on your marketing for your program. Just as long as you maintain invoices that's what we're looking for.

And for travel and training these are also permissible costs, but they have to be documented again with invoices, receipts, all of the usual. The key here is specificity again. So, for administrative costs, we're looking at actual costs incurred in administrating the program. So, this will be personnel reports, management costs for your non-counselors. You have to indicate specifics. So, who was the counselor? How much time did they spend? Who was the individual been counseled? Those sort of things; you need to be able to tie that all together and create a story so that imagine a HUD employee going in to do performance review and opening up a file. We could tell the whole story from the documents contained within.

You also have to maintain any kind of documentation associated with equipment or capacity building. This can be your computer systems, your

office equipment, costs associated with actually hiring additional staff and again, just maintain proof.

Again, this is very important, and things that I noticed I outlined earlier during performance reviews that I saw were missing from these client files, but it's very important that you document the actual time that's spent with each client. So, even in 15-minute increments, that sort of thing, we're looking for actual time here. So, as detailed as you can get. This would include the beginning and the end of the session. And your CMS actually should have these fields built in for you to enter this information. So you won't have to manually input it like write it down or anything in the file.

Again, I can't stress enough how much I know counselors are doing followup, but not documenting it accordingly. So, please make sure you're giving yourself credit and just document this appropriately.

So, the client list, we get a lot of questions about this. What does it look like? What does it have to have? What are the necessary data fields? Those kinds of questions; I think this slide will answer that for you. In the next slide we'll actually provide an example of a list. It's quite simple.

What we're looking for is your individual client and group education file numbers. Many times this is already organized by your CMS. It assigns individual numbers associated with either your group education classes or individual clients. So, the client list also has to have the activity attributed to the relevant quarter and then cumulatively as well the total for the grant year.

So, you're tracking two things, the activity of the quarter itself. So if you're reporting for quarters one and two and three or one and two, then you need to break it down, but remember, if you're reporting one, two, and three, the third is the cumulative one, or the fourth. You're adding up as you go along, just keep that in mind. It's cumulative for the grant year.

You'll also include the type of counseling administered or the education provided, the name of the counselor or the other employee that provided a service, the duration again: hours and minutes, and the total amount of funds that you're charging us to the grant. Also, branch or main office location where the client was served, if that's applicable, you'll want to indicate that.

Again, here's just a quick example of what a client list looks like. In the main fields here, the ID, the type of counseling, the counselor, hours charged, the hourly rate, and then the total amount.

Now, this is a new requirement, relatively new under 2 CFR 200.403(i) and you can read the full text of that on your own. I won't bore you with it, but it does set standards for how grantees have to document their personnel expenses. If you're going to charge these things, salaries and wages to federal awards, they have to be based on accurate records of the work performed. Again, just keeping track in minutes and hours of the work performed, who performed it and with whom.

This is just more detail about what I just outlined. The charges, they have to reasonably reflect the total activity. You have to outline what was federally assisted and any other activities that were compensated for and support the distribution of the salary and wages among specific activities or cost objectives. If the employee is working on more than one federal award, which is very common, a federal award, a non-federal award, indirect cost activity, direct cost activity, if there are distinctions, we need to have documentation on how you're supporting that distribution of salary and wages among these objectives.

Again, budget estimates, they don't qualify as support for charges to federal awards alone. They are just estimates.

This is a sample timesheet and most of you are quite familiar with this. Your systems probably generate this as well, but we're looking at the funding code, which is the grant activity, the work performed, what kind of counseling, your activity code and the number of hours and the day of the month. This is just a sample you can use.

Now, I referenced earlier Article 11, and this outlines quarterly reporting deadlines. Again, to recap the period of performance is October 1, 2016. That was last fall so you can bill us going back to October 1, 2016 for eligible housing counseling services, and this period of performance runs all the way through March 31, 2018. It's an 18-month period of performance.

In your quarterly reports, you have to include all information that's indicated in the grant agreement. We recognize here there are issues, again, recognizing the fact that many of you did not receive your grant

award packages until well after the July 14th date that was—when they were signed, essentially your 1044 and everything else.

With that in mind, here you'll see that it says no later than July 31, 2017 we need you to report, and so we've instructed HUD POCs to be flexible, again, with offering extensions for the initial quarterly report, and this can be extended so please feel free to reach out to your HUD POC and just explain the circumstances. We'll make sure to try to deliver with extensions. Again, seek the extension, get it in writing and then follow through within the allotted time.

Now, here's an important distinction that I want to make. I just talked about quarterly reports, right? There's a distinction between 9902 deadlines and the grant quarterly report deadlines that I just went over. The 9902 deadlines under the all activity column, they're always going to be due according to a typical quarterly schedule, and your HUD grant activity that's reported on your quarterly report is something different. I just want to make the distinction in case there's any confusion. I don't want to conflate the two. We can distinguish between 9902 reporting deadlines and then your grant quarterly reports.

Some potential negative consequences of reporting late or submitting incomplete or overdue reports, this could delay funding in terms of being paid out by eLOCCS. This could also resort to a performance review finding. That is a finding that we have that's given quite often, actually, where we find a pattern of late or incomplete reporting on their 9902s and that can work against you in your performance review and actually in your NOFA application.

Then, specific to parents, again, you have to make sure, this goes back to oversight, that you're accepting responsibility for compliance with the grantee agreement. Basically, you're in charge of making sure that your subs are complying with the grant agreement.

Now, this is information. This first slide is for everyone. Everybody is going to submit this information with each quarterly report. It's going to contain the grantee's name, your name, your address, the specific grant number, start and end dates for this reporting period that you're reporting for. We need the hourly rate, fixed price reimbursement, staff hours, an itemized accounting of actual costs and again, this goes back to you can use a detailed summary or a 424, however you want to do this, any and all required certification, which I'll go over in a bit, and then the 9902 itself.

Now, on the following slide, this is specific again to parent organizations.

In addition to what I just went over, you will also have to submit the following: the actual sub allocations, the administrative costs, billing methodology, the 9902, which includes all of the subs and branches. The SF-425 is required for all parent organizations, so this would be intermediaries, state housing finance agencies and MSOs, just to be clear, is required, monitoring and performance review reports and changes in network size.

Here's just a simple example of how that would look when you submit it. Again, it has the fields of your name, your address and the grant number, in particular, and then the start and end dates of the reporting period.

Similarly, with the hourly rate, you have to identify each counselor or employee whose time or activity was billed to the grant, again, just being specific. Just include the title of the counselor, their hourly billing rate, and then a brief explanation of the method you used to calculate hourly rates. This can be based on what other agencies in your area are charging, how much it costs you to perform this service. There are many factors that go into that, so that's really what we're looking for is a brief

explanation of maybe some of those factors or methods that you're using to calculate hourly rates just to make sure they're in line with customary hourly rates.

In the event of fixed price reimbursement, and this applies mostly to parents, you have to still document actual expenses. We talked a little bit about this before. The actual expenses must be reasonable, and they can't exceed actual costs. That's the most important part here is that the fixed price reimbursement, no matter what, it just cannot exceed actual costs and that's why it's important for you to document the actual expenses because then there would be no other way for us to really know if it exceeded that actual cost.

With staff hours, you're going to indicate the total number of hours billed to the grant cumulatively and for the quarter. Again, there's a distinction here right between cumulatively and for the quarter so you're going to need to report both in this instance. If you're reporting quarter two, you need to give me quarter two information, and then cumulatively, you're going to give me the combination of quarters one and two.

You'll, of course, multiply the relevant hours by the rate for cumulative and quarter totals. Just try to keep those two separate in your mind; that you're reporting both the quarter information with staff hours generally and you're also reporting the number of hours billed cumulatively.

Again, this is just a quick example. If you look at the first row with John Blue, he has the first quarter, the second quarter, and we're assuming it goes to the end of the second quarter. So, if you look at the number of hours in year-to-date, which is the last column and that's 62, which is the sum of 27 and 35. That's how the cumulative part works, but you are breaking it down by column per quarter. Just be mindful in the last column to add them up because it is cumulative.

Again, the emphasis here is just detailed documentation for each quarter and cumulatively for the expenses you're incurring. This could be salaries, fringe and other benefits, training, travel, rent, phone, postage. There's a whole list of things outlined in our grant agreement that we will reimburse for. Keep in mind, again, that if you're going to deviate from the projected budget, it has to be explained in detail in a written format and it needs to be submitted to your HUD POC. They have the power to grant or deny that.

Your accounting must itemize the expenditure of every single dollar that's being billed to the grant. Again, just being very mindful of how you're documenting expenses is the most important thing here. And here's just a quick example. You'll see the different names of the activities, so personnel, fringe benefits, travel, this is a very standard form. This is the HUD 424-CB and again, you can use this or something like it that maybe your agency already has in place. This is an example of one of those that an agency already had in place.

Now, I've talked a lot about required certification, and so this is exactly what I mean by required certification. The certification has to be signed by the individual authorized to execute the certification on behalf of the grantee, and this would usually be your executive director, whoever is signing the grant agreement.

I'm not going to read the text of it, but this is the required certification that needs to be in the document that's signed by that individual, the authorized individual. In some cases, there will be a no activity grant report, perhaps an agency, they'll list a lot up front and expend the total of their grant. They still have to submit no activity grant reports.

Here's an example of one. It has the required certification that I talked about, the same data elements but you're just saying no funds are used, no funds were used, and you'll still need to submit that. That's the key. Even if you've expended your grant, you need to submit a no activity grant report for the subsequent quarters.

Now, we have some good news to report on the HUD 9902 front. Our 9902 reporting went from roughly 70%, 75% compliance to 95%, so I want to congratulate you, all of you agencies out there and all you folks involved in housing counseling for really stepping it up and complying with our requirements for 9902 reporting.

With that said, we do still see some issues of maybe data integrity and we'll be providing training, maybe on how to make your reports more accurate, that sort of thing, but we're very hopeful and happy that we saw such a large increase in the number of 9902 reports that were actually submitted timely, and so we're making our way there. Now the focus will be on accuracy and the integrity of data.

Most of you know, your CMS system is going to automatically update this information or upload it into HCS. If not, you can submit manually, although I do highly suggest working with the CMS that has the capability to go ahead and upload this stuff automatically because it can be quite arduous to go through and time-consuming, as well, to enter this stuff manually.

Should you ever have any questions about the HUD 9902, there's a desk guide on our HUD Exchange site. Those are really useful and outline both the reasons why we collect this data, the data points we're looking for, and they go into a lot of detail about potential overlap, these sort of things. It's a very useful thing, and I encourage someone from everyone's agency to get familiar with that desk guide. That'll help us with building the integrity of data.

A lot of you know what a 9902 looks like, but here's just a quick example. This is just one part of it, but this is where we're collecting demographic information.

Okay, this is important. Your first reporting period is going to be for the third quarter, and you have to submit your third quarter data but you're

also going to have to update the first two quarters to reflect all of the HUD grant activity that you're billing us for. You're going to need to go back to quarter one and quarter two to update and submit it along with quarter three.

If you do it this way, if you submit one and two with three, quarters one and two will not be counted as late. Again, please remember that as you're reporting the quarters, you're adding it up even though you're reporting individual numbers from each quarter, so it's cumulative at the end. So we want to see that reflected, right? There'll be a big difference between first and third. Again, HUD is not—it won't be considered late, your quarter one and two reports, if you just submit it along with quarter three.

This applies again to parents only, the next couple of slides. For sub-allocations, we're going to need a listing of all sub-grantees and funded branches. We need their corresponding sub-grant amounts and allocations, and this is going to be broken up by quarter and cumulatively as well. We'll also need the associated DUNS number for each of these sub-grantees or funded branches.

You'll also need to account for a very, in a very detailed manner, all of the administrative funds that you spent for each quarter and again, cumulatively. Administrative funds are funds used to run your program, and they're not passed through to your subs or your branches. So this could be training, travel, salaries, equipment. Again, this is still specific to your parent organizations.

You need to explain clearly the methodology used to reimburse your sub-grantees or branches. Again, this has kind of caused some concern among some of our parents. They're uncertain as to what this means. Although, we are asking for a clear explanation, it can be brief and we just want the methodology by which you've determined how to sub-grant and the process you're using and maybe the factors that you're considering, those sorts of things.

A brief example, include the formula for calculating your counselor's hourly rate, how each cost is calculated for a fixed cost reimbursement, just the details in a written format.

Again, the fixed costs, if you're doing a fixed cost reimbursement as a parent, it cannot exceed actual cost so you need to keep documentation of actual cost.

Then, again, for parents, on your 9902, you need to make sure that subs and branches are updating electronically through HCS and they're doing so in a timely manner. The grant activity column just has to reflect the activities that were funded by the grant, the sub activity, the sub-grant activity or input by individual sub-grantees and then eventually they're rolled into your data as a parent. You want to make sure that the data that is coming from your subs is good data, and so you're responsible for making sure that they've both updated the 9902 and the information looks correct.

I mentioned this earlier. This applies only to parents. As parents, you have to complete form SF-425. It's very important. This summarizes financial data, and importantly, we get program income information from this for each quarter. This is a standard OMB form that you can find at www.WhiteHouse.gov/OMB/grant_forms and again, this is something you can easily google, just SF-425 and make sure the date on the bottom,

the OMB approval number has not expired. That's what you'll be looking for. This is forward projecting and again, this is for a parent organization.

In your NOFA applications, we asked parent organizations to give us information on the number of their subs that they intended to review, so they will be using the parent review checklist, essentially that HUD POCs use and this is an oversight thing, right? We asked for the number of projected reviews that a parent would do with their subs over the next year, and the key here is that you need to stay closely to the number of proposed performance reviews that you outlined in your NOFA.

HUD actually reserves the right to adjust your award amount should those not match up, so what you proposed in terms of projected PRs versus what you actually do is something that we can take into consideration and technically could cause us to adjust your award amount should they not match, and it's a significant deviation.

Okay, changes in network size. During our last two-year NOFA, we made some changes to our funding methodology. The grant award amount, again, this is related to what I just said, so if there are significant changes to maybe the size or the type of your network, just changes in network in

general need to be reported to HUD. But you should be aware that if you change network size in the middle of say a two-year cycle, there is a chance that your grant award could be adjusted downward if there is a significant or material difference in what you proposed in your NOFA and what you're doing now. If your network has dropped significantly, then that's really what we're looking at here.

Now, the final report. In addition to the quarterly reports and everything we ask for in the quarterly reports, your final report has to have a couple of additional items, so this is important to note. Here, this is really your chance to talk about the qualitative aspects of your program. So much of what HUD collects is quantitative, and I really believe the true story can't be reduced to numbers and data. We need a little bit of a qualitative element here, a chance for you to tell the story of your program, of the clients, that sort of thing.

We need you to explain why establish goals that were approved in your 9902 projections weren't met or if they were exceeded, why were they exceeded? You have to explain new strategies and adjustments that are going to be made to improve your performance in the future. You'll briefly summarize the outcomes of the activities that your proposed in the

Affirmatively Furthering Fair Housing Chart in the NOFA, so this is your chance to go back and say how you implemented those things, what were the outcomes.

In addition, you'll need to describe the oversight in quality controls activities that you conducted. This is for parents and it goes back to how many performance reviews you proposed to conduct on your subs. We'll need that information, and if it's less than what you proposed, just a brief explanation of why that was the case.

This is also your chance to tell us any kind of problems that you encountered or where you may need additional guidance in the future. This is going to be read by your HUD POC, so it's really important for them too to understand your perspective and what you're not understanding and where they can do a better job.

This is your chance to tell them, to give recommendations, to tell them what kind of problems you faced, and this is also your chance to talk about any kind of developments that might have a significant impact on your supported activities, either good or bad. We want to know.

You'll also submit a certification. Again, this is going to be signed by the authorized individual and it's going to state that all applicable closeout activities required in 2 CFR 200.343 were completed. This is actually separate from the certification statement that we require in the quarterly reports. Just make sure to submit that in addition to the quarterly reports.

This applies to parents only. The Federal Sub Award Reporting System, you are required as parents to report for sub awards of \$25,000 or more, and this applies to entities with gross incomes less than \$300,000 in the previous tax year. Those individuals are exempt from sub award reporting requirements. There's a lot more information that can be found at www.FSRS.gov and I urge you to go there and really check out those resources. I think that a lot of your questions will be answered.

Should you have any other questions regarding sub award reporting, reach out to your HUD POC and we'll work on a one-on-one basis to try to figure out whether you're exempt from this or which one of your subs requires to be reported in the system, that sort of thing. Just keep in mind, the report is due one month after the month in which you obligate your sub awards.

Now, the GONE Act is also fairly new. It's the Grant Oversight and New Efficiency Act. This touches on several aspects but what's important here is that if in the event that you have an expired grant or undisbursed balance at the end of the period of performance, so you still have money left over as of March 31, 2018, you're going to have to provide us with a narrative description explaining the challenges that led to the delay in closing out the grant.

We just need a brief narrative outlining what happened, what are the issues, how you're going to resolve them, and we'll work together to make sure that we can closeout that grant quickly and make sure that you're reimbursed appropriately for all eligible housing counseling activities.

I've gone over a lot of things that I've found personally as I've gone through the process, just recognizing common concerns or things that I've noticed, but here are some others, and that's really incomplete reports that are submitted to us as HUD POCs. Whenever you submit an incomplete report, we have to kick it back to you. There's a back and forth that goes on, and obviously, there's a delay between when you submitted a request for payment and when you're actually going to get paid, so it's very

important that you submit your reports in a complete manner so that there is no delay on that front.

Also, again, this goes back to accuracy and the cumulative aspect of this whole reporting requirement. You want to check your math, you want to make sure that, for instance, your staff hours information lines up with staff expenses that you've already included in the itemized accounting of actual costs. You just want to make sure that things are adding up because that again, is something that we look at closely when we do performance reviews, and if the numbers don't add up, that's one of the first things we'll bring up and could result in a serious finding.

Again, I mentioned I'm really proud of the fact that you, as agencies, really stepped it up in the last year and improved our reporting. We were at 95%. We just want to make sure here that we're reporting accurate data, so this means properly completing the 9902. Stay on the lookout for 9902 grant trainings that are provided by our office. They're quite helpful and will help you distinguish what's permissible and how to document things on 9902. It's really, just be on the lookout for that, it's quite helpful.

Again, your actual activity has to align with your projected budget. We recognize there might be some slight deviation, that's just the nature of the projected budget, also with your client projections. If there are any material changes, they need to be approved in advance of a payment request. Again, you'll need to submit something in writing to your HUD POC just kind of explaining what's happening.

We're reaching the end of this presentation, and I want to thank you for bearing with me. It's been quite long. We do have a lot of resources, some of which I've mentioned. Archive webinars would be the most helpful, and they're organized really nicely on the HUD Exchange and you can find them by topic.

You can do a control F search to find the training that's appropriate for you and an archived webinar that might be useful. Just go on the HUD Exchange Housing Counseling site, and there's a webinar section and you'll be able to search.

Also, the HUD 9902 desk guide that I mentioned, very useful, will answer most of your questions, and if not, you'll at least know what you don't

know and you can ask your HUD POC and they'll be able to walk you through the process.

With that, Ginger, I want to ask if we have some questions that were submitted on the sidebar that I might be able to answer.

Hi, Virginia, are you on the line?

Ginger

Of course, I was on mute. Yes, we had a number of questions and as I said, Connie and I have tried to answer many of them but I think there are some that maybe apply to everybody. Let me see. One is "On the third-party authorizations, is a client signature required?"

David

Generally, no. I'd refer to the HUD handbook. I'd say that the third-party authorizations should just be—well, it should be acknowledged by the client, but I think that it being in the file might be sufficient. That's a good question to submit to housing.counseling@HUD.gov and go ahead in the title pose the question and that way we can turn it into an FAQ. I don't want to give information that's inaccurate, but let's follow up on that one.

- Ginger Okay. “For sub-grantees who get less than \$750,000 of federal funding, should they have a yearly independent audit?”
- David No. The \$750,000 threshold, that triggers the A-133 audit; otherwise we’re just looking at an independent financial audit. We realize that non-profits and some of the nature of housing counseling agencies are such that it may not be cost-effective to get a yearly audit if they’re getting under \$750,000, and so recognizing that, we just ask that it’s relatively recent. I know that’s a little subjective, but we are looking, basically, within the last two years or so; two to three years would be appropriate. I think that’s what we’re looking for.
- Ginger Okay. Here’s somebody that’s asking, “Does the monitoring and performance review reports, are they administered by the parent or by the HUD POC?” I’m guessing it would be both.
- David Can you repeat that one more time?
- Ginger “Monitoring and performance review reports, are these administered by the parent or by the HUD POC?”

David The monitoring and performance review reports—did you say performance review reports on the second one?

Ginger Yes.

David Okay, the monitoring reports, I guess I'm a little unsure of what they're trying to ask.

Ginger Well, if we interpret it that they're asking who's responsible for doing the performance reviews.

David Oh, okay. I got you. Okay. In that instance, what I was referring to is that in the NOFA, we ask parent organizations to look forward and project how many of these reviews they could do of their subs. They're responsible in that context for reviewing their sub agencies.

Then, also, HUD POCs still have the ability to perform performance reviews, either onsite or desk reviews of any of our subs, affiliates, obviously our approved agencies, and intermediaries, so that's how that works.

Ginger Okay. There was a question about “Could group education classes offered by eHome America, the online ones, be counted and charged to the grant?”

David That’s an interesting question. That’s one we get quite often, I believe, and there might be an FAQ out there on that very issue. For us, the important thing is that you offer individualized—for instance, if it’s for pre-purchase education, we need insurance that your agency is equipped, then, to handle the pre-purchase client. That’s really what we’re looking for so in terms of billing it, I think that’s a permissible—I outlined that on one of the earlier slides, but that is outlined as one of—outsourcing the education aspect of it, as long as there’s still that ability for the client at that point afterwards to seek counseling at that agency, that’s really what we’re looking for there. I think that is an eligible expense to bill to the HUD Housing Counseling grant.

Ginger Okay. Then, there seems to be a question you stated at one point that they needed to submit hard copies of their 9902 with a billing request. Is that an accurate statement?

David No, that's not. If I said that, I'm sorry. There is no need. With the HUD 9902, we ask, for the most part, that they're generated by the CMS and uploaded that way and there is a mechanism by which the agencies can do a manual input of 9902 data, but that's sort of a last resort.

Ginger Connie, do you see any that you think we should answer? I bet she's on mute too. I think that we have brought up most of the generic questions. I think we will have a report that shows the individual questions that people have not yet gotten the answer they needed. Again, send those to housing.counseling@HUD.gov.

Here's one maybe you can answer. It says, "Can you define sub-grantees versus the parent versus branches?" apparently. I think that's a question they need to send to housing.counseling@HUD.gov. It's a little unclear.

David Yes, I agree. Make sure that you clarify, I guess, the situation, in particular, like maybe what's going on. Some of the facts, some of the details would be helpful. We will get to the questions that we didn't that were very specific. There were quite a few that were specific to your agency or your program or your circumstance, and so we will answer those.

We'll have a team, like I said, that'll monitor the housing.counseling inbox and who will route those questions to us, and to the extent that we can, we'll turn a lot of these into frequently asked questions and they'll also be available on the HUD Exchange.

If we answer your questions, we'll definitely let you know personally.

We'll email you back and say we've turned this into an FAQ or here's the answer to your particular question.

Ginger

Here's, just for a last one, it's asking about technical assistance being available for administering the grant. The point is that's what your POC, your point of contact is for. Anytime you need technical assistance on any part of your grant administration or implementation, that's your person to contact, and they can go from there.

David

That's right. Yes, and if I could just add, that's right. Your HUD POC is always the first person that you're going to contact regarding technical assistance, but they'll also be able to link you up with resources. For example, this last grant cycle we had one of our contractors helping us

with some of the technical aspects of maybe grant execution or those sorts of things and so that might be available as well.

If they are, your HUD POC would know and would be able to connect you with those resources.

Ginger As I said, I think those are all of the generic questions.

David Okay. Well, I'd like to thank everyone for joining me. I know it was a long training today. It was long on my voice as well, but thanks again, and I hope you learned something. Again, if you have any outstanding questions or if we didn't answer your question, email us at housing.counseling@HUD.gov and just concisely and clearly just try to outline your issue, and we'll get back to you as soon as we can. Thank you, everyone.

Ginger Thank you.

Moderator Ladies and gentlemen, that does conclude your conference for today. Thank you for your participation and for using AT&T Executive Teleconference Service. You may now disconnect.