



## Final Transcript

**HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:  
FY'18 Comprehensive Housing Counseling Grant Agreement Training**

October 23, 2018/1:00 p.m. EDT

### **SPEAKERS**

Ben Yanetta  
Sarah Gerecke  
Connie Barton  
David Valdez  
Joel Schumacher  
Tracy Oaks  
Shae Williams

### **PRESENTATION**

Moderator                   Ladies and gentlemen, thank you for standing by. Welcome to the FY'18 Comprehensive Housing Counseling Grant Agreement Training. At this time, all participants are in a listen-only mode. [Operator instructions].

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

Thank you very much, Tawny and hello, everybody. Thank you for joining us today for this really important training on the grant agreement for the new housing counseling grant. Before we get started, I'd like to go over just a few logistic items for the use of this webinar.

As was mentioned, the audio is being recorded. In about a week, we'll get the playback number for you to call into along with the slides of this presentation and that'll be posted on the HUD Exchange website. The training digest on HUD Exchange will also be updated when the webinar is posted, and that, again, takes us about seven to ten days.

Currently, the presentation is available for download on the handout section of this webinar and I would strongly recommend you to download that because there are a lot of links and information in this presentation that you may want to be able to reference later. If you just click on the handout section and click on the file there, it is a PDF, it'll automatically download for you.

Due to the amount of people that we have on the call today, we're not going to be taking live questions but of course, we still want to hear all of

your comments and questions, so there are other ways to ask those. The webinar also has an interface section labeled questions where you can type your question in and it'll go into a queue, and we'll be answering some of those throughout the webinar.

If you have a question that didn't get answered, or if you think of a question later, always send your comments to [housing.counseling@HUD.gov](mailto:housing.counseling@HUD.gov) and if you put 2018 Grant Agreement Training, it'll get routed to an expert who'll handle your question. Our turnaround time on those emails is pretty quick so you'll get a response.

Another thing is that you are going to receive a certificate of training for attending today's webinar. You'll get an email within the next 24 to 48 hours from GoToWebinar and the email itself says this is your certificate of training. There is no attachment. The email itself is what you should printout and save for your records.

Also, once the webinar is posted to the HUD Exchange website, you can get credit for it by signing into your HUD Exchange account and selecting the webinar and clicking the get credit for this training button. And, again, that won't be an option until we get this posted, in about a week or so.

And, when it is posted, an email blast is sent through Jerry Mayer's email list, probably most of you have already been subscribed to.

With no further ado, I'd like to turn it over to Sarah Gerecke, our Deputy Assistant Secretary for the Office of Housing Counseling.

Sarah

Thanks so much, Ben, and greetings, everyone. Thanks for joining us today on this important discussion. I just have a few introductory comments. First, let me just tell you what we've done recently; \$47 million in comprehensive housing grant awards were announced. Those awards went to 34 intermediaries, 17 state housing finance agencies, 6 multi-state organizations and 151 local housing counseling agencies.

We estimate that you will use those funds to help assist more than 1 million households with all of their housing counseling and education issues in fiscal '18, which, as you know, has already passed but during the grant period.

Your work improved housing outcomes for home buyers, home owners and renters. I cannot describe to you how often I use the information you report to us to show your great work in helping families with budgets,

helping families overcome barriers to purchasing a home and helping them remain in their home or avoid eviction. So, thank you so much for showing Congress and the American people what a great investment this is of taxpayer dollars.

Just a couple of words, and some of this is stating the obvious to some of you, but I do want to make sure you've heard it from me. This is late for us to be making grants and awards. We are sorry it is so late. We had a number of changes from the previous NOFA and a number of discussions to make sure we were aligned with administrative priorities.

The changes are the reason that this is only a one-year award. I'm sorry, it's not a one-year award, it's a one-year NOFA. We do plan to have another NOFA for fiscal '19 funding when Congress appropriates fiscal '19 funding.

Because these awards are later than usual, we're making a couple of changes to the process that I hope will help address your planning needs and your organizations' operational needs. We're committed to get you the funds as quickly as possible. You should have already received the grant execution packages. If you have not, please send an email to

housing.counseling@HUD.gov or you can note a question in the question box here today.

The grant execution process is really critical. There's a lot to it because it is a federal award and so we have to follow all of the requirements to make sure that we're contracting appropriate to the federal requirements. Our goal is to make it as easy for you as possible to execute those grants and give you the information we need and that's the purpose of this webinar.

Our goal is to see that we have those grants executed within 30 days wherever possible. Of course, that's a partnership goal. We both need to do our jobs at our ends in order to achieve that, but we want to make sure that this money is available to you as quickly as possible given how late it is.

One of the things we're trying to do, in addition to accelerating the grant agreement process, is to give you a longer period of performance. You will be permitted to spend this money for any activities from fiscal '18, which began October 1, 2017 through fiscal '19 which is September 30, 2019.

We're giving you a full 24 months to utilize this particular award. There will be confusion if you're still spending your '17 grant or if we do have '19 grants over time, and we'll discuss that on this webinar. But, to the extent that you've done all of these activities and we can reimburse you for activities that you've done since last October, we're looking forward to doing that. To the extent that you can only use the money for activities going forward after the award, you'll have a full year to do that.

We'd love your feedback on the process, on the changes and on any suggestions you have and we're always looking to make this a better process for everyone. One of the things we've already heard is that you really like the two-year NOFA and did not like to have to apply once a year.

We are looking very hard at returning to a two-year application process in fiscal '19 and of course, looking at getting that back on track much earlier in the year. I do think that fiscal '18 tardiness was a one-off for a lot of reasons.

The last thing I want to say is that we will have a lot of technical assistance and training resources available to you. We are going to be taking a hard look at how we collectively document the spending of these federal dollars and we are going to be focusing on the documentation of the use of the dollars in 2019 with tools to assist you, so that the [indiscernible] process and the performance review process, where you document your grant spending, is easier but also clearer for all of us.

I don't need to tell you, it takes a village to run a housing counseling program and we are so pleased and honored that you've chosen to participate in this program and that you will be our partner in the coming year.

With that, I'm going to turn it over to Connie Barton, who's going to take you through the next stage of the program and I also just want to take a moment to thank her. She was the team lead for a very large team of staff here that handled this NOFA and as you can imagine, had quite a few challenges to overcome, so it's with great pleasure I introduce all of you to Connie Barton.



Connie

Thank you very much, Sarah. Hello, everyone. My name is Connie Barton, as Sarah said, and I'm with the Office of Policy and Grant Administration. I'm glad you're able to join us today for this webinar on the grant agreement and grant application process.

Before we begin, I just wanted to mention that there will be another training on grant execution this coming Thursday, October 25<sup>th</sup>. Some of you have asked whether you should attend both because the training titles are similar. Thursday's training is being provided by Booth Management Consulting and the objective of that training is to review the grant execution financial life-cycle, review financial document requirements during the grant execution review process as well as to discuss best practices, common errors, omissions and irregularities that are noted during the grant execution process. Booth also provides additional training and technical assistance as needed.

With that said, we're hoping that you'll also be able to attend Booth's Thursday training, as well, since their presentation and ours go hand in hand and will be helpful to you during the grant execution and grant reporting process.

Okay, let's continue with today's presentation. By now, you should have received your grant award packages. If not, please contact your HUD POC and we'll send you a copy as quickly as possible. Today, we'll be providing an overview of changes from the previous NOFA as well as an overview of the articles and requirements of the grant agreement.

David Valdez will be covering Articles 1, 2, 5 of the grant agreement.

Joel Schumacher will be covering Articles 6 to 9, Tracy Oaks [ph] with Article 10 and Shae Williams, Article 11. Next slide, please.

As Sarah mentioned earlier, this is a one-year NOFA with a 24-month period of performance, so that means you can bill for eligible activities beginning with October 1, 2017. If you don't have anything for the past year, you'll have almost one year going forward, now until September 30, 2019, to bill eligible activities for the HUD grant.

Another change is HECM default counseling activities. This is new for the FY'18 grant. If you'll be conducting HECM default counseling, you'll provide information on this in your quarterly and final reports. Shae Williams will cover this a little later in Article 11. Next slide, please.

Eligible activities for the FY'18 awards are limited to the items on this list.

As you may have seen in the NOFA, HUD requires grantees to utilize housing counseling grant funds for delivery of counseling and education that benefits clients, and that includes supervision and quality control to provide high-quality services.

In that regard, the eligible activities that may be charged to the grant are salaries, training, oversight, marketing, outreach and housing counselor certification expenses. We'll cover more of this topic later in Article 10.

Next slide, please.

Now, let's move onto grant application and the items you received with your award letters. The grant agreement is a formal written agreement between HUD and your agency, the grantee, regarding the FY'18 housing counseling grant award. All of the information concerning the grant and their requirements are contained in this document, so please read it and refer to it often if you have any questions. Next slide, please.

Here are some key concepts about your housing counseling award. This is a cost reimbursement grant. Since the period of performance is 24 months, from October 1, 2017 to September 30, 2019, you can bill the

grant for eligible housing counseling activities that date back all the way to October 1, 2017. You will be reimbursed for the actual time spent and actual costs incurred. Please do not submit averages or estimates for reimbursement. It must be actual time and actual cost.

Files and records must demonstrate these actual costs and hours that your agency is billing to the grant. Your request for reimbursement must be submitted by the due date specified in Article 11 of the grant agreement, which we will go over in a bit. Next slide, please.

In your award packages, we included a grant application checklist, which you see on the screen here and we're hoping that you'll find the checklist helpful in terms of what you'll need to submit to HUD. All of this information is also outlined in your award letter, so please refer to both. They spell out what needs to be signed and returned to HUD in order for your grant to be fully executed.

If you need more time to review your grant agreement and submit the required documents, please reach out to your POC for assistance or for an extension to submit your documents. Just make sure that you receive

approval of the extension in writing and then make sure you follow up by the date you agreed upon to submit your documents. Next slide, please.

Okay, the HUD-1044. This shows the grant amount that you're receiving, and it also has your grant number which starts with HV18. Also, on the 1044 is the name and contact information for your HUD POC just in case you need to contact him or her with any questions.

Now, with regard to the grant agreement, HUD does not require you to send back the entire document, just the final page of the grant agreement. Then, also make sure you keep a copy of your 1044 for your own record, and to be on the safe side you should always keep a copy of all of these documents. Next slide, please.

Briefly, about indirect cost rate documentation. There are three options. The first is if you have a negotiated indirect cost rate agreement or NICRA in place. If you do have a NICRA and you plan to use it to bill the HUD grant, you'll need to let us know what your indirect cost rate is and provide documentation with that rate information.

You can also provide a statement that your agency does not have a NICRA and you'll just use a de minimis rate of 10% of modified total direct cost. The one next option is that if your agency receives more than \$35 million in direct federal funding, then you're not eligible for the de minimis rate. Finally, you can provide a statement that your agency will not bill HUD for indirect costs. Next slide, please.

Another certification that we're going to require is related to the financial management system. You'll need to provide documentation in the form of a certification from the executive director or other qualified professional that demonstrates that your financial management system sat aside the requirements of the regulations at 2 CFR 200.302. You can view this regulation at the link provided. Next slide, please.

Regarding audits, if your agency receives more than \$750,000 in federal funds, then you'll need to provide a program specific A-133 audit. If you expended less than \$750,000 in federal funds, you just need to provide a recent independent financial audit. Next slide, please.

On to code of conduct. Code of conduct, this applies only if you do not have a code of conduct on HUD's site or your code of conduct has

changed since you last submitted it to HUD. If you aren't sure, just go to the link shown on this slide.

If your agency is listed and your code of conduct has not changed, then you do not need to do anything. If you do not see your agency on this list or if your code of conduct has changed, you will need to submit a new copy. Next slide, please.

On to projected budget. Your budget must account for and document how every dollar being billed to the grant will be spent. All expenses must be itemized, so parent agencies, SHFAs, MFOs and intermediaries must do this as well. If you have questions concerning this, please see page 3 of your award letter for cost categories that must be itemized.

Unless, your HUD POC or GTR—I just want to mention that we use GTR and POC interchangeably, so if you GTR, it also means your HUD POC—unless your POC states otherwise, the projected budgeted that you submit will be considered you approved budget. You can make changes afterwards to your budget, but it must be approved in writing by your HUD POC and the request must align with the approved line items and the changes that were made. Any deviation between a request for payment

and your approved budget must be explained in detail in writing and approved.

For the form, you can use the HUD 424 [indiscernible], but also a lot of agencies have their own templates or samples that they use. We have provided a link to the HUD template, but you can use a form that the agency has created, such as the simple one on the following slide. As long as the budget has all of the data that we're requesting and you're documenting your expenses and have records, you can use your own form.

Next slide please. This slide is applicable to parent agencies only. If you reimburse your subgrantees at a fixed rate, we'll still require you to submit an itemized budget for expenses. Please keep in mind that the amount that will be billed to the grant cannot exceed the actual cost of providing the service. Also, please clearly explain the billing methodology that you will be using to reimburse your subgrantees or branches. You'll also need to indicate the process used to ensure that the fixed cost reimbursement rate does not exceed your actual costs. Again, actual costs, not estimated.

Finally, you will submit a budget for how all administrator funds are going to be spent, if any, such as training, travel, salary or indirect costs.



Our next topic is projections for housing counseling grant activities.

These are the activities your agency is proposing to conduct during a period of performance. You will need to enter these projections into HCF. Page 4 of your award letter tells how to do this. When you're in HCF, remember to select projections for NOFA 2018-1 and after inputting your projections, save it as a draft and then send your projections to your HUD POC.

Next slide please. You can review these step-by-step instructions by going to the archives webinar or the user guide at the link on the slide.

I'm sorry, that was on the previous slide. The archive webinar, after you see where it says view presentation, that will have the link to the webinar from last year and then the user guide will have the step-by-step instructions. This is just another screenshot to show you where you can enter in your projection. Next slide, please. Just an enlarged slide so you can see the call ins and all the categories clearer.

Next slide, please. Sub allocation list. So sub allocations is applicable to just parent agencies. Parents will need to complete sub allocations in HCR in the budget allocations screen. When you're doing this you must

provide a brief explanation of how your sub award amounts for subgrantees and branches were determined.

Next slide please. This slide is a screenshot of the budget allocation page. At the top you'll see total budget and then in the next column, administrative funds and indirect costs. You'll need to enter in the required data for all your subgrantees for each quarter as shown in the tabs where it says quarter one, quarter two, quarter three, and quarter four.

Next slide, please. The last thing that I'll talk about is client management systems. Grantees must certify that they utilize a CMS that is approved by HUD. We've included a link. You can click on this link to verify that your CMS is certified and approved by HUD to interface with our systems. This is important so that we have correct data for reporting. Finally, parent agencies must list all the CMSs that their grantee's use.

That is it for my overview. Thank you. I'd like to now turn this over to David Valdez, who will begin with Article 1 of the grant agreement.

David

Thank you, Connie. This is David with Office of Policy and Grant Administration. Today, we're going to talk about Articles 1 through 5.

This is just the general introduction to the grant agreement, the definitions, outlines, the period of performance that Connie and Sarah have reference, the scope of services and our prohibition against subcontracting out for counseling.

Next slide. Broadly, the things I'm going to cover I'll try to do them quickly so we can get to the meat of the grant agreement. Generally, what these Articles 1 through 5 do is that it's going to incorporate and consolidate important definitions and program expectations from several different sources as you'll see. I want you to keep in mind that after this presentation is over and you have this in hand, this is actually a really handy reference to our key program and grant principals, I would say. I just wanted to highlight that for you.

Article 1 outlines our terms and conditions and again it incorporates different requirements. These are statutes, program specific regulations, more broad grant type regulations like 2CFR200, our internal and external policy guidance in terms of the HUD handbook. The stuff that you submit to us as well, so your applications, your work plans, basically what we've said in the NOFA is what we'll be incorporating here.

Let's move on to definitions, it's Article 2. Again, this is a really key resource for important, what we consider to be important program and grant definitions for the comprehensive housing counseling grant. These again come from the NOFA itself, from our regulations and from our handbook.

Next slide please. As both Connie and Sarah have already mentioned, this is a two year period of performance, essentially it goes back to October 1, 2017 and it ends at the end of FY 2019. I do want to mention that, and you'll maybe get some more of those from my colleagues but, as HUD POCs we are authorized to grant one time no cost extensions. Just keep in mind that specific to this grant and this period of performance, we need to have that request no later than August 31, 2019, so the rule is 30 days before the end of the period of performance. If you do anticipate that you will need an extension, please do so before August 31, 2019.

This is what I consider to probably be the most important part of what I'll talk about. This is the statement of work. Really we're describing the scope of activities that you're going to perform during the period of performance and importantly this has to be consistent with your work plan that was submitted with your NOFA application. Those two have to be

consistent with one another. If you're going to make changes, that's fine, we realize that's necessary and in fact we encourage maybe the growth into new counseling activities. In those circumstances, we ask that you ask for prior written approval before amending your performance work plan. So you would work with your HUD POC just to run it by them and say, hey, this is what we're thinking, this is why, provide the rationale, and your HUD POC will give you the go ahead and you can amend any projections or anything like that accordingly.

Next slide, please. This just covers what Connie did in much more detail, she covered it quite well, but you'll be submitting projections within HCS, you'll save it as a draft and then you'll notify your HUD POC of the number of clients that you project to serve. Your HUD POC will then log into HCS, review this information, maybe have a conversation with you perhaps ask for more documentation to support maybe the number of clients that you are projecting to serve and then ultimately a HUD POC will approve and that begins the process.

These are just a couple of—this is just reminding you that the activities that you are going to be performing under this grant need to be documented in your CMS. Here are some of the activities that we really

want to see documented. These are both program requirements but also grant requirements. One of the things is that in every file we need to see a third-party authorization or a privacy policy statement and you can again work with your HUD POC to see what this looks like. We have examples, we have tool kits of what these might look like as well, but essentially just telling the client that a third-party, in this instance, HUD for example, may review the information in the file just to ensure that the housing counseling agency are complying with our requirements.

Also a budget and financial analysis. This is very important. We need to see this for each individually counseled client. There does need to be some sort of tailored budget within the file itself and with the caveat of course that this at the time of creation this was a viable budget. That's really what we're looking at.

Housing analysis, this is just the overarching analysis of the housing issue, if you will. You'll be reviewing the client's needs, maybe their current housing, affordability issues, essentially trying to get at what is the client's housing goal and we need you to document this and you can do so in a just a few sentences. It does need to be in the client file.

Next slide please. Similarly, I would argue this is the most important part. This is the action plan. Absolutely, this needs to be in your file, not only as a program requirement in the housing counseling program, but so that we can reference this both in the programmatic compliance realm and in the grant administration as well. Here we need to see an action plan in the client file and essentially this just needs to be an outline of what the client will do reach their housing goal, if any and what you will do as a counselor or as the agency. So, we need to see some documentation that was a discussion and that an action plan was created and a copy of that action plan.

There is an exception for a reverse mortgage clients. Also, we want to see some documentation that there was a discussion of some alternatives, so in the case of pre-purchase counseling, perhaps, we do encourage counselors to discuss three alternatives, or other options available, and one of these has to be an FHA program. So, just document that conversation and the presentation of at least three alternatives and that's what we're looking for. Then importantly, follow up as well. This is something that I see consistently that the counselors are doing. This is part of the process of housing counseling that's embedded, but the documentation sometimes is not there. So, give yourself the credit you deserve and make sure you

document your efforts that you made to follow up with clients. Also, this pertains to closing out or terminating sessions or the relationship, because they may have reached their goal or they're not actively participating, but just have that follow-up documentation in the file.

You also must have home inspection materials, this is specific for pre-purchase counseling or homebuyer education. You have to give the client the following materials. It's the home inspection, this is just a quick screenshot of what it looks like. You can actually just download these pdfs, and there's specific HUD form numbers on here, and then in the same context, if you're doing a pre-purchase counseling or homebuyer education, you'll need to provide the ten important questions to ask your home inspector pamphlet which is also available on the HUD Exchange and it's just entering Google and you should have a pdf file that you can print and disseminate.

In group education context, here to be considered eligible for reimbursement for group ed, you have to provide formal classes with an established curriculum and instructional goals. That's the key. These are formal classes and you have a written curriculum. You have goals. You're achieving them. You're working towards them. That's what



we're looking for in the file. Also, mandatory referrals. For the terms of the grant agreement, you're agreeing that you will serve all individuals referred to you, unless the following exceptions apply, which is that you don't even provide that type of service, perhaps, you don't have the resources, maybe there was a natural disaster or something that you're devoting most of your resources to, that's maybe one example, or you just don't have the time. That person may have a particular time period in which they can work and it doesn't work with your agency and sort of fit in that, then of course, that would be an exception.

These are just the certifications and things that go along with signing a grant agreement. You're just saying you're complying again. This is just pulling together different program and grant requirements from disparate sources and you're just saying yes, we are going to use a CMS, we're going to keep our HCS profile up-to-date. These are all things that are required of you anyway, as program participants, but you're affirming that as a grantee you truly are going to be carrying through these activities.

Again, as part of the assurances and certifications, by signing this grant agreement, you will be certifying that no one in your organization has been convicted of a violation under federal election law. So, that's

important and then also that you're generally complying with the broader costs principals and grant regulations at 2CFR200.

This is just specific to parents. It's pretty obvious. Parent grantees, this is intermediaries state housing financing agencies, MSOs, you are responsible for compliance on the sublevel, so the subgrantees that are your affiliates or that make up your subgrantee network, you need to ensure that they are complying with all HUD requirements. If you find that one of your subgrantees is not complying, HUD needs to see appropriate action that you've taken a step to resolve this problem and that you're working towards resolution. Of course, you must maintain copies of all of your subgrant agreements. These will spell out, again, kind of like the action plan, what is it that the subgrantee is responsible for? What is it the parent's responsible for?

Finally, Article 5, this comes out of our regulations. Essentially, this is just a prohibition on subcontracting, that's an easy way to put it.

Generally, we do not allow for you to subgrant, transfer, or contract any part of the housing counseling. That's the key part. Any of the counseling that's going on cannot be subcontracted or subgranted out. There are exceptions here that apply. Importantly, for agencies, web based

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education is excluded. This is not what we consider subcontracting out, so you can do that. Similarly, with purchase of supplies or materials, subgranting for those types of things are permissible. Parent agencies, again, you have to maintain that your subgrantees are meeting our standards. You have to submit to HUD your list of subgrantees and the corresponding subgrant amounts that you will be subawarding. Then, again, as I mentioned before in your agreements that you will keep on file, you're going to clearly delineate in those agreements what your respective responsibilities are in this arrangement.

With that, I'll go ahead and pass it on to my colleague Joel Schumacher.

Thank you.

Joel

Thank you very much David. Next slide. Article 6 covers administrative requirements. The first regards organizational changes. These are things such as mergers, acquisitions, or other changes in the form of your organizational structure. All of these changes need to be reported to your HUD point of contact. Also, as a grantee, do not assume that the organizational change will allow you to continue losing the grant under the new organizational structure. Don't assume that we will approve. We look at the individual circumstances and would have to determine that the

surviving organization is similar not to the original grantees that they are capable of providing the services that you received the award for.

Next, there's two items that you need to make sure that you have on hand, should your HUD POC request them. The first are succession plans, so that if the agency goes kaput for whatever reason, we know that the clients won't be left in the lurch. We want to see that reasonable efforts will be made to facilitate the continuation of services in the event that the organization is no longer able to provide them. The second item are leveraged resources. In the application, you listed the leveraged resources that you have received or anticipate receiving as part of the application. Evidence of these leveraged funds need to be made available to your HUD point of contact, should we ask for them.

Next slide. Articles 7 and 8, can basically be summed up with ask your HUD point of contact. If you anticipate making any changes to your plan, then you're going to need to get approved from HUD and you all have your point of contact. Should you not remember who your point of contact is, then by logging on to HCS, under your agency profile, under affiliations, you'll see who your HUD point of contact is and they will be your first stop and hopefully one-stop shop for all your grant related

questions. Additionally, if you're having difficulty and want an answer, we have as always our email address, [housing.counseling@HUD.gov](mailto:housing.counseling@HUD.gov), which is another way to communicate with HUD.

Next slide, Article 9 concerns the price. The first thing you need to know that this is reimbursement for actual costs. We'll need to see the receipts so to speak, both figuratively and literally, because these are not projected costs and these are not estimated costs. These are actual costs that have been spent and will be reimbursed after the fact. Prior HUD approval is required as I mentioned before for any revisions either to your work plan or to your budget.

Allowable costs, there is a maximum amount obviously, and that is listed on HUD 1044. Additionally the eligible costs are as Connie mentioned earlier are going to be limited to certain categories and we're going to have more information available on that but if in drafting up your budget for submission as part of the grant execution process, you have questions on whether something may or may not be allowed, work with your HUD point of contact, who will have training on what are the eligible expenses for this fiscal year's grant.

As for indirect costs, Connie already reviewed that as well, but you have three options, the first is if you already have a NICRA an Indirect Cost Rate Agreement, then you're allowed to use that percentage. Next, if you don't have NICRA and you don't receive in excess of \$35 million in Federal funds, you're allowed to use a de minimis rate of 10%. That 10% will come off of the modified total direct costs that you incur. Then finally, you can simply state that you are not going to seek reimbursement for any indirect costs.

Next slide. For grantees that have multiple sources of funding, an important rule, should be obvious to everyone, is you can't double tap. If you are receiving funding or reimbursement for a client or for an item then you can't bill HUD for the same item. We reserve the right to request any data that would relate to non-HUD sources of funding to ensure that items are not being double billed.

Next slide. There are restrictions on use. Those things that are not on the eligible category are ineligible. Things as per previous years, food, child care, for more details, obviously look at our handbook and 2CFR200 subpart E covers the cost principals. Those are always germane.

Additionally, this year's changes, you can find them specifically addressed

in the NOFA. If you still have a copy of the NOFA you downloaded back in July, then go to section 3 E1 that lists the eligible activities. Again, if you have any questions on that one when putting up your budget or asking for reimbursement, work with your HUD point of contact on what the eligible direct costs would be for this year.

Next slide. That concludes my portion, and I'm going to hand over the microphone to Tracy Oaks.

Tracy

Thank you, Joel. This is Tracy Oaks, with the Office of Policy [ph] and Grant Administrations. I'll be covering Article 10. Next slide, please. Article 10 is where you will find information on general payment procedures, including eLOCCS. Information on timing, which is when you should submit your payments through eLOCCS. The certain types of documentation, [indiscernible] expenses, and client file list that you will need to maintain and the standards for your financial management systems. Article 10 also discusses withholding of funds, overdue reports and funds recaptured. So, over the next few slides, we'll go into details on most of these topics.

Let's start with the general payment procedures in eLOCCS. Payment requests can only be submitted through eLOCCS. In addition to submitting and completing your voucher request, you are also, as part of that process email a copy of that signed pdf voucher to your HUD POC along with any supporting documentation required for the POC to review or as part of their review process as that voucher requires. As you go through this section of the grant agreement, you'll also find some additional information such as how often you should change your password, instructions for notifying your GTR or your POC if you're denied access to LOCCS

One thing I also want to point out and it's important to note, and to remind folks, you should really make a habit of logging into your eLOCCS every few weeks so you're not locked out of the system and have to go through the process of regaining access to the system. If anyone on the call has experienced being locked out of LOCCS then you know it's a process. It can take some time. You want to make sure that your account stays active and that you're logging into the system regularly. Also, we have a very useful LOCCS resource guide that can be found on HUD's website. There's also a hyperlink that we've provided here on the PowerPoint presentation. Next slide.



In terms of timing and the amounts of payment requests, grantees are only allowed to draw the only amount necessary for actual immediate cash needs. The word here is “actual” which you’ve heard several times in the PowerPoint. These are costs and expenses that are supportable in your documentation for your reimbursement of your voucher, so for LACAs you are required to disperse funds within three days of a draw down to your branches and for parent agencies, you’re required to draw down funds within 30 days of your drawdown to your subs. Again, what’s important here is you want to make sure that you’re only submitting those requests for costs that are supportable and that you have that documentation readily available if requested upon by your POC during the quarterly review process. It definitely is part of your performance review. Next slide.

For documentation of expenses as mentioned in the previous slide grantees are only allowed to be reimbursed for actual cash needs. So, these are costs that you could provide, again, supportable documentation such as invoices, receipts, canceled checks, your indirect cost rate agreement, client files, and documentation of personnel expenses. In general, these items may not be requested as part of the review of your quarterly reports,

but again this documentation will be requested by your POC during your performance review so you do want to remain mindful that as you're performing your housing counseling services or preparing your quarter reports and your final reports that you will be required as part of your performance reviews to provide sufficient documentation to support these activities under the grant and as you're certifying to in your quarterly reports. Next slide.

In terms of, again, documentation on your individual counseling sessions and group education classes, you must document the actual time spent for each client that receives housing counseling services, so your files should document when those counseling sessions start and when they end and your CMS should allow you to enter in this information. In addition to reporting the actual time spent, you also want to make sure that you record the time spent following up with your client as well as well as any other case management activities which is documenting the file and preparing for the counseling sessions. Now, what's important here is we want you to be as detailed as possible. So you want to make sure that you're giving yourself and your agency the credit for this time.

The time that you spend providing the counseling session, the time spent preparing for the session, and then the time that you also spent following up with your clients. Next slide.

Direct costs related to marketing and outreach initiatives, again, this is for items such as brochures, printing, and marketing materials, and your time spent marketing. Again, we just want to reiterate that you need to maintain that documentation for those activities. Again, things like invoices, receipts, and canceled checks.

In terms of oversight, these are costs for compliance and quality control. These are costs related to the supervision of housing counseling staff by your housing counseling program managers. These are also costs for managing subgrantees and branches, and then the travel costs that are associated with providing that oversight. Next slide.

Counseling certification, so these are costs related to training and testing for your housing counselor certification and the cost of that certification exam. In terms of training, okay, these are expenses for counselors that are participating in training or courses related to their role as housing counselors at your agencies, and then any of those travel costs associated

with attending those trainings. For capacity-building, these are costs associated with actually hiring additional staff. Again, for all three of these items, we want to make sure that you all are maintaining sufficient documentation. Again, the expectation is that you do have, and you can produce and provide any receipts, vouchers, or invoices as requested by your HUD POC. Next slide.

Now, when it comes to your client list and what should be included in your client list, it should include individual client and group education file numbers, the activities for the quarter, and the cumulative totals for the grant year. It needs to include the type of counseling and education provided, along with the name of the counselor that provided the service, the duration of the service, both hours and in minutes, the total amount of funds being charged to the grant or the funds that you are requesting reimbursement. Also, it must include how and where those clients were served, for instance if it was in a branch office or a main office; all that information needs to be included in your client list. Remember, when you are preparing your reports, if you're reporting on more than one quarter you need to make sure that you provide this information quarterly, and separately and cumulative for each period. Next slide, please.

Here's just a quick example of what a client list looks like. It shows the client ID, the type of counseling, the counselor, the hours charged, the hourly rates, and again the total amount. This is just an example, it's a very simple client list, but it does provide those details that I spoke to on the previous slide. Next slide.

In addition to maintaining your client list, you're also required to maintain documentation on personnel expenses. 2CFR Part 200 430 provides standards on how grantees must document their personnel expenses. This is really important, because when you submit your [indiscernible] reimbursement for your grant for salaries and wages, those costs must be based on records that reflect the work that's being performed. As mentioned [indiscernible] this involves you really keeping track of the minutes and the hours of the work performed, who performed the work, and with whom. Next slide.

Now, this just goes into detail about 2CFR Part 200 430, but in summary, charges made to your housing counseling grant must reasonably reflect the total activity for which the employee is being compensated. It must include federally assisted and other activities that were compensated for. It must support the distribution of salary and wages among activities or

cost objectives, so for instance if an employee is working on more than one Federal award—which is really common—it needs to outline that; or, if it's a Federal award or a non-Federal award, if it's an indirect cost activity versus a direct cost activity.

We need to have documentation on how you're supporting that distribution of salary and wages amongst all those objectives. Again, as mentioned previously in this presentation, we want to stress that your budget is really just an estimate in that it does not qualify as support for charges to Federal awards alone. You must maintain that sufficient documentation to meet this part of the regulation. Next slide.

This is just a sample time sheet. If you can see it, it shows the personnel expense documentation. Again, it includes funding codes, the type of activity that was performed by the employee, along with the activity code, the actual number of hours that the employee worked for that individual activity.

With that, I'll turn it over to Shae for Article 11.

Shae

Hello. I'm Shae Williams, from the Office of Policy and Grant Administration, and I'm going to be talking to you about Article 11 of the Grant Agreement. Now, until the grant agreement has been fully expended, all of your performance reports are due according to this schedule that's listed on the screen. This schedule is also included in your agreement. Whether you're an LHC or a parent organization, your grant agreement also contains this schedule.

Now, if your grant has been fully expended, the grantee—you—must submit a final report as described in the grant agreement to close out your grant. And, that was one of the biggest questions that we received, is making sure that you guys submit your final reports. Again, if your grant has been fully expended, whether it was fully expended by the due date or before, you must submit a final report—and of course the description of that final report is included in your grant agreement—in order for you to close out that grant.

Next slide, please. Also, the CFR requires that a new certification be submitted with each report, so make sure that that's done as well. I'll touch those in the upcoming slides.

Now, of course note that the schedule that was one the prior slide does not affect the due dates for your HUD 9902 Housing Counseling Activity Report. So, unless otherwise noted by HUD, your 9902 Report will be due according to the schedule that is actually reflected in our—I'm sorry, I lost my train of thought—according to our typical schedule. Of course, Quarter 1 is due by January 31<sup>st</sup>, Quarter 2 by April 30<sup>th</sup>, Quarter 3 by July 31<sup>st</sup>, and Quarter 4 by December 31<sup>st</sup>.

In the event that your grant quarterly report is due later than your HUD 9902 is due, the grantee must submit the HUD 9902 data in the All Counseling and Education Activities column. This is according to also the typical schedule and may be updated, the HUD 9902 Report, with the applicable HUD Housing Counseling Grant column data. Next slide, please.

Overdue or incomplete reports, so this will result in a delay of your funding payment. Also, late or incomplete reports may result in a performance review finding. Now, our intermediaries' MSOs or State Housing Finance Agencies, you as a parent agency are responsible for your subgrantee's compliance with the provisions of the grant agreement, so make sure that they are in compliance as well.



Now, the required information to submit with each quarterly report, I will go into details with these in the upcoming slides, but of course you need to submit your grantee's name, address, and grant number, the start and end dates of the reporting period, your hourly rate, fixed-price reimbursement, staff hours, itemized accounting of your actual cost, your required certification, Form HUD 9902, and this year new is the HECM Default Counseling Activities. Next slide, please.

Now, in additions to items 1 through 9 on the previous slide, intermediaries or parent agencies, must submit sub-allocations, administrative costs, billing methods, your Form HUD 9902 which includes all the information from your subagencies and your branches. Your Federal Financial Report, which is the FF 425, the Monitoring and Performance Review Reports, and any changes in the composition and/or network size; that's any changes in your subgrantees and your funded branches, typically, 25% or more, but we'll get into that in the upcoming slides. Next slide, please.

Now, this is an example of the information that's required. It's pretty basic, the grantee's name, address, and grant number—here is an

example—and then the start and end dates. For reporting purposes here is reporting period October 1, 2018 through December 31, 2018, but you would actually adhere to the dates that are provided in your grant agreement. Next slide, please.

Now, we're going to go into more detail the items that are required with your reporting. Hourly rate, you must identify each counselor or other employee whose time activity is being billed to the grant. This includes the individual's title, the hourly billing rate used to calculate the reimbursement from HUD for that individual's time and activity. You must also explain the method used for calculating the hourly rate; for example, whether the benefits are included in the rate. Next slide, please.

Fixed price reimbursement. You, as the grantee must document the actual expenses, which must be reasonable, and cannot exceed actual cost of the grant. Next slide, please. Staff hours, you must indicate for each roving counselor and other employee the total number of hours billed to the grant cumulative for the quarter. For each individual whose work time will be reimbursed from the grant, multiply the relevant hours by the relevant hourly rate, and then you must indicate the cumulative total and the total for the quarter. Next slide, please.

This is an example of a Staff Hours Reporting. Here, you see the staff person, you see their title. You also see for which counseling that they performed. Here, the first one, it was reporting a mortgage default. You also see the first quarter cumulative hours, you see the second quarter, and then you see the year-to-date. So, this is a perfect example of what we're looking for as far as your Staff Hours Report. Next slide, please.

Number 6 is Itemized Accounting of Actual Cost. You must submit a detailed, comprehensive itemized accounting of actual cost, listing the expenses for each distinct quarter, and the grant period to date under the grant. At a minimum, the accounting must include the following as applicable: salaries, fringe, other benefits, training, marketing, outreach, and indirect cost. The accounting must itemize the expenditure of each dollar being billed to the grant. Next slide, please.

Now, this is an example of a HUD 424 CB, which you may utilize this form in order to report your actual expenses, or you may utilize another format—next slide please—and this is an example of another format that was used, so you may create your own, or use a form of your choosing.

Remember, any deviation between those forms, the itemized forms must be approved by your GTR. Next slide, please.

Number 6 is the required certification that I talked about. You must have an individual that's authorized by your agency to execute this certification on behalf sign this required certification. I won't read it here, but it is included in your grant agreements. Next slide, please.

Now, this is an example of a quarterly performance report, specifically a No Activity Report. You see all the items that we requested, name and address, grant number. Here, in Items 3 and 4 you see that no funds were used for hourly rate or staff hours. Also, in Itemized Accounting of Actual Costs, you see there were no funds used. But, the form still has to have the required certification, and also must be signed by someone authorized to sign on behalf of the agency. Number 7 includes reporting that your HUD 9902 was submitted.

Number 8 is your HUD 9902, so you must update the form HUD 9902 electronically through HCS, which is the Housing Counseling System so that the appropriate HUD Housing Counseling Grant Activity column reflects activity funded with the grant. Grant activity must be reported in

the appropriate columns according to the specific grant under which the activity occurred. For specific purposes, it's NOFA 2008-1 for the NOFA for this year.

So, grant activity data may be submitted manually via form HUD 9902 and HUD HCS, or transmitted via a CMS. If your CMS is unable to transmit electronically to HCS, then you may be able to submit your HUD 9902 information manually. For more information on our HUD 9902, you may take a look at our HUD 9902 Desk Guide on the HUD Exchange.

Next slide, please. Sorry about that. This is an example of the HUD 9902 and you see the appropriate columns here. You see all of the different areas of the HUD 9902, so this is exactly what the HUD 9902 looks like.

Next slide, please.

Now, although the first report under the grant does not occur until the fourth quarter, grantees must at that time, enter activity attributable to the grant in the quarter during which it occurred. HUD will not consider retroactive updates of first, second, third or fourth quarter grant activity data as late. The example here is if your reimbursement for activity occurring in your first, second and third quarters of FY 2018, your HUD

9902 report should accurately reflect timing of the activity under the grant.

So, for first, second and third quarter. Also remember that your grant activity in 9902 is cumulative, so that's something we're going to be looking at. Next slide, please.

HECM default counseling activities. Agencies must submit a detailed report indicating the total number of default counselors providing default counseling for reverse mortgage borrowers during each quarterly reporting period as well as in the final report. The final report must include the details regarding the number of hours in training in reverse mortgage for each counselor and the number of clients for HECM default counseling that was provided by each counselor. Next slide, please.

Number 10 is sub-allocations, so this area is only for our parent organizations, intermediaries, multi-state organizations, state housing finance agencies. So, a listing of all of your subgrantees and your funded branches and their corresponding subgrant amounts and allocations for each quarter and it must be cumulative. We also must have their Dun & Bradstreet, which is the Dun's number for each sub-grantee and your funded branches. Next slide, please.

Administrative costs: A detailed accounting for how all administrative funds were spent for each quarter and cumulative. Administrative funds are used to run the program and not pass through to subgrantees or allocated to branches but were spent by the intermediary, the state Housing Finance Agency, or the MSO for activities including training and salaries. Next slide, please.

Billing methodology: You must explain clearly the methodology employed to reimburse sub-grantees or branches. For example, you must include the formula for calculating a counselor's hourly rate attributed to the grant or how each cost is calculated for fixed cost. Next slide, please.

You must also indicate the process used to ensure that the fixed cost reimbursement rate does not exceed the actual cost of providing the housing counseling services for which your subgrantees annual branches request reimbursement. Subgrant activities are input by individual subgrantees and are rolled into the parent's 9902, so when your subgrantees and your branches go in and complete their 9902's, it is rolled into one parent 9902 and the data is submitted to us by the parent. Parents are expected to monitor subgrantees' 9902 submissions, so here again, the

parents are responsible for the subgrantee's activities and making sure that they report on time. Next slide, please.

The federal financial report: We spoke about this briefly on a previous slide. This is your form for FF 425, so a parent organization must complete and submit the form FF 425 which summarizes the financial data including program income for each quarter. Now, you may access the form at the web address that's on the screen. Next slide, please.

We'll get more into the FF 425 also on a later slide. Number 15: Monitoring and performance review reports. Grantees shall submit the results of proposed network management activities using the HUD 9910 form. In determining the level of funding to provide support for network, HUD may base a portion of their calculation on the grantee's intent to review members of its network utilizing the HUD 9910 form. HUD reserves the right to adjust the award amount granted through this NOFA should the number of reviews performed change significantly from the proposed in chart F2 of the grant application.

Next slide, please. Reporting changes in composition and/or number of network sub-grantees and funded branches. So, in determining your level



of funding, HUD takes into consideration the agency's capacity to meet program goals. So, for a parent organization, they must report to HUD all changes in the composition and number of their networks of sub-grantees and funded branches.

Now, a parent organization must also notify HUD of changes in their staff personnel that's responsible for the Housing Counseling Program. HUD does reserve the right to adjust the award based on that information. So, a significant change to HUD might include, but is not limited to a 25% or greater decrease in the number of an agency's sub-grantees and funded branches from that that is stated in the parent organization's grant application.

Next slide, please. The final report—a final report for the 24-month period ending September 30<sup>th</sup> 2019 is due 90 calendar days after the grantee has completed all grant activities. Now, if the activity was completed before then, then, the final report is due when the activities are completed. Now, that would be funded no later than December 31<sup>st</sup>, 2019 for those who actually go the whole entire period. The final report must cover all activity conducted under the grant. If applicable, please explain why your established goals including the approved HUD-9902 projections

were either not met or why they were exceeded. Also, explain to us any new strategies and adjustments that will be made to improve your performance in the future or to better meet established goals and projections.

In addition to the above information, the grantee must submit a narrative report summarizing the outcomes of the activities that the grantee proposed in the Housing Counseling Chart E1, affirmatively furthering their housing of the grant application to address impediments to fair housing choice.

Next slide, please. The applicant must also briefly describe the housing counseling oversight in quality control activities conducted during the period of performance as the grantee proposed in-housing counseling chart F1 Oversight Activities.

Additionally, grantees should also include in the narrative report items such as, problems encountered, items for which the grantee may need some additional guidance, any unusual client needs, problems with providing counseling, even recommendations to HUD, any developments that have a significant impact on your award-supported activities, any

delays, efforts, conditions, anything that materially impaired the ability to meet the objective of your award.

The final report should also describe any action that you have taken [audio disruption] or contemplated and any assistance needed to resolve this situation. In addition to the certification required in the grant agreement, the grantee, must also submit the final report, a certification that's signed by an individual who's authorized to execute the certification on behalf of the agency. This is a different certification. This certification is in addition to the certification statement that's required in your quarterly report. So, if you're submitting a final report, you would have the certification in your quarterly report and you also would have that certification in your final report.

Next slide, please. A little bit more detail about the Federal Subaward Reporting System, FSRS—grantees are required to report their first tier subgrant award and executive compensation information in the federal funding accountability and transfer at Federal Subaward Reporting System. In cases where either the subaward initial amount is \$25,000 or greater or the subaward has an initial amount of less than \$25,000, but will have a cumulative amount of \$25,000 or greater, the FSRS and

corresponding frequently asked questions can be found at [www.fsr.gov](http://www.fsr.gov).

This report is due one month after which the subaward is obligated.

Delinquent reports: Submission of any report that's beyond the stated due dates will be considered delinquent unless you gain a written extension from HUD. Next slide, please.

The GONE Act: This is the Grant's Oversight and New Efficiency Act. This Act covers grantees with expired grants and undispersed balances at the end of a performance period. The grantee must provide a narrative description to their GTR explaining the challenges leading to the delays in their grant closeout. Next slide, please.

Now, here are some common concerns that we would like to highlight— incomplete reports. An incomplete report is any report that's missing items that's causing a delay in your processing. We tell you to check and double-check your math. Staff hours' information, should line up with your staff expenses and also included in your itemized accounting of actual cost. Another common concern is probably completing the HUD-9902. Do not forget to submit your HUD grant activity data in addition to all activity.

Allowable items that can be claimed—please, check your grant agreements and make sure that you are claiming the items that are allowed in your grant. Actual activity should align with the projected budget and client projection submitted at the time of the grant execution. Any changes must be approved in advance before your payment request.

Next slide, please. Here are some websites that you may go to in order to get more information. HUD always archive their webinars on reporting, so there's the link to that and I think you guys are going to be receiving the webinar, the training today and also, it's available by PDF download in the training and the HUD-9902 Desk Guide is another guide, another great reference and that's also found on the HUD exchange. So, all of the archived webinars on reporting and HUD-9902 Desk Guide can be found on the HUD exchange.

Next slide, please. I will turn it back over to Connie for any questions.

Connie

Thank you, Shae. Thank you everyone for participating in today's Grant Agreement webinar. As we mentioned earlier, we will not be taking live questions. If you have submitted questions through the queue, hopefully

we've been able to answer them for you. If not, will continue to respond to questions this afternoon. Again, if you have not received your award package yet, please contact your HUD POC and we will send it to you as quickly as possible. Next slide, please.

Also, if you have not already registered for Thursday's webinar, we encourage you to sign up. Next slide, please. For more information about the Office of Housing Counseling, we hope you'll visit our website at HUD Exchange. For information and counselor training and testing, please visit [housingcounselors.com](http://housingcounselors.com). The October issue of The Bridge is now available at the link on the slide. The Bridge is our monthly newsletter which has lots great housing counseling feature stories, housing counseling resources and treating information. So, if you have not seen the latest edition, we hope you'll take a look today.

Thank you again, for our participation and we hope you enjoy the rest of your afternoon.

**HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT**

**Host: Kristen Villalvazo**

**October 23, 2018/1:00 p.m. EDT**

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Moderator

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