



## Final Transcript

**HUD-US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:  
Grant Package Training - External Webinar**

October 21, 2019/2:00 p.m. EDT

### **SPEAKERS**

Ben Yanetta  
Joel Schumacher  
Tracy Oaks  
Shae Williams  
Tracy Badua  
Kristin Ackerman  
Melissa Noe  
David Valdez

### **PRESENTATION**

Moderator                   Ladies and gentlemen, thank you for standing by. Welcome to the Grant Package Training - External Webinar. 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 Ben Yanetta. Please go ahead.

Ben Thanks, Paul. Hi, everyone. This is Ben Yanetta. I'm with the Office of Housing Counseling.

Before I turn it over to today's presenters, I just have a few housekeeping items to go over. As was mentioned, the audio is being recorded. We will be putting the playback number, along with this PowerPoint presentation and a transcript, up on the HUD Exchange website. It takes about seven to ten days to get that uploaded, so you can review this or have members of your staff that were unable to join us today view that if necessary. The Training Digest on HUD Exchange will be updated as well when the webinar is posted.

We sent handouts to you ahead of time. I believe they were sent last Friday or they may have been sent this morning. We also have uploaded the presentation as a PDF to the handout section of this webinar's interface. If you look over on your right, you'll see a handout section. This one is actually updated from the one that you received via email earlier so if you wanted to download this one, it has a few slides that we have updated. So, that probably would be better for you to have so you

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can go ahead and download that now. All you have to do is click on it and the download will automatically start.

We are not going to really be doing question and answer sessions over the phone or through the question box on the webinar's interface. There will be no voice questions during this webinar, but we will be asking you to provide comments and questions throughout the webinar as they come to your mind. We will be saving those to the end to go over a few of them.

To ask your question in the webinar's interface, you can type it directly into the questions box and it goes into a queue that we're monitoring throughout. And as we see a lot of questions coming, we'll be taking the ones that we've seen a lot and we can provide a quick answer for at the end of the webinar. We'll fill up as much time as we can with the questions, but if we're not able to get to your question, feel free to send us an email at [housing.counseling@HUD.gov](mailto:housing.counseling@HUD.gov). And, you can send that with the subject line NOFA Question or the title of this webinar in your subject line. You can also always reach out to your HUD POC to ask questions about grant execution.

This slide is not actually relevant today because we're not doing any live questions over the phones. After you attended—well with everybody that did sign in for this webinar today, you'll receive a certificate of training from GoToWebinar. You'll get that in about 48 hours and you can print that out and save it for your records. After it's posted on the HUD Exchange website, you can also get credit for attending the webinar by finding it and finding the webinar on the link that's displayed here. You just click on the Get Credit for This Training and you will be set.

The Housing Counseling Training Digest on HUD Exchange is a great resource for everybody to use to see upcoming training. That's hosted by OHC and our other training partners, so if you haven't been using the HUD Exchange website for housing counseling, it really does have a lot of great resources available to you, not just for webinars but also toolkits and other information that's really relevant to your role as a housing counseling agency and all of the things that go into HUD approval.

At this time, I'd like to turn it over to Joel Schumacher to really begin the presentation. Thanks a lot.

Joel

Thank you so much, Ben. Next slide. This year we had \$42.8 million that we were able to distribute through the comprehensive housing counseling NOFA. You can see the award breakdown. The awards were given out pretty similar ratio to how we have in previous years. With this money, we have gotten commitments that we'll probably see over one million households getting the necessary counseling information to improve their financial situation and hopefully keep or maintain a property.

Next slide. This is the overview for today. I'm currently giving the introduction overview, followed by my colleague Tracy who will go over the grant execution process. And finally Shae, Tracy and Kristin will review some of the key articles and the most important articles that you will find in the grant agreement which was sent out to everybody with the grant award package that everyone should have received in the mail probably last week.

Next slide. Some general NOFA information, we have heard your requests and we've moved back to using a two-year award structure. What that means is for those of you who were successful and being awarded funds for fiscal year '19, for next year you're not going to have to do a full reapplication. Rather, you'll be receiving an expression of

interest letter, and through returning that letter to HUD you will then be eligible to compete for the FY20 funds. The period performance this year is back to the usual 18 months. So, it started in FY19, which was October of last year and continues into another six months beyond that into March 31<sup>st</sup> of 2020.

Next slide. A lot of people have questions about the eligible activities and I wanted to take a quick moment to highlight that section because it was a source of a lot of confusion last year when we were asked to implement that change. So, wanted to point out that if you're seeking reimbursement for direct costs, the costs need to be incurred pursuant to one of these activities: housing counseling and education, oversight, compliance and quality control, supervision, training and certification, and marketing and outreach. I'm going to illustrate this a little bit more on these next slides.

So, one of the things I want to delineate for everyone is a cost versus activities. So, the costs for example, paper, plane tickets, salary, we don't intrinsically know whether a given cost is or is not incurred pursuant to one of the eligible activities. And, as such, I think people when structuring your budget and getting approval from your POC, if you're asked about any of these costs consider that cost as it pertains to the

activity. For instance, paper, if you used paper to print disclosure forms, well, that meets the eligible activity of oversight, compliance and quality control. Or for instance you have a plane ticket, what's that ticket for? Oh, you're attending a training conference, well you're allowed to get reimbursement for receiving training on housing counseling matters so in that case that ticket would be incurred pursuant to an eligible activity. Or, salary, it depends on what the salary is for. If the salary is to fund a counselor and the counselor is giving a workshop or counseling, then in that case it's pursuant to the end of housing counseling and group education.

Next slide. So when you formulate your budgets for approval, the grantee has to be prepared to demonstrate how the cost was incurred pursuant to an eligible activity. If you get any feedback from your POC, I just wanted to have everyone know in advance that you may be asked to demonstrate how a given cost does or does not relate. A lot of it will be obvious but if you get asked follow-up questions just be prepared.

The guidance on that, if you need to review, it's found in the NOFA publication itself, in Section 4F. And, for those of you who have your grant agreements in hand, it's in Article 4, Section C.

Next slide. I want to illustrate there's ineligible costs, obviously the number is potentially infinite. But I wanted to highlight just a couple by way of example. For instance, if a salary infringe—if you were seeking reimbursement for time that was not spent on an eligible activity, or you had an unspecified administrative costs and didn't clarify what those costs are or what they were being used for, or if you're traveling, but the traveling is not in conjunction with an eligible activity, those would not be reimbursable.

Additionally, a constant reminder that all grants operate under the shadow of 2CFR200, which is OMB's guidance on grants. So, anything in Subpart E you can use that as a reference for things that are or are not eligible. For instance, there's categorical exemptions for things like alcohol, bad debt, defensive civil proceedings. If you end up being sued, you can't use a grant for your lawyer. Just a reminder, that 2CFR200 applies in terms of all cost reimbursement.

And finally, there's some things that just legally are not allowed, like using the grant for lobbying. You can't use the grant to lobby for more grants. That is forbidden.

Next slide. That concludes the overview. I want to get to the substance of the matter right away. So, Tracy Oaks, my colleague, will be reviewing with you the grant execution process. Thank you.

Tracy O.

Great. Next slide. Thanks, Joel. So by now you should have received your grant award packages. If you have not, please reach out to your HUD POC so they can get your packages out to you as soon as possible.

In your award packages, we've included the grant application checklist. The checklist includes all the required documents that you must submit to your POCs to execute your fiscal year '19 grant. It is required that your POC receive and improve a complete grant package before you'll have access to the funds under this grant. So, again, a complete grant package is required to be returned and approved to your POC.

In addition to the checklist, your grant execution package also includes an award letter, so please refer to both the checklist and the award letter when preparing your grant execution package. The award letter spells out specific documents that need to be signed by you, the grantee, and returned with your complete package. So, if you didn't get additional time

to review your grant agreement and submit your documents, please reach out to your POC as soon as possible for assistance. They can assist you with that extension. Just make sure that you do receive that approval in writing and that you follow up by the date that's agreed upon to submit your documents.

Next slide. One of the documents that will need to be signed and returned with your package is the HUD 1044. The 1044 includes specific information to your grant, such as the grant amount and also your grant number. Also on the 1044 is the name and contact information for your HUD POC, just in case you need to contact him/her with any questions. Your package will also include your grant agreement, and as spelled out in your award letter, we do not require you to send back the entire grant agreement. Just the final page of the grant agreement needs to be signed and sent back, but also of course please keep a copy of the grant agreement and the 1044 for your records.

Next slide. For indirect cost rate documentation, there are three options. So, for agencies with an approved NICRA, you must provide a copy of your approved NICRA if you intend on billing the HUD grant for indirect costs.

The second option is you can provide a statement that your agency does not have a NICRA, and you will use the de minimis rate of 10% of modified total direct costs. The exception to this second option are for agencies that receive more than \$35 million in direct federal funding. You are not eligible for the de minimis rate.

The third option is for you to provide a statement with your grant execution package that your agency will not bill the HUD grant for indirect costs.

Next slide. For your financial management systems, you must provide a signed certification that demonstrates your financial management system satisfies the requirements of 2CFR Section 200.302. Your system must identify all federal awards received and expended, the source and application of funds, disclosure of financial results. It must also demonstrate its accountability over those funds. We do provide a link to the full regulation so you can review the text in detail for this requirement.

Next slide. For your audits, if your agency receives more than \$750,000 in federal funds, you will need to provide a program-specific single audit.

If you expend less than \$750,000 in federal funds, you will need to provide an independent financial audit. Again, no earlier than fiscal year 2016.

Next slide. For your code of conduct, this only applies if you do not have a code of conduct approved and your agency is not listed on HUD's site, or if your code of conduct has changed since you last submitted it to HUD. In this presentation, we do provide a link, I believe we also provide a link in the award letter and the checklist. If you're not sure if your agency is currently listed, we recommend that you go to the link, check to see if your agency is on there. If your agency is listed, you do not need to do anything further with respect to your code of conduct. If you do not see your agency on the list or your code of conduct has changed, you will need to submit a new copy of your code of conduct to your POC as part of your grant execution package.

Next slide. For your budgets, your budgets must account for and document how every dollar billed to the grant is spent. Your expenses must be itemized. This applies to all grant recipients, not just local housing agencies, but parent agencies as well. You can also refer to page 3 of your grant award letter, which includes the cost categories that must

be itemized in your budget. As part of your grant execution, your HUD POC will approve your budget before or your POC actually must approve your budget before you can execute your grant. We do allow for budgets to be amended but again, that must be in writing and reviewed and approved by your POC. Also, when preparing your budget, you can use the HUD 424, or if your agency has its own budget template, we do allow that as well, as long as it includes the required line items and is approved by your POC.

Next slide. This provides a very simple budget, which as you can see includes salary and fringe benefits, but it also includes other cost categories that if are included as part of your budget, again, they must be itemized under those cost categories as part of your budget.

Next slide. This is specific to parent agencies in their budgets. If you reimburse your sub-grantees at a fixed rate, you will be required to submit an itemized budget for those expenses. The amount that you bill for the grant cannot exceed the actual cost of providing that service.

Additionally, you must clearly explain the billing methodology that's used to reimburse your sub-grantees and branches. You'll also need to indicate the process used to ensure that the fixed cost reimbursement does not

exceed your actual costs. Lastly, for those funds that are not passed through to your sub-grantees and branches, and we're talking about those funds that are retained by the parent's managed network, such as oversight costs, compliance and quality control, you must submit a detailed budget accounting for those costs, along with your indirect cost rate.

Next slide. So in addition to the specific documentation required as part of your grant execution package, you must also log into HCS and provide the projections for your housing counseling grant activities. For fiscal year '19, those projections will be entered under the HUD 9902 menu, and from there you want to select NOFA 2019-1. So once you've entered your projections, you'll need to save them as a draft. You want to notify your POC that you've completed entering your projections. And again, if you need assistance, we do have archived webinars on the HUD Exchange or you can reach out to your POC for assistance. The next slide is going to provide us a screen shot of what the projection slide looks like in HCS.

Next slide. And just as a reminder, your fiscal year '19 grant is an 18-month performance period, and as Joel mentioned, that's going to include the four quarters in fiscal year 2019, and quarters one and two in fiscal year '20. Now remember the projections that you enter in on this screen

are specific to your HUD grant only. So, you want to make sure that your projections are consistent with how your '19 grant funds will be spent and how they will be reimbursed.

Next slide. For sub-allocating the grant to your sub-grantees and branches, again, this will be completed on the budget allocation screen in HCS, where you will list your sub-grantees and branches and their corresponding award sub-allocations. Again, you can refer to page 4 of the award letters for additional information but we also do require that you provide in writing to your POC how those sub-awards were determined as well.

Next slide. So here we have two screen shots. The first screen shot is how the sub-allocation screen looks today in HCS if you were to log in there. Here you'll enter the total budget for your program, again, keeping in mind that the fiscal year '19 NOFA has an 18-month performance period. In the field labeled administrative funds, you need to enter the costs again for managing your network. We're talking about those funds that are retained by the parent, again, for oversight, compliance, quality control and training. When entering in this cost field, please do not enter

in your indirect costs. The field below labeled indirect costs is where you will enter indirect costs for the parent agency only.

The second screen shot shows some upcoming changes to the HCS budget and allocation screen where we are relabeling a couple of the fields. The administrative fund field is going to be relabeled to say cost of managing a network. And, the to be sub allocated field is actually being changed to say total funds retained by the parent. So, again this is just to show you so that you are aware that when you log in today it may look one way but those labels will be changed here in the near future.

Next slide. So, in addition to entering your budget information you will also need to enter and list your sub-grantees and branches. You'll need to enter in your counselor and projection information and the sub-award in HCS. As we mentioned in the previous slide, you will need to provide in writing how those sub-awards were determined for your sub-grantees, the branches. As you proceed through entering in these sub-allocations, if you do need assistance, or you do need help, please do not hesitate to reach out to your POC. In this presentation, I believe on the previous slide, we also provide resources that can assist you in working your way through HCS as well.

Next slide. Lastly, your client management system, grantees must certify that they use the CMS that is approved to interface with HUD's systems. We've included a link that lists the HUD-approved CMSs. This is important because it ensures that your client data, the data that you're reporting to us is complete and that it's accurate and it's available to your POC to review. Also, finally, for parent agencies, you must list and provide a list of all the CMSs that your sub-grantees are using as well. So, please make sure you include that with your grant execution package.

Next slide. Shae now is going to walk us through and provide an overview of Articles 3, 4, and 5 of the grant agreement. Thanks, Shae.

Shae

Hello. I'm Shae Williams, also from the Office of Policy and Grant Administration, and I will be reviewing with you today Articles 3, 4 and 5.

Next slide, please. The period of performance for this grant begins October 1, 2018 and ends March 31, 2020. Should an agency require an extension, you must request it in writing from HUD only, no later than March 1, 2020.

Next slide, please. Now, under projected services and budget, specifically scope of services, under this grant, only the agency's housing counseling services that are listed in their current approved work plan and on file with HUD represent an agency's approved scope of services. Now, during the grant execution phase of the grant, HUD will check the agency's submitted 9902 projections against the agency's current approved work plan for accuracy.

Next slide, please. Now, in order to make any changes to an agency's projected services or proposed budget, an agency must receive prior approval from their HUD point of contact.

Next slide, please. Changes in staff or management must also be reported to an agency's HUD point of contact within 15 days of the change.

Next slide, please. Sub-contracts and sub-grants, a grantee shall not sub-grant, transfer or contract any of the work under their grant agreement. Now, exceptions to the rule would be the sub-grant was described and approved in the NOFA application and funded in the grant, or the sub-grant is for web-based education or for the purchase of supplies and/or materials.

Next slide, please. Requirements for sub-grants, a grantee may sub-grant to an affiliate who may not be HUD approved but does provide services that meets or exceeds HUD's standards for approved local housing counseling agencies. Now, any changes to your network composition will require a written request to HUD to amend your sub-grantee or branch list and/or the corresponding sub-grant amounts.

Next slide, please. Before dispersing any funds to a sub-grantee, the grantee shall execute a written sub-grant agreement with each sub-grantee. Copies of each sub-grant agreement should be maintained by the grantee and made available to HUD. Now, grant administration such as management of the daily program operations and a sub-grantee's compliance with the grant agreement is the grantee's sole responsibility. The grantee must monitor the performance of its sub-grantees and take the appropriate action to resolve any problems to ensure compliance with the grant agreement.

Grantees must also maintain a copy of all sub-grant agreements and a record of how funds were dispersed, distributed to sub-grantees. All sub-

grantees and branches must be listed in HCS with their corresponding sub-allocations.

Next slide, please. Now, I will turn it over to my colleague Tracy Badua, who will be reviewing Articles 8, 9, and 10 with you. Thank you, Tracy.

Tracy B.

Thanks, Shae. Hi, everybody. I'm going to go over Articles 8, 9 and 10.

So, Article 8 states that your HUD point of contact is your go-to person for all things relating to the grant and this includes payment requests, questions and technical assistance requests and performance reviews. You can find their info in the HUD affiliation tab in HCS. That will have their name and contact information for the POC for your grant.

Article 8 also mentions that HUD can use a financial management contractor. Just for your reference, this year, it'll be the Almond Company working with us on financial management, so you may hear their name from time to time as we enlist their help with technical assistance and grant executions. You can also send an email to [housing.counseling@HUD.gov](mailto:housing.counseling@HUD.gov) as another way to communicate with HUD. Emails that are received in this inbox are forwarded to your point of contact or to another program expert if that's more appropriate.

Next slide, please. Article 9 discusses price and related issues. Part B reminds grantees that grant funds are only available through reimbursement of actual costs. It also says that prior HUD approval is needed for the work plan and budget revisions. Remember that you'll be communicating these to your HUD point of contact any time you want to make revisions to these items.

Article 9 Part D goes into cost reimbursement and outlines allowable and indirect cost rates. Allowable costs are subject to the maximum grant amount in the NOFA, and that's also going to be in block 14 of your HUD 1044. And just know that you'll be responsible for costs in excess of this amount.

Article 9 also reminds grantees of the three indirect cost options under the Omni Circular, and grantees would have chosen this method at the time of grant application and my colleague Tracy already provided some information on this earlier.

Next slide, please. Article 9 states that grantees with multiple funding sources can only bill HUD for eligible services that are not reimbursed

from any other funding sources. And HUD reserves the right to request information relating to non-HUD sources of funding.

Lastly, Article 9 covers restrictions on the use of the grant award, and for further details on how you can use your grant funds, I've provided some resources here, the eligible activity section of the NOFA, the HUD Housing Counseling Handbook, and also the Omni Circular.

Next slide, please. Article 10 covers payment requests and this is where you're going to find information on general payment procedures, so how to get set up in eLOCCS, which is the line of credit control system. That's HUD's system for dispersing grant payments. So, if you're new, you definitely want to look at this section to know what the process is for getting into our line of control credit system so you can get line of credit control so you can get paid.

Article 10 will also cover timing and amount of payment requests, documentation of expenses and client file lists, standards of financial management systems, withholding of funds, overdue reports, and funds recapture. So, there's a lot in Article 10.

As part of your reporting responsibilities under the grant, you're going to want to send in a quarterly or final report detailing your expenses, and this is going to be covered in a little more detail in later slides. But, I wanted to emphasize that HUD will only process payment requests on receipt of unacceptable quarterly or final report. And after your HUD point of contact has reviewed your report, they'll instruct you to submit a voucher for your approved draw amount in eLOCCS. You'll email a signed copy of the voucher form to your HUD POC, and there's some more information in the grant agreement about what you're going to put in the different sections of that HUD 50080.

Just note that this HUD form, it's not in HUD Clips, it's only in eLOCCS. So, you're going to have to get into eLOCCS to access this form and complete it. There's a link to the eLOCCS user guides on this slide.

You're going to also want to maintain documentation of your direct costs. This is invoices, receipts, canceled checks, documentation of personnel expenses and client lists. These are items that you're going to submit to your HUD POC upon request. You don't have to submit it with every quarterly or final report. This expense documentation is going to be requested and reviewed during a performance review. So this

documentation is going to help demonstrate that your actual cost of service provision. All of this should be maintained for three years after the expiration of the grant period or the date of last payment, whichever occurs first.

And, charges must meet the standards required in 2CFR Part 200.430 and they must be based on records that accurately reflect the work performed. That means you'll want to make sure your time keeping and personnel activity reporting provides support for what you're going to charge to your federal awards.

Next slide, please. So here's a sample personnel activity report, which you'll probably hear referred to as a PAR. And, PARs record the time and activities of each staff member to support charges to federal awards. So, they'll account for all activities worked on by the employee, they're signed by the employee or a supervisory official who has first-hand knowledge of that employee's activities and they reflect the actual activity of the employee.

Just know that there's no set form for this. We do have samples on the HUD housing counseling website on what this looks like and obviously

you have the sample here but we want to see that time and activity breakdown. So, check out our webinar archive for some additional training on time keeping and personnel reporting.

And lastly, Article 10 covers withholding of funds and recapture. So, HUD may withhold payment for failure to satisfy the grant agreement and reporting requirements, so this includes such requirements as your quarterly and final reports, which are going to be discussed later, updating your HCS profile in a timely manner when changes occur, and submitting your HUD 9902 counseling activity data. HUD may also recapture any funds not spent during the performance period. So, that's any funds you still have left on this grant as of March 30, 2020.

With that, I will go ahead and turn it over to my colleague Kristin Ackerman.

Kristin

Thank you, Tracy. My name is Kristin Ackerman, and I'm also in the Office of Policy and Grant Administration like your other trainers today. I'm going to be discussing the highlights of Articles 11 and 23 of the 2019 grant agreement. Certainly this is less exciting than finding out how to get reimbursed for your work but they are requirements nonetheless.

Next slide, please. In Article 11, you are given the quarterly reporting schedule with due dates. It is important to keep in mind that reporting for quarters one through four is due no later than December 31<sup>st</sup> of 2019. If no 2019 NOFA grant activity occurred during quarters one through three of the performance period, for example, a no activity report will still need to be submitted to your POC by December 31<sup>st</sup>.

Once you have expended all of your 2019 NOFA funds, a final report will then be due. Please note that a new certification statement, in accordance with 2CFR200, must be submitted with each quarterly report submission.

Next slide, please. It is important for all of you to know that late or incomplete quarterly reports will result in delayed payments and can lead to performance review findings. Additionally, quarterly reporting can be a helpful tool for those grantees that are managing a network. It serves as a great opportunity to collect and review information from agencies in your network and address any concerns you might have. After all, intermediaries, MSOs and FHFAs are responsible for assuring that those in their network are compliant with the provisions of the grant agreement.

Next slide, please. This is a listing of the items that must be included in a quarterly report submission. I want to make it clear that the HUD 9902 is not the same thing as a quarterly report. The HUD 9902 is simply an element of the quarterly report.

Another item to highlight here for any agencies that indicated in their application that they'll be providing HECM default counseling, your quarterly report should include a short narrative that indicates the name of counselors providing such services, the title and duration of any reverse mortgage trainings that you might have taken during the three years prior to the end of the performance period, and finally, the total number of HECM default clients who have received counseling during the performance period.

Next slide. In addition to the items on the prior slide, these are some supplemental items that our intermediary, FHFA, and MSO grantees must provide with their quarterly report submissions. Please be aware that the oversight activity you indicated that you would provide in your application should be documented and submitted along with your quarterly reports. It is also an opportunity to assure that your Office of Housing Counseling point of contact is aware of any changes to your network size.

We have discussed all the required elements of a quarterly report. And now I'm going to cover the additional items that should be included in your final report.

The final report is the last quarterly report that gets submitted and its time of submission is dictated by when a grantee has exhausted their funding. If all funds are expended by September 30<sup>th</sup> of '19, for example, the grantee would have 90 days after that date to submit their final report, and no further quarterly reporting would be necessary for that grantee under the 2019 NOFA. The final report must include a narrative explaining why some of the goals may not have been met, as well as an explanation of the strategies that might be implemented in the future to meet those established goals.

Next slide, please. Thanks. Additionally, on the final report, we need to see a summary of the oversight and quality control activities that took place during the complete performance period. We will also need a certification from an authorized individual stating that all applicable close-out activities in accordance with 2CFR200 Section 343 have been completed.

Another aspect of required reporting for all participating agencies is the HUD 9902 report. Again, while this is due quarterly, it should not be confused with quarterly reporting. Please note that regardless of if an agency has an active grant, HUD 9902 reporting should continue to be submitted both accurately and timely. When you're in a period without an active HUD grant, all activities should continue to be reported under the all activity column on the 9902.

We have received several questions about where to report clients that you may expect to fund with the 2019 NOFA grant. Now that the 2019 grants are in HCS, the 2019 HUD client column should be available for reporting and also available for you to go ahead and make adjustments to your previously-filed HUD 9902 report. I want to remind you that as of February 2019, HUD 9902 reporting status, meaning the late and on-time status, is based on the original submission. As long as your report was originally submitted as of the deadline, updates and adjustments will not change your reporting to a late status.

Next slide, please. This is an additional reporting requirement for those of you that are making sub-grants. Grantees making sub-grants in the

amount of \$25,000 or more must report those sub-awards in the FSRS system. The reporting in FSRS is required within one month of making your sub-award.

Next slide. We've provided links for some reporting resources that might be helpful to you. As mentioned this report was emailed to all attendees and it will also be available in the webinar for you to access, so it'll probably be most useful there.

Next slide. Moving on to Article 23, this section of the grant agreement covers miscellaneous items, so I'll be talking about a few different subjects moving forward. We want to remind you that if you indicated that you will be providing HECM default counseling in your application, your agency's contact information will now display as providing this service on HUD Exchange.

Keep in mind that by accepting this HUD grant award, you are agreeing to cooperate with HUD's oversight activities. This may include but is not limited to allowing HUD access to your facilities, complying with requests for CMS records, and also for allowing us to view your counseling client files.

Next slide, please. Additionally, grantees must assure that HUD has advanced notice of any mergers, acquisitions, or other changes to your agency's organizational structure. Grantees should have a succession plan available to HUD upon request. And finally, please be reminded that your award under the 2019 NOFA is not intended to cover 100% of the costs to operate your housing counseling program. Grantees are expected to leverage their NOFA grant and obtain funding from other sources as well.

Next slide, please. Our colleagues Melissa and David have been queuing up your questions so I'm going to open it up to Melissa to see if there's anything we should address at this point.

Melissa                      Hi, thanks, Kristin. So Joel is actually going to answer a few questions around eligible activities. So, we'll start with that.

Joel                              Great. Thank you, Melissa. Yes, we've received a couple of questions about the eligible activities and we're going to try to keep it simple because this discussion could easily take hours with all the combinations and permutations that might be thrown our way.

But people were asking paper, they thought paper was allowed. They're asking if office space is allowed. I want to reiterate the difference between costs and activities. So, paper is a cost and rent is a cost. The question is, is this cost incurred pursuant to an eligible activity? An eligible activity for instance with office space would be the provision of counseling and education services. So, we can't say categorically that office space rent is or is not allowed. Instead, you're going to work with your POC to figure out how that rent is being allocated against your HUD grant.

For instance, one, is any of your rent or office space part of the negotiated indirect cost rate agreement? Normally you'd expect something along the lines of facilities and administrative costs to be part of your NICRA, and thus included with indirect costs, at which point it would never be submitted for proposal as a reimbursed direct cost. If you are seeking direct reimbursement, then we have to ask, how is the square footage allocated? Is it all for housing counseling? Is it shared with other program activities, etc.?

So, we're not using blanket statements of what is or is not allowed but rather you need to enter into a dialogue with your POC in the event that

you're not certain if something is or is not incurred pursuant to the eligible activities, which is in this case is housing counseling. I hope that that helps to clarify a little bit but I do think a lot of the grantees are going to want to discuss with their POC if you have specific questions along those lines.

Secondly, we were getting questions about the period of performance and I think one of the first things we need to emphasize here is when we say that the FY19 is a two-year NOFA, it means that a successful grantee will be eligible to receive FY20 funds without a full reapplication. That being said, the FY20 funds we're going to run through the funding methodology. It'll be a different award amount most likely, depending on the appropriation and other factors. There's going to be a new grant agreement, and it will have its own period of performance.

So, some of you were getting concerned that the end of the period of performance is March 31<sup>st</sup> of 2020, saying ah, what am I going to do for the six months following that? Well, the FY20 funds are going to come with their own grant agreement and their own period of performance, and I can't say in advance what that is, but it's not our habit generally to leave

gaps in funding. So, I hope that answers some concerns or questions we've had about the period of performance.

Melissa, David, do you have any other questions that you saw in the last couple minutes?

Melissa

Sure, just to go off of the period of performance, we've just gotten a few questions about the time frame of being able to bill for this grant. So basically this is a cost reimbursement grant. You can go back, the period of performance starts October 1, 2018, so that means that you can go back to your costs for your housing counseling program until October 1, 2018, and bill up to March 31<sup>st</sup> for costs incurred as of March 31, 2020 for this grant. We've gotten a few of those so I wanted to make sure that's clear.

Joel

Also, Melissa, we've been getting questions about an extension, and I wanted to emphasize the Office of Housing Counseling is aware of the delay in getting these funds out. Some agencies don't want to bill back. Maybe the fiscal year is closed; they've closed up their accounting book, they've already reconciled the costs, and they don't want to send in receipts that are a year old. So, you want to use your award prospectively,

for the next six months, but honestly, we're looking at five months and some change.

If you need to request an extension for these funds, generally HUD has been in the habit of allowing it. It's written into our grant agreement. So, you need to obviously submit it formally to your HUD point of contact. There's procedures that will need to be followed. But, if you don't think you'll be able to spend down your funds by the conclusion of the period of performance there are extensions that are allowed. So, I don't want people to be too distressed about that.

We receive feedback on the periods of performance. That's something we're actively looking at and we have a team already considering the FY20 NOFA, and we're going to take feedback from industry into account when we determine what the periods of performance are, how long they are, when they begin, etc. So, we may actually reach out to the industry on that topic so that we can get more feedback because we certainly love to hear from the grantees about what works and what doesn't work.

Anything else come up, David and Melissa?

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David

Somebody asked a question about the expression of interest. They asked, “When will it be due?” I just want to emphasize that this is something that us as HUD will send to your agency, specifically to the folks that are listed in the personnel tab on HCS and so when you get that letter eventually, if and when appropriations become available for FY20, it’s something that we will send to you and it’ll be clear in the body of the letter when it’s due and what you need to do to indicate that you are or are not interested in those funds.

Joel

One more question I think we can answer. Someone asked about Almond Company, which Tracy Badua mentioned during her portion. They’re financial experts. In the past you might have heard the term Booth, and sometimes we’ll get technical assistance from Booth, and Almond is the new company that’s taking over for Booth. So that’s what Tracy Badua was referring to.

Barring any other questions, we would like to thank you very much for taking the time. To the extent there’s additional questions, has been mentioned, you can send them to [housing.counseling@HUD.gov](mailto:housing.counseling@HUD.gov).

Additionally to the extent we receive additional questions that we didn’t need to address with the entire team, and the entire call, we’ll try to

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respond to you individually for those questions that are still pending. And of course, you may turn to your HUD point of contact for any questions you have relating to this grant in particular or housing counseling issues in general. So, thank you very much, everyone.

Moderator

Ladies and gentlemen, that does conclude your conference for today.

Thank you for your participation and for using AT&T Executive TeleConference. You may now disconnect.