



OFFICE OF
HOUSING COUNSELING
LET'S MAKE HOME HAPPEN

HUD Housing Counseling Program Managing Expenditures and Avoiding Recapture of Housing Counseling Funds Webinar

Audio is available only by conference call.

**Please call:(888) 635-9298
Participant Access Code:426425
to join the conference call portion of the webinar**

Webinar Logistics

- Audio is being recorded. The playback number along with the PowerPoint and a transcript will be available on the HUD Exchange at www.hudexchange.info/programs/housing-counseling/webinars/
- An OHC LISTSERV will be sent out when the Archives are posted. Posting will usually be within 7-10 days.
- Attendee lines will be muted during presentation.
- Handouts were sent out prior to webinar. They are also available in the Control Panel. Just click on document name to download.

Questions & Comments



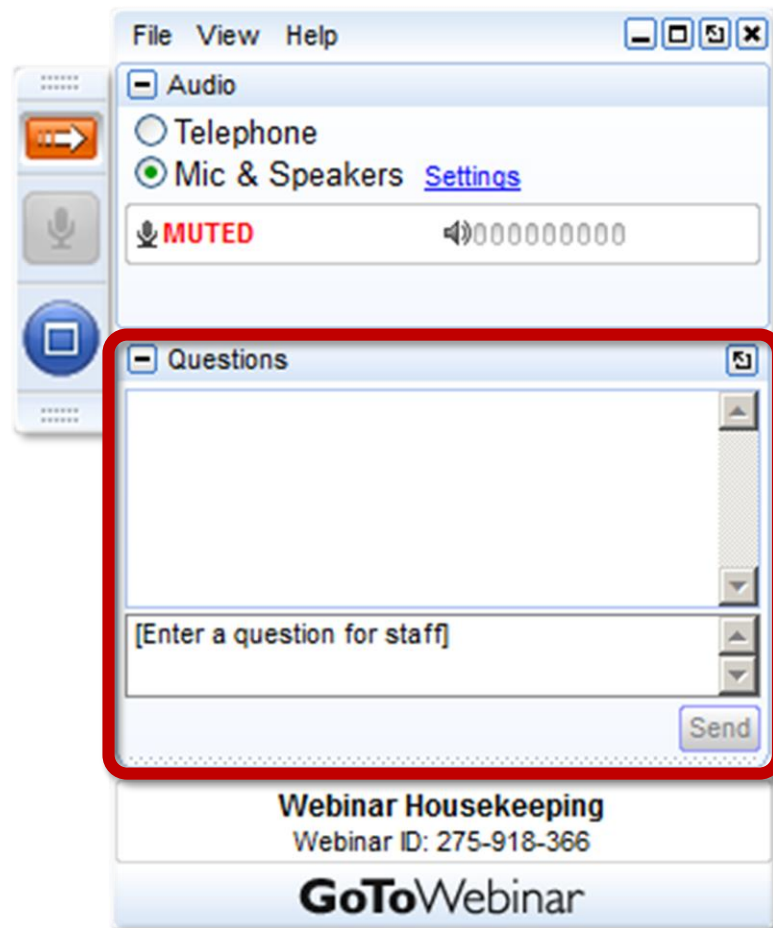
- There will be Polling Questions. Please respond to them
- There will be Q&A periods
 - The operator will give you instructions on how to ask questions or make your comments.
 - If unmuted during Q&A, please do not use a speaker phone

Other Ways to Ask Questions

Your Participation

Please submit your text questions and comments using the Questions Panel. We will answer some of them during the webinar.

You can also send questions and comments to housing.counseling@hud.gov with **webinar topic is subject line.**



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Thank you for attending our Webinar on Managing Expenditures and Avoiding Recapture. We hope you enjoyed our event. This is your CERTIFICATE OF TRAINING. Please print out and save this email for your records. Please send your questions, comments and feedback to: housing.counseling@hud.gov.

Brief Survey

- Please complete the brief survey at the end of this session.
- Your responses will help OHC better plan and present our webinars.



Welcome

- Kisha Wright, Deputy Director, Office of Oversight & Accountability, U.S. Department of Housing and Urban Development (HUD)

Presenters and Q and A

- Presenters – **Shawna Moraille** and **Les Warner**, ICF
- Q and A – supported by **Carolyn Hogans**, Office of Oversight and Accountability, and **Shawn Rich**, Office of Policy and Grant Administration, HUD

Agenda

- Part 1: Recapture Trends
- Part 2: Strategies for Spending HUD Housing Counseling Funds
- Q & A

Polling question 1: What type of organization do you represent?

1. Participating local housing counseling agency
2. Participating housing counseling agency as a sub-grantee or affiliate of an oversight agency (OA)
3. Participating OA (e.g., HUD Approved Intermediary, State Housing Finance Agency or Multi-state organization)
4. Non-participating agency
5. HUD

Part 1: Recapture Trends

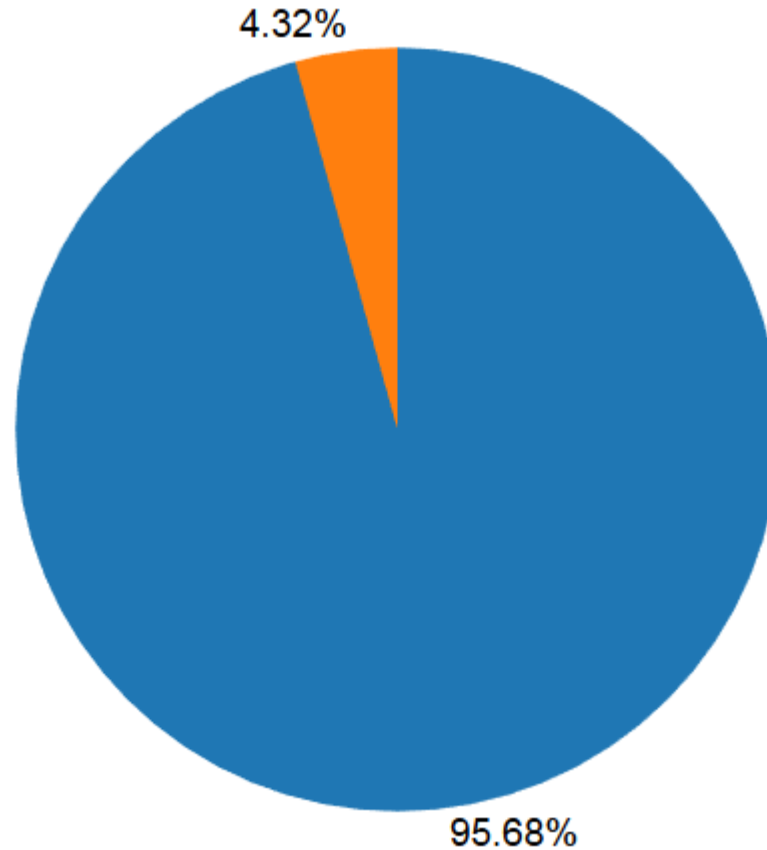
Definition of Recapture

- Located in grant agreement between agency and HUD:
 - Funds recapture: HUD may recapture any unspent funds. Grantees are required to cooperate with recapture requests, including any paperwork requests. HUD may utilize recaptured funds in subsequent Housing Counseling NOFAs or in other way which HUD is authorized to use recaptured funds.

Graph Showing Recaptures by Local Housing Counseling Agencies (LHCAs) FY2014-2016



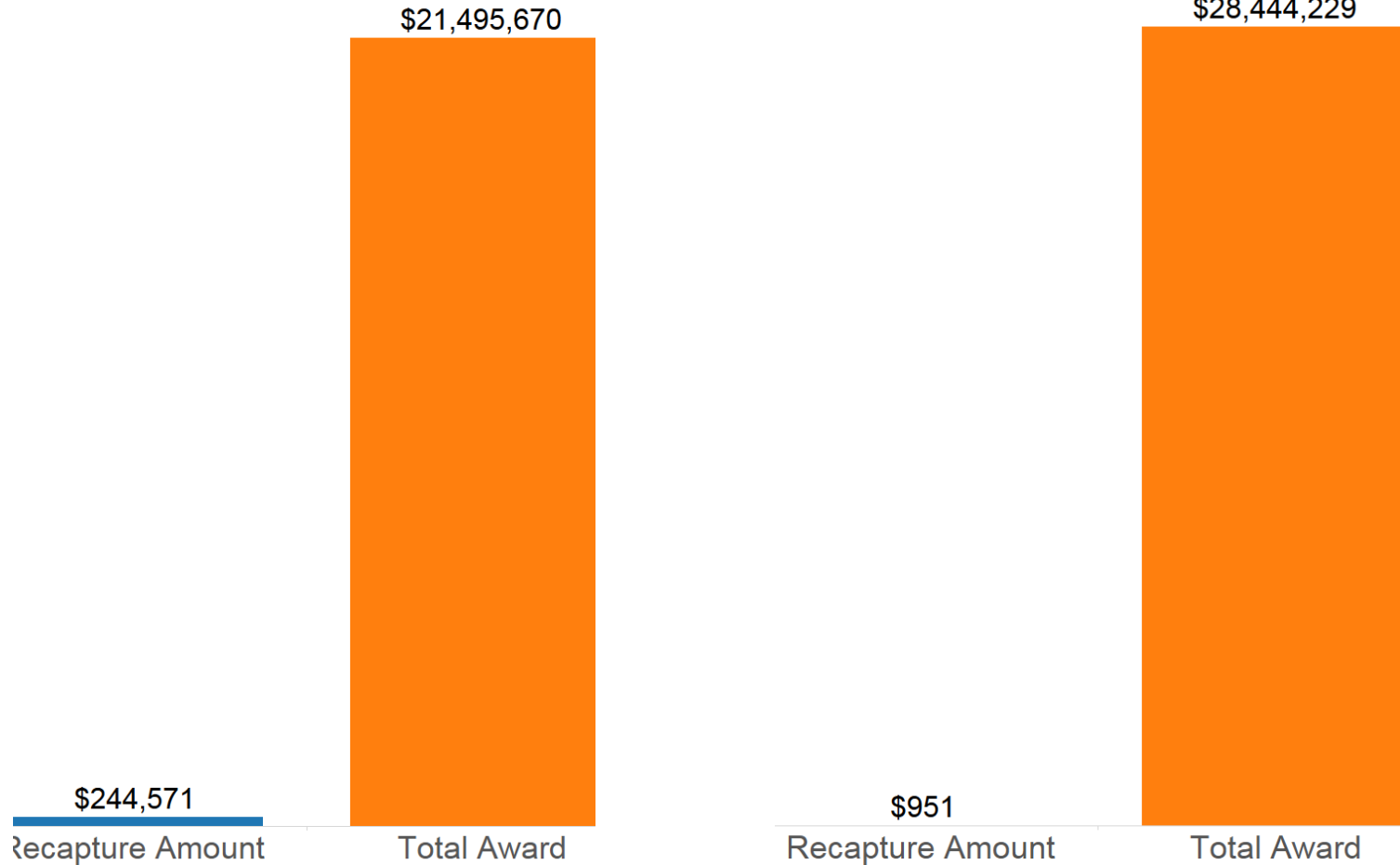
Graph Showing Recaptures by LHCAs (FY2014-2016)



Graph Showing Recaptures by Oversight Agencies (OA) (FY2014-2016)

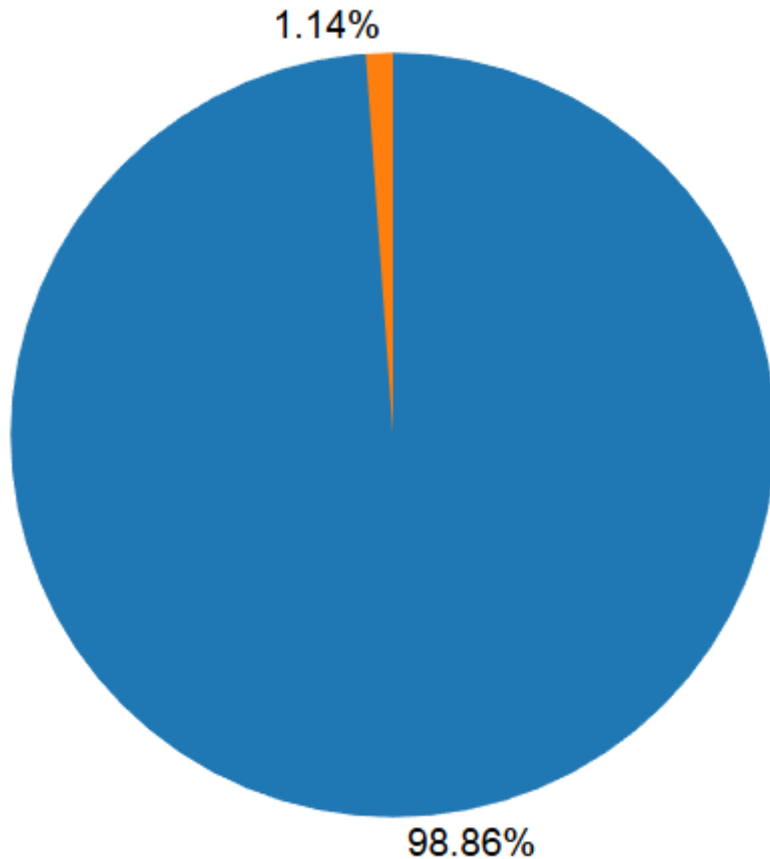
• SHFA

• Intermediary

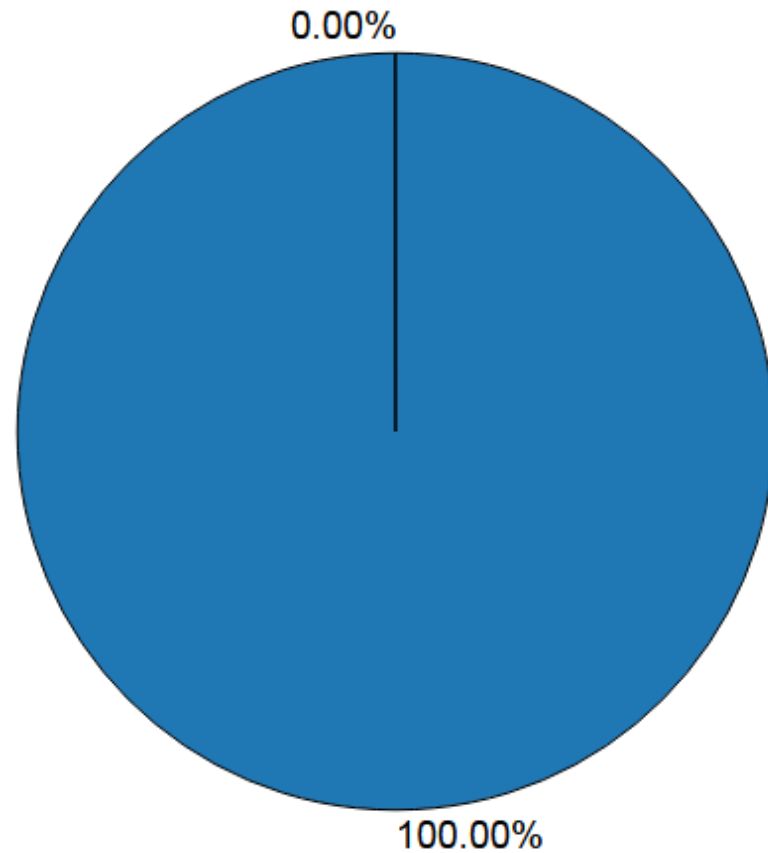


Graph Showing Recaptures by OA (FY2014-2016)

- SHFA



- Intermediary



Reasons to Avoid a Recapture

- Does not advance the need for the program during Congressional appropriations
- Has been a consideration in previous NOFAs
- Adds unnecessary administrative burden to HUD and grantees
- Penalizes other performing agencies who could have used the funds

Polling question 2: Have you ever thought that you may be in danger of not spending all of your HUD Housing Counseling Funds?

1. Yes
2. No

Common Reasons Agencies Experience a Recapture

- Lack of staff and/or agency capacity
- Inability to reprogram funds quickly
- Deficient systems and tools to address grant award management and key deadlines
- Inability to determine eligible costs for HUD program
- Lack of authority to go back to beginning of Federal fiscal year to recoup eligible costs

1. Don't know

Part 2: Strategies for Spending HUD Housing Counseling Funds

Strategies in Grant Period Phases

- Planning
- During award period of performance (POP)
- Close Out

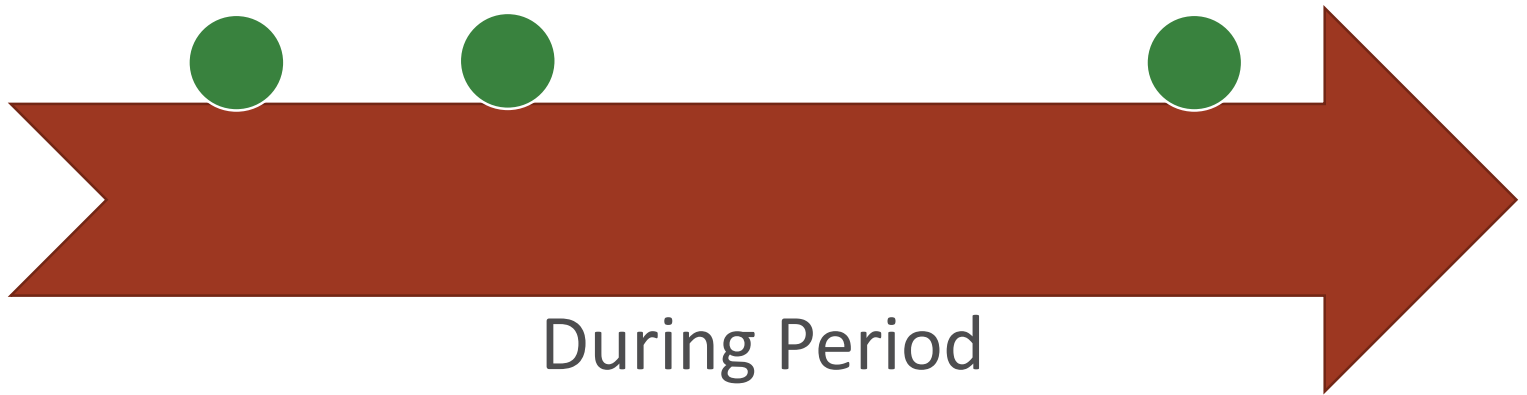
Typical Timeline

Planning

Approx. 3-6
months

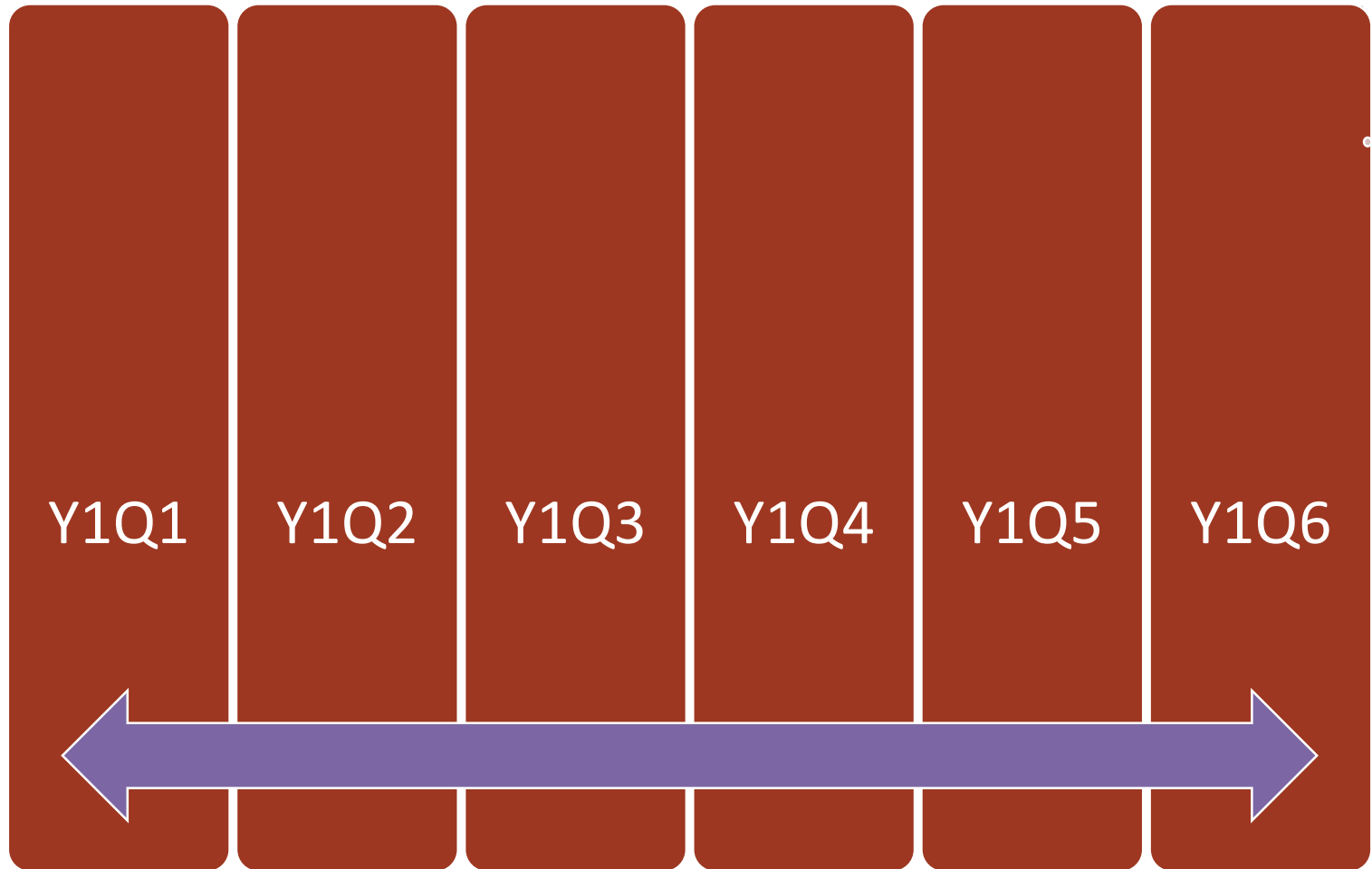
Close
Out

90 days



During Period
of
Performance

Typical Period of Performance 18 Month Grants



Planning

- General strategies:
 - Analyze your market
 - Review agency workload and capabilities
 - Leverage other programs that fund housing counseling
 - Prepare a budget and develop goals for housing counseling activities
- Oversight agencies (OAs)
 - Administer grant application process and/or identify potential sub-grantees in service area

Planning (cont.)

- Tool-based and systems strategies:
 - Set up cost center/track each open grant separately with accounting that begins October 1
 - Set up reporting, assignments, and training in advance of receiving grant
 - Review and update policies and procedures, develop new tracking tools as appropriate
 - Review agency tools, CMS and accounting systems can provide you for customizable analysis and/or reports
 - Log into eLOCCs, CMS and HCS regularly
 - Piggy back reporting on HUD grant with other funding/use same forms

Planning (cont.)

- Cost strategies:
 - Analyze operating budget/what percentage is OHC funding
 - Overall, most high performing agencies leverage other funding, HUD HC funds are often less than 20% of overall operating budget for housing counseling services
- Counselor oversight and contract strategies (OAs):
 - Determine award period of performance
 - Provide deadlines, milestones and/or timelines to meet goals
 - Develop policy for reprogramming

During Award Period of Performance

- General strategies:
 - Revisit the budget assumption at planning stage and make adjustments as necessary
 - Revisit and/or determine award period based upon HUD award – go back or forward
 - Determine frequency of OHC grant draws: Percentage across all quarters, or expend within the first few quarters of the grant
 - Analyze and document spending trends as necessary

During Award Period of Performance (cont.)

- Cost strategies:
 - Determine what is eligible and what isn't eligible
 - Determine how OHC grant will be charged
 - Determine proposed frequency of OHC grant draws: percentage across all quarters, or expend within the first few quarters of the grant
 - Review financials frequently to determine progress toward award
 - Reconcile often

During Award Period of Performance (cont.)

- Counselor oversight and/or contract strategies:
 - Review contract terms
 - Revisit/develop overall timeline for reporting, draws, etc.
 - Provide individual goals for counselor staff and agencies as appropriate in advance
 - For managers of LHCAs and OAs, meet frequently with staff and network agencies on progress toward goals, expenditures, etc.

During Award Period of Performance (cont.)

- Tool-based strategies:
 - Revisit trends and compare agencies/progress toward housing counseling goals
 - Track housing counseling grant funds against deadlines
 - Develop tickler system for third and fourth quarters of a 12 month grant or fifth and sixth quarter of a 18 month grant
 - Set internal and external deadlines through calendar and email communication, color-code, etc.

During Award Period of Performance (cont.)

- Counselor oversight and/or contract strategies (cont.):
 - Provide enhanced oversight or, if OA, TA to agencies and counselors not meeting their goals
 - Communicate grant progress with HUD POC
 - OAs - Reprogram funds as necessary, add agencies, amend contracts, etc.
 - Go back to high performing agencies with bonus funds/supplemental NOFA

Close Out

- Review and prepare final financials
 - Remember: You have 90 days to complete your grant!
- Reexamine expenditures, reprogram as necessary to ensure all grants spent down ASAP
- Discuss possible extension with HUD POC
- Revisit lessons learned during award period of performance

Polling question 3: What one strategy do you plan to use in the future to ensure HUD Housing Counseling Funds are Spent in a Timely Fashion?

1. Examine how costs are charged against the grant and make changes accordingly
2. Develop a new tool to track draws better
3. Work with accounting department more closely
4. Communicate more with HUD POC
5. Don't know

Resources

- HUD Exchange Housing Counseling Main page
 - <https://www.hudexchange.info/housingcounseling/>
- Housing Counseling FAQs
 - <https://www.hudexchange.info/faqs/programs/housing-counseling/>
- Housing Counseling program Webinars
 - <https://www.hudexchange.info/programs/housing-counseling/webinars/>
- Capacity Building Toolkits
 - <https://www.hudexchange.info/programs/housing-counseling/resources/capacity-building/#general-capacity-building-guidance>

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Conclusion

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THANKS
for
ATTENDING