



# Sub-grantee Monitoring

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**Participant Access Code: 2304181**

**January 26, 2021**

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- Audio is being recorded. The playback number along with the PowerPoint & a transcript will be available on the [HUD Exchange](#).
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- Handouts were sent out prior to webinar. They are also available in the Control Panel. Click on the document name download.

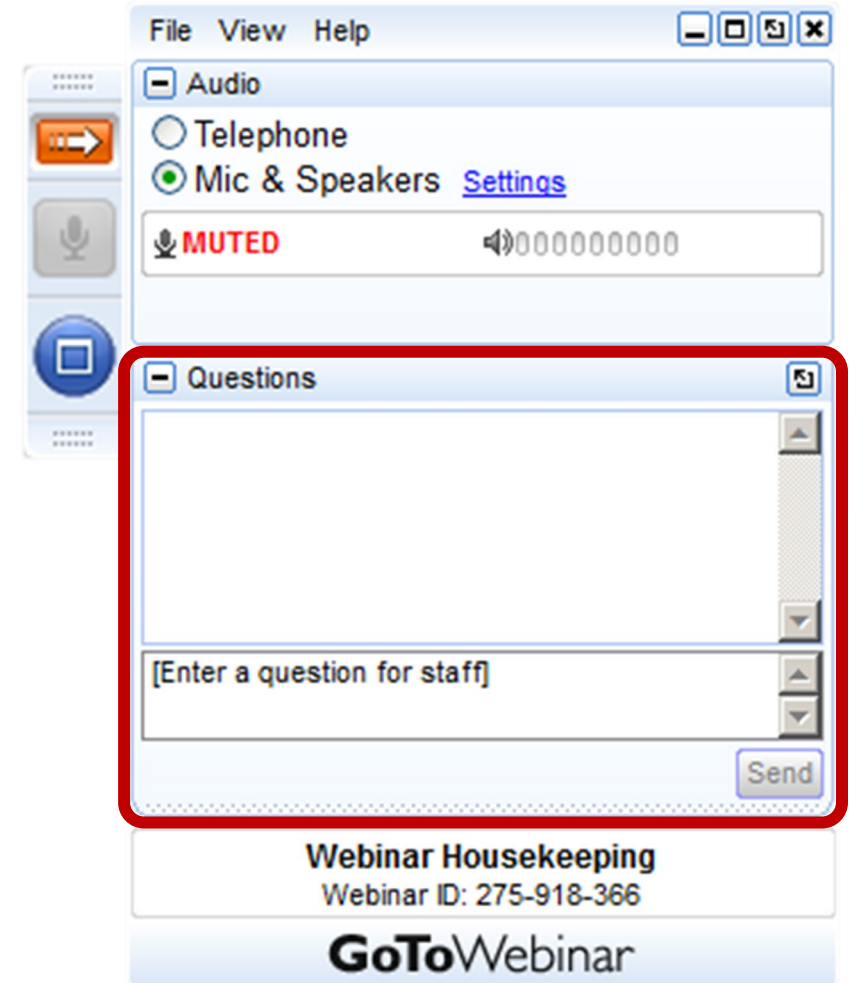
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# Sub-Grantee Monitoring

**Facilitated by: Almond & Company, LLC**

Presented on behalf of  
U.S. Department of Housing and Urban Development  
Office of Housing Counseling

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# Agenda

- Introductions
- Course Objective
- Issuing Awards to Sub-grantees
- Standards for Monitoring Sub-grantees
- Grantee Monitoring Responsibilities

# Introductions

- US Department of Housing of Urban Development, Office of Housing Counseling
- Allmond and Company
  - Blair Clarke, CPA, CGFM – Assistant Project Manager
  - Vanessa McCollum, CPA, CGFM – Manager
  - Raven McGriff – Senior Accountant



# Course Objective

## **This course will discuss:**

- Key terms
- The required policies and procedures that a grantee must follow when issuing grants to Sub-grantees
- The grantee's responsibilities to monitoring the activity of a Sub-grantee.

# Key Terms

## **Grantee:**

HUD-approved counseling agency or State Housing Finance Agency (SHFA) that receives housing counseling funds from HUD pursuant to FY 2020 Grant agreement.

## **Sub-grantee:**

an Affiliate of a HUD-approved Intermediary or SHFA that receives a subgrant of housing counseling funds provided under a HUD housing counseling Grant.

# Key Terms (Cont.)

## **Affiliate:**

a nonprofit organization participating in the HUD-related Housing Counseling Program. It is also a tax-exempt organization, in good standing under the laws of its state and authorized to do business in the states where it proposes to provide housing counseling.

## **Pass-through entity:**

a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.



# HUD Housing Counseling Program FY20 Grant Agreement



# Grantee Requirements

## **Eligible Sub-grantees/Branches.**

A Grantee may make sub-grants to Affiliates that are not HUD-approved, provided the quality of services provided by the Affiliate meets or exceeds the standards for HUD-approved LHCA's. The Grantee must certify the quality of services provided by the sub-grantee. HUD reserves the right to request documentation to support this certification.

# Grantee Requirements

## **Changes to the Composition of Sub-grantees and Branches**

- To amend the list of Sub-grantees, Branches or corresponding sub-grant amounts after the execution of the Grant award, Grantee must send the HUD POC a written request.



# Grantee Requirements

## **Funding Agreements between Grantee and Sub-grantees.**

- Grantee shall execute a **written agreement** with each Sub-grantee before disbursing funds to the Sub-grantee. The sub-grant agreement must clearly delineate the mutual responsibilities for program management, including appropriate time frames for reporting results to HUD and other relevant provisions of the Grant Agreement.

# Grantees' Responsibility for Grant Administration

- Grantee shall have discretion to implement use of its Grant through its Sub-grantees and is responsible for managing the daily operations.
- The use of Sub-grantees **does not** relieve Grantee of its responsibility for complying with this Agreement and other applicable laws.
- Grantee agrees to accept responsibility for its Sub-grantees' compliance with the applicable provisions of this Agreement.

# Grantees' Responsibility for Grant Administration

- Grantee **must monitor** the performance of its Sub-grantees and take appropriate action to resolve problems to ensure compliance with this Agreement, sub-grant agreements, and other applicable laws.
- Grantee **must** have in place a quality control plan that specifically outlines how Grantee monitors the performance of its Sub-grantees. This quality control plan shall be available to HUD upon request.

*\*Per HUD Housing Counseling Program FY20 Grant Agreement*

# Grantees' Responsibility for Grant Administration

- Grantee **must** maintain copies of all subgrant agreements and a written record explaining how it distributed funds to its Sub-grantees. These subgrant agreements and records must be available to HUD and the Grantee's Subgrantees.
- Grantee **must** fulfill its responsibilities as a pass-through entity under the Single Audit Act, 2 CFR 200.331, and the applicable Compliance Supplement.

# Monitoring Sub-Grantees

OMB's *Uniform Guidance* has issued specific requirements for **Sub-Grantee Monitoring**.



# Uniform Guidance

2 CFR Subpart E - Cost Principles, §200.331: Requirements for pass-through entities, states, in part, that:

All pass-through entities **must**:

- a. Impose all requirements on the Sub-grantees so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.
- b. Evaluate each subrecipient's risk of non-compliance with Federal statutes, regulations and the terms and conditions of the sub-award to determine appropriate Sub-grantee monitoring.



# Uniform Guidance

- d. Monitor the activities of the Sub-grantee to ensure that the sub-award is used for authorized purposes and to ensure that the performance goals are achieved, in compliance with Federal statutes, regulations, and the terms and conditions of the award. Grantee monitoring of the Sub-grantee **must** include:
  - 1. Reviewing financial and performance reports
  - 2. Following up and ensuring that the Sub-grantee takes timely and appropriate action on all deficiencies detected through audits, on-site reviews and other means pertaining to the federal award
  - 3. Issuing a management decision for audit findings pertaining to the Federal award.

# Uniform Guidance

- e. The following monitoring tools may be useful for the pass-through entity
  1. Providing subrecipients with training and technical assistance on program-related matters; and
  2. Performing on-site reviews of the subrecipient's program operations;
  3. Arranging for agreed-upon-procedures engagements.
- f. Verify that every subrecipient is audited, as required.

# Uniform Guidance

- g. Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
- h. Consider taking enforcement action against noncompliant subrecipients.

# Example Areas to Monitor

- Appropriate Use of Grant Funds
- Quarterly Grant Reporting
- Document Retention
- Housing Counseling Activities



# Use of Grant Funds

Determine if Grant funds are used in compliance with the Grant Agreement and Uniform Guidance Cost Principles, 2 CFR 200 Subpart E.

# Allowable per 2 CFR 200 Subpart E

**Are the expenses charged to the grant**

- Allowable?
- Reasonable?
- Properly Allocated?
- Incurred during the period of performance?



# Allowable Under Grant Agreement

## **Are funds used for an Eligible Activity?**

- Housing counseling and group education
- Oversight, compliance, and quality control
- Supervision of housing counseling staff
- Housing Counselor training and certification
- Marketing and outreach of the housing counseling program to potential clients

# Appropriate Use of Grant Funds

**Are Sub-grantees invoices based on actual expenses, incurred during the Period of Performance?**

Note: If Grantee becomes aware of a Sub-grantee's misuse of funds, a Grantee must report a misuse of HUD Housing Counseling Program Grant Funds by a Sub-grantee to HUD within fifteen (15) days of becoming aware of the misuse.

# Quarterly Reporting

**Sub-grantees are required to submit the following quarterly reports:**

- Form HUD-9902, Housing Counseling Agency Activity Report
- Quarterly Performance Report (QPR)

**Are the reports:**

- Complete?
- Prepared accurately?
- Submitted timely?

# Document Retention

**Are the documents retained in compliance with HUD's Housing Counseling Program Handbook?**

## **§5-4, File Retention Requirements**

“Financial records, supporting documents, statistical records and all other pertinent records, both electronic and paper, shall be retained for a period of three (3) years from the date the case file was terminated for housing counseling.”

# Housing Counseling Activities

## **Are Housing Counselors**

- Appropriately trained?
- Certified?
- **Work Plan Performance**
- Grantees should monitor Sub-grantees performance and results of the Work plan that was submitted as part of the application approval process.

# References



- OMB's Uniform Guidance (2014)

<https://www.grants.gov/web/grants/learn-grants/grant-policies/omb-uniform-guidance-2014.html>

- HUD's Housing Counseling Program Handbook (7610.1)

[https://www.hud.gov/program\\_offices/administration/hudclips/handbooks/hsgb/7610.1](https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgb/7610.1)

- U. S. Department of Housing and Urban Development, Housing Counseling Program, FY 2020 Grant Agreement.



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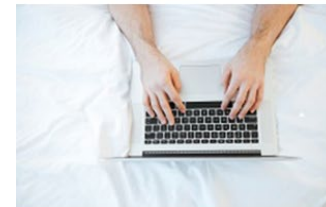
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- HUD Office of Housing Counseling (OHC)
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**Content current as of November 16, 2020**

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# Questions

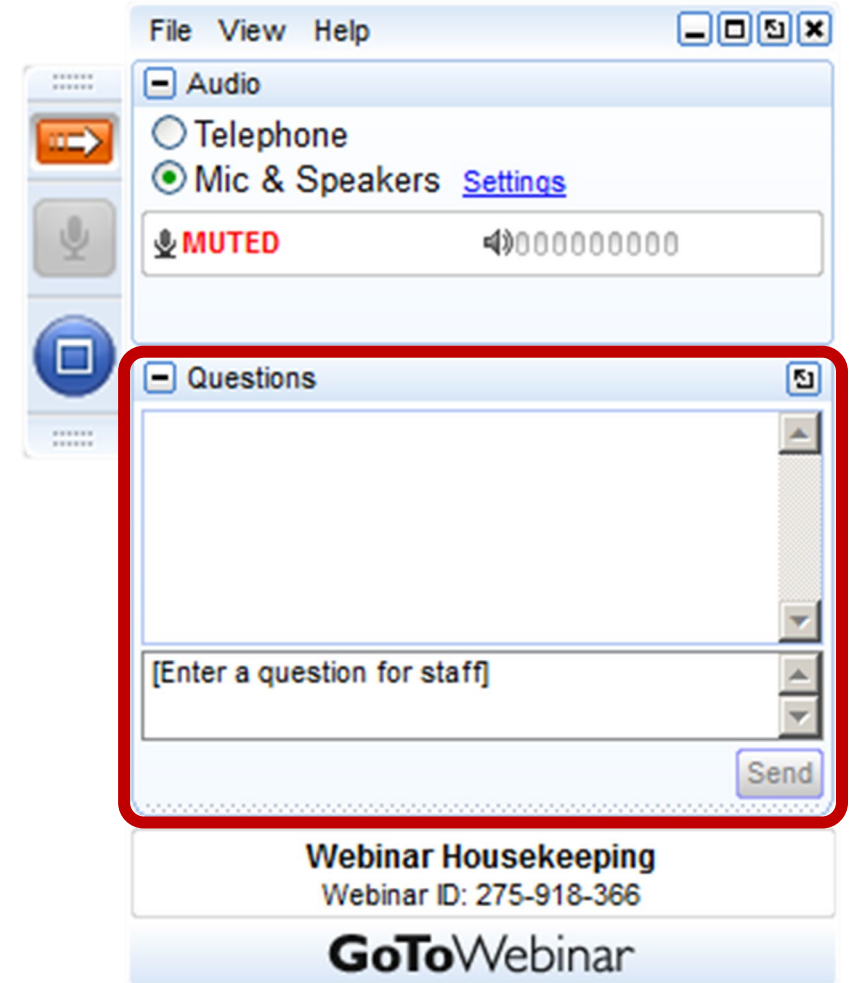
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- Was this webinar useful to you? To your clients?
- Will you share the information with your co-workers?
- Any other comments?



# Office of Housing Counseling



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**Counselor Training and Testing website:**

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Thank You for  
Attending!