



Final Transcript

HUD: Sub-Grantee Monitoring External

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SPEAKERS

Virginia Holman
Blair Clarke
Vanessa McCollum

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by. Welcome to the Sub-Grantee Monitoring conference call. At this time, your telephone lines are in a listen-only mode. Later there will be an opportunity for questions and answers with instructions given at that time. [Operator instructions]. As a reminder, this conference is being recorded.

I'll now turn the conference call over to your host, Virginia Holman.

Please go ahead.

Virginia

Thank you very much, and welcome to today's important webinar on sub-grantee monitoring. We're so glad that you have joined us. Before we get to the meat of the webinar, I would like to go over some logistics.

As the operator said, the audio is being recorded, and we will be providing the playback number along with the PowerPoint and a transcript in about a week. It will be posted in the Archives section of the HUD Exchange. I did send out the PowerPoint this morning to everybody that had registered. They're also available on the control panel on the right hand side of your screen. You just need to click on the document, and it will download for you.

There will be a question and answer period at the end, and instructions will be given at that point how to ask your questions. There are some other ways to ask your questions because your questions are very important to our presenters. Again, on the panel on the right hand side of your screen, there's a box labeled questions. You can just type in your question. We will have someone monitoring the questions, and we'll get back to you.

Also, after the webinar is over, and at any time in the future if you have a question or a comment on this topic or any other, just send it to housing.counseling@hud.gov, and put the topic in the subject line so we can get the message to the right person.

If you've logged onto the webinar, you will receive a certificate of training from GoToWebinar by email. It will be in about 48 hours. You will need to print it out and save it for your records.

At this point, let me turn the webinar over to Blair Clarke. Blair.

Blair

Thank you, Virginia. Welcome, everyone. Good afternoon. My name is Blair Clarke. I will be presenting the Sub-Grantee Monitoring training to you guys today. Like Virginia said, this is a very important training that we're going to go through today for grantees and intermediaries who are issuing sub-awards and sub-grants to sub-grantees and sub-recipients. It is very important to remember that that does not relieve you of the responsibility of the grant agreement.

So, it's very important to remember that you are still ultimately responsible for how the grant funds are used and to make sure and verify

that your sub-grantees are in compliance with the terms and conditions of the grant as well as the other applicable laws and regulations.

So, we're going to talk a lot today about what the grantee's responsibilities are to the sub-grantees and how to perform monitoring procedures, and some example of monitoring procedures that all grantees should have in place.

Taking a look at our agenda, we're go through a quick introduction of everyone involved on the presentation today. We'll talk about the course objectives and what we plan for you to learn today. We'll look at issuing awards to sub-grantees and what the requirements are for issuing awards and what the eligibilities are for who you can issue sub-awards to, and the documentation that is necessary to keep whenever you have sub-grantees.

We're also going to look at the standards for monitoring sub-grantees. What are the standards for, say, in the grant agreement for monitoring sub-grantees? What are the standards in the Uniform Guidance? We're going to go through that section of the Uniform Guidance that gives direction for all pass-through entities and the standards that must be required for monitoring.

Then, we're going to look at the grantee's monitoring responsibilities and what your responsibilities are and what you should be looking at. We're going to go through a few examples as well on things that all grantees should be monitoring for their sub-grantees.

So, again, my name is Blair Clarke with Allmond & Company. I'll be presenting to you guys today. I have Vanessa McCollum and Raven McGriff with me as well. They'll be answering your questions on the text box, so if you have any questions, please feel free to ask them on the GoToWebinar text box, and we'll answer them at the end of the presentation.

So, let's take a look at our course objective. This course will discuss key terms, so we'll go through a few key terms. Some things that we want to make sure that you understand: what a grantee is, what a sub-grantee is. So, we'll define those words because we're going to use those terms a lot throughout the presentation, so we're going to define them to make sure that everyone is clear on what exactly a grantee is, what a sub-grantee is, pass-through entities, and affiliates.

The course will also discuss the required policies and procedures that a grantee must follow when issuing grants to sub-grantees. So, we'll go through the required policies and procedures, what documentation is necessary to be kept whenever issuing grants to sub-grantees, sub-awards and sub-award agreements, and what should be required in those agreements.

Then, the course will also discuss the grantee's responsibility to monitor the activity of the sub-grantee. Again, you are responsible. You are still ultimately responsible for the grant agreement and the terms in the grant agreement. So, monitoring activity is very, very important so that you can verify that your sub-grantee is in compliance with everything that needs to be in compliance for the grant agreement as well as the Uniform Guidance .

Let's start with a few key terms. Like I said, we're going to use these terms often and a lot throughout the presentation, so we want to define them so we make sure everybody is on the same page and everyone is clear as to what these terms mean when we reference them.

So, grantee. The definition of a grantee is, “A HUD-approved counseling agency or state housing finance agency that received housing counseling funds from HUD pursuant to the FY 2020 grant agreement.” Now, we’re referencing 2020 grant agreement a lot on today’s slides, but this applies to multiple different grant years.

A grantee is a housing counseling agency that’s been HUD-approved and receives funds directly from HUD. If you are receiving funds directly from HUD, then you are identified as a grantee.

For sub-grantees, it’s defined as, “An affiliate of a HUD-approved intermediary or state housing finance agency that receives a sub-grant of housing counseling funds provided under a HUD-housing counseling grant.”

So, these are people who are receiving funds from the grantees. They are not receiving funds directly from HUD. The grantee receives these funds directly from HUD, and the sub-grantee receives funds from the grantee, so it’s an important distinction to remember.

Next is affiliate. “An affiliate is 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 states where it proposes to provide housing counseling.”

These are oftentimes sub-grantees as well. They’re considered to be affiliates. They are participating in the housing counseling program, but they may be sub-grantees. It’s important to remember that’s affiliates, sub-grantees.

Then, we have pass-through entities. “A pass-through entity is a non-federal entity that provides a sub-award to a sub-recipient to carry out a part of the federal program.”

So, there are grantees and there are agencies that receive HUD funding, and they pass them through to other agencies, to other sub-awards, to other sub-recipients. These are consider to be pass-through entities. They receive funds directly from HUD which makes them a grantee, and they pass it down to other sub-recipients, to other sub-grantees.

Let's take a look at the Housing Counseling Program FY 2020 grant agreement. Again, we're going to reference 2020 grant agreements today, but most of these things apply to other grant years as well in the past and probably most likely in the future. I just want to make sure you read through the grant agreement so that you're clear on what the rules are for that year, but in 2020 it states that, "For eligible sub-grantees and branches, a grantee may make sub-grants to affiliates that are not HUD-approved, provided the quality of service provided by the affiliate meets or exceeds the standards for HUD-approved local housing counseling agencies. The grantee must certify the quality of services provided by the sub-grantee. HUD reserves the right to request documentation to support the certification."

So, as a grantee, if you're receiving funds from HUD you have the ability to make sub-grants to your affiliates even if they're not HUD-approved, but if you are making a sub-grant to a non-approved HUD affiliate, then you must provide your own investigation, your own quality service check to make sure that these affiliates and these agencies meet or exceed those HUD standards.

So, you have to do your own investigation, your own research, your own quality assurance checks to make sure that they meet or exceed HUD standards. Note that that documentation must be available. If HUD requests that documentation from you, you must be able to provide what kind of research you did, what kind of investigation you performed, what standards were met, what the quality control plan in place was, what certifications were done. So, that documentation must be available and provided to HUD upon request.

Some other grantee requirements. Changes to the composition of the grant agreement and branches. “To amend the list of sub-grants, grantees, branches, or corresponding sub-grant amounts after the execution of the grant award, the grantee must send the HUD POC a written request.”

So, if you go through grant execution process, and you get approved, but later you need to make changes to your sub-grantee list, maybe that sub-grantee falls off, maybe a new one comes in, maybe you have to make modifications to the budget. If that happens, you need to let your HUD POC know in a written request and get approval for the new list of sub-grantees in the new budgeted amount.

Funding agreements between the grantee and sub-grantees. “Grantees 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 timeframes for reporting results to HUD and other relevant provisions in the grant agreement.”

So, again, you must have a written agreement with your sub-grantees, a documented, written agreement signed by both parties that clearly understands what the responsible parties are. Note that you are responsible for the grant and your sub-grantee’s responsibilities as well. So, that should be documented in a written agreement.

Also in that written agreement, you should note the timeframes for reporting results. All grantees are required to submit quarterly reports to HUD. You should also require you sub-grantees to submit quarterly reports to you. It should be documented in the grant agreement what those timeframes are. Make sure you give yourself enough time for sub-grantee to submit reports to you, have time to review them so you can combine them and send them off to HUD. Establish those timeframes in the written agreement, in that sub-agreement.

Let's talk about the grantee's responsibility for grant administration.

Again, we talked about it in the beginning, but the grantee is still responsible for the grant administration. You are still responsible for how the sub-grantee uses those funds. So, you want to make sure that you understand that this does not relieve you of the responsibility of the grant by just issuing sub-grants.

Paragraph 1 states, "The grantees shall have discretion to implement use of its grants through its sub-grantees and is responsible for the managing of the daily operations." So, this will give you the authority to give sub-grants. In the grant agreement it states that the grantee has that discretion to issue sub-grants. That's what that sentence is stating.

"The use of sub-grantees does not relieve the grantee of its responsibility for complying with this agreement and other applicable laws." Very, very important. Just because you are issuing sub-grantees, and another agency is expending these funds, that does not relieve the grantee of that responsibility. So, you have to make sure that your sub-grantees are in compliance with the grant agreement as well as other applicable laws and regulations like the Uniform Guidance.

“The grantee agrees to accept responsibility for a sub-grantee’s compliance with the applicable provisions of this agreement.” So, this is coming straight out of the grant agreement. It is stating that you are still responsible, the grantee, for the sub-grantee’s compliance. It is your responsibility to verify that the sub-grantees are in compliance with the grant agreement as well as any other applicable laws and regulations.

“The grantee must monitor the performance of its sub-grantees and take appropriate action to resolve all problems to ensure compliance with this agreement, sub-grant agreement, and other applicable laws.” So, again, it is stated in the grant agreement that all grantees must monitor the performance of the sub-grantees. In order to verify that your sub-grantees are in compliance, they are using these funds appropriately, you must perform monitoring procedures.

You must also monitor their performance as well. Are they using the grants for how they’re supposed to be used? Is it being used for housing counseling activities? It is up to the grantee to monitor that performance and take appropriate action if you have any issues. It is your responsibility to take action to resolve any problems that might be identified.

“Grantees must have in place a quality control plan that specifically outlines how grantees monitor the performance of the sub-grantees. This quality control should be available to HUD upon request.” Okay, you must have a quality control plan in place, written documentation on how you do your quality control. How do you verify that the sub-grantee is in compliance? How do you verify that the sub-grantee’s housing counselors are certified, are trained?

You have to have a quality control plan in place to verify that what the sub-grantee is doing and what they are submitting is correct. That should be a part of your monitoring procedures to make sure that quality control is being performed. This quality control plan should be documented, written documentation, and available to HUD upon request.

“The grantee must maintain copies of all sub-grants and a written record explaining how it disbursed funds to the sub-grantees. The sub-grant agreements and records must be available to HUD and the grantee’s sub-grantees.” So, again, you must have documented, written agreements with your sub-grantees. That’s your sub-grant agreement. It’s written documentation signed by both parties, the grantee and the sub-grantee.

You must also have documentation explaining how you disbursed those funds. So, how does the grantee get reimbursed? How do they pay the grant money back to the sub-grantee? How is that distributed?

You want to have that documented so they can have records if they were repaid, and you have documentation that you paid them. These sub-grant agreements, these records, again, must be available to HUD. Their documentation should be ready and available for HUD and the sub-grantees as well. I'm sure they would like a copy of all this documentation as well.

Then, lastly, "The grantee must fulfill its responsibilities as a pass-through entity under the Single Audit Act 2 CFR 200 Section 331 and the applicable compliance supplement." So, these are the other laws and regulations that we refer to. The grantee must fulfill its responsibilities of as a pass-through entity.

In the Uniform Guidance, which also references 2 CFR 200, they have its own responsibilities established for pass-through entities. So, let's take a look at some of those.

On the Uniform Guidance—we've talked about the Uniform Guidance ad nauseam in other presentations that we've done. We're going to continue to do so today. For those of you who are not familiar with the Uniform Guidance, the Uniform Guidance sets the authoritative guidance for all things federal awards in the federal government. So, it is the main authoritative guidance that we could go to that all grantees as well as the agency must follow.

Whenever I have a question on anything grant-related, the first place I go to is the Uniform Guidance and check that. So, you want to be familiar with the Uniform Guidance also referred to as 2 CFR 200. You'll see those references a lot throughout the presentation. It's also referred to as the Super Circular as well, but everyone should be familiar with the Uniform Guidance and what's in it.

It's a pretty boring read, so you don't have to read every single line on it or have it memorized, but you should at least be familiar with everything in it and be able to find the things that you're looking for. Today we're going to talk about the specific requirements for sub-grantee monitoring.

In the Uniform Guidance, 2 CFR Sub-Part E is Cost Principles. Section 200.331 requirements for pass-through entities states in part, “All pass-through entities must impose all requirements onto sub-grantees so that federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the federal award.”

So, again, all pass-through entities must impose their requirements that they have, their responsibilities to the grant agreement, to the Uniform Guidance they must impose those requirements onto the sub-grantees. It is your responsibility to make sure that the sub-grantees are fulfilling those requirements.

Paragraph B states, “All pass-through entities must evaluate each sub-recipient’s risk of noncompliance with federal statutes, regulations, and the terms and conditions of the sub-award to determine appropriate sub-grantee monitoring.”

So, you should identify what the risks are of noncompliance for each one of your sub-grantees. You want to look at some of their—if they’ve had noncompliance issues in the past. Have they had a history of noncompliance? Maybe you assess their risk at a higher risk of

noncompliance. That should alter how you do your monitoring procedures.

A higher risk of noncompliance means you have to do more monitoring procedures, you have to do more testing to verify that they're not having more issues with noncompliance. Again, you are responsible, so if you have to do more monitoring, you have to do more testing to make sure that your sub-grantees are compliant, then you have to do that.

We do the same thing as auditors. We assess risk of material misstatement. What is the risk that certain areas are misstated? If there's a higher risk, then we have to do more testing, we're going to pick higher sample sizes. So, your sub-grantee monitoring plan should do the same. Higher risk, you should do more testing.

Maybe you have a new sub-grantee that you never worked with before. You may not know if they have any noncompliance issues, so maybe the first couple years you do more testing, you do more monitoring to make sure that they're in compliance. Then, as the years go by, you realize that they don't have any compliance issues, and you can decrease and do less

testing, but for each sub-recipient, you should evaluate their risk of noncompliance.

Paragraph D states that, “All pass-through entities must 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.”

So, again, it is stated in the Uniform Guidance the same way that it’s stated in the grant agreement that all pass-through entities and grantees with sub-awards must monitor the activities of their sub-grantee. You want to verify and make sure that your sub-grantees are using the award for its intended purpose.

You want to make sure that their performance goals, make sure they’re reaching those performance goals that they have planned out in their performance plans. Are they reaching those goals? Are they in compliance with the grant agreement? Are they in compliance with the Uniform Guidance? You want to do monitoring activities to make sure your sub-grantees are in compliance.

“Grantee monitoring of the sub-grantee must include review of financial and performance reports.” It’s not just financial reports. It’s not just looking at the quarterly reports. You want to look at their performance reports as well. How are they performing? Are they counseling the amount of individuals that they should be, that they say they’re going to, that they’re being budgeted for? You want to identify and monitor those performance reports as well as the financial reports.

Number 2, following up and ensuring that the sub-grantee takes timely and appropriate action on all deficiencies detected through audits, onsite reviews, and other means pertaining to the federal award. So, if there are any deficiencies noted, any issues of noncompliance, you want to follow up with that sub-grantee to make sure that they have implemented the corrective action plans, that they’ve implemented their appropriate corrective actions.

There’s no point in doing reviews and giving deficiencies if no one is correcting them. So, you want to follow up and make sure that they are correcting those deficiencies noted through reviews and through audits.

Number 3, issuing management decisions for audited findings pertaining to the federal award. So, if your sub-grantees have a deficiency, you may be required to issue a management decision. When we issued deficiencies, there's usually a slot or a paragraph for adding management's response. Again, you are responsible, so you are issuing management's response to any audit findings that are identified through the federal award.

Paragraph E, "The following monitoring tools may be useful for pass-through entities." So, it gives you a few tools to use when performing your monitoring procedures. Number 1, providing sub-recipients with training and technical assistance program-related matters.

So, again, training is a good way to make sure that your sub-grantees are staying compliant, trainings like this one that we're giving to you guys. HUD wants to make sure that you guys are receiving the proper training and that you know all these rules and regulations of the grant agreement and the Uniform Guidance. There's a lot to remember. So, giving training to your sub-grantees may be useful to help them prevent having noncompliance issues in the future.

Also, technical assistance. Maybe some one-on-one technical assistance may be needed on how to properly prepare reports or how to do housing counseling activities. So, you want to make sure that you have some technical assistance to provide to your sub-grantees to, again, prevent them from having noncompliance issues in the future.

Number 2, performing onsite reviews of the sub-recipient's program operations. Obviously, performing onsite reviews isn't necessarily ideal at this moment, but something to keep in mind for your monitoring plan is going actually on site to your sub-recipients' offices to see how their operations are performing. What are they doing with their daily operations? So, make sure that they are in compliance.

Look at the actual documentation, talk to some of the key personnel. These are some of the ways you can do a review to make sure that your sub-recipient is staying compliant.

Number 3, arranging for agreed upon procedure engagements. Agreed upon procedure engagements are agreements between two parties deciding we're going to look at maybe one or two specific things. So, you can work with your sub-grantees to say we're going to start reviewing this

particular thing and agree upon the procedures that are going to be completed. So, you can do some agreed upon procedure engagements, again, to verify that your sub-recipients are in compliance.

Paragraph F states that, “Pass-through entities should verify that every sub-recipient is audited as required.” So, if your sub-recipient reaches the \$750,000 federal award threshold, they need to have a single audit. You need to verify they have that single audit performed. If they’re required to have an independent financial statement audit, you want to verify that those audits have been performed. Whatever is required of that sub-recipient, you want to make sure that they have that audit done.

Paragraph G states that, “Pass-through entities should consider whether the result of the sub-recipient’s audits, onsite reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity’s own records.”

So, when you’re doing your monitoring procedures, if you identify any issues of noncompliance, maybe you identified that the report was incorrectly prepared, maybe one of the numbers was off, you have to look at your own records. Maybe you need to adjust your own records. You

got these reports from them, and you created your own records from their reports, so maybe you need to adjust yours.

Consider that whenever you're doing your onsite reviews, and you have deficiencies or incorrect reports or anything. Maybe take a look at your own reports to see if you have to adjust anything within your own records.

Then, paragraph H states, "Consider taking enforcement action against noncompliance of sub-recipients." If you have sub-grantees that are not compliant on a consistent basis, they haven't implemented corrective action, maybe consider taking your own enforcement action against them. Maybe removing them from your sub-grantee list or whatever you have to do to hold your sub-grantees accountable because, again, it is your responsibility to make sure that they are in compliance.

Let's look at some example areas to monitor. Some things that all grantees should have as part of their sub-grantee monitoring policies and procedures, so we're just going to go through a few examples. These are some things that you should do at the minimum. This should include a lot more, but these are some of the most important things to make sure that you are doing as a part of your monitoring policies and procedures.

Appropriate use of grant funds. We talked about it a lot today, but you are responsible for making sure that your grantee is using these funds appropriately. You want to make sure that the expenses that they are charging to the grant award are allowable per the grant agreement and are allowable per the Uniform Guidance. Are they reasonable? Are they properly allocated?

We're going to go into that in a little bit more detail in a second, but you want to make sure that the expenses that are being charged to the grant are allowable per the Uniform Guidance and are allowable per the grant agreement. You want to make sure they're using those funds appropriately.

Quarterly grant reporting. Again, all grantees are required to submit quarterly reports to HUD. Your sub-grantees are also required to submit quarterly reports. So, you want to make sure that your sub-grantees are reporting data accurately to you. Are these reports complete? Are they accurate? Were they submitted on a timely basis? So, you want to make sure these quarterly reports are being submitted to you, and they are complete, accurate, and submitted timely.

Document retention. Document retention, all grantees and sub-grantees are required to hold documentation for up to three years after the termination of the file. So, you want to make sure that your sub-grantees are retaining these documents. Just in case an audit or a review comes about, you want to have that documentation for up to three years. You should have it ready and available at all times.

Finally, housing counseling activities. Again, you want to make sure that your housing counselors of these sub-agencies are trained. Are they properly trained? Are they certified? Are they performing the housing counseling activities correctly? You want to make sure of that. You want to do your monitoring to verify that the sub-grantees are performing the correct housing counseling activities.

So, let's look at each one of those in a little bit more detail so that it's clear. Let's start with the use of grant funds. You want to determine that grant funds are used in compliance with the grant agreement and with the Uniform Guidance Cost Principles also known as 2 CFR 200, Sub-Part E. So, you want to verify that they are allowable per the grant agreement and allowable per the Uniform Guidance.

So, what does it mean to be allowable per the Uniform Guidance? You should be asking yourself these questions. Are the expenses charged to the grant allowable? In the Uniform Guidance in Section Sub-Part E Cost Principles it gives a long paragraph, a detailed listing of the different types of costs, and it identifies whether those costs are generally allowable, conditionally allowable, and generally unallowable. If those costs are generally allowable, then that means exactly what it says. These costs are most likely allowable. For the most part, these are generally allowable.

If it says a cost is conditionally allowable, that means that this cost is allowable, but depending on what it is being used for. It is based off a condition. What is this cost being used for? If it's being used for a specific purpose, then it's allowable. There are some instances where the cost can be used, and it is not allowable as well.

Then, they also would know whether it is generally unallowable. That means things are more likely than not unallowable. There are a handful of exceptions when they may be allowable, but those are very rare and require some kind of approval of written agreement. So, you want to

check the Uniform Guidance, Sub-Part E Cost Principles, and make sure that the costs that the sub-grantees are incurring are allowable.

You also want to see if they are necessary and reasonable. Are the expenses charged to the grant reasonable? Would a knowledgeable, prudent person make this same expense? Would they incur this same cost? Maybe buying a pack of pencils for \$1,000 is not reasonable. You want to make sure that the money that the grantees are using is reasonable and necessary.

Are the expenses charged to the grant properly allocated? If they have expenses that benefit multiple different, multiple different cost objectives, those costs may need to be allocated, so you want to know if these costs are being properly allocated. What is the allocation basis? How are you allocating these funds? That should be documented and determined.

Verify that the expenses charged are properly allocated.

Finally, are the expenses incurred during the period of performance?

Everyone should know what the period of performance of the grant is. It is stated on their HUD-1044 what the period of performance of the grant is. All costs should be incurred during the period of performance.

If the period of performance ends March 31, 2021, then the hours that a housing counselor worked on April 2nd, those costs are not incurred during the period of performance. So, the period of performance ends in March, expenses incurred after that are not allowable.

So, you want to verify that the expenses charged are allowable, reasonable, and properly allocated. That means that they are allowable per the Uniform Guidance.

You also want to check if the costs are allowable per the grant agreement. So, in order to determine that, we have to do the eligible activity test. Are the funds that are being used, do they fall under one of these eligible activities? So, the eligible activities are 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.

So, when you are trying to determine whether some of the costs are allowable per the grant agreement, you want to perform the eligible

activity test. If the cost meets one of these eligible activities, then it is allowable under the grant agreement.

You'll note there's oversight, compliance, and quality control. That can be considered monitoring. That is an allowable expense under the grant agreement. So, that cost you incurred to monitor your sub-grantees that can be used as a charge to the award. So, perform the eligible activity test to verify that you're sub-grantees' cost are chargeable, allowable under the grant agreement as well as the Uniform Guidance.

Then, finally, our sub-grantee's invoice is based on actual expenses incurred during the period of performance. Again, these costs should be actual expenses, not budgeted expenses, not estimates. They should be based on actual expenses. Actual money paid out, actual supplies paid out.

There should be receipts and documentation to say this was actually paid, actual hours that were worked. There should be timesheets and personal activity reports that these were hours that were actually worked, not any estimates, not any budgets. Again, they should be incurred during the period of performance.

Also note that if grantees become aware of a sub-grantee's misuse of funds, a grantee must report any misuse of HUD Housing Counseling Program Grant funds by a sub-grantee to HUD within 15 days of becoming aware of its misuse. So, if through your monitoring procedures you identify that a sub-grantee misused the funds, you need to report that to HUD within 15 days. Report that to your HUD POC. That's a very important note to mention there.

Quarterly reporting. Quarterly reporting is a very, very important part of a being a grantee and a sub-grantee. As grantees, you are required to submit quarterly reports to HUD. Your sub-grantees are also required to submit quarterly reports to you. In order for you to do your reporting, they have to report to you.

So, sub-grantees are required to submit the following quarterly reports. Form HUD-9902, the Housing Counseling Agency Activity Report. This details what the actual housing counseling numbers were. Who did you counsel? What were the demographics of the people you counseled? So, these should be required to submit to you, to the grantee.

Quarterly performance reports as well. The quarterly performance report is a very, very important document to be submitted. It details and outlines, itemizes all the expenses incurred for the period. What were the exact expenses that were charged to salaries? What were the expenses charged to fringe? What were the expenses charged to marketing or travel or training?

It outlines and details all the amounts that were expensed on the grant award for that current period. It should also include the budgeted amounts, too, the budgeted amounts for each itemized cost as well as the actual expenses incurred.

The quarterly performance report should also include the staffing. What were the names of the counselors that are being charged for these hours? What is their hourly rate? How many hours did they work? How many hours did they charge? That should all be included in your quarterly performance reports that the sub-grantees submit to you.

You also want to verify if the reports are complete. Are they prepared accurately? Are they complete and accurate? So, you want to look through those quarterly reports, maybe look at some of the supporting

documentation to make sure that they are complete or make sure that the supporting documentation agrees to the report. Look at those personnel activity reports, look at those timesheets to make sure that they're prepared accurately. Make sure that all the hours are included on there, that it's complete.

You want to verify that and make sure before you submit them to HUD. Do your own reviews of those quarterly reports so that when you submit them to HUD there's no issues, that you have everything complete and accurate. You are certifying that your sub-grantees' reports are complete and accurate as well. It's your responsibility.

So, as a part of your monitoring procedures, you want to verify that these reports that they are submitting to you are complete, accurate, and submitted timely, too. You have deadlines when you have to submit things to HUD. You want to make sure that your sub-grantees are submitting things on time to you. That could be a noncompliance issue. That could hold you up. That could leave you backed against the wall or possibly not receiving a grant award in the future. So, you want to make sure that your sub-grantees are submitting on a timely basis as well.

Document retention. Are the documents retained in compliance with HUD Housing Counseling Program Handbook? In the program handbook, Section 5-4, File Retention Requirements, it states that, “Financial records, supporting documents, statistical records, and other pertinent records both electronic and paper shall be retained for a period of three years from the date the case file was terminated for housing counseling.”

Again, these documents should be kept for three years from the date the case file was terminated. You want to have these documents on retention so that if you get audited, you get reviewed, you can provide those supporting documentation. It’s important to notify your sub-grantees of that as well. If they get audited, if they get reviewed, they need to provide these documents. They need to have them for up to three years after the termination of housing counseling. It’s very, very important to remind your sub-grantees of that.

Finally, housing counseling activities. Are housing counselors appropriately trained? Are they certified? You need to make sure and verify that your sub-grantees have appropriate housing counselors. Again, it is your responsibility that the sub-grantees are performing in a manner

that is expected by HUD. So, you need to verify that they are appropriately trained and that they are certified.

The work plan performance. The grantees should monitor sub-grantees' performance as a result of the work plan that was submitted as a part of that application approval process. So, your sub-grantee submitted a work plan performance. You want to make sure that those sub-grantees' performance are reaching their goals. That was stated in the Uniform Guidance and in the grant agreement. You want to make sure that the sub-grantees are performing and reaching their performance goals.

So, not only for the—we talked a lot today about the financial impacts, but you also want to make sure that the program impacts from the performance goals are also being met as well.

Here are our references that we used today. Again, OMB's Uniform Guidance is a very, very important documentation to have, to know, and to understand. There's a link here if you don't have one already. Please go to the link, save it down to your desktop. I access it every day. Whenever I have a question on anything grant-related, the Uniform Guidance is the first place I go.

So, if you want to know what the guidance is for all pass-through entities and what those requirements, what those responsibilities are, go to the Uniform Guidance. It has a lot of information there.

We also reference HUD Housing Counseling Program Handbook. If you are participating in the housing counseling program, you should be familiar with the handbook. If you're not, there's a link that you can download and familiarize yourself with the handbook.

We also use the FY 2020 Housing Counseling Program Grant Agreement as well, and like I said, a lot of this information is the same in prior years and will likely continue to be the same, but you want to verify and make sure that the requirements and the responsibilities for grantees doesn't change, so make sure you read through those grant agreements so you understand exactly what is in them.

That is all for me. I think we're going to go through the questions really quick if there are questions on the webinar. Vanessa is going to address your questions.

Vanessa

This is Vanessa McCollum, and there were a couple of questions that we received that I feel like need to be discussed aloud. The first question was, “Is virtual monitoring acceptable during COVID?” So, the answer to that is yes. You can monitor your sub-grantees virtually. You just still need to make sure you maintain some sort of documentation of what you looked at, when you looked at it, who looked at it, and your findings.

Another question was, “Is there a time requirement for sub-grantee reviews, i.e. example like once a year or once a quarter?” There are no specific time requirements, but as the grantee, you need to make that determination based on your assessed risk of each individual sub-grantee.

So, some sub-grantees, like Blair said earlier, you monitor them, they have not had any issues, so you may not want to review their work every quarter. However, you may have somebody who’s new to the program, and you may want to perform more reviews of their work. Maybe for the first couple of quarters, you want to review their documentation, but that’s really up to the grantee to make that determination.

Someone asked about training for HUD certification if it’s allowable for FY ’21. I cannot answer that question at this time. I’ve not seen the FY

'21 grant agreement yet, but if you want to submit that question via email, maybe we can try to find the answer for you at a later date.

Then, there's one other question asking about if there—

Virginia Vanessa, this is Ginger. The NOFA for the FY '21 grant has not yet been published, so we don't what the allowable costs are at this point. As soon as that comes out then we'll know.

Vanessa Okay, thanks. Then, there's one last question. "Is there a reporting template for the quarterly performance report?" Yes, there is. If I'm understanding this question correctly, there is a template for the quarterly performance report, for the quarterly financial report. There is a template for that, but if you're asking if there's a template for the monitoring, there is no template for the monitoring that I'm aware of.

Tracy Vanessa, this is Tracy. You can—well I'll just say it, too. You can ask your HUD POC for the template that we provide to the agencies.

Vanessa Okay. There's a question submitted about the three-year retention rule, and yes, the three-year retention rule would apply to electronic files and education files, too.

That is all the questions that I think should be discussed amongst everyone. Now, I'll turn it over to Ginger.

Virginia Okay, shall we see whether there's anybody who wants to ask a question on the phone?

Moderator [Operator instructions]. We have no one queuing up from the phone lines at this time.

Virginia Alright, thank you. Well, we'll move on then. I think if you've all been on our webinars before, you know that we provide all the materials that I mentioned in the archives on HUD Exchange. You can sort those by date or by topic. What's really useful about it, not only for you but your staff and other helpers, is you can obtain credits through the archives.

So, find a webinar that you like, click on it, and then click on the button to get credit for training. That's a really good way. Now, that's different from the certificate that you get through GoToWebinar for this webinar.

Every Monday we publish the training guidance on HUD Exchange which lists all the training that we have available and [audio drops] other partners. We have a large number of partners [audio drops] who get grants to provide that training. So, look at that because the training by our other partners often include scholarships. So, I encourage you to look at that. It shows up every Monday.

We've gone through the questions. I think we have one more. If you would again use that same question box on the panel and just give us some feedback. Was it useful? We're going to share the information with the other coworkers and just anything else so we have some feedback to always improve our webinars.

No, here's no ETA on the FY '21 NOFA. Things that slow it down right now, of course, is the change in administration, but you will get notice as soon as it's available. [Audio drops] would come out, too.

These are some resources for you to go to. Keep working if you're not certified, keep working on that. [Audio drops] August 1 of 2021.

Again, thank you for attending this webinar. We will let you know when we're doing some more. I know that Allmond has one or two more scheduled, and we'll get back to you on that.

Somebody's asking how you get credits. As I said, you've attended the webinar, so you will be getting a certificate of training from GoToWebinar. How you get training credit for continuing ed or whatever is up to you and your agency.

Okay, again, thank you for attending, and have a good day. Take care of your subs. Good-bye.

Moderator

Ladies and gentlemen, that will conclude your conference call for today. Thank you for your participation and for using AT&T Event Teleconferencing. You may now disconnect.

