



Final Transcript

HUD-US DEPT OF HOUSING & URBAN DEVELOPMENT: Financial Analysis Webinar

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SPEAKERS

Petergay Bryan

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by. Welcome to the Financial Analysis Webinar. At this time, all participants are in a listen-only mode. Later, we'll conduct a question and answer session. Instructions will be given at that time. [Operator instructions]. As a reminder, this conference is being recorded.

I'd now like to turn the conference over to your host, Petergay Bryan. Please go ahead.

Petergay

Hi, everyone. This is Petergay Bryan from Booth Management Consulting. Today we'll be talking about the financial analysis and training services offered to you under your Housing Counseling grant with HUD. During today's session, the audio will be recorded and the playback number, along with the presentation and the handouts and the transcript is going to be available to you on the OCB's SharePoint. If you go to the section that says Training Documents Internal Training, on that page is where you'll be able to find that information.

As the moderator said, during today's presentation, your lines will be muted. If you want to look at the handout while we're going through the presentation, you can open up your control panel and there's a section that says Handout. You can get the handouts from there. Also, the handouts were emailed to you earlier on today, so you could use that format as well.

At the end of today's session, within 24 to 48 hours, you will receive an email. It's going to be a thank you email. You should use that as your certificate of training. There will not be any attachments included in that email or anything in addition to the thank you note. So, please be mindful of that and save that for your records.

At the end of the session, I will open up for questions. At that time, the operator will give you instructions on how you can ask your question during that time. During the quick Q&A session, if you are not currently asking a question, you can please keep your phones on mute so that there aren't any distractions while another person is posing their question.

Another way that you could ask questions, instead of waiting until the end of the presentation, is to, again, look at your control panel, there is a section that says Questions. We do have Gilbert Strausser [ph] from Booth Management Consulting on standby for any questions that you may have during the presentation. So, you could just type your questions to us here and our BMC staff will be able to respond to you promptly.

Otherwise, you could wait until the end of the session to pose your question.

If you have any feedback on the webinar, please send an email to Ginger at viginia.s.coleman@HUD.gov. We do appreciate your feedback so that we can better provide you with training services in the future.

Again, I am Petergay Bryan. I'm the project manager at Booth Management Consulting. I'm the project manager for the contract that we

have with Office of Housing Counseling where we provide financial and administrative reviews and technical assistance and additional services which we'll be going over today. The things that we'll be talking about specifically include talking about the specific financial services under the BMC contract. We'll also talk about the services that are available to you as grantees and sub-grantees of the Office of Housing Counseling grants. We'll let you know how you could request the services from Booth Management Consulting, benefits to your agency from receiving these services, and of course to take any questions that you may have.

As far as financial services under the Booth Management Consulting contract that we have with HUD, one of the main things that we do is we provide quality control audits of grant recipients. And, that is where we're looking at your financial and administrative compliance with the HUD as well as Uniform Guidance requirements. We also provide technical assistance on any areas as it relates to the financial and administrative sections of your grant with Office of Housing Counseling.

BMC's lead government technical monitor is Linda Bozeman. She works very closely with her co-GTMs, who are Gail Osgood and Tracey Fields [ph]. Pretty much any work that BMC performs under the contract it has

to go through our lead GTMs and co-GTMs. They see all the work that are being requested of us and they would have to approve any work before it is performed. We'll talk a little bit more about whenever you're requesting services how you could contact the GTMs in order to request the services.

The services that we provide they're available not only to your agencies but they're also available to HUD POCs. If you're an intermediary, they're available to your sub-grantees, as well as any other designated personnel, as long as it's approved by the GTMs of the contract. Specific services for Office of Housing Counseling grantees include training, which we'll talk about in detail, action plans, technical assistance, and financial analysis, all of which we're going to talk about specifically in the slides to follow.

The first thing we want to talk about are the services that are available to you under the training category. We have broken up our training into on boarding training and intermediary training. Pretty much what that is the on boarding training is for agencies that are new to the Housing Counseling Program, or agencies that haven't received a grant from Office of Housing Counseling for a few years. So, if you had a grant a few years

ago, you may be familiar with what the prior requirements were but because of the changes in the regulatory environment and even from HUD's perspective HUD does provide to you the on boarding training where they get you abreast of what the new requirements are.

So, we've broken them down into various modules and for new agencies we provide modules one to five for the new agencies, the new local housing counseling agencies. Pretty much what we do there is the first thing is to talk about an overview of the grant requirements. Here we talk about everything varying from the period of performance of the new grant that you got from HUD, to the types of services that are eligible for reimbursements, to the reporting due dates, to how you record your documents for items that you've submitted for reimbursement, to how you would retain your records and in what formats, and things of that nature.

In module two we talk about submitting a budget. Here we provide you with training for looking at the different factors that may affect your direct and indirect costs, what types of costs would be eligible for reimbursement under the grant, how would you be able to determine what's allowable or allocable or reasonable in your varied budget assumptions. So, we help you to draft those assumptions and make sure that whatever you're

including is something that's reimbursable under the grant award. We help you throughout that entire exercise as you submit it to your HUD POC for review and approval.

In module three, where we talk about grant financial reporting, here we talk about the different due dates for the various reports that you're required to submit to HUD. Mainly on the financial side, so we'll be talking about the quarterly financial reports, there are specific line items that are necessary to be reported to HUD. And so we walk through with the agency, we provide templates to you guys for you to use as you submit them to HUD. We let you know the specific time frames within which you should submit your quarterly financial reports. And if you are about to be late or anything like that, the different channels that you have to use to request an extension, or if you needed to do a modification how you would be able to do that or how you would need to do that, and also what documents you need to retain to prove that if I am submitting my quarterly financial report late how would I prove that I requested and received an extension to the due date.

In module four, we provide training on how you will do your personnel activity reporting and time keeping. Just to ensure that—because a lot of

agencies are no longer keeping a separate personnel activity report but there has to be a system in place where you guys are tracking and recording the activities that are worked on and making sure that those activities are eligible under the grant. So, we work one-on-one with agencies to develop a process for how you are tracking and reporting personnel activity, and time keeping, if you're going to be charging those costs to the grant.

Module five, implementing the 10% de minimus rate is for agencies who elect to charge indirect costs to the grant. We, first of all, determine whether or not you're eligible to use those methods. And if you are eligible then we talk about the different types of costs that you can use as direct costs so that applies a 10% rate. So, we provide one-on-one training with you guys, in depth training, on each of these sections.

For our intermediaries, we provide modules one through six. And of course if you are not an intermediary agency and you perhaps need a training for example on procurement, if you're going to be using Housing Counseling funds to procure goods and services, you could also request that as well. But, we put it in this section because typically it's the larger

agencies who would use Housing Counseling funds to procure goods and services.

So, in module six, what we do here is we go over what the procurement requirements are. We work one-on-one with the agencies to see which one of the methods are eligible and which ones make sense for the agency as they use the Housing Counseling grant to procure goods.

In module seven, for parent agencies, if they had sub-grantees, we provide a training on the pre-assessment, how you go about selecting agencies that applied to your program and allow them into your network. We train you on how to conduct risk assessments and pre-award assessments for those agencies. And once you've accepted them in your program, we further provide training on how you begin to monitor them and how you monitor them throughout the grant period. Whether it's by site visits or conducting desk reviews, and things of that nature, we really go one-on-one.

Sometimes these trainings may go over the course—have different training sessions just to make sure that you are fully equipped to handle the sub-grantee award and monitoring process.

In module eight, for parent agencies, we train you on how to conduct financial and administrative reviews. As parent agencies you are responsible for making sure that your sub-grantees adhere to the requirements of the grant award, and in order to do so, you have to conduct some type of a review of your sub-grantees. So, we provide guides that parent agencies can use as they go onsite or conduct desk reviews of their subs to make sure that they're in compliance with the financial and administrative requirements of the grant.

In module nine, we train individuals on how to read and interpret the financial statements. It's particularly important for our parent agencies because you're the ones who are looking at applicants who are trying to get into your program. So, you have to be able to read their financial statements to say whether or not the agency is able to perform financially in your grant program. Also, understanding internal controls, we also work with the parent agencies to see what do they need to be looking for when these applicants try to get into their program just to make sure that they have proper internal controls in place to be able to carry out the program.

Other training services that we provide include the following. We have financial reporting training where, for example, intermediaries who must complete the standard form 425, which is the Federal Financial Report, as part of their quarterly financial reports, we provide one-on-one training where we actually provide examples of how to complete the Federal Financial Report. We also use live scenarios just so that we make sure that people are really understanding what needs to be input on each of the line items of the form, so that it can be completed properly and reported properly to HUD.

We also provide training on quarterly financial reports. We give you templates and we go one-on-one with each line item that agencies may have in their program and say, okay, this is how you would account for it on the quarterly financial report. And, these are the types of supporting documents that you must maintain on file to back it up. Just in case the agency was selected for a review, they would be able to prove that the costs were incurred as well as eligible.

Under financial management system, a lot of agencies, especially the smaller agencies, sometimes they struggle with having a financial system that is able to account for the HUD grant properly. So, we do provide

one-on-one training and this is one of the types of trainings that does span over a couple of different sessions perhaps, where we actually sit with you and we look at your current accounting system and we work with you to update your system to be able to properly account for the grant fund.

In the procurement training, we provide the one-on-one service where we're reviewing your current procurement policies and procedures, and we're updating them based on our conversations as well as if there are any gaps between what needs to be documented and what the agency should be doing and what is currently in place. We try to update that in the document and make sure that agencies are aware of what they need to do going forward.

Another type of training that we do is the Uniform Guidance 101 training. So the Uniform Guidance is pretty much a regulatory guidance that all agencies need to be compliant with. We would provide training to you to make sure you've made implementation of whatever may be missing for you to meet the new Uniform Guidance requirements.

Now, we're going to go into the section on action plans. These are the types of services that are available as an action plan. The first is where we

conduct an assessment of your compliance with the Uniform Guidance.

Initially we would request a set of documents from you and we would perform a very high level assessment to see whether or not based on the documents that you have submitted to us and based on the conversations that we've had with you to see whether or not you guys are in compliance with the Uniform Guidance requirement.

The second action plan is related to internal controls, where we do conduct an assessment of your current internal controls to see whether or not you have proper internal controls in place and are able to fully perform underneath the grant. In the procurement assessment, that's where we're reviewing your current procurement policies and procedures. We're comparing that with the new requirements under the Uniform Guidance to see if there are any gaps between what you have in place and what needs to be captured and documented in your policies and procedures.

Under financial analysis, we have a few different types of services that we offer. The first one is a financial capability assessment. This really is for agencies that—we typically offer it to agencies that have not had a financial statement audit conducted within the past two fiscal years. HUD does require that agencies under the Housing Counseling Program have a

financial statement audit done at least every two years. We do understand that some agencies may not be able to afford to get a financial statement audit done. So in lieu of the financial statement audit, HUD POCs, as well as parent agencies have asked us to conduct a financial capability assessment of their grantees or of their sub-grantees to see whether or not the agency is financially capable of performing under the award.

Another type of assistance that we do is to actually perform financial reviews of sub-grantees for parent agencies. So, a large parent agency with a large network of sub-agencies may not necessarily have the ability to conduct financial reviews or perhaps they're able to review some but then there are some high risk sub-grantees that they really would want a company like us with the CPAs, and we have the technical expertise to actually go out and conduct a financial capability assessment or a financial review of their sub-grantees. We do provide that type of service.

Also, for parent agencies, we do review the grant execution documents. That's when the subs are submitting their grant execution packages for you to review and then for you to go ahead and award the amount to the sub-grantee. So, you can request that type of service from BMC as well.

Another type of service is to conduct a risk assessment for any high risk agencies. This is where we really look to see their financial statements. Is this agency able to perform under the grant? How likely is it that they'll be able to be successful in performing under the terms and conditions of the award?

Another type of service that we provide under financial analysis is to conduct quarterly financial reporting reviews. And that's where you submit your quarterly financial reports and we review them for accuracy and completeness. If requested of us, we also review the supporting documents to make sure that the costs that are being submitted for reimbursement are actually sufficient for the costs that they're submitting.

For agencies that are using indirect costs, we do review their methodology and their approach to make sure that they're sound and to see if their calculations are accurate. We do review billing methodologies to see whether or not they're in compliance with the federal requirements for submitting billing.

We also provide assistance with the accounting system review where actually reviewing the accounting system and comparing that with the

federal requirements to determine whether or not the agency is able to account for the grant in accordance with the federal requirements.

For technical assistance, we provide various types of technical assistance.

One type is to provide compliance direction to HUD staff as well as grantees. Also, sometimes agencies may have questions or they may have a particular guidance that they're reading and they need help with interpreting the guidance or something in the handbook or grant agreement and we do provide that type of service where we provide those interpretations for agencies as well as HUD POCs.

Whenever we conduct reviews, if there are findings from the reviews, and we recommend technical assistance, then we do provide that technical assistance to the agency to address any findings that come up. Also, as part of technical assistance, we develop any documents or templates or anything that will help agencies to comply with the regulatory requirements in a more uniformed and strategic way.

We also do Uniform Guidance implementation. So for any agency that hasn't had an action plan, but they wanted to be able to make sure that

they've implemented all of the new requirements with the Uniform Guidance, then we do provide that type of assistance.

Procurement assistance, where we actually work with the agencies and draft procurement policies and procedures that are suitable for your agency, or customized for your agency. So whatever procedures you guys follow, perhaps you don't have a document of procurement policy in place, we actually do draft that for you. But, that's after having conversations with people who are involved in that process. Then, we would draft the policies and procedures for you and share it with your agency and customize it further just to make sure that it's not necessarily a broad procurement policy but something that's really customized to your company.

For other policies and procedures, it's pretty much the same thing. Any key business process area that you may have, sometimes agencies have the procedures in place but there's nothing documented to say that they do. So, while you may be doing the work, you may not have it documented that I have a policy for time keeping, I have a policy for cash management. So someone from our company will speak to individuals who participate in that section or in that key business process area and we do document for

you or draft for you the policies and the procedures. And then, we work with you further to customize it to suit your agency.

We provide personnel activity reporting templates that you can use to report personnel activity. If you have a process in place already but you wanted to fine tune it, we work with your agency to fine tune your current system. If you have a template already but you wanted to fine tune that, we also work with your agency to make sure that what is required is actually being captured in your reporting templates.

For the quarterly financial reporting templates, we do develop quarterly financial reporting templates. If you have something existing, we work one-on-one with your agency to fine tune that. And, the biggest thing is that we're making sure that all of the elements that are required by your HUD Housing Counseling grant agreement are being captured in these templates. So, maybe you have something that you're currently using but maybe it's not being completed properly or maybe your HUD POC is having issues with it, or any situation such as that, we work with your agency just to make sure that you have all of the elements that are required and we work with the personnel who is involved in that process, who is making sure that the quarterly financial reports are being completed. We

work with those people one-on-one to make sure they have a full understanding of what the requirements and how they could capture the information in the most convenient and effective way.

Next we will talk about how to request the service. There are two ways that you may request the service from Booth Management Consulting. You could do a direct service request or you could—the request could be made as a result of an action plan or a financial and administrative review that we've already conducted.

So, for a direct service request, you would talk to your HUD POC. Your HUD POC would then send an email to our company, Booth Management Consulting, as well as our HUD GTMs, and that's Linda Bozeman and her co-GTMs are Tracey Fields and Gail Osgood. So, your HUD POC would send that email out and copy all of us. In that email, they would pretty much state the service that's being requested. They specify the grantee's name and contact information and let us know any relevant information for us to then start the work, or have an understanding of what is being required.

The HUD GTMs would review the request and they would have to approve it in order for BMC to be able to go forward. So, once approved, then Booth Management would work with your agency to complete the service and submit a final deliverable to the GTMs and copy your HUD POC. If it's something that's a question, then we'll probably respond to you back via an email. For example, if you wanted interpretation of a Uniform Guidance section that you just needed clarification on, then you would send that email to your HUD POC and pose a question that you're asking, or ask them how can you use this section to perform a calculation or how can you use this section as you're trying to implement the requirements of the award.

You'd have to be very specific about what you're requesting and then the HUD POC would send that email to the HUD GTM. They would review it and if approved, they would let us know that we could go ahead and work on it. Our team here would work on providing you a response. Something like that would incorporate examples and also incorporate sections from the Uniform Guidance to support a response to you, and then provide you with a response or provide a response to the GTMs as well your HUD POC so that they could share it with your agency.

Another way that service could be requested would be as a result of an action plan. We spoke about the action plans earlier, where basically we would be looking at your current status. First of all, we would request certain documents from you and once we receive the documents and once we've started reviewing them and clarified any questions, then we would draft an action plan report and submit that report to your agency. You would see any recommendations for technical assistance at that time.

If we conducted a financial and administrative review, where perhaps we came to your site location and we tested areas such as time keeping and any purchases that you've made with the HUD funds, and things of that nature, if there are any findings that resulted from that then we would recommend technical assistance, or any follow-up training or actions after that. And then, we'd provide you with the technical assistance for training that way.

It's important to state that whenever we conduct an action plan or a financial and administrative review, any findings or any recommendations we encourage you that you don't think of it as being punitive, but a way to help your agency come into compliance with the HUD and Uniform Guidance requirements. But, this is another way that you could actually

obtain service from Booth Management to help your agency meet the requirements of the award.

Benefits to the grantees from obtaining these services, the assistance really helps you to minimize the burden of implementation of new requirements. We do understand that it does take a lot of time to implement some of the required aspects of the grant, such as having documented policies and procedures, having processes for personnel activity reporting, having reporting templates, submitting your reports each quarter and things of that nature. So, we want to be able to help you guys to, as much as we can, reduce the burden or minimize the burden for you. We want to be able to do that. So, we've seen that it has helped agencies in that way.

Also, it could potentially reduce findings, performance and financial reviews because us providing you with the technical assistance and training upfront then you know what to expect and you know what the requirements are.

We can also provide financial and administrative and technical assistance for grantees that can be transferred to other federal programs, because all of this information is transferrable. Agencies that receive federal grants

and have multiple federal programs all must be in compliance with the Uniform Guidance. So, the requirements are similar.

Also, it can reduce administrative burden through training of sub-grantees. And this is specifically speaking to parent agencies that have sub-grantees. We can provide one-on-one training with your subs. We can provide training that includes parent agencies and the sub-recipients. If you have high risk agencies or sub-grantees that have issues with a particular area, we can have one-on-one training or specialized training for the high risk agencies, or for the agencies that's just having trouble with perhaps quarterly financial reporting, or anything like that.

At this time, I am going to pause for questions.

Moderator [Operator instructions]. There are no questions from the phone lines.

Petergay Well, if you do think of any additional questions, please send an email to housing.counseling@HUD.gov, with financial analysis and training in the subject line. Again, thank you so much for your time today. Hopefully this information was beneficial to you and you'll be able to request services from Booth Management Consulting as needed going forward.

Have a good day, 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.