DRGR Review Q&A Webinar
2/11/14

Janine Cuneo: [in progress] -- that we've been hearing either through the OneCPD Ask A Question portal. If you guys have ever entered in a question and received an answer and we'll kind of pull through some of that to see some common questions that are coming out.

And then some of you might be aware, we have a release coming up in DRGR 7.9. It's not been instituted yet, don't worry just yet; but we're going to have Jim and Ryan give us a couple of highlights on that. And as always, with every release when it does come out there will be fact sheets and further information from HUD on that.

And then finally, we'll spend some time in Q&A for you guys. We'll try to make the bulk of this conversation in this webinar of two hours on Q&A so we're able to answer your guys' questions if need be.

Before we jump in, I have a little bit of a promo here, marketing. There's going to be eight trainings on DRGR coming up from April through August. These are the onsite two-day trainings where they're computer-based where you literally go into a HUD field office computer lab and get instruction for two days where you're able to go in and try an action plan and try draws. So you're able to do the basics, but you're also able to ask the hard questions as well, the trainers. And it will also include the 7.9 new release. We'll have all the most updated information. So I wanted to let you guys all know that because these are in computer labs there is a limited space.

So please keep an eye out for a listserv notification when it comes so you can register. Also, make sure you go through your supervisors, etc. and get the okay for you to travel and make these training sessions. So again, there'll be eight trainings from April through August at the local HUD field office and keep your eyes out for additional information on those. Let's jump into the webinar. First we're going to cover expenditures, what do we mean by that, how do we do it in the system?

So draws and expenditures. Let's go to the next slide then. So I want to make sure we just get definitions correct. It's important when we say the word "expenditure" we all understand what that means. And the key here is that it's not the same as a drawdown in DRGR. There are literally two different elements in DRGR. One is called expenditures and one is called drawdowns. A draw is used as a proxy in the HUD DRGR reports that come out. If you're using an accrual method of accounting, accrued cost counts in this process.

And so what I really want you to think about here is your expenditures are those that include all costs that you guys have done to date even if you haven't drawn those down. And we'll give some examples, but just think about it, anything that you have, expenditure dates and for whatever reason, I know many of our systems, you're sometimes a month behind when you draw them down, because you have to go through a system of checks and balances in there for your financial process.

And so sometimes it's a month behind. It does mean that you have expended those funds, though, if you're processing some new invoices, etc. So I really want you to think about that difference of expenditures are those outlays that you have already spent and they're going out and drawdowns are what I've really been drawn down from DRGR and you have the money coming to you. I'll keep reiterating this in different ways and shapes and give you different examples as we go.

One key thing too is ensure your expenditures are up-to-date with regards to subcontractors. I know sometimes they lag in providing you information, maybe you and the expert have recorded and such. You really need to stay on top of that and sometimes even tighten up those timeframes as you get to closeout. So again, examples of expenditure here are the cash disbursements that happen to your contractors or employees, homeowners and other payees invoiced amounts owed to contractors.

So that doesn't mean you've paid it yet, but invoice amounts owed to contractors for those goods and other properties, rendered services or other property received that have been performed. Been performed, I want to make that clear. This is not an advance, this is not counting that as an expenditure. For example, you know you're going to spend $20,000 on repairing that roof in the next two weeks. You want to wait until the work has been done and invoiced amounts are owed to the contractor.

So I want to repeat it, this is not advancement we're talking about and then the amount paid to third-party sellers of foreclosed upon real properties. There are some good examples for you to think through. We're going to accrued. So accrued salaries include fringe of employees. So again, it's your different type of cost accounting systems you have to think through what an expenditure is and your indirect expenses incurred.

Remember, you've got to have an indirect cost allocation point here when we're talking about indirect expenses. So some special cases, again, one of the examples, payment to developers. So many of you have a practice in your jurisdiction or in your organization where you do retainage amounts. For example, you might hold back 10 percent of every invoice to a developer until that house has a notice of completion from your building inspector. And once you get that notice of completion then you release that 10 percent retainage.

And an example of where many organizations retain a certain amount, 10 percent, in order to ensure everything is complete and complete upon on the building inspection. This is an example, though, that could be considered an expenditure. Granted, you're not drawing down that 10 percent, because you actually haven't spent and getting accrual back, but it does mean you know about, it's invoiced, etc. So this is a great example of where you can count this as an expenditure even though it might not be a drawdown yet.

Other examples, which are a little less common, but I want to just throw it out for you those people that are doing this is disbursements into loss reserves for the third-party loan as well as the lump sum drawdowns. You'll note that they actually will give you the CFR for lump sum drawdowns. It's not a typical thing, it's a unique case and in that unique case you really need to make sure you're following the rules and regulations for that.

And I always recommend for lump sum drawdowns that you can see our field office rep and/or up into headquarters and make sure you understand the rules and regs correctly in order to do so. For those that have done that and/or examples like your retainage amounts you can think about those as expenditures as well and make sure you're actually reporting that.

So here's 10 expenditure tips.

Some of you might've been on a webinar recently where HUD highlighted a few grantees, specifically four grantees out there that provided 10 tips to meeting the NSP3 expenditure deadlines. We just wanted to remind you there are really good tips for you to think about. The first one is to set clear milestones and communication with your partners, i.e., developers or subrecipients. I really recommend, as we're getting closer and closer, to expenditure deadlines for NSP3.

You really think about even upping those calls. Sometimes you might have only had those monthly. You might really start going to weekly/bi-weekly for their calls so you stay on top of exactly what's happening as well as you're able to communicate very clearly about where they are at in expenditures, not waiting until the end of the month, but you know weekly where they are at their expenditures so you're able to report that accurately. One idea too is, and you'll see these in two different ways in these 10 tips, is to simplify cumbersome procedures.

Often at the beginning of programs we put a lot of procedures in place to make sure we're doing everything right and what I would say be overly cautious. So you might want to reevaluate and see if there's any way to streamline any other procedures. Please note, I'm not suggesting not to do oversight and monitoring. You still need to and required to do that. But sometimes there are some places that you can streamline a little bit better. So recommending a quick synopsis of your procedures to see if there's a place that you can streamline to make sure things continue to go and continue to go smoothly and more quickly than you had before.

A big one, and we'll be talking about this a little bit later and showing you how to do it, is we pull your expenditures in QPR. So I'm going to wait to go over that when we literally are going to see what it's like in DRGR.

Fourth is to count expenditures, not draws. Again, as we mentioned before, these are not the same things. Drawdowns are literally when you go into HUD and you submit a voucher and you get money out from the Treasury. Expenditures are those items that are outlays regardless of if you are asking for a draw or not. So important to think about those special cases that we gave examples of, like unpaid retainage fee from a developer, if you're doing lump sum draws, etc. What are those special cases that are expenditures and you haven't reported them yet? Make sure you're getting all the expenditures in.

Number five is pre-pay for materials, like lumber or appliances when the project is under contract. Again, please note, when the project is under contract you've got to make sure you have that project in place and ready. But it's not a bad idea if you have a secure place to store these pre-paid materials and they're able to assume some liability from your developer or sub-contractor or subrecipient. It's a great idea to do that and you're able to document these

expenditures as pre-payments as expenditures. I suggest you think about how to work with your established partners. Sometimes you need to evaluate if some of your struggling partners are struggling way too much to meet the deadlines you have at hand.

And in that case you don't want to go back out to more struggling partners. Who were your most established partners that understood the program, met deadlines even sometimes got to the deadlines before they were due and could get projects going quickly and help out a troubled asset.

Number seven, how to standardize and simplify development procedures. So before I talked a little bit about simplifying all of your cumbersome procedures. Sometimes that's administrative, etc. Here we're trying to focus you on if there's any way you can simplify your development procedures, actively coordinate with your multiple departments, think about you're approving your documents, your invoices, approving different items, like getting your certificate of building inspection and closure going a lot quicker and faster, what does that mean and look like. I think it's important that many of you have stayed on these processes throughout the life cycle. But, though, there are tweaks you can make [inaudible]. What can you do to make a tweak to make this go quicker?

Another idea, too, is there a way in which you connect with, for example, a city manager so that they understand the importance of these deadlines and are able to communicate clearly to the other departments the need to keep this moving quickly. The eighth is to treat partners consistently, but maintain flexibility. And the idea here is rules and regs, make sure you're treating everyone fairly and using the same rules and the same consideration.

But that doesn't mean you have to do everything the same way. So one grantee or one sub-recipient and/or developer, for example, may need a lot more handholding. So you've got to bump those up to twice a week meetings until you're closing out where some others you can only do weekly or biweekly to keep things moving along. So really think about what are your partners that need the most support and what are those rules or procedures you have in place that might be able to be tweaked to meet those partners that will probably need the most support and their needs.

A key one is to set internal deadlines earlier than the HUD deadlines. You never want to have your deadline the same as HUD's. You want something earlier so you have a cushion there as well as I recommend you think about your backup plan. So for example, if one of your developers isn't meeting the deadline, what's your backup plan? Have you talked to that established partner to say, are you able to take on any more projects if we can move them off to you quickly, what does that look like and consistently having a backup plan in place and making sure it's possible enough to meet the needs of where you're at.

The last one is to bill all administrative costs. You can instruct your finance department to calculate staff time and expenses through the deadline dates and report those as expenditures even though they are not yet paid or drawn. So these are legitimate expenditures just like, for example, invoiced completed work that may have not gotten drawn down yet, but you have it invoiced, you know it's completed, you want it to get counted as an expenditure.

You can do the same thing as you're billing your administrative costs as an expenditure as well. And last, for good measure it's not too late to start now. I think a lot of us are a little nervous as this deadline is approaching. You might not be able to look at all these tips and [inaudible] all of them right now due to the timeline, but I recommend to look at them and see if there are any of these that could help.

For example, what is your administrative costs? Have you demonstrated to HUD expenditures for all those admin costs? That'd be a really good quick one you can look at and review and talk to finance department about how you can adequately demonstrate that through an expenditure. So again, pick and choose on this list of top 10 and it's not too late to start that. So again, just to recap, expenditures are the charges made to the project or program and they may be reported on a cash or accrual basis.

Deadline is based on when HUD signed the grant agreement. So pretty much between the end of February and the end of March. I put a little link here for the NSP policy work back in 2012 where it talks in-depth about expenditures and they're recommending you looking over that as well as going back through this top 10 list to see what you can do to improve upon this in a short timeframe. I'm going to pause here for a second. John and David, do you have anything to add?

John Laswick: No. I think you're doing a great job.

Janine Cuneo: Great. The next thing, I mentioned before the key here is in all the work that you hopefully are going to walk away from this webinar to do, try and look at this top 10 tips and see what you can do to improve your expenditures. None of it is good unless you put it in DRGR. Again, HUD knows nothing until you put it in DRGR. So I want to pause and remind everyone how to do this in DRGR. You're going to open your most current QPR. So this would be your Q1 2014 QPR DRGR and record all your actual expenditures as of that date.

And then you save it. Don't submit here, save the QPR. And at that point your expenditures should automatically update in DRGR. And so you might say to me, can I do this? Do I just do it once? You do it as often as you need during this quarter. More is better than less, because HUD knows every dollar that is an expenditure. So once you get a new invoice in for a contractor for a section of completed work go in there and update that in QPR and save it again.

So again, you're constantly updating these expenditures right now as you're trying to increase your expenditures so you're able to demonstrate where exactly you are in the program while we're getting to this expenditure deadline. So again, I'll remind you open your most current QPR in DRGR, record your actual expenditures as of the date you are recording your QPR and then save it. Don't submit, just save it and at that point expenditures should automatically update in DRGR.

As you noticed, there's a line item right here that totals funds expended and it demonstrates where you can put that information. Next, often people struggle with how they can check their expenditures. You know, they say, HUD's telling me I have this amount of expenditures and I'm not sure where they're getting that information or I don't know what I have left down on my

expenditures. So a good financial report is 7B. There's other reports too. Some people are more comfortable with other reports.

Certainly, you can use my go-to reports. You'll notice it's done by activity type and it also demonstrates your national objectives to verify that you're hitting any objectives you need to be meeting. And then what it also does is talk about your project, your obligations, your disbursements and your expenditures. Just to verify here for folks, the disbursements line item is what you literally are drawing down. So that's when you go to the drawdown functionality in DRGR, you're submitting an invoice and that money comes.

So that's what an activity disbursement is. It's in the drawdown module. An activity expenditure is the information you insert into your QPR. And so again, as we just taught you in the last slide, open the QPR, insert the expenditure items and save. This is an example we pulled to show you where someone has not updated their expenditures amount. I want to focus you on the second line item on the construction of new housing. You notice that their activity disbursements are almost at $500,000. They're at $489,375.

But their activity expenditures are less than their drawdowns at only $385,549. That is a disconnect there. Expenditures are usually equal to or more than their drawdowns. So for me, if I was reviewing this, if I'm a grantee and I'm going to pull this report to try to figure out, what are my [inaudible] my expenditure goals? I want to get myself up-to-date on the expenditures so that we are demonstrating the help, what is truly part of our program.

That's a really good red flag. So anything where your expenditures are less than your disbursements it's a red flag for you. Double check, have I done all my disbursements correctly, did I draw down the information correctly? And assuming that's correct then you've got to reevaluate your expenditures. They should be equal to or greater than your disbursements. Next, try and remind people, math rules. I know many might not have enjoyed math in high school, but DRGR runs and functions on math.

And so it's important when you're thinking through how to think about your expenditures, but also, all of your expenditures lead back to how much was your program activity budget vis-à-vis your program funds and program income. So just a quick little math update and a reminder that your total project and activity budget must include your program funds and estimated program income. This is a big change that happened back in 2012 now, that total budgets, activity budgets include program funds and your estimated program.

You're going to want to reevaluate regularly to ensure you have enough funds to accommodate project activity budgets for your drawdowns. So just a reminder here, your total budget, which is your grant funds plus your estimated program income or also your estimated revolving loan funds is greater than or equal to the sum of all your project budgets and then your project budgets have to be greater than or equal to the sum of all the total activity budgets per project.

So these are good little math rules to think through and always remind yourself. I find that when people are stuck and can't seem to increase activity budgets it's because they haven't looked at their sum of the total project budgets as well as the total budget to see and ensure that they've

included their estimated program income. Again, a little quick tip on where you find that, it's in the action plan right at the front screen on your edit action plan. We're able to look at your LOCCS authorized amount.

That's the amount in Treasury where LOCCS connects you with the Treasury of how much your grant award was. So LOCCS authorized amount equals your grant award amount, that any estimated program income or revolving loans that you have, if you put a dollar in there it's going to increase your total budget. So right now this grantee has no estimated program income or revolving loan funds in their total budget. So I strongly recommend that you are not just reviewing your expenditures.

Double-check that you are in good standing on what your estimated program income is so that you're accurately reporting all things correctly right now for each expenditure deadline. So another key element to speak about and a good reminder for you is how to figure out your available program income amount per activity. And often we find people saying, I'm creating a voucher and it tells me my available amount is not what I think is my available amount.

So I always recommend people to go ahead and click on that dollar amount, what does it say that your available amount is your voucher and you can go to the screen we have presented here and it gives you a breakdown. And I want to say, it's one of those screens that at first glance it may be not so intuitive, but if you stop and analyze it it is helpful. So I wanted to give some guidance here. The first thing I always recommend is to double check what program income account this activity is associated with.

Remember, you associate an activity with the program income account if you have program income account set up. I'm not going to go into why you have a program income account or not set up. That's definitely another webinar that's gone into that. But if you set those up, what program income account is that activity dealing with, because that will set your budgets up. So the first thing I do is I look and I see on this example its program income account is called GDHH-PI account where you can make up your own naming conventions for your account.

And I notice here, if I follow the red box, that we have receipted about $25,000 of program income. We've drawn none of that against any and all the activities that are part of the GDHH account. There is $25,000 available. And then I look at the grant activity information. So remember, your program income account could be associated with multiple activities, depending on how you set it up. So it could be occurring in multiple activities. So your grantee activity information for this account tells you multiple things.

I always recommend highly to review the column all the way to the right-hand side on the chart called all funds activity level and it helps define for you what's happening. So first, you have set a budget at $3.5 million and you've obligated out of that $3 million. Remember, you can only draw down how much you've obligated. So right now there's $3 million that you've obligated, not $3.5 million, only $3 million. Of that $3 million it looks like you've drawn 0 of it against this activity.

And so you have $3 million left. And what is helping you define and tell you is calculating within the activity based on your total budget the draws and the program income available. So right now, if you look in the table again, if you look at column that says program funds activity level it tells you in that activity against that $3 million you can actually only draw down $2.975 million. You might say, why is that happening at that program level?

And that is because, as we noted before, there's $25,000 available in program income and first-in, first-out you've got to use that $25,000 first. So once you use that $25,000 of program income you then also are able to draw down against your activity level funds. So again remember, it's able to show me that I'm part of a GDHH program income account and in that account we have $25,000 leftover. Again, that might be multiple activities, but right now I'm thinking about this activity of $25,000 of program income. You've obligated $3 million and of that $3 million right now you'd have to first draw down the $25,000 and then you're able to draw down up to $2.975 million.

Next screen. Let me go into -- I think we have a couple of common questions that we've been seeing in the queue again, in the OneCPD Ask A Question queue we wanted to let people know a little bit about and then we'll go into a couple of highlights of the 7.9 release and then we'll go into questions and answers for folks. So at this time if you are writing in any questions to keep writing in those questions and we'll go through the queue once we get to our Q&A section.

So some people are writing in saying, "I'm trying to create a program income receipt, but the selection field for the activity is gray and does not allow me to select anything. How do I create a receipt?" So first and foremost, what are you using? Are you using Chrome or Mozilla Firefox? Using those different service providers you really will have trouble in DRGR. We're not saying it will never work for you, but you will get glitches that are frustrating. So always we recommend stop and use Internet Explorer.

That's not just for this example when you're trying to create a program income receipt and the activity is gray. I would say that something to stop and always think about when you're struggling in DRGR with trying to see something or view something, just stop immediately and say, what am I using? Am I using Chrome? I need to stop and use Internet Explorer 7, 8 or 9. If you are still experiencing an issue with this browser you can do something called check your compatibility view.

You'll notice that we try to give you a little vantage point. If you click there's a link and it's literally a piece of paper that's torn in half and it's next to where you would type in a URL. It's right next to that in Internet Explorer. And if you click on the link, on that icon, it will force Internet Explorer to refresh DRGR and work properly. We recommend trying that if you are in Internet Explorer and you're still struggling, because usually and most often it updates and refreshes DRGR and you're able to then select your activity number.

A fairly common question number two, we get a lot, "I'm still struggling with my program income. What are some good resources for managing this? What report should I look at, etc.?" So we gave you a couple of great resources here. It's going back to 7.3 release, but this is when the program income option in DRGR became usable. And so if you go all the way back here it

gives you some real basics I highly recommend if you're still struggling with that or if you're new to the system this is a great place to start too with the 7.3 resources.

As for reports, the 5 series in this financial or standard report highlight program income in a variety of different ways. 5A you look at what's called the grant level, so you're looking at how much do I have in the grant as a whole? For 5B you go all the way and then scroll down to the activity. 5C has all your receipts that you've done and it does that both by project and activity. So I recommend, a lot of people are struggling with keeping track of the receipts they're doing in program income, pull that report, do a little cost evaluation and data check with your own internal system.

And I really recommend doing that occasionally and some people are doing that quarterly, especially as we're getting the expenditure information it's always good to triple check everything you have in DRGR. I recommend you looking at that. And then lastly as well, it's really important to always know and remind yourself how you set up your program income account. And so this provides [inaudible] of program income account summary, out of which activities are in each account; important to note that.

So for common question number three we're seeing out there, "I'm trying to make corrections to my beneficiary data in QPR, but I keep getting an error message. What do I need to enter to get past these messages?" So error messages, there are a whole host of different types of error messages that DRGR could be giving you when you're trying to enter your beneficiary data in QPR. Some is that it's trying to tell you that you're having problems between income levels, that it says that you have the summary of -- your income levels are not matching.

Sometimes it tells you the summary of your [inaudible] data are not matching. So it's always important to stop and try to read and understand what that error message is. In past webinars we've gone pretty deep on a couple of examples of those. So never hesitate to double check and go back to some of those webinars where it really deep dives for you on some of those error messages. The first thing to do as you're trying to understand that is check for [inaudible] compatibility view, going back to our question number 1, [inaudible] Internet Explorer, my compatibility view is good.

Then check your view cumulative totals links and/or your performance report 06. And what either of those will do in a little bit of a different way, each of them, but it basically gives you your prior performance measures that you already entered. View cumulative totals link is literally in DRGR in their QPR in that activity. So when you're trying to update that activity there's a link and it says, view cumulative totals. If you click on that it gives you a little pop-up browser and it tries to tell you what you've put into the system prior so that you're able to see, when I'm putting something in there now what am I not linking up.

Also, HUD has provided you with, "a prior period correction tool." And that helps to determine if you follow the steps to determine what corrections you need to do. A lot of grantees at this point have been successful about cleaning up their past beneficiary data and have not had as many problems as of late with entering the beneficiary data, but we know plenty of you still are. So stop and pull these reports, either view cumulative totals link or you can pull performance

report 06 and see what you need to do in order to understand what is a breakdown, what is missing here in the error message that you're getting.

Next slide, there's additional resources on this, to let you guys know. There is a fact sheet on prior period collections with beneficiary data to walk through. There's this NSP DRGR cleanup and closeout webinar to focus on that helps people understand. I think we can get some highlights there on error messages. And then we've also had a pretty robust guidance piece for you on reporting projected and actual NSP grantee accomplishments. This gives you quick tips and gives you step-by-step instructions on how to do things as well as a [inaudible] show you how to correct for error messages.

So pull those down from OneCPD, that info and peruse those. Always, when you're stuck too you can connect with the Ask A Question on OneCPD pool and try to get information from an expert on that.

Lastly, I think this is our last common question that we have, "How and when should I report on affordability periods for the properties that have been assisted?" So I think it's on our 7.7 release, our most recent big release and that's when users can now report on affordability periods once the unit is occupied and an end use is met. You've got to meet those end uses to be able to report accurately.

And the grantees can provide required information on affordability periods as well as the activity type, the national objective for the end use of the property. And we go into real guidance here on this DRGR fact sheet on how to do it, what are some examples of end use so you understand the connections there. So stop, look over those. Again, DRGR is your record that you have to report to HUD.

They do not know what units have been documented, any [inaudible] or affordability periods that you put in place unless you report on this. So stop, work this over. If you don't understand it well enough put a question in Ask A Question, get some help and guidance on that. So now we're going to transfer into a couple of slides here that are going to give you a little bit of a preview, I might say, of the 7.9 release that should be coming up shortly. Ryan or Jim, would you like to take over here?

Ryan Flanery: Yeah. This is Ryan. I'm just going to walk you through some of these functionality enhancements. And thanks, Janine. Great job.

So just to start it off, what we're going to discuss now is not the entire universe with those functionality changes or enhancements that are coming out in 7.9, but we consider them to be very applicable to NSP grantees, in particular as you're getting set up and ready for closeout. So the first one that we're going to talk about is the ability to change activity types in the action plan.

So currently, the way it's set up in DRGR is you can't change activity types unless there are any differences in performance measures and that's on a good day. Oftentimes, even if the performance measures between activity types are the same the system still won't let you change

the activity type. So what we said was, why don't we just let you all change activity types as you want to do it. And now as the system does keep track of the history, it keeps an archive of specific changes, we do have an audit trail to show what was in the system previously and what is going to be in the system after you make the change.

The one thing that we did put in place is a little pop-up. So you would go into your action plan to edit an activity and let's say that you have a rehab activity that you want to change to a new construction for some reason, you would go into the action plan edit activity and you would be able to go directly to the activities act dropdown and you would select new construction. And then once you select it there will be a little pop-up box that comes up and it says, the QPR is using performance measures associated with this activity type.

And basically, you're going to lose all your data and make sure that that's okay first before you proceed with the change. And you click okay and you're basically going to start from scratch on that activity. You would be entering new data as far as projections and everything. So I think the main applicability here for NSP grantees in particular is going to be, in many cases, upfront you had set up several activity types, an acquisition, a rehab, disposition, all activity types, separate activities for one local level project or program.

So you might have a scattered type single family rehab program and you set up different activities for each one of those parts of the process. So what you would be able to do here instead you want to count the acquisitions as a rehab now. Instead of having to go and do the prior period corrections that you need to just discuss, which does take a lot of time and effort you would be able to simply go in and switch the activity type and that would allow you to make sure that you're reporting in line with our requirements and you'd be reflecting the activity more accurately.

So hopefully this will make things a little bit easier for you all as you move forward with getting ready for closeout. So along those same lines, there is another functionality in the system that we're going to be implementing and it's going to be called associate activities. So some of you who have worked in IDIS in the past know that you can associate activities. This is going to be substantially similar with one minor difference, I guess. So the idea here is, let's say that you do have, back to that example I just gave, an acquisition, a rehab and a disposition.

Well, subsequent guidance that we put out is they're all related, but the rehab is your primary activity. So that's where you're reporting your beneficiaries and that's where you're showing that you're meeting a national objective. Well, instead of going and removing all the performance measures and deleting the acquisition and adding that to the rehab or to doing the same for a disposition activity, as long as they're all related you can associate them.

And you would be able to click the associate new, as it's shown there on the screen, and then you would go in and you'd be able to select from your whole list of activities for this grant and you can associate it with that activity. There's going to be some guidance coming out, because this is a robust functionality and there are going to be a lot of caveats and specifics that might come up. But generally speaking, it's really saying these are all tied together, we should've just done it all

under one activity, but instead we broke them out, but now we're showing you that we are associating all of them.

And you will be able to designate -- so this is what it would look like if you click the associate activities. You'd get a search box and then you would select the activity and then you would see these two pop up. These would be associated and you would save that association. And then you'll see in your action plan that these are associated activities. You'll also notice on the far right-hand side there is a column called primary and that's where you designate your primary activity.

That's the one where you're meeting your national objective and you're reporting your beneficiaries. This is where we'll also be able to pull out information specifically for this activity grouping. You'll be able to say, we did do acquisition and we had some performance measures associated with that. We also had a disposition and some performance measures associated with that, but the rehab is what we're focusing on. And we're going to assign this as the primary activity so our HUD rep, the public and headquarters as we look at this information, that we know this is the primary activity that we should be looking at when you're showing us what you've done and what your accomplishments are.

So an interesting feature, we think and we're looking forward to that being implemented and the associated guidance coming out pretty soon. We can talk about it some more if you all have any questions. And that was it for me. Again, there are several more items that are going to be with 7.9. Hopefully some of you have been kind enough to help test and we appreciate that, but definitely be on the lookout for the fact sheets and for all the information that's going to be regarding 7.9.

David Noguera: I've got a couple things. One is, the first question everybody's going to want to know is, when does this happen? And barring any unforeseen delays, they will implement it afterhours on March 7th. So it'll be in production March 8th. Another thing is a couple other features that I think are pretty nice. One is there'll be a dropdown menu when you're ready to submit a QPR or an action plan. There'll be a dropdown menu on the e-mail that comes up and you'll be able to automatically select CCs to other people who are DRGR users in your grantee list and it automatically includes your rep.

Another thing will be a search box on the search page. This would apply more to the larger grantees where you can search by program or you can search by grantee name. This will really help some of the field staff. There are a number of other features as well.

Ryan Flanery: Right. Those are the big ones that I think apply mostly to the NSP grantees. Some of these might apply more to disaster in the end. But we'll have some additional upload functionality --

David Noguera: Including a power user upload.

Ryan Flanery: Right. So that would be a batch upload, meaning that instead of having to upload a specific portion of a QPR, like activity narrative by themselves you can actually upload the

entire activity all at once. That's not so much applicable anymore to NSP as it is disaster, but there are going to be some other instances where you'll want to use that functionality if you're a power user, as the monikers are put out there. Anyway, that's pretty much it for us. So we're ready to take some questions if you are.

Janine Cuneo: Great. Let's first go and make sure we know people understand what their resources are and then we'll go to questions, if that sounds good.

David Noguera: Sure.

Janine Cuneo: So just to remind people, the NSP Resource Exchange that many of you are very comfortable with and that you've seen over the last two years have collapsed into the OneCPD Resource Exchange. So I just want to make sure people are going to NSP, which is fine. You'll get redirected over to OneCPD.info. And for folks that are new to that website it is a great place to go for quick hits. You go ahead and click on the resource library in the ribbon, you'll notice on the right-hand side we give you a snapshot of the website and there's the home and resource library used [inaudible].

You go to the resource library, you scroll down, there's a section on reporting systems. Go ahead and click on DRGR. You're going to get to what we call a DRGR homepage and that's a [inaudible] for each of you to see trainings that are coming up, the latest news that has happened on DRGR, any release information will all be there. So it gives you a good page just for DRGR as well as some subsequent pages. So feel free to check that out for your needs as well as question and answer, the help desk that was on NSP Resource Exchange, also crossed into the OneCPD.info. And maybe you're already familiar with it, but I wanted to make sure people know.

You can go under OneCPD.info Ask A Question or you could also go to the homepage on OneCPD.info and follow the Ask A Question link. You'll want to scroll down to where it says, ask a question and it says, your organizational HUD programs policy reporting system questions. If you link onto that then you'll be able to fill out who you are and the questions that you have. And feel free to ask any DRGR questions there and people respond quite rapidly for DRGR questions. They're able to get those out to people quickly.

Lastly, for a last plug, reminding folks that we have the eight trainings coming up April through August, it's a two-day training in computer lab at the HUD field office. It will include this new release information that Ryan and Jim outlined some highlights for as well as go through the basic to intermediate on how to use DRGR, the different functionality and legalities that there are. There's limited seating so keep an eye out for the listserv and make your reservations early and get your travel authorization early as well so you can attend these classes.

John Laswick: Janine, do you want me to run through the cities real quick of where they are?

Janine Cuneo: Yes. David [sic], would you like to announce?

John Laswick: I don't see why not. We're not going to change them. San Francisco, Chicago, Fort Worth, Jacksonville, Atlanta, Denver, Los Angeles and Detroit in that order. And again, it's starting in April and running through August.

Janine Cuneo: Great. Thank you.

John Laswick: This is the two-day training where you've got hands-on problem solving issues.

Janine Cuneo: I highly recommend it. So if you're able to attend any additional DRGR in training I highly recommend you look into those courses. So let's move onto question and answer.

Vinnie [ph], can you remind people how they go about answering the questions and then let's go ahead and start picking some of those in writing as well as audibly.

Vincent Grady: Sure. So if you have any questions regarding this presentation or just general questions at all you can type your question into the questions' box, which you can find on the tool bar of your go-to webinar screen. If you called in using the phone number you can raise your hand and we'll call upon you, open your line up if you want to ask questions that way. So those are two options for you. We have a few questions in the queue and keep them coming and we'll make sure we get to you.

So beginning, the first question is, "Can a grantee report gross program income versus net program income in order to submit eligible closing costs to DRGR?"

Janine Cuneo: I'm not sure if I fully understand when they're saying gross program income or net. I don't know, John or David, is this something that you encountered before?

John Laswick: Well, I'd ask the questioner to write back in, but program income is to find gross revenues. But you can deduct the cost of generating the revenue. So typically, in NSP that might be operating costs for a rental project. So you're not recording all the income, just the net income. So if that's what you mean, the net income, in that case is the program income. So I don't want to guess too much farther, but that might be the distinction.

Janine Cuneo: Yeah. Thanks. I think that using the work program income we always make the assumption that you're using net income. So I think that's a little confusing. If you were the one that asked that question either provide more detail in a follow up question or feel free to raise your hand and we can maybe have that discussion to talk that out to make sure we understand your question in order to provide you the best answer. Next question, Vinnie.

Vincent Grady: Great. The next question, "What if you make a data entry error and see it resulting in a higher expenditure? Can you use the minus figure and save to make the correction?"

Janine Cuneo: So I'm going to parse this out in two different ways, this question and Jim and Ryan, chime in here if I'm going in the wrong direction. So if you're within quarter -- so if you're

using the QPR within quarter, let's say -- well actually, if you put in $200 in there as an expenditure and you realize that was an error and you want to -- and it should've only been $100 you can go in and enter in just $100. You don't have to put that as a negative and save it. It will record as $100. So that's an in-quarter QPR modification.

If you, for example, submit a $200 last quarter and submitted that, it's what I would call codified, for a lack of a better word, then at that point you most likely will need to [inaudible] a negative $100. And in DRGR, as the release 7.2, it allows for negatives to be entered. Am I off track here, Ryan or Jim or would that be your conclusion to this question as well?

Ryan Flanery: No. That sounds right. I mean, you could also -- you know, in the example where it was $200 last quarter, it should've been $100 and then in your current quarter it's $300, you could also just enter expenditures for $300 if it works out. I mean, there are different ways to net it, but it really depends on the overall, looking at incrementally. So within quarter and then also overall, what the total amount is supposed to be and how you get to that total amount. You know, you have a couple of different options.

You could also just note in the action plan the activity level just to say that actual expenditures were $300 for this quarter, but only $200 have been entered to reconcile an over reporting by $100 from last quarter just so that it's on the record.

Janine Cuneo: So I think the big note here is to think through if you're doing this in-quarter modification or if it was a previous QPR and what you put in there. And then Ryan is also noting here to think through if you have additional data, additional expenditures you need to include here then you just do an offset versus actually doing a full modification and then reentering the new information, what is the total you're looking for.

So two items to think through. If you have a further question or you want to talk about specifics there feel free to reenter your question with specifics or raise your hand or always, you can ask in Ask A Question in the help desk if you have a specific example in a couple days. Next question, Vinnie.

Vincent Grady: Great. So the next question is, "Where do you find the prior period correction tool?"

Janine Cuneo: Great question. So as always, the OneCPD Resource Exchange you can go ahead and on the search bar and you can load the DRGR prior period correction and it should pull up a few different resources and one of them should be the prior period corrections work in an Excel document. You also can look in the guide that we put out there that tells you about how to do your NSP beneficiary and accomplishment data. And in that it also gives you a link to the prior period correction tool.

For you personally, I believe, Laurie [ph], this is you out there, why don't you go ahead also and resubmit your question and put in there your e-mail address and we'll make sure by the end of today we'll send you that prior period correction tool personally so we make sure you get it. Next question.

Vincent Grady: Okay. Next question, "How would I go about checking to see what beneficiary information I have already entered into past QPRs?"

Janine Cuneo: There are multiple ways of checking that. You know, you can look at your most recent QPR and pull that information up and look by activity, the information it has in your past QPR, if it would tell you the information that you're inserting just last quarter, but it also will give you the total. For many of you that have a lot of activities that could be kind of a cumbersome way of looking at data. That's why there is in the reports module of DRGR three different types of reports.

There's the administrative report that tells you, for example, the list of users in the system in your grant and how many have been recertified. So the admin does what we call very administrative-like reports. There are financial reports and that gives you all the information about how much program income you spent. We gave examples on the program income account summaries. It tells you your activity budgets of disbursements, your voucher on the invoices, it gives you a whole list of those.

There's a lot of reports in financial. And then the last type of report you can pull a report from in the reports module is called perf, p-e-r-f or performance reports. Perf stands for performance. And that's where you get your accomplishment and beneficiary information. Specifically, 6A does a really great job at that. So don't hesitate to check out 6A and it gives you a list of your beneficiary information as well as, I believe it's 6B and I apologize, I think that might be incorrect.

Double check, but there's two reports specifically in the performance report 6A being one of them. I keep thinking 6B off the top of my head. I'm sorry, without seeing it in front of me I'm a little rusty, but it provides you with what we call your race and ethnicity data. So one report gives you your beneficiary data by income and the other one gives you beneficiary data by race and ethnicity. And that gives you a quick list, it usually gives it by activity and sometimes by project. Some of those reports will do both for you.

And so you're able to see activity A, we counted 24 homeowners and all of them were low income. That's the data that you had put in there. So I recommend looking at your reports module, looking at the perf or p-e-r-f, performance report and pulling a couple of those reports and seeing what best provides you the information you're looking for to see what your past QPR entries have been around your beneficiary information. Let's go to the next question, Vinnie.

Vincent Grady: Great. So the next question, I have not heard anything on the formatting issue when saving QPRs or action plans. Is there going to be a fix for this in the next release?

Janine Cuneo: I'm going to defer to Jim and Ryan on that. It sounds like there are some formatting problems. They're wondering if the glitch has been corrected and/or there's an actual correction in the next release.

Ryan Flanery: So there are a couple of items that we've identified in both the action plan and the QPR in different views as far as some of the, I guess narrative sections, in particular showing incorrectly. So you might get, in the activity narrative, the wrong narrative for a particular activity. So they're getting, I guess mixed up and mismatched. There are a couple other minor issues as well that we've seen. But just to answer your question, yes, there should be a fix for that in 7.9. There currently is a fix for it.

Hopefully it'll get everything that's out there. Like I said, there are a couple more minor items that came up recently and I'm hoping that they've all been covered, but I know that the major ones as far as activity narratives in the narrative sections is included in 7.9.

Janine Cuneo: Great. Vinnie, may be a good time to pause. I see we still have some more written-in questions. But anybody have their hand up in the queue?

Vincent Grady: Not at this time. No.

Janine Cuneo: Okay. Let's go back to our written-in questions. What's our next one?

Vincent Grady: Okay. The next question was asking if we could repeat the class information for DRGR training.

Janine Cuneo: Oh, of course we can. And you will be -- if you're not on the OneCPD listserv for DRG please make sure that you get on that. Again, you go to OneCPD.info and you can sign up for the listserv. I believe it's in the top right-hand corner and you can choose which programs or reporting systems you'd like to ensure you get information on. In doing that you should be getting the most recent information about upcoming trainings and when those registrations [inaudible].

But at this time there's eight trainings from April to August. It will be at HUD field office computer lab. These are two-day trainings. And Jim, can you provide the locations again?

Jim Yerdon: Sure. San Francisco, Chicago, Fort Worth, Jacksonville, Atlanta, Denver, Los Angeles and Detroit.

Janine Cuneo: Thanks.

Ryan Flanery: Unfortunately, there are none in Hawaii. I was pretty bummed about that.

Jim Yerdon: Or Puerto Rico. Come on, John and David.

David Noguera: This is neighborhood stabilization, not beach stabilization.

Janine Cuneo: All right. Let's go to the next question.

Vincent Grady: Great. Thanks. "Do you need to upload invoices for proof of expenditure? What about retainage proof? We have invoices from general contractors to the developers that show 5 percent retainage, which have been submitted for payment."

Janine Cuneo: John or David, I have not heard of a requirement at this point to demonstrate by uploading invoices, for example, to DRGR as a proof of the expenditure or retainage. You know, whatever type of expenditure you have, for example, in this case a retainage, I have not heard of needing to provide that proof upfront. You always need to have that proof within your -- [inaudible] and things like that. So it's not such that you wouldn't have to be able to have that information readily accessible in your file. But are you providing any type of a requirement on demonstrating your expenditure proof through, for example, an upload of invoices?

John Laswick: No. You know, this is something we do in monitoring. This is something we might ask you for as part of the expenditure deadline if you had a big rush of expenditures towards the end. But in neither of those cases will we be doing it through DRGR.

Janine Cuneo: Great. So again, if you are choosing and meeting these expenditure deadlines make sure you have information to back yourself up of why you made the decision. And I'll say $200 is an example. You know, if you put $200 in last week, it's always important that you know internally where you're making these expenditure decisions on and from, so that if you are requested by HUD to provide any information and/or when they're doing monitoring these items might come up. Next question.

Vincent Grady: Great. And just really quick, Laurie and Lynn [ph], I see you have your hands raised, but you both joined using your computer speakers. If you have questions you can type them into the questions' box or if you want to ask your question over the phone you can use the phone number provided and I'll open up your line that way.

So next question, "If you did not put beneficiary data in the past quarter where it should've gone, would we put it in the current quarter?"

Janine Cuneo: Yeah. That's where the [inaudible] thus far that I'm aware of. I highly recommend that when doing this you do put in your narrative, that this is beneficiary data for Q4 2013 or whenever it was for and that you are updating DRGR records appropriately. Ryan or Jim, have you provided any additional guidance behind that or it's putting something in the narrative to ensure that people understand, that this is the data correction? Are you doing any other guidance for grantees out there on this?

Ryan Flanery: No. It's been the same for years now that if you do need to reconcile prior period data, either adding or removing reported accomplishments that's done in the current quarter the only alternative would be to open up a prior QPR, which we don't do, because our friends in the Office of Inspector General don't take too kindly to that. So we avoid it as much as possible.

Jim Yerdon: The only caveat is to make sure to put a notation in the narrative section, what you're doing and why.

Janine Cuneo: Great. And the next question.

Vincent Grady: Okay. Let's see. "When you go into the QPR add or edit under performance reports there's a blue underlined called maintain addresses and when you click on it you get a list of properties that are derived from items in the QPR. Why are there lines with no addresses for admin costs? How do you get rid of the lines with no addresses?"

Ryan Flanery: I'm not so sure.

Janine Cuneo: Yeah. I think that might be a [inaudible] not entirely sure. You know, for example, with admin costs there shouldn't be any addresses associated with that as admin costs don't have beneficiary data like addresses. That being said, I'm just trying to imagine what that looks like in DRGR and right now it's not coming to mind. The only thought process I could have is that there's no addresses on these lines, because literally you can't enter addresses into admin and it might just be a placeholder.

If you would like, my e-mail is in this presentation at the beginning, if you want to send me a screenshot just to show me an example of it I'm happy to look at it, but I have a feeling it's just a placeholder, because admin does not have nor should it ever have addresses. And so for DRGR language it pulls up they might just have some dummy lines in there for admin costs.

Ryan Flanery: So I haven't seen this and I definitely would need to see a screenshot. So if there are lines that are not there for admin that aren't showing any addresses that may be a display issue. So there might be a system issue, but I don't think we should have any lines appearing even placeholders or anything. I think we should only be seeing the addresses, but I'd have to see exactly what we're talking about in order to comment more accurately.

Janine Cuneo: [inaudible] since I gave my address at the beginning to send it on my way and we'll make sure that Ryan and Jim can also see this when you send it on to me and we'll see what we can do to support you if it's a display issue or what it is. I think none of us can really imagine what this issue is offhand.

Vincent Grady: Okay. Great. It looks like we have a question over the phone. So Jane, I'm going to unmute your line so you can ask your question to the group.

Jane: Okay.

Vincent Grady: Hello.

Jane: Hi. My question is about revising vouchers when the voucher was funded with program funds. So I need to figure out how to process when I thought I would return funds and it actually appears that there may be a different way to do it. You know, we are receiving a reimbursement for something that should not have been funded. And so I need to get that back into DRGR in the right way. So the question is, should I actually have the funds wired back to Treasury or is there a way to do it so that I can offset? And if so, which of the two is the better way to go and why?

Janine Cuneo: So I've always encouraged people to offset. I guess before we go into the details of that double check with HUD, are they providing different guidance now that you'd rather see it wired back or is offsetting still okay?

Ryan Flanery: I'm unaware of any change in guidance. I think offsetting is just fine. Yeah. It's usually more of an internal concern. You know, it depends on certain finance departments. They might prefer to see the actual wire transfer take place, but the negative there with the wire transfer is that it takes a couple of weeks and it shows up in the system as a negative voucher. So you wire $1,000 back and then a couple weeks later you'll see a negative voucher for $1,000.

And it doesn't alert you to it, you just have to keep looking for it. And then eventually, when it pops up, then you have to go in there and revise that voucher anyway. So it's an additional workload. So the alternative is offsetting a future draw. So if you have $1,000 draw coming up you just revise that voucher that you had overdrawn on or had an ineligible draw against for the $1,000 you offset a future draw with that $1,000, you revise it to that activity.

And in effect, you are reimbursing the program out-of-pocket there and then you select the reason for the revision and there's a reason that's like ineligible use of funds or overdraw or whatever and then you put it in the narratives of the vouchers that this is a revision and this is why. So you can create an audit trail. Just so you know, any revisions that are done, I'm not sure if you've done revisions in the past, but the items stay on the same voucher.

So from an audit standpoint it's a robust process and it has -- you know, as far as the IG has looked at it and it's fine. So it's really up to you internally which route you go.

Janine Cuneo: And so lastly, you'll need to also think about using that $1,000 example, let's say you have $1,000 coming up for a draw that you want to make and your previous draw that was incorrect was $750, you still need to draw $250. So you'll actually have that on a different voucher, that $250. So $750 stays on the original voucher that you had, because it can't -- when you revise it it's still the original voucher, it doesn't change vouchers and then you'll have to do a new voucher for that $250.

Jane: I'm sorry, how did you get to $250?

Janine Cuneo: I'm sorry; I hope I did the math right. I was adding up $750 and $250 for that $1,000 draw that you have upcoming.

Jane: Oh, I'm sorry, because I [inaudible] $100. Okay. Now I'm with you.

Janine Cuneo: Okay. I'm trying to think if I did the math right. Does that help?

Ryan Flanery: But again, that's true. You can also, in the voucher that's connected that would've been a part of that draw, reference the previous voucher number so that you can have a trail back to it, pull them both up on PDF and put them on file. So typical filekeeping, maintain file and records.

Jane: Right. But it's helpful, because I did think that I would have to actually wire it back to Treasury and I would prefer if I can just do it all in the system I think that's much better.

Ryan Flanery: You totally can. And just so you know, if you Google "return funds in DRGR" or "revise vouchers in DRGR" there's an FAQ that you can find or you, I think can do this in OneCPD, but it will pull up an FAQ that walks you through the steps of both options, how you do it via wire transfer or offsetting a future draw.

Jane: Okay. Thanks very much.

Vincent Grady: All right. Thanks, Jane. I'm going to put you back on mute.

Janine Cuneo: Vinnie, are we going back to the write-in questions?

Vincent Grady: Yes.

Janine Cuneo: Great. Because this next question I'm looking at actually is going back to the individual who started off the A&Q that asked. "Can a grantee record gross program income versus net program income?" They've written in additional information. So let's go ahead and figure out exactly more what they were trying to get to so we can answer that question correctly.

Vincent Grady: Okay. Do you see a way of shortening this question or should I just go ahead and read it all?

Janine Cuneo: Just go ahead and read it all.

Vincent Grady: Okay. So our finance department wants to report gross income from a sale of a property, though guidance has only shown to report net program income. The HUD settlement statements show expenses that the seller needs to pay, which deducts from the income received in a check from the buyer at closing. They feel that closing costs, realtor fees and taxes should be invoiced to DRGR to bring it in grant revenue from DRGR. By doing this reporting net program income in DRGR will not work, because you bring in revenue from the sale after dissecting the settlement statement.

So technically, the earned program income would be net program income plus eligible reimbursements, i.e. settlement costs, realtor fees and taxes.

Janine Cuneo: [inaudible] again jog David on this one?

John Laswick: It sounds like you're receiving this income at different times. So you post your program income when you receive it. And so if you've got what you consider to be net program income and I would consider to be net program income from the sale coming in and you post that and it's $40,000 and then a month later you get a check from the title company for $1,012 or something that's just a different amount.

And it's also net -- you know, it's all program income. It's what you receive as the program income. I mean, the only time there's gross revenues is when there's gross rents and you haven't deducted expenses and that sort of thing yet. I mean, I think it's a little bit confusing the way that the regulations or program income start out with the word gross revenues, because at least in the case of a rental situation it ends up not being gross revenue, but it's what you get and it's when you get it.

So I don't think you have to wait around for the extra $1012 to post the $40,000 or vice versa. You know, you get it when you get it and you spend it when you have it in the bank and it went in your account. So I think you should treat it as revenue when it's revenue to you.

Jim Yerdon: John, this is Jim. There's another thing going on here. The key words in there were their finance people were driving this. It sounds to me like their finance people are trying to use DRGR as an auxiliary accounting system. It was not designed that way and can't be made to work that way. It's a drawdown on a reporting system.

Ryan Flanery: And the key part is reporting, because you are reporting the receipt of funds that are as per our regulations and OMB circulars as what is considered to be program income, which is what John just explained and you're reporting it in the system as that as it comes in. The other thing you can do, and this is coming in 7.9 as well, if you're really concerned about showing a linkage between these receipts, for whatever reason, is there is going to be the ability to associate receipts similar to how we showed associating activities, but you'll also be able to associate receipts so at least you can refer to them both as having come from the same source, for example.

But just like John said, you don't have to wait to receive that program income. In fact, you're not supposed to. You're supposed to receipt it and/or use it as it comes in, whether or not it comes in all at the same time or in a more staggered way.

John Laswick: But you guys charge extra for treating it as an accounting system; right?

Ryan Flanery: Well, let's not get into that.

John Laswick: I think you're right, Jim. That's a good observation. You know, your accounting people have different needs and we understand that, but you really can't expect the DRGR system to operate at that kind of a fine filter. Just receipt when you get it. You'll have to match it up back home. You know, it doesn't matter as much to us what the source is.

Jim Yerdon: Yeah. I mean, if you remember, in the system everything from a financial and performance standpoint it all takes place at the activity level. So activity and activity program income accounts, like Janine had showed in that slide earlier, that's what we're looking at. We're not even looking at a particular address that's been sold until we go and monitor, look at dates, whether or not you drew, you receipted your program income on time and all that and if you drew other funds in advance of that.

So from the reporting and the systems standpoint it's at a higher level than what you're talking about here.

Janine Cuneo: So hopefully that was supportive on any of your questions. Again, if you need even more nuanced guidance please feel free to write in and ask a question. Let's go to the next question.

Vincent Grady: Okay. "Are there any reports available that show affordability period data from release 7.7?"

Janine Cuneo: Great question. I don't think I've seen any canned reports. Have you made any that I'm not aware of, Jim or Ryan?

Ryan Flanery: No. But we could.

Janine Cuneo: Is that a plug? Clearly, one person wants that. Another way to go about -- so other reports I'm mentioning when I say admin report, fin report and perf report, there's canned reports that HUD has made just assuming that you might need some of those reports out there. It doesn't preclude you from making your own report. There is a way in the system to go ahead and follow the directions that I provided you to make your own report and pull that affordability period data.

John Laswick: Not in DRGR there's not.

Jim Yerdon: You can't do that for DRGR.

Janine Cuneo: Say that again, I'm sorry.

Ryan Flanery: The report builders are limited to us here at headquarters. If you're seeing a report builder and you're not one of those few folks at headquarters that can do that please let us know, because you shouldn't be able to do that. Yeah. That's not a functionality that anyone other than a few of us here have.

Janine Cuneo: Oh, okay. I think we used to have that functionality a few years ago.

Ryan Flanery: I think it was showing when it shouldn't have been, but yeah.

Janine Cuneo: Okay. Well, then clearly there's a request out there that if you are able to make a couple of canned reports for, at least in this case, the affordability period data, but perhaps also, there might be some additional release 7.7 and obviously, in 7.9 some additional canned reports that people might be interested in.

Ryan Flanery: Definitely. You know, one of the things that we have on our list of items that we have to do is sit down with John, Hunter, David and folks over on the IT team and come up with some reports for all the closeout functionalities and maintaining addresses. So that's something that we're planning on doing and we should have something relatively soon.

Janine Cuneo: Great. So keep your eyes out for those canned reports.

Vincent Grady: Okay. So the next question, this person came into the webinar a little late and asked, "Did I hear someone say that all invoices had to be uploaded into DRGR?"

Janine Cuneo: If you heard that that was an error. That is not the case. Obviously, when you're wanting to drawdown you need to drawdown and fill out the DRGR voucher, but you don't need to correspond when you upload any invoices to DRGR for NSP grantees.

Vincent Grady: Okay. Thanks.

Janine Cuneo: And I want to make that clear, that for NSP grantees I know, for example, there is other guidance to different grantees, like TA providers use the system and they have been informed to work with their contracting officer about invoices even by upload or e-mail. So I want to be very clear that today in this conversation we might give you examples on how to do something. So for example, how to revise a voucher and that might be something that is for anybody in DRGR to functionally how to revise a voucher.

But the guidance that we're talking about today, the vast majority is NSP-related only. If we're talking about different functionality in DRGR that's everyone, but literally, the protocols around the system, i.e., uploading an invoice or when do you do the expenditure information, etc., that is very specific to NSP only. Thanks, Vinnie. Sorry, let's go ahead.

Vincent Grady: Yeah. No problem. So the next question, "Earlier you mentioned to go into our expenditures and estimate program income to review. If the estimated program income is considerably exceeding the actual program income receipted, should it be revised by decreasing the estimated program income?"

Janine Cuneo: Let me read this question. Well, I just want to parse this out. Go ahead, I'm sorry.

Ryan Flanery: No. I mean, I was just going to say it depends on if your estimates overall for the life of the grant or however long you do the estimates for, if it looks like they're not going to be met and if it looks like that's not going to be met anymore then sure. I mean, the big thing when it comes to estimated program income is that you're giving yourself enough room in your budgets, because you estimated the grant level and then you increased your budgets at the project level and the activity level.

And it allows you then to receipt funds, because if you don't have room in your budget at the activity level you won't be able to receive those funds for the activity. So I guess it really depends on whether or not you think that the overall amount of your estimated program income is going to be less. And if so, then you won't need that additional room and you could revise it down, but there's also not a heck of a lot of harm of leaving it where it is if there is a possibility that you will hit that top end amount at some point.

And I guess that's a conversation to have with your HUD rep to see if they have a preference. But the main point from a systems standpoint is that you have the room in your budget to be able to receive the funds, because at some point and time you will get to a place where you've drawn

the entire amount of your initial program funds budget amount at the activity level and you have had program income that you've been using in its place.

Well, then you won't be able to access the remaining program funds that have been budgeted in there. So it's a budgeting thing more than anything.

Jim Yerdon: And there's a caveat, don't forget that if you go in there and revise it you're opening up the action plan and recording it as a resubmittal and reapproval.

Ryan Flanery: Yeah. I mean, it's really -- and I don't want to get in too much detail as far as what would entail a substantial limit versus a more of a technical standpoint limit, but it would go to your HUD rep to have to be approved if you make any changes in the action plan, including the estimated GI.

Janine Cuneo: So in saying that, I think it's important to think through to what extent have you exceeded it. I mean, some people literally exceed it by tens of millions, if not millions and tens of millions to one program might be a lot and it might not be a lot to another program. So it's really dependent on your case. And again, the key here is to keep enough funding available for receipts and draws on program income.

So it's essential to think about and to review. I think the key here, in my opinion, is some folks haven't looked at what they estimated for the program income review. So it's the first time they did it quite a bit back. And it's important, I think to figure out -- I recommend on an annual basis, what did we say, when did we say it and if it's way off and your office can handle it and you talk to them about doing an amendment go for it, but it's not mandatory.

But I think it's a good time, since we haven't put this in your ear for about a year, when program income was available to do this, that you've got to look at this annually to make sure that you are estimating and thinking about your program income coming in adequately. And that's just a best practice or a rule of thumb [inaudible]. That is not -- and I'm speaking for HUD -- as a program requirement. So I want to make sure that's clear. And the next question.

Vincent Grady: Okay. So in the case of a loan to a homebuyer to purchase a property, which is a part of the NSP3 set aside. The closing is scheduled for prior to the NSP3 deadline. If the check has been expensed and sent to the closing attorney, is it a valid expenditure to enter in DRGR even though the actual purchase may be delayed by a couple days?

Janine Cuneo: John or David, are we counting -- do you actually need to have that purchase or [inaudible] check over to an escrow to a closing attorney account?

John Laswick: Well, that is not an expenditure, but I guarantee you, we won't take that money back. You know, if you're that close you probably -- you know, we're not interested in taking that kind of funding back. It's the money that's not committed at all, that doesn't even have a project to be committed to. So if you're that close just do the right thing, don't sweat it and you'll be all right.

That reminds me, I got a question yesterday that said, we could spend all our money by buying all the materials, but we don't have the labor cost figured out yet. So can we do this? Well, technically you could do it, but it's just not a good idea. Don't resort to extreme measures to try to make your expenditures. You know, stay on the straight and narrow as far as what you do and what you report.

And if you're making progress and if you are close to completing that project we will take that into account and it's highly likely that you won't be penalized. You'll make yourself much more miserable if you resort to some contorted kind of expenditure scheme at the very end. Talk to your field office, call us if you have to, but don't do something stupid.

Janine Cuneo: It sounds like we've just added our 12th tip to our sound practices. Don't go crazy, don't go overboard and contort yourself in a way that's not even a sound practice.

Ryan Flanery: So John, just to clarify, does that mean that purchasing a Home Depot is not an eligible expenditure?

John Laswick: Well, it's eligible, especially if it's your house, Ryan. I understand you still need a lot of repairs there.

Ryan Flanery: Yeah. I think I did purchase a Home Depot by now.

Jim Yerdon: At least you're a shareholder; right?

Vincent Grady: Okay. Oh, sorry, Janine, did you have a --

Janine Cuneo: No. Go right ahead.

Vincent Grady: Okay. So we have a question related to closeout. On the maintain address section, is HUD going to need any more information per address than what is being asked in the section for closeout? We have over 1,000 addresses and would like to start working on the closeout process.

Janine Cuneo: I have not seen the closeout. So I think there's some additional closeout guidance coming. Are you changing or adding any additional information needed that's not in DRGR already on properties?

John Laswick: No. I mean, the closeout process in the notice is literally -- it might be published today, the CPD notice in draft. You already have everything that you need and the QPR is really going to be the primary substantive document in the closeout process. There's some checklists and there's some forms, but the QPR is going to tell it all. And so we're not asking for anything more than is already in there.

We realize there is a lot of material in there, but that's going to be the workhorse of your closeout process.

Janine Cuneo: Great. Thank you. So actually, let's keep an eye out for that in closeout.

Ryan Flanery: We also do have the upload functionality, especially for the states, the upload functionality where you can take a spreadsheet and we have templates that are going to be posted on OneCPD within a day or two to where you can just upload the data directly into the system.

Jim Yerdon: They could upload all 1,000.

Ryan Flanery: All 1,000 at once. And it would be a big -- save a lot of time. But that functionality is available now.

Janine Cuneo: Just to remind people, on all uploads, in most web-based systems like DRGR and especially in DRGR, you need to look at those templates and making sure that your titles are like for like, because if not and you're not using those templates the system might reject it and usually the system rejects the whole thing, it's not just going to find that one error you have, [inaudible] everything and ignore that one error.

So I want to remind people, whenever you can upload to go back to the templates, read the guidance on exactly what defines columns, rows, etc. so that you are ensuring that the upload is working well, because it's a great timesaver, but only if you're doing those details.

Ryan Flanery: And I would recommend if this is the first time using it there is a fact sheet, guidance on how to use it, but put a question into the AAQ folks, the OneCPD AAQ for DRGR so you don't have to go through any frustrating trials. You could have them walk you through the steps and you can get it all done at once as opposed to trying to figure it out on your own.

Janine Cuneo: Great idea. So check those fact sheets. I think there is a webinar, I can't remember when, 2013 at the end, around that and review those and go ahead and fill that Q&A in. Let's go to the next question.

Vincent Grady: While we're on the subject of addresses, someone asked how to record addresses with extensions. So for example, 405 Main Street apartment 1B or something like that, how would you record that?

Janine Cuneo: I'm under the impression you record it just like the address shows. So it would be 405 Main Street apartment B or 405 Main Street apartment 1A you record it that. I think some people have found that when they're trying to validate that it doesn't validate and that's okay. I mean, you have to put the address in as it is. Any issue there with that, Ryan or Jim or anything you've seen differently?

Jim Yerdon: No. Except, I do know if they're trying to record 461 through 469 Main Street that won't work.

Janine Cuneo: Good point. And so --

Ryan Flanery: So depending on the activity type, if that's a multifamily, for example, and you want to record the address of the multifamily, because you're just trying to record it all at once --

Jim Yerdon: It's one activity and multiple units.

Ryan Flanery: Right. I mean, you put in 123 Main Street and then in the QPR when you're reporting on it, let's say it's 10 units 100 Main Street through 110 Main Street you just put in 100 Main Street and then 10 units associated with it if you're reporting them all at once.

Janine Cuneo: Great. Something that's helpful. Let's go to the next question.

Vincent Grady: We have more of a comment when we were discussing the offset. Apparently, one participant with the offset across activities, it became an accounting nightmare from experience. So just a comment to throw out there.

Janine Cuneo: Yeah. That's good to note. I mean, some people, that is why I think DRGR allows both options, in my opinion, or I guess it's a good thing that DRGR allows those options. Some people, within their own accounting system, depending on the system they own and the way in which they use that system, doing offsets can be a struggle for them using the DRGR option to do offsets.

And so they do choose to do that wider frame option, which to some extent, it's a bit cleaner. Again, it's your choice and your option. Offsets, you literally could do it today and have that done today if you have that offset coming and with the wider frame, as Ryan mentioned, it can take a bit longer, a couple weeks as well as you are required to keep your eyes out to follow that negative charge and then associate that negative charge to the activity in which you need to associate it.

So it's multiple steps over a period of time. So again, the complexity of an offset to your accounting system could be complex based on how you use it and your system that you have. So you could do the wiring back.

John Laswick: Well, I also want to say, though, if it's a nightmare from the accounting standpoint it's certainly not built to be that way in DRGR and this may be a case where DRGR is being overthought, I guess. So again, we're talking about activity level information tied to a voucher that is not tied specifically to an address. I mean, it's a very high level of information. So the tieback to DRGR is often a lot easier than, I guess financial departments might want it to be or think that it is, but it has passed muster with IG several times.

So I just don't want to worry anybody to think that that solution has been tried, embedded and worked out quite well for a lot of folks. So if somebody is having a nightmare of tying it back you can always talk to us about it and maybe we can put your mind at ease a little better with somebody that you work with.

Janine Cuneo: Great. Let's go to the next question.

Vincent Grady: Okay. So our next question, "Does the program income budget influence your LMI calculation? For example, we have a disaster grant and have to expend at least 51 percent of grant funds on LMI activities. Do we need to do the same with program income funds?"

Janine Cuneo: Well, I'm always hesitant to talk about disaster funds in a vacuum without knowing which appropriation it goes to, etc. However, I don't want to preclude [inaudible] if you want to answer this or not.

Ryan Flanery: Was this a disaster question?

Janine Cuneo: It was.

Ryan Flanery: Can you just repeat it for me, please?

Janine Cuneo: Yeah. "Does the program income budget influence your LMI calculation? For example, for the disaster grants we have to expend at least 51 percent of our grant funds on LMI activities. Do we need to do the same with PI funds?"

And for me, I just hesitate not knowing which way those people have gone, etc. to quote a disaster grant. Again, that's just always my cautiousness. If you at HUD would like to answer I'll pass this off to you guys.

Ryan Flanery: So this is a policy question that you'd probably want to refer back to your rep.

John Laswick: Yeah. But it's hard to believe that you would not have to meet the same requirements at least with program income.

Ryan Flanery: I don't want to go there, John, because there are several things that are in play right now related to program income that are hard to believe. So I would refer it back to your rep or if you want to send a question into us at headquarters we can answer that specifically in your situation.

Janine Cuneo: Great. So next question.

Vincent Grady: Okay. "So in current discussions of substantial amendments it sounds like one was that a change in the budget, for example, adding program income is considered a substantial amendment and requires HUD approval. However, one person said -- it seems to be saying that such a budget change does not require HUD approval."

John Laswick: No. Let me clarify. A change in the anticipated program income amount opens up the action plan. It has nothing to do whether this is a substantial or a technical amendment. It's an amendment to the action plan.

Ryan Flanery: The DRGR action plan, to be specific.

John Laswick: DRGR. Yes.

Ryan Flanery: This is not your published plan. That's why we aren't even broaching the subject of what constitutes a substantial amendment to your action plan. This is specific to the DRGR action plan.

Jim Yerdon: So if you go in there and add a penny to it it has now automatically opened up the action plan and you're going to have to resubmit the action plan and your HUD rep is going to have to reapprove it. A penny clearly is not a substantial amendment; does not require a public meeting. The HUD approval is not the criteria, is it substantial or technical; it's the public meeting requirement.

Ryan Flanery: So the main point, why we brought it up at all is because when your action plan is in a modified status, which is what happens when you make a change and save it, then you can't submit your QPR. So if it's towards the end of the reporting period and you're scrambling to get all your data entered and to submit it to HUD you can run into problems. That's the main issue that arises from that.

Janine Cuneo: Great. So really important to clarify, DRGR action plan is different than the requirements of the substantial amendment. Okay. Substantial amendment applies to home and CPD, etc., which obviously, don't use DRGR. So I just want to make that clear, we're talking about DRGR action plan and that does not always, when you're opening that [inaudible] substantial amendment, as Jim gave a great example, if you're changing it by one penny then that does not constitute a substantial amendment.

But that does mean the DRGR action plan reopens and because of that you have to get that approved again. That's just a system requirement, not substantial amendment and a regulatory requirement. I'm glad someone asked that for us to clarify so people understand that clearly. Let's go to the next question.

Vincent Grady: Okay. Great. "So our city participates in NSP1 and NSP3. The financial report 09A, the financial data by quarter, grant levels show these same amounts for obligations, expenditures, disbursements, program income receipted and disbursed in both of our '08 and '11 grant numbers. Is this is a glitch?"

Janine Cuneo: At first glance it sounds like a glitch. It sounds like they're pulling information incorrectly into Microsoft. Is this something you have heard about or experienced recently, Jim or Ryan?

Ryan Flanery: No. I mean, if it's -- you know, I would just suggest taking screenshots and sending copies of the downloaded reports to the AAQ and they can investigate it to take a look at whether it's a glitch or if there's something that's maybe not set right in your system, a page by or a filter or something that's not selected properly or functioning right. Yeah.

Janine Cuneo: Great. So offhand we can't guarantee it's a glitch, but something sounds a little off, again, if it's a filter or if it's an actual glitch in the system. So go ahead and do screenshots of

that and send it into AAQ and someone will be able to connect and work with you to try to see if that can't be untangled.

Vincent Grady: Okay. Next question, "Do we need to enter the expenditure amounts for every responsible organization associated with an activity? For example, one of our activities can have nine responsible organizations. Do you want a budget to be updated in the AP and respective expenditures to be loaded each quarter?"

Janine Cuneo: Well, my understanding -- and again, correct me here -- of when you're at the activity level in DRGR there's a line item in the total funds expended and under that it gives you entry fields per responsible organization. And the only way in order for you to get to your total funds expended by that activity is to enter in accurate amounts per responsible organization that pop up. Are you aware of anything different?

Jim Yerdon: The only difference would be is if they're bringing other funds to the project, but that goes on a different line.

Ryan Flanery: So this is a question for John and David. Do they have to list out each responsible organization? So just to clarify, in DRGR for each activity you select a primary responsible organization. That could be you the grantee, it could be a contractor, it could be a combination of the two, but you would select one and you would list that out and then expenditures there would be a budget associated with it and expenditures would be entered with that responsible organization.

I don't know that they're required to report any additional -- so additional responsible organizations would be contractors, subcontractors or maybe other partners that are involved. But I am only aware of the primary responsible organization that's having to be reported and that's where your expenditures would go. Correct me if I'm wrong, John or David.

David Noguera: No. I think you're right, Ryan and I think that's too much information to put -- so I agree with you.

Ryan Flanery: Yeah. So again, I would talk to your rep and I assume hopefully by now you've determined who the primary responsible organization is, but if you have any questions it's typically the organization that's responsible for carrying out the day to day and determining the national objective or ensuring that the activity meets the national objective. That's super general guidance and again, if you have specific questions just talk to your rep about it.

Vincent Grady: Okay. Great. So the last question I see in the queue, "Can a demolition activity of 22 units that was in the action plan as LMMI be changed to set aside if the demolition made way for a 114-unit LIHTC project that has 58 units now occupied by households below 50 percent AMI? Only NSP funds were used in this project for demolition."

John Laswick: So my first inclination is to say no. I mean, if you could demonstrate -- because demolition and housing are different activities and demolition typically reduces housing. But what we're looking for in a contribution is a financial contribution to a project and maybe the

NSP money comes in as a loan to cover the gap. That's typically how it comes in. You know, I guess I could see that you could possibly make a case that the demolition costs $1 million and it's a $10 million project and you've got 10 percent of the units.

But I don't think we've actually made that policy call. So I would recommend that you write that one into the -- go to the OneCPD.info website and send that question in and say, send this to HUD, they told us to send this to them and we look at those every week. You know, other people look at them every day, but we review them every week. I think we'd want to talk about that. I mean, I wouldn't rule it out, but I'm not sure right at this point.

Vincent Grady: Okay. Great. So there's one last question. This person is working on a QPR under where activity addresses are entered. There's a box entitled, support information, enter data. When completing this form can changes be made to the information once it is saved?

Ryan Flanery: Yes.

Janine Cuneo: I believe so. Did you say yes, Ryan?

Ryan Flanery: Yes. You can. There is an edit addresses link in the QPR. It's one of those first screens that you see in the edit QPR screen. There's a little link that [inaudible] addresses. There's guidance out there if you, again, Google editing addresses or support information for addresses in DRGR. You will find an FAQ and/or a fact sheet that'll guide you through that process.

Janine Cuneo: I'm thinking we're close to the witching hour and I don't see any more questions in the queue. Anybody have their hands raised that we haven't hit? Do we have any?

Vincent Grady: I don't see any now.

Janine Cuneo: So any additional comments or anything, John, David, Jim or Ryan before we head out?

Ryan Flanery: No. Other than we do have the release coming out March 7th and we really rely -- we're going through a robust test period right now and we're actually going to determine whether or not we move forward with the release today. So it looks we are going to. So we're looking at a March 7th release, but that said, as we've experienced in the past, things are rarely perfect with the releases. So that period immediately after we rely a lot on the end-users, the grantees and HUD staff as well to report issues to us.

So after March 7th I don't think we'll be having a webinar between now and then. So I encourage you that if you do start encountering any issues with the system after that the sooner you report it the quicker we can determine whether it's a widespread issue or not that needs to be fixed.

Jim Yerdon: And do us a favor and take a screenshot and send it to the AAQ team and they will loop us in.

Ryan Flanery: Right. So ask for your help in that area and other than that we're available, the AAQ is available and anything you need from us just let us know.

Janine Cuneo: Great. So just to review for folks, we have the resource library on OneCPD.info, we have the FAQ from the DRGR FAQ, we have all the training materials on DRGR fresh guides on OneCPD.info, you can submit an Ask A Question or you can request more robust technical assistance. As well, I want to remind people, if you have not signed up before for e-mail updates from OneCPD, if you're not getting any please go to OneCPD.info in the top right-hand corner there's a link there that says, e-mail updates.

And you can go ahead and click on that and it gives you a whole list of listservs that you can join. And so I highly recommend that you go through that and subscribe to the listservs that are applicable to the work you do, either it be COCs or DRGR or IDIS or all the above. And for now, thanks, everyone for your great questions coming in. Keep them coming into the AAQ if you have more and good luck as you put these expenditure data in there.

Please pay attention. Expenditure data is required in the system and is needed for you to do. So good luck with everything and have a great rest of your afternoon.

Jim Yerdon: Thanks, Janine.

Ryan Flanery: Thank you.

Janine Cuneo: Thank you.