



# NSP Open Forum Q&A

March 6<sup>th</sup>, 2014  
2:00 PM EST



Community Planning and Development

# Moderators and Host

- **Moderator**

- Jennifer Hylton, Dept. of Housing and Urban Development
- David Noguera, Dept. of Housing and Urban Development
- Hunter Kurtz, Dept. of Housing and Urban Development

- **Host**

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# NSP3 Slow Spenders



# Current NSP3 Expenditures

- As of March 5, 2014
  - \$970 Million Awarded
  - 90.07% Expended
  - **\$96,350,694.99 left to spend**
  - **14 Grantees under 50% Expended**
  - **57 Grantees under 75% Expended**



**WE WILL RECAPTURE NSP3  
FUNDS FROM GRANTEES WHO  
MISS THE DEADLINE**



Before recapturing funds, HUD will take into consideration:

- Commitments made
- Signed contracts



# Rules about Expenditures

- What does “expend” mean?
  - “Expend” = not the same as “drawn down” in DRGR
    - ✓ “Drawn” used as a proxy in HUD DRGR reports
    - ✓ If on accrual method of accounting, accrued costs count
    - ✓ Report expenditures in QPR
- Expenditures incurred by grantees and subrecipients
  - ✓ Ensure expenditure reports from subrecipients are up-to-date



# Rules about Expenditures (cont.)

## Examples:

- ✓ Payments (i.e., cash disbursements) to contractors, employees, homeowners, and other payees
- ✓ Invoiced amounts owed to contractors for goods or other property received or services performed
- ✓ Amounts paid to third party sellers of foreclosed upon real properties





# Rules about Expenditures (cont.)

## Examples (cont.):

- ✓ Accrued salaries (including fringe benefits) of employees
- ✓ Indirect expense incurred (requires indirect cost allocation plan)



# Rules about Expenditures (cont.)

## **Special cases:**

- Payments to developers
  - Retainage amounts
- Disbursements into loss reserves for third party loans
- Lump sum drawdowns (24 CFR 570.513)



# Keeping DRGR Current

- Expenditures include goods and services the grantee has paid for, and are manually entered into the QPR each quarter or as they are incurred.

Activity Funding	<i>Current Quarter</i>	<i>Cumulative</i>
	Apr 1 thru Jun 30, 2011	To Date
<b>Total Projected Budget from All Sources:</b>	N/A	\$9,181,844.95
<b>Total Budget:</b>	\$0.00	\$9,181,844.95
<b>Total Obligated:</b>	\$0.00	\$9,069,404.17
<b>Total Funds Drawdown</b>	\$217,879.14	\$4,838,204.69
Program Funds Drawdown:	\$135,101.84	\$4,725,763.91
Program Income Drawdown:	\$82,777.30	\$112,440.78
<b>Program Income Received:</b>	\$0.00	\$0.00
<b>Total Funds Expended:</b>	\$0.00	\$4,594,745.76
Restore Neighborhoods L.A., Inc. (RNLA)	Expended → \$ <input type="text" value="0.00"/>	\$4,594,745.76
<b>Match Contributed:</b>	\$ <input type="text" value="0.00"/>	\$0.00

Expended →  
Funds Here

# Final Tips – Expenditure Deadline Vs. Closeout

- Grantees do not need to have each unit occupied and meet a National Objective by the Expenditure Deadline.
- That requirement needs to be met by Closeout, and there is NO Deadline for Closeout.



# Final Tips – PI and LOC Funds

NSP Initial Grant: \$2,000,000

Expenditure Deadline Requirement: \$2,000,000

Line of Credit Funds Expended: \$1,250,000

Program Income Earned: \$1,000,000

Program Income Expended: \$750,000

**HAVE THEY MET THEIR DEADLINE?**



# Final Tips – PI and LOC Funds

YES

They spent an amount \$2,000,000 of Line of Credit Funds and Program Income



# Final Tips – Admin Funds

- Grantee **MUST** expend 100% of an amount equal to their initial grant by the expenditure deadline.
- They may not spend less than 100% of their grant and keep the extra for future Administrative costs.
- The extra has not been expended and is subject to recapture.
- BUT Grantees can bank admin spending capacity for future use



# Final Tips – Admin Funds

- NSP Initial Grant: \$2,000,000
- Admin Cap from Initial Grant (10%): \$200,000
- Program Income Earned: \$1,000,000
- Admin Cap from Program Income (10%):  
\$100,000





# Final Tips – Admin Funds

How the Grantee met their Expenditure Deadline

(B) Rehab - \$800,000

(E) Redevelopment - \$1,100,000

Admin - \$100,000

The grantee has expended only \$100,000 of the available \$300,000 for administrative costs.

Therefore the grantee has “Banked” \$200,000 of Admin that they can use after the Expenditure deadline, that can be spent using the remaining PI.



# Questions?



# NSP Webinar Resource Links

## Resources on the OneCPD Resource Exchange

Search the OneCPD Resource Library	<a href="https://onecpd.info/resource-library">https://onecpd.info/resource-library</a>
Search the NSP FAQs	<a href="https://onecpd.info/nsp/faqs/">https://onecpd.info/nsp/faqs/</a>
View All Training Materials	<a href="https://onecpd.info/training-events/courses">https://onecpd.info/training-events/courses</a>
Submit a Policy Question via OneCPD Ask A Question	<a href="https://onecpd.info/ask-a-question">https://onecpd.info/ask-a-question</a>
Request NSP Technical Assistance	<a href="https://onecpd.info/technical-assistance">https://onecpd.info/technical-assistance</a>

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