

NSP Open Forum Q&A

March 6th, 2014 2:00 PM EST



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

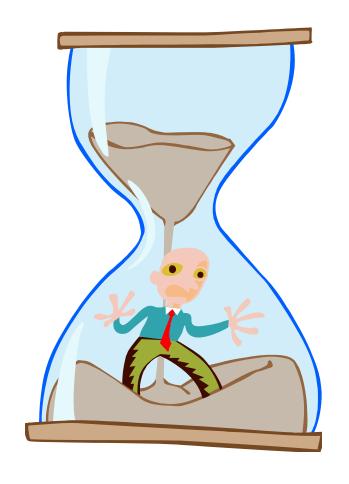
Host

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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.

Current Quarter

Cumulativa

		Current Quarter	Cumulative
Activity Funding		Apr 1 thru Jun 30, 2011	To Date
Total Projected Budget from All Sources:		N/A	\$9,181,844.95
Total Budget:		\$0.00	\$9,181,844.95
Total Obligated:		\$0.00	\$9,069,404.17
Total Funds Drawdown		\$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
Program Income Received:		\$0.00	\$0.00
Total Funds Expended:		\$0.00	\$4,594,745.76
Restore Neighborhoods L.A., Inc. (RNLA)		d \$ 0.00	\$4,594,745.76
Match Contributed:	Funds He	\$ 0.00	\$0.00

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.
- <u>BUT</u> Grantees can bank admin spending capacity<sub>for future use
 </sub>

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 cans 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	https://onecpd.info/resource-library	
Search the NSP FAQs	https://onecpd.info/nsp/faqs/	
View All Training Materials	https://onecpd.info/training-events/courses	
Submit a Policy Question via OneCPD Ask A Question	https://onecpd.info/ask-a-question	
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