



Chapter 23: Financial Overview and Roles | Manage My Financials Module

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Chapter 23: Financial Overview and Roles | Manage My Financials Module

The purpose of this Chapter is to provide a general overview of the **Manage My Financials** module, including guidance related to obligating funds, maintaining vouchers, managing program income, and other related functions such as blocking drawdowns and returning funds to Line of Credit Control System (LOCCS). This Chapter includes tasks performed by authorized Grantee Users (including TA Provider users) as well as tasks performed by HUD users. In this Chapter, authorized users are those with the Request Drawdown or Approve Drawdown role. This Chapter also references “activities,” which is inclusive of “TA work plans” submitted by TA Provider Users in DRGR.

A. Overview of Manage My Financials Module

A1. Create, Approve, and Revise Vouchers

In the **Manage My Financial** module, Grantee Users create, approve, and revise vouchers, also called drawdowns. Vouchers include both requests for payment made by the Grantee against the Grantee’s United States Treasury line of credit (also known as the Grant Award Amount or LOCCS amount) for Grant fund payments for services performed in support of one or more activities. Vouchers also document the use of program income held in the Grantee’s local account. See Chapter 25 – Program Income for more information on receipting and management of program income.

TIP! Grantees cannot create a voucher for an Activity not yet approved by HUD. Action Plan approval required.

All vouchers are created at the *activity level*. Before a Grantee can create a voucher, the Grantee must ensure that:

- The activity shows on an approved Action Plan.
- The activity status is Underway.
- The activity budget has enough funds budgeted and available from a DRGR funding source (e.g., CDBG-DR, NSP, RIF, TA, or PFS) and/or Receipt Funds (Program Income);
- The activity obligation amount is sufficient to cover the voucher amount; and
- The Grantee has two DRGR Users with “Drawdown Roles” - one to request, or create, the voucher, and another to approve the voucher. A summary of the actions that individuals with Drawdown roles can take is provided in the “Grantee Drawdown Roles in the Voucher Creation Process” table below. See Chapter 24 – Obligations and Vouchers for more information on the voucher creation process. See Chapter 5 – User Management and Certifications on how to set up user roles in DRGR.

After a voucher is created, Draw Requestors can also revise open vouchers and vouchers that have been approved. Any Draw Requestor can revise a voucher, even if it was not created by that Draw Requestor. A Draw Approver must approve revised vouchers to complete the revision process.

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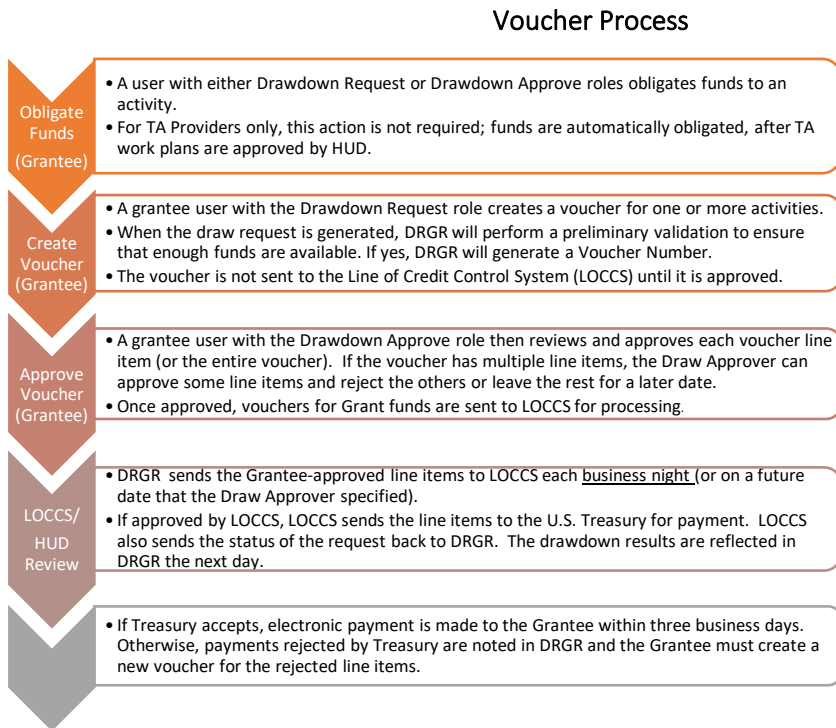
Grantee Drawdown Roles in the Voucher Creation and Approval Process

	Draw Requester	Draw Approver	Notes
Obligate Funds	X	X	Enough funds must be obligated in order to create a voucher. Both Drawdown roles can obligate funds to activities. Note: this action is not applicable to TA Providers.
Search/View Vouchers and Obligations	X	X	Both Drawdown roles can search and view existing obligations and vouchers.
Create of Voucher	X		The Draw Requester initiates the creation of a voucher and selects the activities, amounts, and source of funds (program funds or program income) to draw. The Draw Requestor also includes comments on the voucher and attaches any voucher supporting documents.
Approve/Reject a Voucher Line Item		X	The Draw Approver can approve or reject any voucher line item generated by the Draw Requester. Draw Approvers can also include comments on the voucher.
Revise a Voucher Line Item	X		The Draw Requester can revise open and approved voucher line items.
Approve/Reject a Voucher Revision		X	Voucher revisions must be approved by the Draw Approver just like regular vouchers.
Cancel Voucher Line Item	X		The Draw Requester can cancel a voucher line item only if the voucher line item has not yet been approved.
Revoke Approval of a Voucher Line Item		X	The Draw Approver can revoke an approval only if the voucher line item has not yet been processed by LOCCS.

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The Voucher Process diagram below summarizes the steps a Grantee and HUD will take to complete the voucher process for Grant funds. For more information on voucher creation and approval, see Chapter 24 - Obligations and Vouchers.



TIP! If necessary, Grantees can “revoke” or “cancel” and HUD can “revoke” a voucher (or line item(s)), before the voucher is sent to LOCCS (see Section B below for definition of status terms and Chapter 24 for procedures for these actions. Once a voucher has been paid by Treasury, if the voucher needs to be corrected, the Grantee must revise the voucher line item(s) to another activity, or return funds to LOCCS (see Chapters 24 and 26).

PROGRAM PROCESS RECOMMENDATION:

If a voucher exceeds a drawdown threshold, it is forwarded to HUD for approval before it is submitted to LOCCS. The Grantee must send its HUD CPD Representative supporting documentation to substantiate the over-threshold draw.

To view a Grant’s draw threshold amount, navigate to the Manage My Grants module, locate the Grants menu, select <View Grant>.

A2. Program Income Accounts and Receipts

If a Grantee generates Program Income (PI), they must track program income sources and uses in DRGR. Program Income is revenue directly generated by activities carried out with Grant funds, but Grantees should consult with their CPD Representative regarding what constitutes “Program Income” and if certain thresholds exist in their programs for reporting purposes (e.g., if cumulative annual receipts are less than \$35,000, the Grantee may not be required to report Program Income).

Program Income is managed in DRGR by:



- DRGR users with Request Drawdown or Approve Drawdown roles – see Chapter 5 – User Management and Certifications of this User Manual.
- Budgeting Program Income at the Action Plan, Project, and Activity Level – see Chapters 10 – 14 of this User Manual.
- Creating Program Income Receipts, typically against the activity that generated the PI – see Chapter 25 of this User Manual.
- Drawing Program Income on Vouchers against the activity that expended the PI – see Chapter 23 of this User Manual.
- Optional: Creating Program Income Accounts and RLF Accounts – see Chapter 25 of this User Manual.

B. Glossary of Manage My Financials Module Terms

The following terms are commonly used in reference to the Drawdown Module:

Drawdown: A means by which a Grantee requests funds from their Line of Credit. Also referred to as a “Voucher.”

Drawdown Roles: To carryout drawdown functions, a DRGR User must have one of the following roles, which will dictate which permissions they have:

Draw Requester: This DRGR User can create or “request” a voucher.

Draw Approver: This DRGR User can approve Voucher Line Items created by the Draw Requester.

Drawdown Blocks: HUD can block DRGR users from drawing down funds from activities. When an activity is blocked, all drawdown activity is prohibited until the block is lifted.

Drawdown Threshold: HUD places a limit on the maximum amount of each voucher (i.e. \$5 Million). If a voucher exceeds the limit, the voucher requires HUD approval before the voucher is processed by LOCCS. Grantees must attach supporting documentation to the voucher for HUD review and approval. Thresholds vary by appropriation. Consult with your CPD Representative for further information.

Fund Type: Refers to Program Funds or Program Income.

LOCCS: The Line of Credit Control System (LOCCS) is HUD’s system for processing Program Fund disbursements. DRGR interfaces with LOCCS and wire transfers approved vouchers to the Grantee’s locally designated account.

Maintain: A function in DRGR which allows DRGR Users to act on a Voucher Line Item. For example, if a Draw Approver wishes to approve a Voucher Line Item, the user will need to click “Maintain” on that Voucher Line Item in order to approve the Voucher Line Item. The Maintain function also allows users to revise, reject, revoke, and cancel Voucher Line Items.

Obligate: A means by which funds are committed to an activity. Funds must first be obligated to an activity before funds can be drawn from the activity. The definition of obligation varies by appropriation. Consult with your CPD Representative for further information.

Program Funds: Grant Funds authorized by HUD via the appropriation and subsequent Grant agreement(s).

Program Income: Program Income is revenue directly generated by activities carried out with Grant funds. Consult with your CPD Representative for further information.



Program Income Account: An optional mechanism in DRGR by which a Grantee can “wall off” certain program income receipts from being drawn against other activities. Program Income Accounts should only be used in certain circumstances, such as when a Grantee has a written agreement allowing a subrecipient to retain their program income for other eligible uses. Consult with your CPD Representative for further information.

Program Income Receipt: The process of reporting program income in DRGR. Grantees are required to report all program income in DRGR. A “Receipt” records that program income has been received, and a “Drawdown” (of PI funds) reports the program income has been expended.

Return Funds: A process by which a Grantee has returned funds already drawn in DRGR to LOCCS. Funds are returned, for example, when your CPD Representative requests the funds be returned after discovering the funds were drawn for an illegible use.

Voucher: A means by which a Grantee request funds from their Line of Credit. Also referred to as a “Drawdown.”

Voucher Actions: The following actions can be carried out by a DRGR User with one of the Drawdown Roles with respect to vouchers:

Approve: A Draw Approver can approve one or more Voucher Line Items created by the Draw Requester. Approving a Voucher Line Item will send the voucher to LOCCS for processing.

Create: A Draw Requester can create vouchers, the first step in the creation of a new voucher.

Cancel: A Draw Requester can cancel a Voucher Line Item already created, but not yet approved by the Draw Approver. Cancelling a Voucher Line Item prevents the Draw Approver from approving the Voucher Line Item.

Reject: A Draw Approver can reject one or more Voucher Line Items created by the Draw Requester. Rejecting a Voucher Line Item will prevent the Voucher Line Item from being sent to LOCCS for processing.

Revise: A Draw Requester can revise an existing Voucher Line Item that has already been approved and processed by LOCCS. Voucher revisions are typically used to correct prior mistakes (i.e. due to billing or user error) or, for example, when a cost must be re-categorized by National Objective, or when a payment must be re-associated from one activity to another. Consult with your CPD Representative to help decide whether funds already drawn should be returned to LOCCS, or if a voucher revision is allowable.

Revoke: A Draw Approver can revoke a Voucher Line Item they have approved, only if the Voucher Line Item has not yet been processed by LOCCS. Revoking an approval essentially rescinds the approval, thereby preventing LOCCS from processing the Voucher Line Item.

Voucher Line Item: A voucher can contain one or more Voucher Line Items. DRGR will automatically create a separate Voucher Line Item for every activity and fund type added to a voucher by the Draw Requester.

Voucher Line Item Status: A Voucher Line Item can have one of the following statuses:

Approved: The Voucher Line Item has been approved, but not yet processed by LOCCS. For Program Income Line Items, the final status is “Approved” since program income is not processed by LOCCS.

Completed: The Voucher Line Item has been processed by LOCCS.



Open: The Voucher Line Item has been created and is awaiting further action.

Rejected: The Voucher Line Item has been rejected by the Draw Approver and no further action can be taken.

Revised Pending Approval: A Voucher Line Item has been revised by the Draw Requester and awaits action by the Draw Approver.

Revised: A Voucher Line Item revision initiated by the Draw Requester has been approved by the Draw Approver and is therefore successfully revised from one activity to another (or revised to multiple other activities).