

**American Recovery and Reinvestment Act  
Homelessness Prevention and  
Rapid Re-housing Program**



**Financial Management  
for HPRP**



Sponsored by:  
Office of Special Needs Assistance Programs (SNAPS)  
**U.S. Department of Housing & Urban Development**

Welcome.

Today's webinar was developed to provide information on HUD's requirements for the financial management of HPRP grants.

## Presenters

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- Tom Albanese, Resource Advisor

# WEBINAR INFORMATION

## Purpose

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- Provide Grantees and Subgrantees with an overview of:
  - Standards for Financial Management Systems
  - Tracking and Achieving Financial Targets
  - Fraud Prevention

Today's webinar is designed to provide grantees and subgrantees with an overview of applicable federal requirements relating to financial management systems, financial transactions, audits, financial tracking, and tips for preventing fraud from real examples of HPRP communities. Hopefully, today's webinar will provide participants with useful information related to the requirements and helpful examples, but this webinar should not be a substitute for reading and understanding the applicable requirements discussed here.

## Format

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- Call will last approximately 90 minutes
- All callers are "muted" due to the high number of participants
- Call will be recorded for future use and made available for viewing/download
- If you are having audio difficulties, use telephone instead of computer

## Submitting Questions During the Webinar...

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- Audience members who need clarification on a slide can do so via the “questions” function in the “Go to Webinar” toolbar
- Due to the specific nature of this webinar, the Resource Advisor will not be able to answer questions
- Please submit your questions HUD’s Virtual Help Desk at <http://hudhre.info/HPRP>

## Materials and Evaluation

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- Materials referenced during this webinar can be found on HUD's Homelessness Resource Exchange at <http://hudhre.info/HPRP/>
- Evaluation questions to measure the effectiveness of this call will be emailed out following the call to all participants.

# APPLICABLE FEDERAL REQUIREMENTS



## Sources of Financial Management Requirements

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- HPRP Notice and Recovery Act
- Code of Federal Regulations (CFR)
- OMB Circulars
- Executive Orders

In addition to the HPRP Notice and the Recovery Act requirements, there are three other categories of requirements that affect administrative systems and procedures grantees and their subgrantees must have in place to receive support. They are:

- Federal regulations (found in the Code of Federal Regulations, or CFR) governing administrative and audit requirements for grants and cooperative agreements for which HUD has oversight responsibility,
- Administrative circulars from the Office of Management and Budget (OMB) and Department of Treasury governing cost principles, administrative systems, fiscal procedures, and audit requirements for grantees and their subgrantees, and
- Executive Orders from the Office of the President implementing various equal employment opportunity and environmental policies.

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## Applicable Federal Requirements for Financial Management

	Non-Profit Organizations	Governmental Agencies
Uniform Administrative Requirements	24 CFR Part 84 OMB Circular A-110	24 CFR Part 85
Cost Principles	OMB Circular A-122 OMB Circular A-21*	OMB Circular A-87
Audits	OMB Circular A-133	OMB Circular A-133

[www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars)

The applicability of these administrative requirements depends upon the public or private status of the organization receiving funds. For HPRP subgrantees that are private, non-profit organizations – the key regulations defining administrative requirements are:

- 24 CFR Part 84 are regulations for non-profit organizations that implement OMB Circular A-110 and specify standards relative to cash depositories, bonding and insurance, retention and custodial requirements for records, financial management systems, monitoring and reporting on performance, property management, and procurement.
- Its counterpart for government entities and public agencies, 24 CFR Part 85, is very similar, but not the same. It details standards for financial management systems, payment, allowable costs, property management, procurement, monitoring and reporting program performance, financial reporting, record retention, and termination.
- OMB Circular A-122 (for Non-profit Organizations) and OMB Circular A-21 (for Educational Institutions, both private AND public) and their counterpart for government entities (A-87) - establish principles for determining costs that are allowed to be charged to Federal grants, contracts and other agreements. The principles are designed to ensure that the Federal Government will bear its fair share of costs except where restricted or prohibited by law.
- OMB Circular A-133 (both for non-profits and government entities) - defines audit requirements for both governments and non-profits receiving Federal funds. The document addresses mandated frequency and scope of audits, allowability of audit costs and the process of auditor selection.

All of the above referenced sections of Title 24 regulations and OMB circulars may be accessed at the OMB Website – [www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars)

# STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS

## Purpose of CFR Requirements

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- a) Provide control over and accountability for all funds, property and other assets
- b) Ensure that all costs are "reasonable, allowable, and allocable"
- c) Permit the accurate, complete, and timely disclosure of financial results in accordance with reporting requirements
- d) Minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the grantee/subgrantee

The requirements for financial management systems are found in 24 CFR Part 85.20 for governmental entities and in 24 CFR part 84.21-28 for non-profit entities. The purpose of these requirements is to ensure that a grantee/subgrantee receiving federal funds has a financial management system sufficient to:

- a) Provide effective control over and accountability for all funds, property and other assets;
- b) Identify the source and application of funds for federally-sponsored activities, including the verification that all costs are "reasonable, allowable, and allocable;"
- c) Permit the accurate, complete, and timely disclosure of financial results in accordance with reporting requirements (of HUD or grantee); and
- d) Minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the grantee/subgrantee.

# Financial Management Systems

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- Internal Controls
- Accounting Records
- Budget Controls
- Financial Reporting

Grantees must have in place: internal controls, accounting records, budget controls and financial reporting. The federal regulations provide specific requirements for these financial management systems and should be read in their entirety. These webinar slides should be used as a helpful guide for applying the regulations, but not in place of them.

## Internal Controls

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- Organizational chart – for individuals involved in approving or recording financial transactions
- Written definition of duties – for key employees
- Formal system of authorization and supervision
- Separation of duties – so no one individual has authority over an entire financial transaction

“Internal controls” consist of a combination of procedures, specified job responsibilities, qualified personnel, and records that together create accountability in an organization’s financial system and safeguard its cash, property, and other assets. Some of the basic elements that an organization should consider in developing its system of internal controls include:

- An organizational chart setting forth the actual lines of responsibility of individuals involved in approving or recording financial transactions.
- Written definition of the duties of key employees.
- A formal system of authorization and supervision sufficient to provide accounting control over assets, liabilities, receipts and expenditures. This should include:
  - Maintenance of a policy manual specifying approval authority for financial transactions and guidelines for controlling expenditures.
  - Written procedures for the recording of transactions as well as an accounting manual and a chart of accounts (will cover in an upcoming slide under Accounting Records).
- Separation of duties specifically involves the separation of three types of responsibilities: 1. authorization to execute a transaction, 2. recording of the transaction, and 3. custody of the assets involved in the transaction. No one person should have control of more than one of these functional responsibilities. It is often beneficial to have different individuals or even different departments handle the various steps in processing a transaction. First, separation provides “more eyes” on a transaction, resulting in cross-checking by multiple people and second, protects against the appearance of (or commission of) fraud. In organizations with very limited staff, however, it may be difficult to achieve an optimal separation of duties. In these cases, the most critical functional areas are separation between custody for cash, record keeping for cash, and control of assets easily converted to cash.

## Internal Controls

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- Hiring policies – to ensure qualifications meet level of responsibility
- Control over access to assets, blank forms and confidential documents
- Comparisons of financial records to actual assets

•Hiring policies to ensure that staff qualifications are commensurate with job responsibilities.

•Control over access to assets, blank forms and confidential documents. Physical access to records, blank forms, cash, and other assets should be limited to authorized personnel only. For example, access to accounting records should be limited to only those individuals having record-keeping or supervisory responsibility for them.

•Periodic comparisons of financial records to actual assets and liabilities (reconciliation), with corrective action taken in response to any discrepancies. As with separation of duties, this is a crucial exercise to uncover and correct inadvertent record-keeping errors in a timely manner. It is also essential for identifying potential weaknesses in an organization's system for safeguarding resources as well as possible instances of fraud or misuse of assets.

## Accounting Records

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- Accounting system should contain the following elements:
  - Chart of accounts
  - Cash receipts journal
  - Cash disbursements journal
  - Payroll journal
  - General ledger
- Be secured in a limited access area

Grantees and their subgrantees should have accounting records that adequately identify the source and application of HPRP funds provided to them. To meet this requirement, the accounting system should include at least the following elements:

- A chart of accounts – a list of names and the numbering system for the individual accounts that contains the basic information about particular classifications of financial transactions for the organization.
- A cash receipts journal – documents chronologically when funds were received, in what amounts, and from what sources.
- A cash disbursements journal – documents chronologically the expenditures of the organization (when the expense occurred, how much was spent, to whom funds were paid and for what purpose).
- A payroll ledger documents the organization's expenses on salaries and benefits and distinguishes different categories for regulatory purposes.
- A general ledger – summarized chronologically the activity and financial status of all the accounts of an organization

The internal control requirements provide for the separation of duties and the secure storage of accounting records in limited access areas.



## Timely & Accurate Data

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- System should contain reliable and up-to-date information about the sources and uses of funds, including:
  - Current authorization and obligation of HPRP funds
  - Unobligated balances
  - Assets and liabilities

Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures and income (24 CFR 85.20).

It is important that the accounting systems contain timely and accurate data regarding: the current authorization and obligation of funds, any unobligated balances, and existing assets and liabilities.

## Timely & Accurate Data

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Grantee: Anytown USA - \$4,000,000 HPRP

Subgrantee: Hometown Neighborhood  
Services – Case Manager, 34 months

Project start – 12/1/09

Budget - \$102,000 (\$3,000/month)

As of 5/30/10

Projected Expenditures - \$18,000

Actual Expenditures - \$15,000

Here's an example of why grantees need to have their Subgrantees, such as Hometown Neighborhood Services, draw funds and report financial data in a timely manner. Anytown USA, as the grantee, needs to be able to effectively track the financial status of the HPRP grant.

In this example, a Case Manager (providing relocation and housing search assistance to HPRP clients) budgeted at \$3,000/month (salary and fringe benefit costs) is behind its projections, perhaps because of delays in hiring. Hometown may need to consider reducing the budget by \$3,000 and reallocating the funds to another activity that can use these funds or letting the grantee know, so they can reallocate funds to another subgrantee who needs them.

If you do not keep an ongoing record, though, it would be easy to get caught off guard and not be able to think through the ways to reallocate resources before it's too late.

## Budget Controls

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- Monitor obligations and expenditures against approved budget for HPRP activities, by:
  - Maintaining in accounting records the amounts budgeted for eligible activities
  - Creating a system for “rolling up” expenditures of subgrantees
  - Periodically comparing actual obligations and expenditures to date against planned obligations and expenditures

The grantee and each subgrantee must have a system for tracking and comparing actual obligations and expenditures against the approved HPRP budget by activity category: financial assistance, housing relocation and stabilization, data collection and reporting and administration. In order to do this, grantees should be able to combine multiple subgrantees' invoices and compare them against the individual and collective budgets. It is critical that grantees and subgrantees maintain close watch over the progress achieved for the amount of funds expended, both to ensure the timely expenditure of funds, but also to stay within the allocated budget.

## Cash Management

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- May be paid in advance
- Must minimize time elapsing between transfer of funds and disbursement by grantee or subgrantee
- Working capital advance (30 days' cash needs) needs HUD approval
- Timely draw down of funds
- Interest earned on advances

Grantees must maintain or demonstrate their willingness and ability to have procedures in place (this includes written procedures and financial management systems) to minimize the time elapsing between the transfer of fund and their disbursement by the grantee or subgrantee.

A working capital advance, as described in 24 CFR parts 84.22 and 85.21, is a special situation where grantees or subgrantees cannot meet the regular criteria for cash advances or reimbursements. They can receive an advance of funds up to a maximum of 30 days' cash needs, and you need to talk with your local field office to get approval to do this.

HUD requires that the grantee draw down funds at least quarterly from IDIS – however, monthly draws are preferred.

If a grantee has an interest-bearing account, all but \$100 per year for eligible administrative costs must be remitted to HUD at least quarterly.

# HPRP REQUIREMENTS FOR BUDGETS AND REPORTING

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## Budget Revision

- Change HPRP budgets via Substantial Amendment process
- Consult citizen participation plan for what level of change requires local citizen participation
- Submit revision to Field Office with copy to HPRP Desk Officer

There have been a number of questions submitted to the Help Desk regarding whether or not there is flexibility to adjust budgets among the four eligible funding areas during the contract period.

And the answer is this: HPRP grantees may adjust budgeted amounts for the eligible activities by amending their Substantial Amendment.

A grantee should consult its citizen participation plan to determine if the grantee provides a threshold amount for budget changes for which local citizen participation and consultation is required. Some plans require that any changes over a certain amount – for example, 10% or 20% - need to be advertized publicly and comments sought on the change, and then it would need HUD approval. It requires a little extra time and effort, but it is not worth being tied to a budget that doesn't meet the local need.

When a budget is revised, the changed Substantial Amendment must be submitted to the local Field Office, and please “cc” the headquarters HPRP Desk Officer. Also, the HPRP grantee must document changes in IDIS via funds committed to projects and activities. The grantee should use its own internal process to document grant agreement changes with subgrantees.

## Example: Budget Revision

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### Financial Assistance – Re-Housing

Target Budget	\$50,000
Projected to date	\$25,000
Actual to date	\$15,000

### Financial Assistance – Prevention

Target Budget	\$75,000
Projected to date	\$50,000
Actual to date	\$70,000

In this example, the agency providing services projected to use \$25,000 in financial assistance for re-housing activities, but has only used \$15,000 to date. They have had more demand for prevention assistance than they anticipated: they projected only \$50,000 in financial assistance for prevention and have used \$70,000. They expect that if they continue as they are currently operating, they will need well beyond the \$75,000 initially budgeted. This agency and its grantee has several levels of decisions to make:

1. Do they change the way they are providing service at a programmatic level – cap the amount of rent subsidy provided per household?
2. Do they look at their overall budget to look at moving funds between line items? Or,
3. Do they request additional funds from the grantee from, perhaps, an agency that is not meeting its projections?

## Financial Reporting QPR/APR

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**Expenditures by Activity**

In the cells below, enter the amount of funds expended (costs incurred, not necessarily drawn down) for each activity type, in the current quarter and for the grant period. If no expenditure is incurred and reported in the grantee's financial system for the current quarter, report 0 below. This data will not necessarily reflect draws in IDIS.

\* Expenditures (\$)

Activities	Homelessness Prevention		Homeless Assistance		Total	
	Quarter	Grant to State	Quarter	Grant to State	Quarter	Grant to State
Financial Assistance					0	0
Housing Relocation & Stabilization Services					0	0
Data Collection & Evaluation						
Administration						
TOTAL					0	0

All fields must be completed in order to submit the form.

Financial reports prepared by a grantee/subgrantee must be accurate, timely, current and represent a complete disclosure of the financial activity and status of each federal grant program under which assistance is received. Creating financial reports allows the subgrantee to be aware of their own status and provide that information to the grantee. For the grantee, it allows them to also know how they are expending their grant, but also facilitates federal reporting requirements for the QPR and APR in e-snaps, IDIS drawdowns, etc.

This slide shows you the screen shot for the “Expenditures by Activity” form in e-snaps. This form collects data on the HPRP expenditures during the reporting periods by the four eligible HPRP activities (Financial Assistance, Housing Relocation and Stabilization Services, Data Collection and Evaluation, and Administration). Similar to the budget submitted as part of the grantee’s substantial amendment, this form requires the grantee to enter information both by eligible activity category (financial assistance, housing relocation and stabilization services, etc.) and by type of eligible participant (homelessness prevention or rapid re-housing/homeless assistance). The amounts entered here can be generated from your accounting system and may be reported on either a cash or accrual basis. HUD does not dictate which basis you must use for reporting, and requires only that you can support the amounts reported and that you report them using a consistent basis over the course of the HPRP grant. These amounts do not need to match IDIS reports and HUD will not expect that they do.



25	<h2 style="text-align: center;">Financial Reporting IDIS</h2>
	<ul style="list-style-type: none"><li>■ For HPRP, IDIS is a disbursement and financial reporting tool</li><li>■ Draw down funds in IDIS expeditiously</li><li>■ Do not co-mingle ESG and HPRP funds</li><li>■ Follow IDIS Instructions for HPRP grantees for defining projects and activities, naming conventions, etc.</li></ul>

- Use IDIS to draw down funds only; do not report accomplishments
- Because HPRP is funded with stimulus money, it's important to draw down funds in IDIS expediently. Grantees should draw down at least monthly, and never less often than quarterly. HUD monitors draws on a weekly basis and contacts slow spenders. HUD is using IDIS draws to track the 60% expenditure baseline, not grantee financial systems. As you know, the 60% deadline occurs 2 years from the date the HUD Field Office signed your grant agreement. This is especially important if grantees use a cash accounting system, where expenses are not counted until a bill is actually paid. Grantees will need to pull reports in IDIS to monitor that they will meet the expenditure deadline and, as the deadline draws near, they may need to accrue the additional expenses for drawdown if needed to meet the 60% deadline.
- Recovery Act funds, such as HPRP, should never be co-mingled with ESG or other entitlement funds; set up and track by separate activities if using both sources in the same activity.
- Following the IDIS instructions for HPRP grantees is important. They provide detailed information on defining HPRP projects and activities, naming conventions, and other details that will make the IDIS reports useful. The instructions are available from the IDIS log-in screen.

# IDIS General Financial Reports

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Report	Purpose	Displays
PR05 - Drawdown Report by Project and Activity	Provides detailed drawdown data for each HPRP activity. Includes just completed draws.	Program year/project, activity ID, voucher number, line item, voucher status, LOCCS send date, grant #, fund type, drawn amount.
PR07 - Drawdown Report by Voucher Number	Details all drawdown vouchers in date order (not organized by Activity).	Voucher and line #, activity ID, voucher created, voucher status, status date, LOCCS send date, grant number, fund type, TIN #'s, Program, draw down amount.
PR60 – HPRP Financial Summary (Part A and Part B)	Provides a general financial summary of HPRP activities to help monitor commitments and expenditures	Part A: amount and percent of HPRP funds committed and expended by Activity Category (includes completed <u>and</u> open vouchers)  Part B: provides a summary of expenditures by reporting quarter (currently not working)
PR61 – HPRP Expenditure Deadline Report	Helps track progress in meeting the two-year and three-year expenditure requirements	Grant amount, funds expended to date, two- and three-year threshold dates, days remaining to meet the expenditure requirement.

There are several general IDIS reports that are helpful for tracking the financial status of HPRP activities.

The PR05 and PR07 reports are helpful for monitoring and reconciling disbursements in IDIS. They both track each voucher line and include dates and amounts drawn, but the PR05 is organized by projects and activities, while the PR07 is organized by voucher in date order.

There are also three HPRP-specific reports that provide financial information by activity category and dates. Grantees and HUD field office staff can use the PR60A report to monitor commitments, expenditures, and the PR60B report to monitor required quarterly draws. Note that both the PR60A and PR60B reports include both open and completed draws – so not all draws are necessarily completed. Also note that there is currently a problem with Part B of the PR60 report, which tracks expenditures by quarter – programmers are working to fix the report. The PR61 report is specifically designed to help track expenditures against grantees two- and three-year expenditure requirements.

Also, please note that since the PR05 and PR07 no longer track pending and approved draws, these two reports may not match the PR60 and PR61 exactly, since the PR60 and PR61 include pending and approved draws.

# FINANCIAL TRANSACTIONS

# Cost Principles

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- **Reasonable**
  - Recognized as ordinary and necessary
  - Individuals concerned acted with prudence
- **Allowable**
  - Conform to limitations or exclusions
  - Be adequately documented
- **Allocable**
  - Incurred specifically for the award
  - Can be distributed in reasonable proportion to the benefits received

The mantra for cost principles is – a cost must be reasonable, allowable and allocable.

A cost is **reasonable** if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the same circumstances.

To be **allowable** under an award, a cost must:

1. Conform to any limitations or exclusions set forth in OMB Circular A-122 or A-87 or in the HPRP Notice as to types or amount of cost items; and
2. Be adequately documented.

A cost is **allocable** if it is:

1. Incurred specifically for the award;
2. Benefit both the award and other work and can be distributed in reasonable proportion to the benefits received; or
3. Necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.

## Reasonable Costs

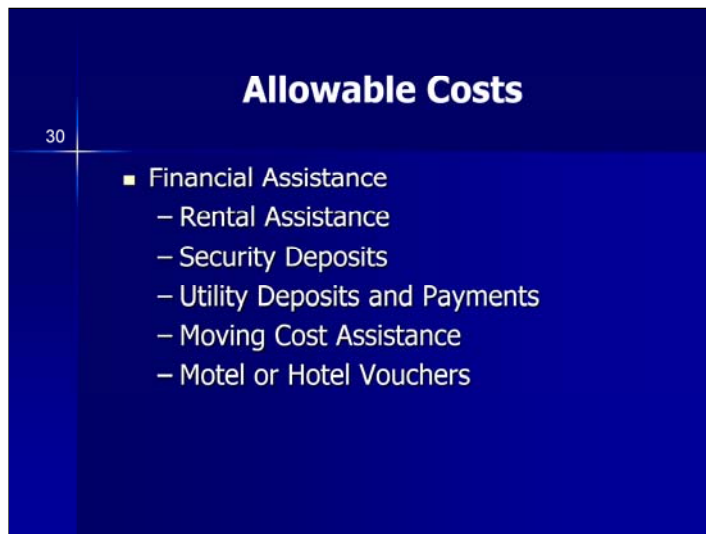
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- Get multiple quotes
- Show prevailing rate
- Pre-negotiate rates with vendors

Agencies need to be able to document that their costs are reasonable.

Some ways to show that a cost is reasonable are to:

- Get 3 quotes from different businesses. For example, for a storage unit.
- Show the cost is the prevailing rate in the area. For example, for hotel/motel costs – if you are in an area of the state where there are not a lot of hotels, maybe only 2 in the area, price out both. An example that would not be reasonable would be if you put a family at the Hilton Hotel for \$500/night when there were two other hotels offering rates at \$89/night.
- Consider pre-negotiating rates with some vendors and show that process, then it can be used as documentation across multiple clients and does not have to be onerous. For example, you could negotiate with a moving company for multiple moves.



For a full list of both general (not HPRP-specific) allowable and unallowable costs: see OMB Circulars A-122 (for Non-Profit Orgs) and A-87 (for state and local Government). For HPRP-specific allowable and unallowable costs (also called eligible and ineligible), see the HPRP Notice and FAQs for a full listing.

The three questions that need to keep going through your mind are: 1. Is it reasonable? 2. Is it allowable? 3. Is it allocable?

All of the below and allocable costs:

- Rental/utility assistance up to 18 months per household.
- Payment of arrears limited to 6 months or less
- Moving cost assistance relates only to truck rental fees, moving company fees, short-term storage, etc. Transportation costs for participants - e.g., bus, train, plane tickets, mileage - are NOT eligible.
- Hotel/motel vouchers can be used for up to a maximum of 30 days and ONLY when rental housing has been identified but is not immediately available for move-in by the participant AND IF no appropriate shelter beds are available.

REMEMBER – Payments must be made to 3<sup>rd</sup> parties – landlord, utility company, moving company – not given to participants.



All of the below are allowable costs:

- Case management -- Arrangement, coordination, monitoring and delivery of services related to meeting the housing needs of program participants and component services and activities including: counseling; monitoring and evaluating program participant progress, ensuring program participant's rights are protected; and developing an individualized housing and services plan, including a path to permanent housing stability subsequent to HPRP assistance.
- Outreach – Publicize the availability of programs to make people aware of services. Some communities have gotten very creative in how they are reaching out to the community to let them know about this program – that, in itself, is good. However, before using funds for non-traditional purposes, please ask yourself: 1. Is this the best use of the funds for the intended outcome and 2. Does it pass the “headline test”? The “headline test” means – if a reporter heard about this, would it make tomorrow's headline? If it would be in the headlines, it probably fails to meet the criteria for what is reasonable (reasonable, allowable and allocable).
- Housing Search and Placement – Includes services or activities designed to assist households in locating, obtaining and retaining suitable housing. Component services may include: tenant counseling; assisting individuals and families to understand leases; securing utilities; making moving arrangements; providing representative payee services concerning rent and utilities; and mediation and outreach to property owners related to locating or retaining housing.
- Legal Services – Includes services to help people stay in their homes, such as services or activities provided by a lawyer or persons under the supervision of a lawyer to assist participants with legal advice and representation in administrative or court proceedings related to landlord/tenant matters or housing issues.
- Credit Repair – Including services that are targeted to assist participants with critical skills related to household budgeting, money management, accessing a free personal credit report, and resolving personal credit issues.

## Allowable Costs

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- Data Collection and Evaluation
  - Purchase of HMIS Software and/or user licenses
  - Leasing or purchasing computer equipment for providers and central server
  - Costs associated with data collection, entry and analysis
  - Staffing associated with operation of HMIS (including training)

Only those jurisdictions that do not have an HMIS already implemented may use a portion of funds for HMIS implementation or start-up activities.

The allowable costs for Data Collection are listed on this slide. Also, evaluation includes HUD-sponsored research and evaluation of HPRP



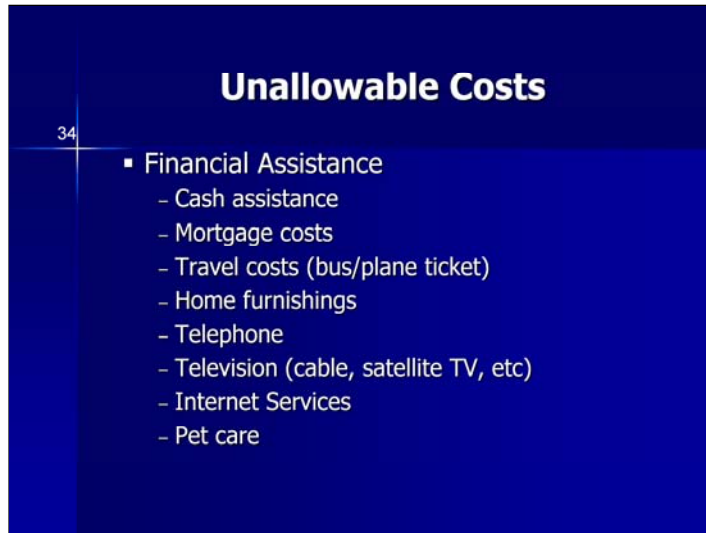
## Allowable Costs

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- Administrative Costs
  - Accounting for the use of grant funds
  - Preparing reports for submission to HUD
  - Obtaining program audits
  - Similar costs related to administering grant after the award
  - Grantee or subgrantee staff salaries associated with administering grant
  - Staff training

The allowable costs for Administration are listed on this slide.

For more information, please review the HPRP Notice.



All of the following are ineligible costs for HPRP funds, and listed in the HPRP Notice (listed on the slide)

Also, please remember that ALL payments MUST be made to 3<sup>rd</sup> parties (i.e. landlord, utility company, etc)

## Unallowable Costs

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- Housing Relocation and Stabilization Services
  - Work or education-related materials
  - Childcare
  - Employment training
  - Food assistance
  - Healthcare bills
  - Credit card bills or other consumer debt
  - Car repair or other transportation costs

Services that are being funded through other Recovery Act programs – like child care and employment training – are ineligible costs for HPRP funds. As well as (on slide) – all of which are listed in the HPRP Notice.

Also, please remember that ALL payments MUST be made to 3<sup>rd</sup> parties (i.e. landlord, utility company, etc)

## Unallowable Costs

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- Data Collection and Evaluation
  - Planning and development of HMIS systems
  - Development of new software systems
  - Replacing state and local government funding for existing HMIS implementations
  - Local evaluation studies not sponsored by HUD

## Unallowable Costs

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- Administrative Costs
  - Entertainment costs
  - Idle facilities and idle capacity
  - Losses on other federal awards
  - Contingency reserves
  - Contributions
  - Certifications, licenses and general training classes for staff

No more than 5% of the total HPRP grant may be spent on administrative costs.

## Adequate Source Documentation

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- Evidence that costs were:
  - incurred during grant period
  - actually paid (or properly accrued)
  - expended on allowable items for eligible participants
  - had been approved by responsible official

The general standard is that all accounting records must be supported by source documentation. Supporting documentation is necessary to show that costs charged against HPRP funds were incurred during the effective period of the grantee's agreement with HUD (or subgrantee's agreement with the grantee), were actually paid out (or properly accrued), were expended on allowable items, and had been approved by the responsible official in the organization.

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## Adequate Source Documentation

- Rental Assistance:
  - Lease confirming participant and landlord's names and payment address, a bill or paid invoice, and official recommendation and approval for payment
- Moving Costs:
  - Invoice or payment request from the moving company to the participant

The source documentation must explain the basis of the costs incurred as well as show the actual dates and amount of expenditures.

The two examples on this slide would be for a grantee providing direct assistance (on slide).

Other examples of source documentation include: invoices, contracts, purchase orders and a remittance advance.

## Staffing Costs

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- Timesheets must:
  - Reflect an after-the-fact distribution of the actual activity of each employee
  - Must account for the total activity for which each employee is compensated
  - Must be prepared at least monthly and must coincide with one or more pay periods
  - Must be signed by the employee and approved by supervisor
- Certifications for Employees ONLY working on HPRP

### Salaries/Wages:

Timesheets, activity tracking logs, etc. need to document the actual time the staff worked on HPRP duties.

Salaries and wages need to have supporting documentation (job descriptions) that shows they are necessary and reasonable. Time sheets must be maintained for all personnel whose time in whole, or in part, is charged to HPRP. Those time sheets must:

- Reflect “after-the-fact determination” (cannot be done ahead of time) of actual activity of each employee
- Account for employee’s total time – and actual time, not percentages (Indicate total number of hours worked each day)
- Be prepared at least monthly and coincide with one or more payrolls
- Be signed by employee and approved by supervisor

If salaries are being paid from more than one source, the financial records need to define payments among the funding sources.

For employees that work only on HPRP, the charges for their salaries need to have at least semi-annual certifications (signed by the employee and supervisor) that the employee only worked on this program for that time period.



## Program Income

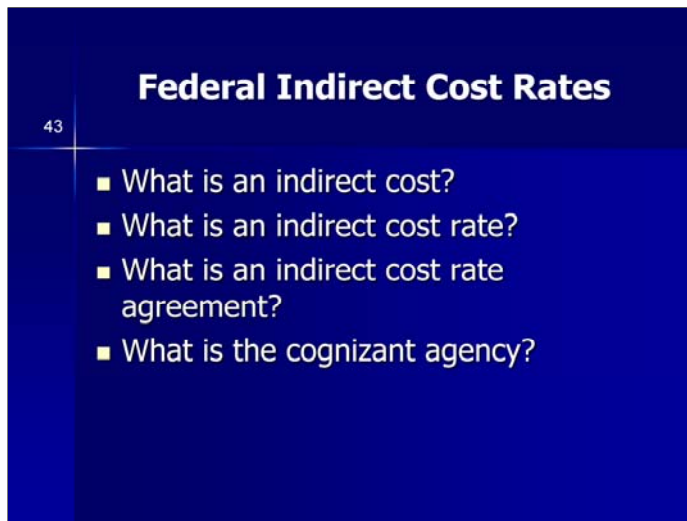
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- Used to reduce Federal agency and grantee contributions rather than increase funds committed to the project
- Income after the award period

A grantee or its subgrantees can set a policy about the return of security and/or utility deposits. If the deposit gets sent back to the agency, the money must be treated as program income. If program income is incurred during the 3-year HPRP grant period, it is ordinarily deducted from total allowable costs. So, if an agency is administering a grant of \$20,000 and receives back \$2,000 from returned security deposits, they must use that money for program costs and only drawdown \$18,000 of their grant amount.

If the deposits are sent back to the agency after the end of the HPRP grant period, however, there are no federal requirements governing the disposition of program income earned after the end of the award period.

# INDIRECT COSTS



In addition to the direct costs discussed previously, indirect costs may be charged to the HPRP grant.

Indirect costs are those:

- (a) incurred for a common or joint purpose benefiting more than one cost objective, and
- (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

Indirect costs can be charged against a direct cost base for each HPRP activity (Financial Assistance, Housing Relocation and Stabilization Services, Data Collection and Evaluation, and Administration). However, the total grant administration costs charged to the grant, including both direct and indirect costs, must not exceed 5% of the grantee's total HPRP grant amount.

An **indirect cost** rate is a tool for determining the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the indirect costs to a direct cost base. The procedures for developing indirect cost allocation rate for government entities are in OMB Circular A-87 and for non-profit organizations are described in OMB Circular A-122.

An indirect cost agreement is a document that formalizes the indirect cost rate negotiation process. This document typically contains:

- The type of rate(s) negotiated;
- The effective period(s) of the rate(s);
- The location(s) to which the rate(s) is/are applicable; and,
- The program(s) to which the rate(s) is/are applicable.

It also provides information on the base(s) used to distribute indirect costs, and the treatment of fringe benefits and paid absences.

The indirect cost negotiation agreement must be signed by both the organization's authorized representative and the authorized representative of the Cognizant Agency.

For some governmental units, the cognizant agency has been designated, but in general, the cognizant agency is the agency that provides the largest share of an organizations federal funds.

## Indirect Cost Guidance for HPRP

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- If agency has an established indirect cost rate, indirect costs can be charged against HPRP grant from inception of program
- Charges need to be made by activity category as shown in the next several slides

In general, HPRP grant funds may be used to pay indirect costs in accordance with OMB Circular A-87 or A-122, as applicable. Indirect costs may be allocated to each eligible HPRP activity, including grant administration, so long as that allocation is consistent with an indirect cost proposal developed in accordance with OMB Circular A-122 (for non-profit organizations) or OMB Circular A-87 (for local governments). Note that an indirect cost proposal developed by a non-profit organization must be submitted to its cognizant agency for negotiation of an indirect cost rate as required by OMB Circular A-122. Indirect cost proposals developed by a governmental grantee must be retained for audit in accordance with the records retention requirements contained in 24 CFR part 85 and must be submitted to its cognizant agency for negotiation of an indirect cost rate when required by OMB Circular A-87. The total grant administration costs charged to the grant, including both direct and indirect costs, must not exceed 5% of the grantee's total HPRP grant amount.

This guidance updates earlier guidance in which grantees and subgrantees were asked only to charge direct costs to each activity. HUD recognizes that taking a cost that is part of the indirect cost pool out of the indirect cost pool to directly charge it to HPRP would complicate previously established and approved indirect cost agreements for other grant programs and other Federal agencies. Since the OMB circulars prohibit the same cost from being charged both directly and indirectly, this new guidance should alleviate this conflict for grantees and allow them to cover their overhead costs for each activity. This guidance permits the charging of indirect costs incurred since the inception of your program.

HUD expects that many grantees will have budget changes as a result of this indirect cost policy and they should follow the steps discussed earlier to submit budget changes.

## Applying Indirect Cost Rate Labor Base

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	Homelessness Prevention	Homelessness Assistance	Subtotal
<b>Financial Assistance</b>			
Bookkeeper	\$ 500	\$ 750	\$ 1,250
<b>Subtotal Salaries</b>	<b>\$ 500</b>	<b>\$ 750</b>	<b>\$ 1,250</b>
Fringe (12% of salary)	\$ 60	\$ 90	\$ 150
<b>Total Salaries &amp; Fringe</b>	<b>\$ 560</b>	<b>\$ 840</b>	<b>\$ 1,400</b>
Rent	\$ 7,500	\$ 5,675	\$ 13,175
Security deposits	1,000	3,000	4,000
Utilities	150	675	825
Hotel and motel vouchers	-	742	742
<b>Subtotal</b>	<b>\$ 8,650</b>	<b>\$ 10,092</b>	<b>\$ 18,742</b>
<b>Indirect Costs (15% rate applied to Labor only)</b>	<b>\$ 75</b>	<b>\$ 113</b>	<b>\$ 188</b>
<b>Total FA</b>	<b>\$ 9,285</b>	<b>\$ 11,045</b>	<b>\$ 20,330</b>

The most common distribution bases are (i) the direct salaries and wages incurred by the organization; (ii) the direct salaries and wages and the direct fringe benefits incurred by the organization; and (iii) total direct costs incurred by the organization (under any HPRP activity), except for distorting item such as capital expenditures, subcontract amounts over \$25,000, and flow-through funds (including Financial Assistance payments).

This example illustrates the application of a 15% indirect cost rate to a Labor base.

Please note that all labor in each activity (Financial Assistance, Housing Relocation and Stabilization Services, Data Collection and Evaluation, and Administration) would be used to calculate indirect costs for each HPRP activity. This calculation would be done for each Activity and the indirect amount would be added to the total for each Activity and that amount would be reported in e-snaps.

## Applying Indirect Cost Rate Labor & Fringe Base

	Homelessness Prevention	Homelessness Assistance	Subtotal
<b>Financial Assistance</b>			
Bookkeeper	\$ 500	\$ 750	\$ 1,250
Subtotal Salaries	\$ 500	\$ 750	\$ 1,250
Fringe (12% of salary)	\$ 60	\$ 90	\$ 150
<b>Total Salaries &amp; Fringe</b>	<b>\$ 560</b>	<b>\$ 840</b>	<b>\$ 1,400</b>
Rent	\$ 7,500	\$ 5,675	\$ 13,175
Security deposits	1,000	3,000	4,000
Utilities	150	675	825
Hotel and motel vouchers	-	742	742
Subtotal	\$ 8,650	\$ 10,092	\$ 18,742
<b>Indirect Costs (15% rate     applied to Labor + Fringe)</b>	<b>\$ 84</b>	<b>\$ 126</b>	<b>\$ 210</b>
<b>Total FA</b>	<b>\$ 9,294</b>	<b>\$ 11,058</b>	<b>\$ 20,352</b>

This example illustrates the application of the 15% indirect cost rate to a base of both Labor and Fringe.

## Applying Indirect Cost Rate MTDC Base

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	Homelessness Prevention	Homelessness Assistance	Subtotal
<b>Financial Assistance</b>			
Bookkeeper	\$ 500	\$ 750	\$ 1,250
Subtotal Salaries	\$ 500	\$ 750	\$ 1,250
Fringe (12% of salary)	\$ 60	\$ 90	\$ 150
<b>Total Salaries &amp; Fringe</b>	<b>\$ 560</b>	<b>\$ 840</b>	<b>\$ 1,400</b>
Rent	\$ 7,500	\$ 5,675	\$ 13,175
Security deposits	1,000	3,000	4,000
Utilities	150	675	825
Hotel and motel vouchers	-	742	742
Subtotal	\$ 8,650	\$ 10,092	\$ 18,742
<b>Indirect Costs (15% rate     applied to MTDC)</b>	<b>\$ 84</b>	<b>\$ 126</b>	<b>\$ 210</b>
<b>Total FA</b>	<b>\$ 9,294</b>	<b>\$ 11,058</b>	<b>\$ 20,352</b>

Another common base for charging indirect costs is the Modified Total Direct Cost Base – which includes Labor, Fringe and other Direct Costs but EXCLUDES distorting costs such as capital expenditures, contract or subgrant amounts in excess of \$25,000, and pass-through costs. Financial Assistance payments on behalf of participants are considered pass-through costs.

The rationale is that it does not cost any more to write a check to a landlord for \$100 than it would for \$1000 – therefore, these types of pass-through costs may not be used as a base for indirect cost calculations.

48	<h2 style="text-align: center;">Indirect Cost Guidance for HPRP</h2>
	<ul style="list-style-type: none"><li>■ <b>Maintain documentation</b><ul style="list-style-type: none"><li>– Developed in accordance with OMB Circular (A-87 or A-122, as applicable) and GAAP</li><li>– Signed indirect cost rate agreement</li></ul></li><li>■ <b>Prevent double-charging</b><ul style="list-style-type: none"><li>– Cannot be both direct and indirect</li></ul></li></ul>

For monitoring purposes, grantees and subgrantees need to maintain documentation that the indirect rate they are using and the direct cost base against which it were applied was developed in accordance with the applicable OMB Circular. The supporting documentation should be maintained by each grantee and subgrantee, as applicable, at their respective locations. HPRP staff will apply this guidance for each voucher drawdown we review to ensure that indirect charges are applied correctly.

Any salaries that are part of the indirect cost pool (bookkeeper, CEO, administrative staff) may NOT also be charged as direct labor. This prevents double-charging for the same salary. If a salary (and/or associated fringe benefits) is directly charged to HPRP under one of the activity categories, indirect costs may be applied to it. If however, it is part of the indirect cost pool, it, as part of the indirect cost rate, then it can only be charged to HPRP using the indirect cost rate applied to the selected direct cost base for each activity.



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## Indirect Cost Guidance for HPRP

- *e-snaps* reporting
  - Calculate indirect costs and add them to totals in each activity
- Subgrantees work with grantee
- Can apply policy retroactively, but not required to do so

For reporting purposes, there are no line items in e-snaps to report specific costs (labor, fringe, other direct costs, or indirect costs). Please calculate indirect costs on the selected base for each category and add them to the totals in each applicable activity. While e-snaps doesn't require the breakdown of costs, grantees and subgrantees must be able to support amounts reported in e-snaps with proper supporting documentation for costs incurred and to support how indirect costs were calculated and charged to the program.

This guidance permits the charging of indirect costs incurred since the inception of a grantee's program, if the grantee has not already charged those costs. Grantees that have already charged indirect costs are not required to make changes or modifications to charges previously made, but should make changes moving forward to ensure they are in compliance with the guidance outlined above.

Like many aspects of HPRP, grantees set the policy for their areas. We are saying what is possible, but grantees can be more restrictive. Grantees are responsible for knowing what the subgrantees are doing, as well.

## Establishing an Indirect Cost Rate

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- For non-profit agencies that do not have an indirect cost rate agreement, consider:
  - Amount of federal funds administered
  - Amount of indirect costs that could be recovered
  - Resources necessary to go through process
- Contact your local Field Office for more information on how to submit an indirect cost rate proposal

For those agencies that would benefit from being able to use an indirect cost rate, HUD strongly encourages that an indirect cost rate proposal be developed. Non-profits or government agencies that are interested in submitting an indirect cost rate proposal should contact their Field Office for more information. Also, on the resource slides at the end of the presentation are some useful websites from the Department of the Interior (Acquisition Services Directorate) and Department of Health and Human Services (Division of Cost Allocation).

For non-profits that do not yet have an indirect cost rate agreement, there are three things they need to consider:

1. What amount of federal funds does the agency administer annually? Is HPRP the first and only federal funds that the agency has administered or does the agency administer funds from various other programs?
2. Is the agency losing money because they are not able to charge indirect costs to the federal grants they administer?
3. Does the agency have the skills, expertise and staff capacity to successfully complete the process?

## Allocating Costs for HPRP

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- Non-profit example:
  - Agency employs 10 case managers
  - 4 case manager work 100% on HPRP
  - 40% of rent for office space could be allocated to HPRP under “Housing Relocation and Stabilization Services”

For non-profit agencies who do not have a federally approved indirect cost rate agreement and choose not to submit an indirect cost rate proposal to obtain one: they can still follow the guidance provided in the HPRP Notice and directly charge operating costs to the appropriate HPRP activity they benefit. With this method, costs must still be reasonable, allowable and allocable and the agency must be able to support the connection of the cost to HPRP.

In the example on this slide, a non-profit agency employs 10 case managers. Four of them work 100% on HPRP. 40% of rent for the office space for the case managers could be allocated to HPRP under Housing Relocation and Stabilization Services. As long as the grantee maintains documentation that the allocated costs are reasonable, allowable, and allocable and this documentation is available to support such charges and for monitoring purposes, this is a method for entities without an indirect cost allocation plan to recover some of the costs of administering HUD grants.

Other operating costs might include:

- Copier leases
- Postage
- Paper

# AUDITS

## General Audit Requirements

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- Required for entities expending \$500,000 or more in total federal financial assistance
- Requirements listed in OMB Circular A-133
- Grantees must ensure subgrantees conduct audit

An independent audit is required for entities expending \$500,000 or more in **total** federal financial assistance - HPRP plus any and all other federal funds together. All grantees will meet this threshold, because of award amounts of HPRP funds. But grantees must also have a system or methodology to ensure that their subgrantees conduct the audit (for those subgrantees meeting the threshold). When the audit has been conducted, grantees should request documentation that it has been conducted in compliance with the requirements in OMB Circular A-133 and that appropriate follow-up actions have been taken if necessary.

Subgrantees expending less than \$500,000 are exempt from the audit requirements in OMB Circular A-133. They may want to have an independent review of financial and program results, but it is not required. It is required, however, that they make records available for review by HUD, the grantee, or GAO upon request.

The focus of an audit conducted in accordance with OMB Circular A-133 is on the financial statements of the audited organization, as well as the internal controls over, and compliance with applicable laws, regulations and provisions of awards. Many of the compliance requirements associated with an A-133 audit are based on federal laws or on other OMB circulars covering accounting and administrative matters, as adopted by each federal agency.

Auditees that have a single audit performed in accordance with OMB Circular A-133 must submit a complete reporting package to the Federal Audit Clearinghouse (and certain pass-through entities) as evidence that the audit was completed. The auditee and auditor share responsibility for preparing the components of the single audit reporting package.

# TRACKING AND ACHIEVING FINANCIAL TARGETS

Tracking compliance with the 60% expenditure requirement is a focus for HUD, and we will be communicating with grantees to ensure that they are prepared and are going to meet this deadline.

## Tracking Expenditures: The 60%/24-Month Target

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Grantee: Anystate USA - \$13,000,000 HPRP

- Grant Approved - 9/1/09
- Must expend by 8/31/11 - \$7,800,000 (60%)
  - Expended as of 12/31/09 - \$40,000
  - Expended as of 3/31/10 - \$115,000
  - To meet the 60% requirement, the grantee must expend \$452,059 per month starting in April 2010

Compliance with the 60% expenditure target is not expected to be a straight line projection. A new program like HPRP has taken some time to start up. However, grantees must expend 60% of the total grant amount by the 2 year deadline – that is two years from the date that HUD signed the grant agreement and 60% of the **total** amount (not per cost category or per subgrantee).

The data in this example shows that monthly expenditure rates have increased since its inception, but not significantly enough yet to meet the targets. As of 3/31/10, the grantee had only expended \$115,000 of the \$13 million total grant amount. At this rate, they will fall short of the \$7.8 million amount required to meet the 60% expenditure threshold. Beginning in April of this year, they would have needed to have monthly expenditure amounts of \$452,059 and to meet the 100% expenditure requirement, they would need to spend \$433,333 per month for the last 12 months of the grant.

Grantees will need to evaluate the financial progress of each project and activity and be prepared to reallocate funds to different activities if needed to ensure the target is met.

Grantees should calculate the monthly expenditure amount needed to reach the 60% goal and the 100% goal to see whether current expenditure rate is sufficient.

## Anticipating Grant Completion

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- All HPRP costs must be incurred by the 3 year deadline
- On-going financial assistance (rent subsidy) will terminate at the end of HPRP
- Plans for alternate funding sources or changes in program design may be needed

While IDIS draw downs of funds may occur up to 90 days after the end of the 3-year grant period (again, which begins on the date that HUD signed the agreement), all costs **MUST** be incurred by that deadline.

Begin with the end in mind:

Grantees and subgrantees should begin thinking, in advance, about what will they do about:

1. clients being served, and
2. staff working primarily or exclusively on HPRP.

For example... (see next slide)



## Anticipating Grant Completion Example

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- HUD signed Grantee agreement 8/31/09
- Closeout Date – 8/31/12
- Last date for 18 month rent subsidy commitment to new clients – 2/1/11
- Develop transition plans for HPRP staff – fund from other sources?

If HUD signed the grant agreement with this community on 8/31/09, the end date will be 8/31/12.

A new client entering the HPRP on 2/1/11 who requires ongoing rent subsidy (financial assistance) could receive the full 18 month of assistance.

BUT after 2/1/11, new clients would not be able to receive the full 18 month of assistance allowed under HPRP; these new clients need to be advised of the program completion date and counseled accordingly. The program will need to determine: 1. When and how do we “shut down” assistance? 2. Are there other funding streams that could help support families in the program when HPRP funds are no longer available? 3. How do we make sure that all those we are serving do not go right back into homelessness?

Transition plans should be developed for both clients and staff in order to think through the close-out of this program.

# FRAUD PREVENTION

**What Constitutes Fraud?**

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- Creating false clients
- Falsifying eligibility factors
- Benefitting materially from assistance given
- Providing assistance to family members, business associates or friends

For some, it is difficult to see why all of these policies and procedures are necessary. Why the Staff Certification? Why the internal controls for cutting checks? Why the cross checks and cross references? Quite simply, all these systems are in place to provide a check and balance system to catch fraud before it becomes a major issue for an agency or to prevent it from happening in the first place.

There have already been several instances of fraud around the country.

There have already been IG investigations for fraud, there are people out there who have already done the things listed on this slide... and people have been fired and gone to jail.

There have been instances of applicant fraud as well, and that the documentation requirements that have been established (e.g., the lease requirement, third party payments only, etc.) are in place to help protect grantees against abuse of the program by applicants. However, in these next slides, we are providing tips on how grantees can protect themselves against internal issues/problems.

# Fraud Prevention

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- What did "Agency A" do right?
  - Internal audit controls in place for check writing
  - Set and followed local policies
  - Put up red flag when policy not followed
  - Addressed issue directly with involved parties
  - HPRP staff met for training and clarification of requirements regularly

How have agencies caught fraud and what have they done about it?

Here's a real example of what one community agency did:

Agency A was processing their routine internal audit controls for check writing (which included purchase requisition, approval, check write, accounting entry, authorization) when the accounting assistant discovered the incident. Agency A had established a local policy that HPRP financial assistance would be limited to three months of rent and utilities assistance except for extenuating circumstances and recertification of eligibility. The accounting assistant was processing the purchase requisition approved and submitted by the case manager when she noticed this request was indeed the fourth such request for rent assistance for this client. She knew the policy limited assistance to three months, unless extenuating circumstances. She brought the matter to the attention of Agency A's Executive Director and asked if it was indeed the intention to make a fourth payment, which would have been unprecedented. The Executive Director called in the case manager who had requested the expenditure and asked for an explanation of the extenuating circumstances that were supposed to be present. The case manager was very evasive and became very defensive. When confronted about this behavior, the case manager admitted the client in question was her mother.

When confronted about this action being a breach of professional ethics, a conflict of interest, in violation of the agency's local policy, and violation of the Staff Affidavit/Declaration of Client Eligibility as required by HUD, the case manager said she was not the only case manager who had provided for services for family members. She provided the name of another case manager who had reportedly also done so. The Executive Director called in the other case manager who had been accused and asked directly if she had provided services for family members and she admitted she had. She also admitted to placing a client in an apartment building of which she was the resident manager. Upon internal investigation it was discovered that indeed the mother of the case manager did not meet the eligibility pre-requisites for the HPRP. In the second incident, the case manager had provided services to her son, daughter, and a cousin.

In this instance, as a whole, Agency A did a lot of things right – all listed in the example and on this slide, including the HPRP staff met regularly (at least once a week) for training and clarification regarding required forms and procedures.

## Fraud Prevention Tips

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- Internal audit controls for check writing
- Spot check evictions/3-day notices by calling landlord to verify
- Verify entity receiving payments is property owner (check County auditor's website)
- Spot check client files in HMIS against paper files

The purpose of having systems in place for sound financial management is to prevent the misuse of funds.

Organizations looking to implement their own fraud prevention strategies could follow Agency A's example by implementing internal audit controls for check writing. Other tips include:

- Doing a spot check of evictions and 3-day notices by either sending a letter or calling each landlord with payments to ensure an eviction or 3-day notice was actually given.
- Agencies or case managers could also spot check the County's website to verify the entity receiving payments is actually the property owner.
- Finally, it might be more difficult to falsify HMIS records than paper files, so agencies could run data quality reports from the HMIS to cross check against their files.

## If Fraud Occurs...

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- Contact local police if appropriate
- Notify local HUD Field Office
- Notify HUD Office of Inspector General:
  - Phone: 1-800-347-3735
  - Email: [hotline@hudoig.gov](mailto:hotline@hudoig.gov)
  - <http://www.hud.gov/offices/oig/hotline/index.cfm>

If you suspect or discover any case of fraud, you must terminate assistance to any program participant who violates program requirements. The HPRP Notice requires that the grantee must have a formal process in place and ensure that it is followed for terminations.

Additionally, if a grantee believes that an individual has falsified information in order to receive Federal assistance, the grantee should contact the police and proceed with criminal charges. The grantee should also notify its local HUD Field Office and the HUD Office of Inspector General (OIG). HUD OIG has a hotline for such situations:

<http://www.hud.gov/offices/oig/hotline/index.cfm>.

There is an FAQ on the HRE about this situation.

## Resources

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- For more information on indirect cost rate proposals: <http://rates.psc.gov/> and <http://www.aqd.nbc.gov/Services/ICS.aspx>
- Regulations: <http://www.gpoaccess.gov/index.html>
- OMB Circulars: <http://www.whitehouse.gov/omb/circulars>

For more about indirect cost rate proposals, please visit these two websites from the Department of the Interior and Department of Health and Human Services referenced earlier in the presentation.

And finally, we have given you the links to the electronic Code of Federal Regulations and the OMB Circulars for more on the regulations discussed today.

By the way, if you experience difficulty opening a web link from this slide when attempting to copy and paste the link into your web browser, please type the full link.

## Resources

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- Submit questions and technical assistance requests to the HUD HRE Virtual Help Desk: <http://www.hudhre.info/helpdesk/index.cfm?do=viewHelpdesk>
- Review relevant ARRA webpage: <http://www.hud.gov/recovery>
- Revised CPD Monitoring Handbook on HUDClips: <http://www.hud.gov/offices/adm/hudclips/handbooks/cpdh/6509.2/index.cfm>

All of these resources are beneficial to understanding the various federal requirements of your HPRP program.

The Homeless Resource Exchange's Virtual Help Desk allows various HUD staff and Technical Assistance providers to receive and respond to your questions. While we apologize if delays are experienced in your receipt of a response, please know that often policy level questions are raised that require additional clarity from HUD to ensure you get you the most efficient answer.

The ARRA webpage on the HUD.gov website is an excellent resource for information regarding Recovery Act updates and jobs counting as you monitor your subgrantees around their data and reporting and ensure the accuracy of the data you are reporting to HUD. And the newly posted CPD Monitoring Handbook which contains the Exhibits HUD staff must complete when monitoring HPRP programs. Exhibits 8-7 "Financial Management" and 8-8 "HPRP Cost Allowability" are the most pertinent to today's topic.