Frequently Asked Questions

HUGS RECIPIENT PORTAL

Purpose

These frequently asked questions (FAQs) explain the HUD Unified Grant System (HUGS) Recipient Portal, which grant awards are covered, what recipients will submit, and how to prepare for submission. Recipients should continue following all existing program and award requirements unless HUD communicates a change. Required submission will not begin until OMB approval is obtained and HUD provides an official schedule.

About HUGS and the Relationship to the HUGS Recipient Portal

What is HUGS?

The HUD Unified Grant System (HUGS) is a multi-phase initiative to modernize grants management, strengthen stewardship of Federal funds, and improve visibility into how grant funds are used. HUGS brings together interconnected modernization efforts, including grants and financial system consolidation, a centralized grants database, the HUGS Recipient Portal, and analytics capabilities. These efforts are intended to simplify operations, reduce duplication, create a more consistent experience across the grant lifecycle, and strengthen HUD's management and oversight of Federal financial assistance.

Is HUGS just a new IT system?

No. HUGS is broader than a single system. It includes several interconnected modernization efforts, such as grants and financial system consolidation, a centralized grants database, the HUGS Recipient Portal, and analytics capabilities Together, these capabilities are intended to centralize grant and related financial data, improve data quality and consistency, streamline documentation-submission and review processes, and provide HUD with a more complete view of how Federal funds move from HUD through recipients, subrecipients, vendors, and other entities. The HUGS Recipient Portal operates alongside existing HUD systems and does not immediately replace them. SI (Super Intelligence), and analytics may support the organization and analysis of information, but they do not replace supporting documentation, human judgment, subject-matter expertise, or established HUD processes.

What is the HUGS Recipient Portal?

The HUGS Recipient Portal is one component of HUGS. It is a centralized platform through which recipients submit required financial and supporting documentation for covered HUD awards. The HUGS Recipient Portal supports a centralized and more consistent documentation-submission experience and operates alongside existing HUD systems and does not immediately replace them.

What is a Recipient?

The *Notice of Financial Documentation Requirements for the HUD Unified Grant System (HUGS) Recipient Portal d*efines a recipient as an entity that receives a Federal award directly from HUD to carry out an

activity under a Federal program, consistent with 2 CFR § 200.1. The recipient, not any associated subrecipient, is responsible for submitting documentation through the HUGS Recipient Portal.

Why is HUD asking recipients to provide documentation through the HUGS Recipient Portal?

Federal regulations for all grants at 2 CFR 200 and many HUD program regulations require that recipients maintain records that support their use of Federal funds and provide HUD access to those records. The HUGS Recipient Portal gives HUD a more standardized way to obtain designated documentation for oversight and monitoring of Federal spending. HUD developed the HUGS Recipient Portal to ensure more transparency in stewarding Federal funds. Effective stewardship requires a consistent line of sight into how Federal grant funds are used and documentation that allows HUD to substantiate applicable expenditures. The HUGS Recipient Portal supports HUD's monitoring, oversight, and stewardship responsibilities while helping recipients demonstrate compliance with applicable Federal award requirements. The objective is to help ensure that taxpayer-funded investments reach intended beneficiaries while reducing improper payments and strengthening public confidence in HUD programs.

Applicability

Does every recipient have to use the HUGS Recipient Portal?

No. The requirement applies only to covered awards. An award is covered when the program is within HUD's current implementation scope and the executed grant agreement contains the applicable HUGS Recipient Portal language, or substantially similar language establishing the same requirement. The HUGS Recipient Portal requirement applies at the individual award level. A program's inclusion in the current implementation does not, by itself, make every award under that program subject to the requirement. See HUGS Recipient Portal: Requirement Applicability List for more information on which grants are covered.

If my program is included in the list of covered awards, does that mean every grant award under the program is covered?

No. Applicability is determined at the award level. Inclusion of a program in HUD's implementation scope does not, by itself, make every award under that program subject to the requirement. See HUGS Recipient Portal: Requirement Applicability List for more information on which grants are covered.

How can I determine whether my grant award is covered?

HUGS Recipient Portal: Requirement Applicability List provides a listing of all HUD grants and when they will be covered under the HUGS Recipient Portal submission requirements. In addition to referring to this document, recipients may review the executed grant agreement and HUD

communications for the award as referenced in the *Notice of Financial Documentation Requirements for the HUD Unified Grant System (HUGS) Recipient Portal*. The HUGS Recipient Portal requirement applies at the individual award level.

Both the program's inclusion in HUD's current implementation scope and the applicable grant agreement language must be considered in order for this requirement to apply to your award. Recipients should review Appendix I of the *Notice of Financial Documentation Requirements for the HUD Unified Grant System (HUGS) Recipient Portal* once published and their applicable award documents, including award terms and conditions, letters, attachments, and other legally operative documents. If your HUD agreement documents say you must submit financial documentation through new HUD grants management or recordkeeping tools, this requirement likely applies to your award.

Preparing for the Requirement

How will recipients voucher time needed to implement this new requirement?

Recipients will be using the HUGS Recipient Portal during the normal course of business, which should coincide with quarter-end reporting and invoicing to HUD. Recipients may use eligible grant administrative funds, where permitted by program requirements, to support activities related to HUGS Recipient Portal implementation and compliance. Recipients should consult their program requirements and HUD guidance regarding allowable costs.

What should recipients do now?

HUD cannot require participants to begin compiling documentation until PRA approval is established. Recipients should continue following all existing program and award requirements; maintain complete and accurate financial and supporting documentation; review award documents and HUD communications to identify covered awards; and watch for additional HUD instructions about access, training, submission procedures, documentation expectations, deadlines, privacy, and support.

Recipients may choose to begin organizing supporting documentation by quarter and keep all relevant receipts, invoices, payment records and related materials organized so that it is easy to locate and upload at the time of submission. Recipients should consider what changes to workflow and processes can support easier preparation to make submission more manageable each cycle and begin building those habits now.

Documentation Requirements

What will recipients submit?

For covered awards, recipients will submit financial and supporting documentation sufficient to substantiate applicable expenditures and connect them to the covered award. Documentation should show what was paid for, who was paid, how much was charged, and how the expenditure relates to the HUD award.

What types of supporting documentation may be required?

Depending on the expenditure, documentation may include itemized invoices, vendor billings, receipts, and proof of payment; contracts, subawards, purchase orders, agreements, and purchasing records; payroll registers, payroll summaries, timesheet records, and time-and-effort documentation; cost-allocation or indirect-cost documentation; subrecipient invoices, reimbursement requests, expenditure summaries, and other subrecipient cost documentation; or other appropriate supporting records.

Must recipients upload every document maintained for a grant?

No. Recipients are not expected to upload every record they maintain. They must submit existing financial and supporting documentation sufficient to substantiate applicable expenditures and establish their relationship to the covered award and, where relevant, the associated disbursement or voucher. The focus is on designated documentation sufficient to support the expenditure and allow a reasonable reviewer to understand and trace the transaction. In fact, please do not upload any personally identifiable information or information about beneficiaries served by your programs. HUD only wants to see documents that explain the activities for which recipients vouchered during the prior quarter.

Is there a dollar threshold below which documentation is not required?

No, recipients are required to submit documentation for all vouchers and draws submitted to HUD from the covered period, regardless of the dollar amount. There is currently no general dollar threshold that automatically exempts an otherwise applicable expenditure from the submission requirement.

Are there specific documentation standards?

Documentation should be legible, usable, and reasonably traceable to the expenditure and covered award. The specific documentation needed will depend on the nature of the transaction and HUD's instructions, but recipients should ensure that someone can reasonably understand the following:

- What was paid for;
- Who was paid (such as a vendor, contractor, subrecipient, or employee);
- When the cost was incurred or when the period it covers;
- How much was charged to the award;
- How an allocated, shared, indirect, or otherwise calculated amount was determined;
- Whether the payment represents reimbursement or advance funding; and
- How the expenditure relates to the covered award.

What does HUD mean by "subrecipient"?

HUD uses "subrecipient" consistent with 2 CFR 200.1, which defines it as an entity that receives a subaward from a pass-through entity to carry out part of a Federal award. Where applicable, recipients are expected to maintain access to documentation supporting activities carried out through subrecipients. The recipient, not the subrecipient, is responsible for submitting documentation through the HUGS Recipient Portal.

How will HUD use the documentation submitted through the HUGS Recipient Portal?

HUD will use submitted documentation to support financial oversight, monitoring, compliance, risk assessment, and management activities. Submitted documentation may be used to inform HUD's risk-based monitoring and oversight activities. HUD may combine submitted financial and supporting documentation with relevant award and program information for authorized review and analysis. HUD may contact a recipient to request clarification, additional documentation, or supplemental information. Submission, or the absence of follow-up from HUD, does not mean the documentation meets all the required financial or programmatic requirements.

Submission Timing and Process

How often will recipients submit documentation?

For covered awards, documentation will be submitted quarterly and will generally be due 30 calendar days after the end of each Federal fiscal year quarter. Quarterly submission represents the minimum required cadence unless otherwise specified by HUD. Recipients will be submitting into the HUGS Recipient Portal, and these submission activities should coincide with quarter-end reporting and invoicing to HUD.

When is the first planned submission deadline?

The first planned submission deadline will occur after HUD receives OMB approval for this information collection pursuant to the Paperwork Reduction Act. Thereafter, HUD will provide recipients with the official HUGS Recipient Portal submission schedule, so recipients can begin submitting financial and supporting documentation.

May recipients submit documentation before the quarterly deadline?

Yes. Recipients may upload documentation throughout the quarter and do not have to wait until the quarterly deadline.

What is the quarterly submission schedule?

For covered grant awards, recipients will generally submit documentation according to the following schedule:

- **October 1–December 31:** Documentation due January 30

- **January 1–March 31:** Documentation due April 30
- **April 1–June 30:** Documentation due July 30
- **July 1–September 30:** Documentation due October 30

If a due date falls on a weekend or Federal holiday, documentation is due on the next business day.

This information collection is pending OMB approval under the Paperwork Reduction Act. Accordingly, recipients will not be required to adhere to this tentative submission schedule until after approval is obtained. Once approval is obtained, HUD will provide recipients with an official submission schedule.

What happens if a due date falls on a weekend or Federal holiday?

The submission is due on the next business day.

Do recipients need to upload documents now?

No. HUD will provide forthcoming instructions regarding HUGS Recipient Portal access, user roles, training, submission deadlines and procedures, and first submission deadline.

Relationship to Existing Requirements and Systems

Does the HUGS Recipient Portal replace eLOCCS, IDIS, DRGR, or other HUD systems?

No. The HUGS Recipient Portal supplements, rather than replaces, existing HUD systems and processes unless HUD specifically communicates otherwise. Recipients should continue using SF-425, FDS, IDIS, DRGR, eLOCCS, HHGMS, and other applicable HUD systems and processes as required.

Does the HUGS Recipient Portal replace existing program or award requirements?

No. Existing program, award, drawdown, voucher, financial management, submission, reporting, and recordkeeping requirements remain in effect unless HUD specifically communicates a change.

How is this requirement different from a single audit?

The HUGS Recipient Portal and the Single Audit serve different purposes and operate at different levels.

A Single Audit is an independent audit of an organization's Federal awards. A Single Audit includes two key components: an audit of the entity’s financial statements and an audit of its compliance with Federal program requirements.

The HUGS Recipient Portal documentation submission requirement is not an audit and does not replace the Single Audit process. Instead, it provides HUD with access to financial and supporting documentation for covered awards on a quarterly basis. This allows HUD to carry out its grant oversight and stewardship responsibilities, improve visibility into how Federal funds are used, identify the risk of potential fraud, waste, abuse, or other financial risks, and better support recipients' compliance with award requirements. The HUGS Recipient Portal also provides a standardized mechanism for collecting documentation across programs and recipients.

Submitting documentation through the HUGS Recipient Portal does not replace or satisfy the Single Audit requirement. Recipients subject to a Single Audit must continue to meet that requirement in addition to any applicable HUGS Recipient Portal submission requirements.

Privacy and Sensitive Information

How should recipients handle personally identifiable information or other sensitive information?

The Recipient Portal submission requirements apply only to recipients with covered HUD awards and do not apply to individual beneficiaries of HUD programs. HUD does not require or seek the submission of beneficiary-level information, including personally identifiable information (PII) relating to individuals or households receiving HUD assistance. When supporting documentation contains PII or other sensitive information, recipients should review it before submission and remove or redact information that is not necessary, consistent with applicable Federal requirements and HUD guidance. Examples of information that generally should not be submitted unless necessary include Social Security numbers, personal bank account information, dates of birth, medical information, and unnecessary client or participant information. If PII or other sensitive information cannot reasonably be removed or redacted, recipients should contact HUD for guidance before submitting the documentation.

Training, Assistance, and Updates

What training and support will HUD provide?

HUD is developing implementation guidance, training and orientation, onboarding communications, technical support for HUGS Recipient Portal access and use, written resources, and assistance with program- and award-specific questions. All materials will be posted on the HUD Exchange HUGS Recipient Portal Landing Page. Submit a HUGS Ask A Question for additional support.

Where can I find the latest information about the HUGS Recipient Portal?

Visit the HUD Exchange HUGS Recipient Portal Landing Page for the most current information, including implementation updates, training materials, user guides, FAQs, and other resources designed to help recipients prepare for and use the HUGS Recipient Portal.

How can I stay informed about HUGS Recipient Portal updates and upcoming activities?

Sign up for the HUGS Mailing List to receive important announcements, training opportunities, implementation updates, reminders, and newly released resources directly in your inbox.

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