

Managing and Accounting of Multiple Grants





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Section 1

Introductions and General Requirements for Managing And Accounting of Federal Grants

Trainer Introduction



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Let's Get
to Know
One
Another!

INTRODUCE YOURSELF



- Name and Tribe
- Position
- How long have you been involved with the NAHASDA Program?
- What accounting software are you using?
- What do you want to take away from this training?

Agenda

Managing and Accounting for Multiple Grants

- 1: Introductions and General Requirements for Managing and Accounting of Federal Grants
- 2: Grant Cycle and Responsibilities
- 3: System Requirements to Separately Track Multiple Grants
- 4: Costs: Allowable and Allocable; Direct vs Indirect Costs
- 5: Managing Multiple Grants for Select Items of Costs
- 6: Grant Monitoring Activities and Closeout

Your Responsibility For The Federal Awards

§200.302 Financial Management

Each non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award must be sufficient to permit:

- The preparation of reports required by general and program-specific terms and conditions; and
- The tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

Let's Review!

Managing MULTIPLE federal grants?

For best practices, know your requirements for managing each grant as outlined in 2 CFR Part 200.302(b) that provides elements required for a sound financial management system that includes the following.....



Information Contained in a Federal Award

§ 200.211

A Federal award must include the following information:

(a) ***Federal award performance goals – to include:***

Performance goals, indicators, targets, and baseline data must be included in the Federal award, where applicable.

Also specify how performance will be assessed in the terms and conditions of the Federal award, including the timing and scope of expected performance.

(b) ***General Federal award information.*** The Federal awarding agency must include the following general Federal award information in each Federal award:

(1) Recipient name (which must match the name associated with its unique entity.

(2) Recipient's unique entity identifier (UEI);

(3) Unique Federal Award Identification Number (FAIN);

(4) Federal Award Date (see Federal award date in § 200.201);

(5) Period of Performance Start and End Date;

(6) Budget Period Start and End Date;

(7) Amount of Federal Funds Obligated by this action;

(8) Total Amount of Federal Funds Obligated;

(9) Total Approved Cost Sharing or Matching, where applicable;

(10) Total Amount of the Federal Award including approved Cost Sharing or Matching;

(11) Budget Approved by the Federal Awarding Agency;

(12) Federal award description, (to comply with statutory requirements (e.g., FFATA));

(13) Name of Federal awarding agency and contact information for awarding official,

(14) Assistance Listings Number and Title;

(15) Identification of whether the award is R&D; and

(16) Indirect cost rate for the Federal award (including if the de minimis rate is charged per § 200.414).

Know the Terms and Conditions of each Grant

Example: IHBG COMPETITIVE GRANT

Notice of Award Letter will include a description of items

1. General Terms and Conditions
2. Grant Program Regulations Compliance
3. Reporting Requirements
 - SF-425: Quarterly (if required based on poor performance) or Annual Federal Financial Report
 - Annual Performance Report (APR)
4. Grant Progress and Performance
5. Leveraging Resources (e.g., Title VI Loan Guarantee)
6. Indirect Cost Rate (subject to an approved/adopted Indirect Cost Allocation Plan – see Appendix VII of Part 200)
7. Administrative and Planning Expenses
8. Pre-award costs
9. Consultant Cap
10. Affordability Period
11. Environmental Review

Section 2

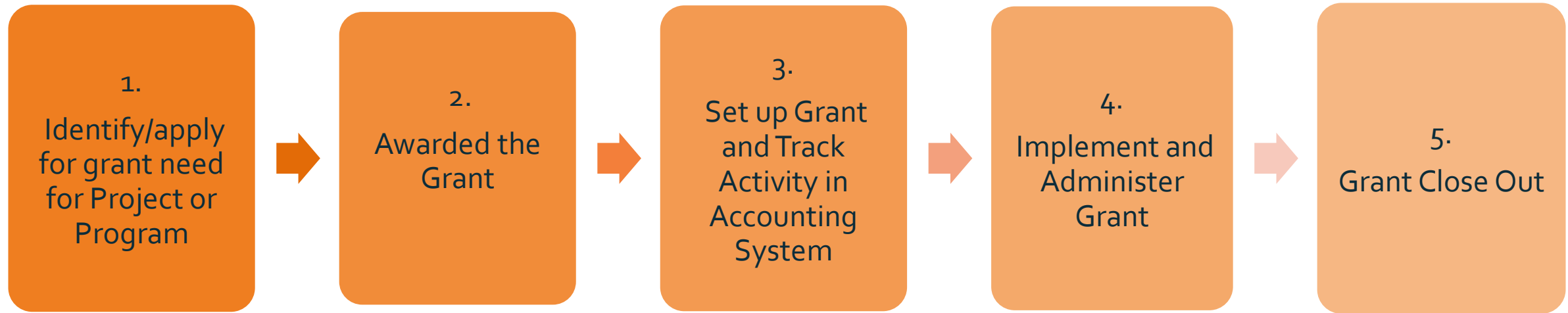
Grant Cycle and Responsibilities

Self-Evaluation

Are You Ready to Manage Multiple Grants?

1. How experienced is your staff in managing their grants?
 - Do you require responsible staff to take training on managing grants?
 - Knowledge and experience with the financial management standards for federal awards (2 CFR 200.302)?
 - Is your accounting department capable of managing multiple grants?
2. What has been your history of performance for federal awards and subawards?
 - What are the results of audits, such as findings and questioned costs?
 - What is your history of compliance with prior award terms and conditions?
 - Are you timely in submitting all required reports?
3. Do you have monitoring procedures in place for your grants?

Managing Grants Starts with Understanding the Grant Cycle



Implement a Grants Management Process

- Every grant is different!
- A good process helps you with the administrative responsibilities for the life of the grant(s).
- It helps you be organized - improves efficiencies and effectiveness:
 - Accurately track and monitor progress of each grant through accounting system.
 - Comply with the requirements and conditions of each grant award.
 - Improves accuracy and timeliness of reporting grants to funding agencies.
- It helps you properly track allowable costs for the grant(s).
 - A type of cost (salary and benefits) is generally allowable, but is it allocable to the grant?
- Are internal controls in place to ensure that grant costs are properly being charged to the right grant?
 - How are you managing staff time and payroll for staff who is working on two different project that are funded with different grants?

Grant Responsibilities

Notice of Award (- When a Tribe/TDHE is successful in receiving the grant award, the Tribe/TDHE receives a Notice of Award (NOA).

- The NOA is the official, legally binding issuance of the award. When you or your organization accepts the grant (i.e., by signing the grant agreement or by drawing down funds) you become legally obligated to carry out the full terms and conditions of the grant.
- Implementation: After an applicant receives a Notice of Award and the funds have been disbursed, Tribe/TDHE will begin their project and is responsible for meeting the administrative requirements of the award.
- Examples:
 - HUD Form 52734-B HUD Funding/Approval Agreement – IHBG
 - HUD Form 52734-A HUD Funding/Approval Agreement - ICDBG

Grant Responsibilities

- The Tribe/TDHE is responsible for the reporting requirements for each grant.
- Each grant has own reporting requirements – know what they are for each grant, so review the grant terms and conditions carefully for this information for specific reporting requirements of each grant.
- Generally, **Per §200.328**: Must use standard OMB approved reports which consist of Financial and Programmatic Reporting.
 - **For example, for the NAHASDA Program:**
 - SF-425
 - IHP/APR Report
 - These reports provide information about the overall financial status and program performance of the grant project.
- Be ready to respond to any audit requests that pertain to the grant.
- At completion of grant - Tribe/TDHE is responsible for proper closeout of the grant in accordance with the grant agreement.

Who Is Involved in Managing Your Grants?

- Managing grants is everyone's responsibility
- Depending on the size of your organization:
 - Grants are managed under one department where a designated Grants Manager is responsible for seeking grants to administering the grants to meet the requirements of the Tribe/TDHE, and coordinates with everyone in the organization, or
 - Each department designates a Grants Manager who is responsible for handling own grant requirements and administration of the grants.
- Regardless of how the grants are handled and managed internally, need to have a good process in place for grants management to avoid problems that may lead to findings.

Who Is Involved in Managing the Grants?



Who is Responsible?

Roles	Responsibilities
Tribe/TDHE Organization Leadership	• Develops the strategic plan that identifies project/program needs. • Identifies grants and other funding to support the need. • Prepares the project/program budget and funding needs for Board of Commissioners/Tribal Council approval. • Develop policies and procedures on managing grants.
Department Managers	• Provide oversight of Grant Managers within the Department. • Must provide grant application approval. • Reviews and approves project progress funded with grant(s) to include: • Approves budget amendments, if needed. • Approval of purchase requisitions • Approves invoices for materials and supplies to ensure items are allowable costs of the grant. • Reviews and approves timecards charged to the grant(s).

Who is Responsible?

Roles	Responsibilities
Grants Manager or Coordinator: [Depending on the size of the organization, there may be one Grants Manager/Coordinator for the entire organization, or each department assigns one to meet grant needs.]	• Responsible for the funding application to secure grants/other funding sources for their projects/programs. • Responsible for overall management and administration of the grant(s). • Coordinates with HR for adding job codes to be charged to the grant(s). • Coordinates with the Grant Accountant on: • Ensuring that the costs charged to the grants are allowable. • The financial reporting and the program progress reports required by the funding agencies, as well as closeout of the grant. • Provides training on specific requirements of the grants to staff involved in the projects funded with the grants.

Who is Responsible?

Roles	Responsibilities
Accounting Department/Grant Accountant and Human Resources	• Reviews chart of accounts to ensure the accounting system can: ○ Properly record and track revenues and expenses of the grant and ensures expenses are in compliance with the grant requirements. ○ Prepare and produce grant reports that meet the reporting requirements of the grant. ○ Tracks revenues and expenses against established grant budget and provide reports to Grants Manager. ○ Prepares financial reports of the grants (SF-425). • HR works with grant receiving department to develop job descriptions (if needed). • Sets up job codes in payroll to ensure payroll costs are properly captured for the grant.

Who is Responsible?

Roles	Responsibilities
Compliance Department	• Monitor each grant's progress as part of the Tribe/TDHE's self-monitoring activity. • Develop a monitoring checklist for each grant and review to ensure grant activities comply with the requirements of the specific grants. • Consider using the following references to develop checklists to monitor for specific compliance requirements for each grant: • Notice of Funding Award (NOA) – provides general requirements and Terms and Conditions of the grant. • Grant funding approval/agreement (example: Form HUD-52734-B for IHBG Competitive grant). • Compliance Supplement for each grant at https://www.whitehouse.gov/omb/office-federal-financial-management/

Section 3

System Requirements to Separately Track Multiple Grants

Let's
review
what
these
mean!

§200.302(b)(1): Must identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received.

§200.302(b)(2): **Must maintain accurate**, current, and complete disclosure of the financial results of each Federal award.

§200.302(b)(3): **Must have records** that identify adequately the source and application of funds.

Identification Of All Federal Awards

§200.302(b)(1): The financial management system must identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received, and must include:

- ☐ The Assistance Listing (CFDA) title and number
- ☐ Federal award identification number and year
- ☐ Name of the Federal agency, and
- ☐ Name of the pass-through entity, if any.

Use your chart of account to track each grant activity to adequately establish that the funds have been used according to federal statutes, regulations, and the terms and conditions of the award.

Organize Your Grants

1. Create an easily accessible shared filing system for each grant and all the documents pertaining to the grant where responsible staff members can access.
 - Recommendation: Create and store each grant in an online database to allow the Department Manager, the Grants Manager, Grant Accountant, and the Compliance staff to have easy access to the file.
2. Each grant file should include the details of the grant to include:
 - A summary sheet for each grant that identifies the grant – see 2 CFR 200.302(b)(1)
 - The grant application documents.
 - Notice of award and the amount, including Period of Performance, terms and conditions.
 - A signed copy of the Approval/Agreement (e.g. HUD-52734-B) that shows the amount of the grant award.
 - Terms and conditions of the grant.
 - Financial and Progress and Program Reports (SF-425, APR).
 - Correspondence.

Organize your Grants

Example

GRANT INFORMATION		
FEDERAL PROGRAM	Native American Housing Assistance and Self-Determination Act (NAHASDA)	INDIAN COMMUNITY DEVELOPMENT BLOCK GRANT
FEDERAL AGENCY	Department of Housing and Urban Development	Department of Housing and Urban Development
ASSISTANCE LISTINGS TITLE	Indian Housing Block Grant	Indian Community Development Block Grant
AWARD AMOUNT	\$750,000	\$900,000
ASSISTANCE LISTINGS NUMBER	14.867	14.862
GRANT AWARD NUMBER	55-IH-02-0123-0	B-19-SR-02-0044
AWARD DATE	11/30/2022	6/20/2020
PERIOD OF PERFORMANCE	ROLLOVER GRANT - ONE YEAR IH PLAN	05/05/2020 - 05/06/2023

Use Your Accounting System to Track Grant Accounting Activities

- Each grant should have a **unique identifier** in your chart of accounts to:
 - Enable distinguishing transactions of one grant from another.
 - Accurate tracking of allowable revenues and expenses, by grant.
- Know what you need to report to funders and ensure the accounting system can reliably capture the grant activities to allow for accurate reporting of revenues and expenditures.
- For example:
 - IHBG Reporting in APR: Do you have an IHP Activity identifier in your chart of accounts to track IHP-eligible activity such as Housing Services?
 - Competitive IHBG report on Cost Summary HUD Form 53426: Can your accounting system provide you with the data to accurately report cost categories (Construction Costs, Design costs, land, etc.)?

Use Your Accounting System to Track Grant Accounting Activities

- Ensure your chart of accounts can accommodate multi-year grant activities. For example:
 - IHBG Competitive grant's period of performance is > one year.
 - Your chart of accounts should enable retrieval of financial reports for total grant expenditures to date, as well as be able to provide reports by quarter and by year.
- Upload the approved grant budget in your accounting system to help you track your progress and analyze your grant spending.

Tracking Multiple Grants Using Your Accounting System

Example 1: QUICKBOOKS

Account Code Number	Account Code Description	Grant (sales) Donor Description	Class Number	Class Description
4110	SALARIES	IHBG	10	HOUSING SERVICES
4110	SALARIES	IHBG	15	PLANNING & ADMINISTRATION
4110	SALARIES	IHBG-CARES	90	RESPOND
4110	SALARIES	IHBG-CARES	91	PREPARE
4110	SALARIES	IHBG-COMPETITIVE	20	SENIOR HOUSING DEV PROJECT
4110	SALARIES	IHBG-COMPETITIVE	21	FAMILY RENTAL HOUSING PROJECT

Tracking Multiple Grants Using Your Accounting System

Example 2: Account Structure

XXXXX XXX-XX XXXX-XX-XXX

Chart of Account Structure	Program/ Activity	Grant/Year	Account Code
Example	HA110	110-00	5010-00-000
Program Description	Program Code	Grant	Grant Description
Community Building	HA341	117-00	IHBG-ARP
Community Building	HA341	301-00	FOUNDATION GRANT 1
Community Building	HA341	319-00	FOUNDATION GRANT 2
Construction Overhead	HA400	101-20	IHBG COMPETITIVE GRANT
Construction Overhead	HA400	115-00	IHBG CARES
Renovation Projects	HA901	100-00	LIHTC MAINTENANCE RESERVES
Renovation Projects	HA901	101-20	IHBG COMPETITIVE GRANT
Housing Services	HA110	100-00	IHBG NAHASDA
Housing Services	HA200	203-00	STATE GRANT 1
Housing Services	HA200	500-00	PROGRAM INCOME
Multi-Family Construction	HA405	101-20	IHBG COMPETITIVE GRANT
Multi-Family Construction	HA405	105-00	HUD-184

Uniform Guidance Requirements for Managing Grants

Let's review each relevant guidance

§200.302(b)(2): Must maintain accurate, current, and complete disclosure of the financial results of each Federal award.

Recording Revenues and Charges to Grants

- Review your grant's budget to the actual financial report at least monthly to ensure costs charged to the grant are eligible and allowable.
- Be consistent in recording revenues and expenditures/expenses on the basis of accounting used: Full Accrual or Modified Basis of Accounting.
- Review your financial reports to ensure each of your grants' data are

ACCURATE, CURRENT, and COMPLETE

Recording Revenues and Charges to Grants

1. ACCURATE

- Accounting for revenues and expenditures/expenses of the grant are accurately recorded in accordance with GAAP.
- Charges to the grant are chargeable to the grant and are approved costs based on the approved grant agreement – they are allowable costs of the grant.
- Must not use estimates to record revenues and charge costs to the grant!
- Work with your Grant Accountant to fix issues such as posting errors to the grant you are managing to correct expenses that should be charged to another grant.

Recording Revenues and Charges to Grants

2. CURRENT

- Ensure all income and expenses of the grant are posted in your accounting system when costs are incurred, and accordingly, when revenues are earned.

Remember:

- Grant charges are incurred and recorded when they are eligible and allowable expenditures/costs of the grant.
- Revenues are recorded only when there are eligible and allowable expenditures/costs made to the grant.
- Don't forget to review your reporting period to ensure all revenues and expenditures/costs have been accounted for and recorded for the period. For example: Have you reviewed your Prepaid insurance and Insurance expense to ensure both account balances are accurate and current for the reporting period?

Recording Revenues and Charges to Grants

3. COMPLETE

- The Tribe/TDHE's accounting system must record ALL transactions for all accounting activities.
- Remember, grants are not the only financial activities a Tribe/TDHE tracks. You have Investments, Program Income, Unrestricted Income activities and the Tribe/TDHE may have incurred unallowable costs such as bank fee charges for insufficient funds. These comprise of ALL the financial activities of the Tribe/TDHE and must be fully accounted for in the accounting system.
- Ensure that unallowable costs incurred that is related to a grant funded activity is NOT charged to the grant.
 - For example, an employee whose position is funded with IHBG is issued a penalty for illegal parking while attending a legitimate program meeting. The parking ticket penalty is still unallowable and must not be charged to the IHBG program.

**Have the
Correct
Documents
to Support
Income and
Expenditures**

§200.302(b)(3): Must have records that identify adequately the source and application of funds.

How To Adequately Document Grant Fund Purchases?

To adequately provide supporting documentation, one must provide proof of authorization and receipts with sufficient detail to be able to determine:

- Who requested and authorized the spending of grant funds? For example:
 - Purchase Requisition and Purchase Order was issued for materials and supplies signed by the requestor and authorized by the supervisor.
- What grant(s) is it chargeable to, and is it an allowable cost to the grant or grants?
 - This should be noted in the purchase requisition and purchase order and be supported by the approved budget.
- Was there evidence of the materials received?
 - Invoice of purchase must have supervisor receipt to substantiate purchase for the item(s) and cost.

Adequately Identify and Document Source and Application of Each Grant Fund

REQUIREMENTS	IDENTIFY SOURCES DOCUMENTS AND HOW THOSE FUNDS WERE USED
Authorization:	Example: Evidence of Supervisor timesheet approval is authorization for recording and charging payroll expenditures/costs to the grant.
Financial Obligations	Example: Signed contracts and Subrecipient Agreements made against the grant that requires/obligates the Tribe/TDHE to make payment on based on the agreement, but not yet paid.
Unobligated Balances	Use your accounting system to track unobligated grant balances - what's available of the grant to expend. It represents the total federal funds authorized for a grant minus grant expenditures and any unliquidated obligations, which are obligations incurred, but not yet paid.

Adequately Identify and Document Source and Application of Each Grant Fund

REQUIREMENTS	IDENTIFY SOURCES DOCUMENTS AND HOW THOSE FUNDS WERE USED
Assets	Identify grant sources used for capital assets purchased, per Capitalization Policy and Procedures. Prepare a Schedule of Capital Assets by Class of Assets (Land, Improvement, Buildings, Equipment, etc) and Depreciation Schedule and identify funding source.
Expenditures	Review allowability of costs for each grant. Only eligible and allowable expenditures/expenses of the grant can be charged to the grant. Must have approved invoices to support expenditures.
Income	Income for each grant must be supported by receipts of draws from grantor or LOCCS equivalent to eligible grant expenditures. Must have evidence of receipts for Program income and all other income generated for each specific grant (for example: Rent payment received).
Interest Earned	Example: Track and record Interest earned from approved IHBG investment in your accounting system and should be supported with investment statements documents.

Grant Activity Pitfalls

1. Organizational Leadership – “Tone at the top”. Not having strong leadership invested in ethical behavior for grants management to:
 - Require clear policies and procedures on grants management.
 - Ensure processes exist for addressing and mitigating grant fraud and abuse.
2. Inadequate administrative and accounting oversight of grant activities.
 - Payroll charged to grants lack internal controls.
 - Lack of timely review of grant budget to actual financial reports are not shared timely with responsible staff.
 - Processing invoices charged to grants without sufficient supporting documents and/or lacking proper authorization and approval.
 - Ineffective process in place to detect duplicative invoices and payments.

Grant Activities Pitfalls

3. Project/Maintenance Manager oversight and leadership
 - Not assigning the Work Orders to the right staff and ensuring the work is completed.
 - No supervisory authorizations of timecards or lack of due diligence of staff time hours and improper grants being charged for the work completed.
 - Materials and supplies for the assigned work for a specific grant is not reviewed to avoid incorrectly charging or over-charging the grant.
4. Department Manager Oversight
 - Lack of frequent interactions with Project/Maintenance Manager to ensure the work is being completed in a timely manner.
 - Lack of review of progress reports on Work Order assignments.
 - No management of hours and lack of oversight of overtime hours charged to the grant(s).
 - Lack of authorization of material purchases and supplies requested by the Project/Maintenance Manager.

Implementing strong internal controls for multiple grants will help.....

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graph TD; A[Implementing strong internal controls for multiple grants will help.....] --- B[Meet Grant Purpose]; A --- C[Detect and Prevent Waste and Fraud]; A --- D[Detect and prevent grant accounting errors]; A --- E[Accurate and timely financial and progress reports]; A --- F[No grantor (HUD) and/or Single Audit findings]; A --- G[Promotes grantor confidence for more funding!]
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Meet Grant Purpose

Detect and Prevent Waste and Fraud

Detect and prevent grant accounting errors

Accurate and timely financial and progress reports

No grantor (HUD) and/or Single Audit findings

Promotes grantor confidence for more funding!

Section 4

Costs:
Allowable Direct vs Indirect
Costs and Allocable Costs

What Makes Costs ALLOWABLE for your Program?

Refer to § 200.403



(a) Necessary, reasonable, allocable



(b) Conform to grant award criteria



(c) Consistent with policies and procedures



(d) Accorded consistent treatment – direct or indirect



(e) Determined in accordance with GAAP



(f) Cannot use as cost sharing or matching requirements of other federally funded program – in either current or a prior period



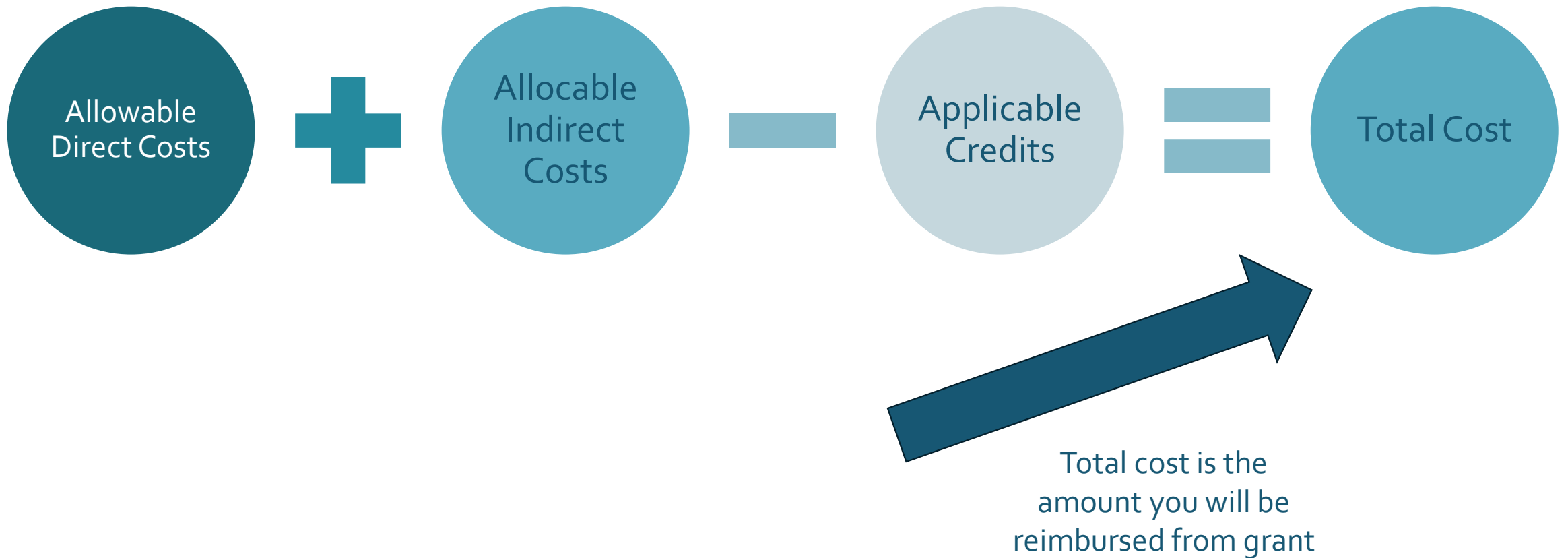
(g) Be adequately documented



(h) Must be incurred during the approved budget period

NAHASDA does
not prohibit the
use of IHBG as
matching funds
24 CFR
§1000.122

Composition Of Costs § 200.402



Direct vs Indirect Costs

Costs are chargeable to grants as EITHER
DIRECT COSTS or INDIRECT COST

- Make sure that the same types of costs are not charged to grants and contracts as both direct and indirect costs.
- **CAUTION:** There is no universal rule for classifying certain costs as either direct or indirect (F&A) under every accounting system.YOU DECIDE. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect (F&A) cost in order to avoid possible double-charging of Federal awards. [§ 200.412]
- What's the difference between Direct Costs and Indirect Costs?

Direct vs Indirect Costs

- **DIRECT Costs** – those that can be identified specifically with a grant and cost objective and can be directly assigned to grant activities. (IHBG purpose). § 200.413(a, b & c).
- For example, if a Tribe/TDHE has only one source of funding – IHBG grant, then 100% of its expenses to operate the program would be direct, because all costs are solely and clearly tied to the IHBG grant and related activities. This includes Administrative Expenses of the program.

QUESTION: IS THE IHBG PLANNING AND ADMIN EXPENSES CATEGORY OF THE IHBG A DIRECT OR INDIRECT COST?

What are IHBG Direct Costs?

DIRECT COST EXAMPLES FOR IHBG PROGRAM:

All costs associated with managing and operating the IHBG Program – INCLUDING PLANNING AND ADMINISTRATION EXPENSES.

- Compensation for employees who work on IHP activities.
- Cost of materials and supplies for the housing maintenance program.
- Insurance for Properties built with IHBG funds.
- Administration of IHBG funds and programs.
- Costs for rehabilitation of NAHASDA housing units.
- Housing Intake staff.
- Maintenance department costs associated with NAHASDA programs.

IHBG Planning and
Administrative
Expenses (P&A) and
Indirect Costs for
Tribe/TDHE....
Are they the same?

NO!

PLANNING AND ADMINISTRATIVE EXPENSES ARE DIRECT EXPENSES OF THE PROGRAM

Expenses that are specific to the IHBG PROGRAM, and are costs incurred by the Tribe/TDHEs or subrecipients, but not limited to, costs of overall program and/or administrative management, coordination of monitoring and evaluation, and preparation of reports. DIRECT COST OF THE IHBG PROGRAM.

VERSUS

INDIRECT COST

General expenses related to the OPERATION of the Tribe/TDHE receiving IHBG funds. These costs are not directly attributable to a specific project or activity but are necessary and benefit the OVERALL general operation of the organization with multiple programs and therefore, must be charged to those grants/programs that benefit from these costs.

What are Indirect Costs? [§ 200.414]

***Indirect (facilities & administrative (F&A)) costs* means those costs [2 CFR200 definition]:**

- Incurred for a common or joint purpose benefitting more than one cost objective, and
- Not easily assigned to a cost objective (program) because it is usually allocated and paid by multiple sources (grants and non-grants).
- Indirect Costs are either ADMINISTRATIVE OR FACILITIES COSTS.
- Therefore, if a Tribe/TDHE has more than one funding source and is managing multiple programs, then some costs— such as administrative costs and overhead (Administrative and Facilities Costs) —must be allocated to those grants/programs based on reasonable allocation method of those administrative or facilities costs.

Indirect Costs using the 10% de minimis rate [§ 200.414(f)]

2 CFR 200 describes different ways Tribes/Organizations can charge Indirect Costs to multiple grants/programs:

1. An approved negotiated Indirect Cost Rate (IDC), or
2. Cost Allocation Plan.
3. The 10% De minimis rate – can claim up to 10% of Modified Total Development Cost (MTDC) as Indirect Costs to the federal grant – if a Tribe/TDHE does not have an IDC.
 - If a Tribe/TDHE elects to use the 10% de minimis rate, then it must apply this rate to all federal grants to recover indirect costs.

QUESTION:

IF A TRIBE/TDHE ELECTS TO USE THE 10% DEMINIMIS RATE TO RECOVER INDIRECT COSTS, DOES THAT MEAN THEY CANNOT CHARGE EXPENSES TO THE IHBG PLANNING AND ADMINISTRATIVE EXPENSES?

What and When to ALLOCATE Costs To A Grant?

You ALLOCATE both DIRECT AND INDIRECT COSTS or charge 100% or a portion of cost to a federal grant if the cost meets these tests:

1. 100% of the cost incurred was specifically for and benefits the Federal award.
2. A portion of the cost – based on reasonable methods - must be allocated to all grants and other non-grant funded programs if those programs benefited from the work performed.

EXAMPLE:

A maintenance staff is issued a Work Order to work on a 1937 Housing Act Unit for a flooded unit. The cause was determined to be partially the tenant's fault 50%, and the other was determined to be an eligible and allowable cost of the program.

ALLOCATION OF COST: 50% is unallowable cost of the IHBG grant and is charged to the Tenant. The other 50% of the work is ALLOCATED to the IHBG grant.

Section 5

Managing Multiple Grants for Select Items of Costs

1. Payroll Costs and Benefits
2. Material and Supplies

Implement a Process for Managing Payroll Costs

- Payroll cost is one of the largest category of costs for any organization.
- Tribes/TDHEs rely on a combination of grants and other funding to meet the payroll cost and other housing costs of the program.
- To manage payroll costs and ensure they are properly allocated to the right department and grants, Tribe/TDHE must identify personnel and payroll costs that are chargeable to a specific grant or split between grants.
- Identifying positions and grants that support those efforts must be part of the budget process.

Implement a Process for Managing Payroll Costs

- Payroll costs for program and administrative staff are easily identified and chargeable to programs/funds as:
 - A Direct Cost to a single grant, or
 - Split between two funding sources (can be two different grants or a combination of grants and non-grant funds), or
 - As an Indirect Cost.
- A well-managed payroll system facilitates efficiency and accurate reporting of payroll costs of employees to programs if account codes for payroll charges are set up properly in the accounting system to enable charging of actual staff time hours to the different grants or cost objectives.

Managing Payroll Costs Chargeable to Multiple Grants/Funding Sources

However, some positions within the Tribe/TDHE's housing program require a higher level of oversight on allocating employees' hours to multiple grants or cost centers due to the nature of work performed.

For example:

- Tribe/TDHE's Maintenance Department employees are on call to perform maintenance work on all of the Tribe/TDHE's properties.
- Diverse property portfolio that includes 1937 Low Rent unit and Mutual Help housing, market rate rentals, LIHTC units, office buildings, etc.,
- Properties are either funded by single/multiple grants or must account for their property costs based on program requirements.

Managing Payroll Costs Chargeable to Multiple Grants/Funding Sources

Maintenance workers may be required to perform any of the following functions and are required to track accurate hours for different types

- Repair work
- Emergency
- Preventative
- Routine property maintenance

How do you manage and ensure assigned work hours are accurately reported and properly charged to the right property & grant?

Managing Work Performed for Accurate Reporting

- Consider using your accounting and property software Work Order system to implement and standardize work.
- Benefits of using a Work Order system:
 - Helps to organize the work being requested and
 - Provides authorization of work requested.
 - Provides a reliable documentation of the scope of work.
 - Tracks and validates employee hours claimed.
 - Accounts for materials and supplies charged to specific programs/grants.
 - Provides supporting documentation of the work completed.

Sample Work Order

- Should be issued for all maintenance work
- Should be logged in, assigned to a priority category and recorded for materials usage.
- Write the W/O
- Schedule and Assign the work
- Perform the Work
- Complete the Work Order
- Return completed Work Order
 - **Work is verified**, charges made to appropriate account charge codes (e.g. grants) for hours and materials used.

Ref: PIH 95-66

HOUSING AUTHORITY Work Order			
Work Order #: _____			
Date: _____	Time: _____	Assigned To: _____	
Resident: _____		Development #: _____	
Address: _____		Resident Phone #: _____	
Generated By: ☐ Resident ☐ Housing Authority			Permission to Enter: ☐ Yes ☐ No
Work Order Type: ☐ Emergency ☐ Vacancy ☐ Urgent ☐ P.M. ☐ Routine ☐ Special Project			
Work Requested: _____ _____ _____ _____			
Actual Work Completed: _____ _____ _____			
Date: _____ Time to Complete: _____ Mechanic: _____			
Materials Used:	Quantity	Price	Total
Quality Checks:			
Are All Smoke Detectors Operational?		☐ Yes	☐ No
Request Housekeeping Inspection?		☐ Yes	☐ No
Request Extermination?		☐ Yes	☐ No
Charge Resident? ☐ Yes ☐ No			
Resident Signature: _____		Date: _____	
Inspector Signature: _____		Date: _____	

Managing Time Charged to Federal Grants per 2 CFR 200.430(i)

Regulations	Internal Controls
1. Charges to federal grants for salaries and wages must be based on records that accurately reflect the work performed. – NO ESTIMATES OF HOURS OF WORK PERFORMED!	Employee uses a timesheet (paper or recording through payroll system) to document ACTUAL HOURS WORKED on different projects that are chargeable to different grants.
2. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;	Timesheet must show: • Employee signature for documentation of actual hours worked; allocated to different grants. • Project/Maintenance Manager signs to verify and authorize actual hours worked. • Department Manager approves all overtime and timesheets.
3. Be incorporated into the official records of the non-Federal entity;	Payroll costs are entered into and documented in the Tribe/TDHE's payroll accounting system.

Managing Time Charged to Federal Grants per 2 CFR 200.430(i)

Regulations	Internal Controls
4. Comply with the established accounting policies and practices (P&P) of the non-Federal entity.	Policies and Procedures will outline allowability of overtime and ensure timesheets provide for the detail documentation and distribution of hours to different grants.
5. Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.	Chart of accounts must be adequately detailed to allow payroll costs to be charged to multiple federal grants or non-federal grants, including indirect costs, based on work performed.

Track Time with Timesheets (or through Payroll System)

Tribe/TDHE

Employee Name: _____ Employee Position: _____ Employee ID: _____

Week end: 9/30/2023

Date	Day	Type	Hours	PROGRAM / PROJECT 1	Hours	PROGRAM / PROJECT 2	Hours	PROGRAM / PROJECT 3	Hours	PROGRAM / PROJECT 4	Hours	PROGRAM / PROJECT 5	Hours	TOTAL
9/24/2023	Monday	Regular												0.00
***	Monday													0.00
9/25/2023	Tuesday	Regular												0.00
***														0.00
9/26/2023	Wednesday	Regular												0.00
***														0.00
9/27/2023	Thursday	Regular												0.00
***														0.00
9/28/2023	Friday	Regular												0.00
***														0.00
9/29/2023	Saturday	Regular												0.00
***														0.00
9/30/2023	Sunday	Regular												0.00
														0.00
***	Identify other hours: Example: Overtime, Personal Time, etc									Total Hours			0.00	
COMMENTS: _____														



Employee signature: _____ Date: _____



Supervisor signature _____

Date: _____



Department Manager O/T approval Signature _____

- HR/accounting set up accounts in payroll system that links hours worked on projects/activities to specific grants.
- Overtime hours must be approved before hours are incurred and authorized by Department Manager.
- Timecards filled out accurately by employee. Charge hours worked by Program/Project based on Work Orders completed.
- Must be signed by employee and authorized by Supervisor

Allocating Payroll Taxes and Benefits

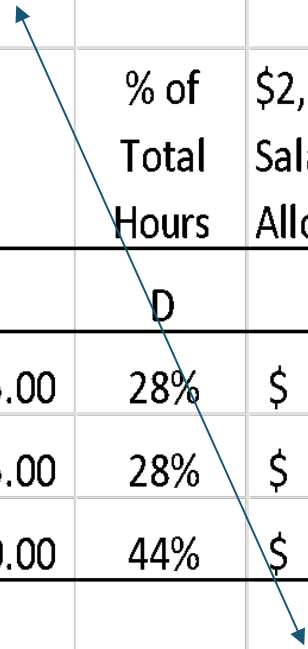
- Can charge salaries and wages to grants or multiple grants as Direct or Indirect Costs.
- Don't forget to allocate payroll taxes and benefits proportionately in line with allocation of salary and wage costs to the grants and other activities.
- Therefore, allocation of payroll taxes and benefits should be based on percentage of salaries and wages charged to each grant or other activities for every payroll period.

Allocating Payroll Taxes and Benefits Example

- EXAMPLE:
 - 100% of Employee wages charged to one grant?
 - 100% of Employee's taxes and benefits must be charged to the same grant.
 - Employee wages charged 50% each to two grants?
 - 100% of Employee taxes and benefits must be split and charged 50% each to the grants which were charged for the wages.
- **2 CFR § 200.431** - Compensation - fringe benefits.

Exempt employees must ALSO track time and allocate salary costs and benefits to multiple projects funded with multiple grants

EXEMPT EMPLOYEE PAYROLL ALLOCATION TO GRANTS			
ANNUAL SALARY	\$ 72,000.00	A	
BI-WEEKLY SALARY (80 HOURS)	\$ 2,769.23	B	
HOURS TRACKED FOR THE PAY PERIOD	Hours worked	% of Total Hours	\$2,769.23 Salary Allocation
		D	D x B
Project A - ICDBG	25.00	28%	\$ 769.23
Project B - OTHER	25.00	28%	\$ 769.23
NAHASDA - DEVELOPMENT	40.00	44%	\$ 1,230.77
TOTAL	90.00	100%	\$ 2,769.23
NOTE: NO OVERTIME PAID			



Best Practices for Time Tracking

- HR/accounting set up accounts in payroll system that links hours worked on projects/activities to specific grants.
- Keep accurate timesheet records to demonstrate work performed.
- The employee completing the work should account for and submit a signed timesheet for the supervisor's signature.
- Timesheet should reflect the total hours in the pay-period.
- The timesheet should allow for detailed daily reporting to enable employee's time to be charged to multiple grant(s) and non-grants (for leave hours) for any given day or payroll period.

Best Practices for Time Tracking

- Train Supervisors to understand their role as reviewers and approvers of employee timesheets to ensure that time charged to a grant(s) is complete and factual.
- Remember, employees' time charged to a grant(s) must be based on actual hours worked, not estimates!
- Department Directors to review Work Orders and hours worked on employees' timesheets charged to the grant. Do the hours reported for the work assigned reasonably and properly reflect the effort to complete the job?

Best Practices for Time Tracking Continued

- Consider engaging property managers to check in with tenants to verify that work completed for the unit and charged to a grant(s) is factual.
- Pay attention to complaints from tenants or recipients of the work that was reportedly completed and charged to a grant(s), when in fact the work was not completed.

Materials And Supplies §200.453(c)

- Materials and supplies used for the performance of a federal award are charged to those grants and other funding sources as direct costs.
- Materials and supplies purchased must be tracked and accounted for and properly charged to job/work that are funded with various grants or other funding.
- Whether a Tribe/TDHE gets materials and supplies from own inventory or through direct purchases, must properly account for those charges to ensure they are charged to the correct grant(s).

Material and Supplies Cost Allocation to Multiple Grants

Processing of invoices involves internal controls at many levels:

1. Accounting receives an invoice for materials and supplies ordered by the Maintenance Department for multiple maintenance jobs.
2. Accounting matches the invoice to the purchase order (PO) and charges the invoices to the grant noted in the approved PO.
3. Where materials and supplies are ordered and delivered at the same time for multiple programs that are funded with multiple grants, a purchase order should be issued for each grant to track and ensure material costs and supplies are properly charged to the right grant.
4. There must be validation (signatures) by purchasing department of receipt of the quantity and type of the materials and supplies ordered and received.

Material and Supplies Cost Allocation to Multiple Grants

When invoice is received for payment, Accounting must involve the department responsible to:

- Confirm and validate accuracy of invoice for materials and supplies received.
- Match the invoice to the receiving document, approved purchase requisition and purchase order number (3-way match) that has the account number and grants to charge.
- Reject or approve and authorize the invoice for payment and send the approved invoice with support documents to accounting for payment.

Grant Reimbursement of Multiple Grant Expenditures

Regular draws from LOCCS for reimbursement of grant expenditures from a specific grant should be made for expenditures that have been incurred and are:

- Eligible and allowable expenditures of the grant in accordance with the program requirements.
- Tribe/TDHE should use its accounting system to track expenditures incurred for multiple grants and to determine the amount of LOCCS draw for a specific grant to reimburse itself.
- The combined total of the LOCCS grant draw and previously recorded grant revenues cannot exceed the total grant expenditures charged to a specific grant.

QUESTION

A large purchase of warehouse material is made from a particular vendor some of which is for routine maintenance and some of which is for an ongoing ICDBG project.

True or False?

1. It is acceptable to use the IHBG grant funds for the total purchase that is intended for both the IHBG and the ICDBG program because it is more convenient to pay from IHBG grant funds. The intention is that once the Tribe/TDHE can determine the amount of materials to charge to either grant, then ICDBG program will reimburse the IHGB funds.
2. The IHBG fund has been reimbursed, so there should not be a problem.

Strategies for Grant Reimbursement

1. Record grant revenues that match grant expenditures. The cumulative total of grant revenues should match total grant expenditures.
2. The accounting entry for recording the grant revenue grant reimbursement:
 - Debit Grant Receivable – for Total amount of grant reimbursement
 - Credit Grant Revenue- Recognize grant revenue for eligible grant expenditures incurred.
3. ALWAYS draw grant funds from LOCCS ONLY for the amount of recorded grant receivable. When the grant funds are received, you increase (debit) cash and clear the grant receivable.
4. Internal Control Check: Ensure that the financial report of a specific grant does NOT show total grant revenues that exceed total grant expenditures.

Section 6

Grant Monitoring Activities and Closeout

Grant Closeout Activities

- The grant closeout process is the final step in the grant cycle.
- Per §200.344, the recipient (Tribe/TDHE) must submit:
 - **All financial, performance, and other reports required under the grant** within 90-120 days after the grant award expires or is terminated depending on regulatory or grant award requirements.
 - The awarding agency will review these reports to ensure compliance with the grant terms and conditions as well as determine if there are any obvious errors or omissions.
 - Post-award monitoring and audits may disclose deficiencies that will need to be addressed even after close out.

Grant Closeout Activities

- Per §200.344, the recipient (Tribe/TDHE) must submit:
 - If the Tribe/TDHE does not submit all reports within one year of the period of performance end date, the Federal awarding agency must report the grantee's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS).
 - You are still responsible for the grant until the Federal awarding agency has confirmed that you have complied with all the required conditions of the grant. This includes the 3-year record retention period following grant closeout.
- Ensure you retain your grant program records for 3 years.

Reporting Grant Financial and Program Performance

- ***Reporting program performance.*** The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information.
- Recipient (Tribe/TDHE) must relate financial data and accomplishments to performance goals and objectives of the Federal award.

Reporting Grant Financial and Program Performance Continued

- If required by the terms and conditions of the Federal award, Tribe/TDHE must provide cost information to demonstrate cost effective practices (*e.g.*, through unit cost data).
- For Example – for IHBG Competitive, OMB approved reports are:
 - SF-425 (submitted annually unless required to be submitted quarterly due to identified program deficiencies).[PIH 2022-15]
 - Annual Performance Report (APR) Form HUD-53248.

Ref: §200.329

Monitoring Grant Program Performance

- Tribe/TDHEs, as grant recipients, are responsible for oversight of the operations of the Federal awards supported activities, which includes:
 - Monitoring of its activities under Federal awards (grants):
 - To assure compliance with applicable Federal requirements and
 - Performance expectations are being achieved.
- Monitoring by the non-Federal entity must cover each program, function or activity.
- It is recommended you include your non-IHBG grants in your annual self-monitoring review activities.
- Ref: §200.329

Monitoring Grant Program Performance Continued

Monitoring of grants should be implemented throughout the life of the grant(s) and should include:

- Monitoring progress and whether you are meeting the requirements of the grant.
- Are expenses charged to the grants allowable under the grant?
- Is the project timely?
- Are expenses tracking according to the grant agreement and tracking with budget.

Monitoring Grant Program Performance Continued

Monitoring of grants should be implemented throughout the life of the grant(s) and should include:

- Besides tracking progress to ensure compliance and timeliness of project,
 - Are the required reports (SF-425) (or APR) being submitted on time?
 - Are you in compliance with the terms and conditions of the award(s)?
 - Remember, terms and conditions of the award provide details what you can and cannot do with the grant.
- Are expenditures from ALL your federal grants exceed \$750,000 in your fiscal year? Then be prepared for a single audit.

Monitoring Grant Program Performance Continued

Tools for monitoring multiple grants:

- The Compliance Supplement for each grant found at [Office of Federal Financial Management | OMB | The White House](#), which is a comprehensive document for each grant that auditors use in performing single audit of major grant programs and contains:
 - Grant compliance requirements,
 - Grantor program requirements, and internal control guidelines.

Monitoring Grant Program Performance Continued

Tools for monitoring multiple grants:

- HUD's self-monitoring Guidebook (for the IHBG Program) and checklists provide self-monitoring tools to help the Tribe/TDHE review various components of a Tribe/TDHE's operation and ensure compliance or provide for prompt correction action of any deficiencies noted in the self-monitoring.
- Tailor IHBG self-monitoring checklists to establish a self-monitoring program for Tribe/TDHE's other grants.

Questions?