Managing and Accounting of Multiple Grants

Office of Native American Programs
Office of Public & Indian Housing

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This training is offered by the U.S. Department of Housing and Urban Development (HUD) and the Office of Native American Programs, under a cooperative agreement with FirstPic, Inc.

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Section 1

LET'S REVIEW!

Introductions And Agenda

LET'S GET TO KNOW ONE ANOTHER

INTRODUCE YOURSELF

- Why are you attending this training, and
- What do you want to take away from this training?

Why Are you Managing Multiple Grants?

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WHAT TYPES OF GRANTS ARE YOU MANAGING?

SMALL GRANTS

ROSS GRANT

SMALL DONATIONS FOR SPECIFIC PURPOSES

KEY BANK FOUNDATION - - PROTEIN FOOD PANTRY

STATE GRANTS

AHFC SUPPLEMENTAL GRANT

PASS-THROUGH GRANTS

IHBG, COVID RELATED FUNDING

DISCRETIONARY OR COMPETITIVE GRANTS

IHBG COMPETITIVE

FORMULA GRANTS/BLOCK GRANTS

IHBG

PRIVATE FOUNDATION FUNDS

RASMUSSON FOUNDATION

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BEST PRACTICES IN GRANT MANAGEMENT by GFOA.org

TRAINING FOCUS – FEDERAL GRANTS

1. Is this grant aligned with your mission and strategic priorities and plans?
2. Ensure that all relevant departments within the organization are aware of the grant and are prepared to administer it (e.g. accounting).
3. Identify if grant requires a grant match requirement – 100% match and/or requires local match and/or another grant match?
4. Take stock of organizational capacity. If the grant is for a new program:
   a. Develop a project plan that outlines all the implementation steps.
   b. Identify who will be responsible for managing the different aspects of the grant, from providing direct services to submitting reimbursement requests and compliance reports.
   c. Determine if any staff responsible for managing the grant need additional training and include this in the project plan.
5. Be aware of any procurement requirements and BABA Act requirements for the grant you are seeking. These requirements could affect your timeline, so plan accordingly.
6. Understand the type and amount of administrative costs that can be charged to the grant and limit on how much can be spent on administrative costs (Some grants may not allow administrative costs).

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BEST PRACTICES IN GRANT MANAGEMENT by GFOA.org

TRAINING FOCUS – FEDERAL GRANTS

7. Establish department/person responsible for tracking grant outputs/ outcomes and expenses and requesting reimbursements. For example:
   - **Project:** New Rental Project
   - **Project Manager, Development/Construction Department:** Responsible for tracking grant outputs/outcomes and project expense and required reports.
   - **Grant Accountant:** Performs accounting, prepares and requests grant reimbursement. Compiles financial report of project.
8. If you are sub-granting funds to a subrecipient, you are still responsible for meeting all the grant requirements and must require progress reports; monitor and observe work to ensure compliance.
9. Submit ALL required reports TIMELY to your grantor!
10. You have completed the project with the grant funds received. How do you manage/sustain the operations of the project or program you built/developed going forward?

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Section 2

2 CFR Part 200
General Requirements for Managing And Accounting of Federal Grants

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Grants.gov

https://www.hud.gov/helping-americans/public-indian-housing

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Do Your Homework!

- Is your self score above, at, or below scoring threshold?
- Are funds you are leveraging compatible with this grant?

Competitive IHBG: Points Estimates vs Actuals	2022			
	Max	**Est**	**Actual**	**Notes**
FACTOR 1: Capacity of the Applicant				
Subfactor 1.1: Managerial and Technical Staff	8	8	8	
Subfactor 1.2: Procurement and Contract Mgmt	3	3	3	
Subfactor 1.2: Progress on IHBG Formula Grant				
Sufactor 1.3: Progress on Competitive Grants				
Subfactor 1.4: Progress on Pandemic Relief and Imminent Threat Grants				New in 2024. Based on total LOCCS balances for ICDBG-CARES; IHBG-ARP and ICDBG-ARP grants. If n/a for rating period, 2 points awarded. Max points if 35% or less undisbursed. Zero points if any IHBG-CARES money undisbursed at application date.
Subfactor 1.3: IHBG Expenditures	3	3	3	
Subfactor 1.5: Findings	2	2	2	
Subfactor 1.6: Timely Reporting	2	1	1	
Subfactor 1.7: Single Audit Submission	2	2	2	
Subfactor 1.7: Program Performance Going Forward	n/a			
	20	**19**	**19**	
FACTOR 2: Need/Extent of the Problem				
Subfactor 2.1: Need for Funding - Formula Data	9	9	9	
Subfactor 2.1b: Other Supporting Data	n/a			
Subfactor 2.2: Need for Funding - Project Beneficiaries	3	3	3	Max points if 100% of households are without permanent housing, live in overcrowded housing, and/or have no kitchen or plumbing
Subfactor 2.3: Past Efforts to Address Identified Need	3	3	3	
Subfactor 2.3: Need for Funding - Non-Formula Data				
Subfactor 2.4: Current Funding Assessment	n/a			
Subfactor 2.4: New and Previously Unfunded Applicants	5	0	0	
	20	**15**	**15**	
FACTOR 3: Soundness of Approach				
Subfactor 3.1: IHBG Competitive Priorities (new construction, rehabilitation, etc.)	10	10	10	
Subfactor 3.2: Project Implementation Plan	10	10	10	
Subfactor 3.3: Project Implementation Schedule and Project Readiness	10	10	10	
Subfactor 3.4: Budget	10	10	10	
Subfactor 3.5: Sustainability	5	5	5	
	45	**45**	**45**	
FACTOR 4: Comprehensiveness + Coordination				
Leveraging Resources	**5**	**5**	**5**	
Subfactor 5.1: Coordination	7	7	7	
Subfactor 5.2: Outputs and Outcomes	3	3	3	
	10	**10**	**10**	
PREFERENCE POINTS				
Opportunity Zones	n/a			
Promise Zones	2	0	0	No Promise Zones in Alaska
Climate Change	2	2	2	
	4	**2**	**2**	
GRAND TOTAL	***104***	***96***	***96***	
Score cutoff, per HUD			***96***	

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Do Your Homework!

Pre-Award Checklist

Grant Information:

Grant Title:
Requested Grant Amount:
Grantor/Funding Source:
Grant Number:
Grant Budget Period:
Grant Performance Period:
Grant Lead:
Department Manager

Item No.	Completed? Yes, No, or N/A	Checklist Steps
1.		Has the Notice of Funding Opportunity (NOFO) or grant-providing organization (GPO) document been read in detail? *Answer the following:*
		a. Does the grant provide separate training resources?
		b. If so, did Grant Lead and the Department Manager take the training?
	Response:	
2.		Does the identified funding opportunity align with the Tribe/TDHE's: (1) goals; (2) development plan; and (3) fundraising strategy?
	Response:	
3.		Is CIHA a good fit based on organizational capabilities, the listed need(s) of the awarding agency, of the NOFO and/or GPO eligibility requirements? *Use the above question when answering questions #3 through #7:*
		a. Eligible activities/scope of work apply to CIHA?
	Response:	
4.		What are the allowable costs?
	Response:	
5.		What are the reporting requirements?
	Response:	
6.		What documentation is required?
	Response:	
7.		What are the legal/regulatory requirements?
	Response:	
8.		Have all funding opportunity pre-application registrations been completed? (These are noted within the NOFO and/or GPO, when applicable, If so, what are the required pre-app registrations?) *e.g., Required registrations for NOFO'S including Data Universal Numbering System (DUNS), System for Award Management (SAM), and Grants.gov. Identify GPO requirements, if any.*
	Response:	
9.		Does CIHA have required financial and/or organizational policies, procedures, and practices in place to use grant funds properly? Answer the following: a. What are the required policies, procedures and practices, if any?
	Response:	
10.		Has the project proposal been reviewed for both programmatic and financial feasibility? If so, by whom?
	Response:	
11.		Are the project costs based on documented, reasonable estimates? How were the estimates determined?
	Response:	
12.		Has the project budget and budget narrative been completed and reviewed for approval?
	Response:	
13.		Is there a documented history of performance of previous related grant award program activities? This includes the timeliness and accuracy of prior required federal reporting, conformance with the terms and conditions of the award agreement, etc.
	Response:	
14.		Department Manager approved the grant application?
	Response:	
15.		Has Compliance and Finance reviewed the grant application prior to submission?
	Response:	
16.		Has Grant Lead verified that there are no competing requirements, conflicts or restrictions with other current grants?
	Response:	

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Must Meet Requirements of the Grant

Make sure you meet all the Eligibility Requirements of the Grant:

For example: IHBG Competitive Grant Eligibility Requirements:

1. Must be an eligible Applicant:
   - Tribe or TDHE.
2. Must meet Grant Eligibility Requirement:
   a. Must have a Unique Entity Identifier (UEI) and be registered in the System for Award Management (SAM.gov).
   b. No Outstanding Delinquent Federal Debts
   c. No Debarments or Suspensions, or both
   d. Mandatory Disclosure Requirement
   e. Pre-Selection Review of Performance
   f. Sufficiency of Financial Management System
   g. No False Statements
   h. Prohibition Against Lobbying Activities

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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).

Oct 1, 2024- deminimis rate will change from 10% to 15%

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Know the Terms and Conditions of each Grant

Example: IHBG COMPETITIVE GRANT:

Indian Housing Block Grant (IHBG) Competitive Grant Program | HUD.gov / U.S. Department of Housing and Urban Development (HUD)

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 Information (Form HUD-426)
7. Administrative and Planning Expenses
8. Pre-award costs
9. Consultant Cap
10. Affordability Period
11. Environmental Review

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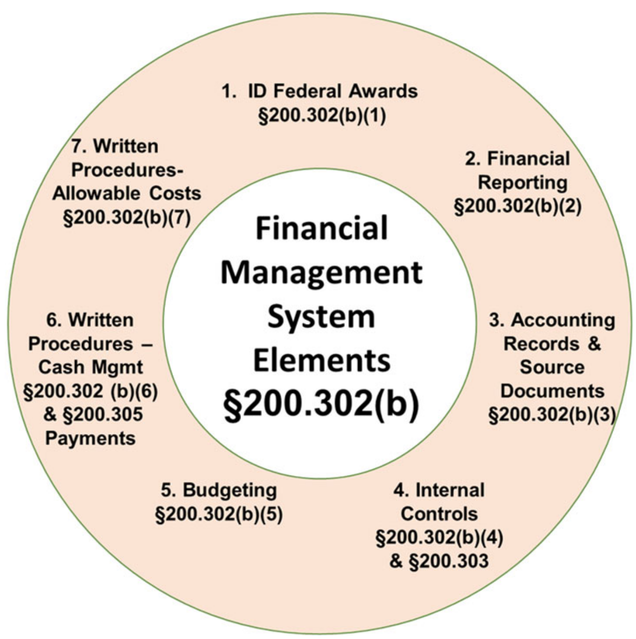
Let's Review!

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……



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Section 3

Grant Cycle and Responsibilities

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Self-Evaluation

Are You Ready to Manage Multiple Grants?

1. How experienced is your staff in managing 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?

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Managing Grants Starts with Understanding the Grant Cycle

1. Identify/apply for grant need for Project or Program → 2. Awarded the Grant → 3. Set up Grant and Track Activity in Accounting System → 4. Implement and Administer Grant → 5. Grant Close Out

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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 you are applying for?
- 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?

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Grant Responsibilities

Notice of Award (- When a Tribe/TDHE is successful and is awarded the grant, 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

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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:**
    - FFR 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.

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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.

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Who Is involved in managing the grants?

- **Tribe/TDHE Leadership:**
  Approve project and grant budget needs
- **Department Managers:**
  Grant Mgr oversight and grant application approval
- **Grant Manager:**
  Administers grant , provides training, technical assistance and Closeout
- **Finance/Grant Accountant:**
  Accounting and Reporting
- **Compliance Department:**
  Develops checklist for each grant and monitors for compliance

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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).

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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.

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Who is Responsible?

Roles	Responsibilities
Accounting Department/Grant Accountant and Human Resources	• Reviews chart of accounts to ensure the accounting system can: o Properly record and track revenues and expenses of the grant and ensures expenses are in compliance with the grant requirements. o Prepare and produce grant reports that meet the reporting requirements of the grant. o Tracks revenues and expenses against established grant budget and provide reports to Grants Manager. o 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.

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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/

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Sample Grants Tracking

ALN #	Funding Source	Agency	Grant #	Grant Name	Period of Performance Start	Period of Performance End Date	Reporting Frequency	Report Type	Report Preparation/Submission Responsibility	File Retention
14.228	Federal	HUD	19-CDBGDR-07	SOA-DCCED Community Development Block Grant-Disaster	6/15/2023	12/31/2024	M (due: 30 days after the end of the month being reported), F (due: 30 days following project	Financial/Reimbursement/Progress Report	Development Finance/Finance	
14.867	Federal	HUD	55IH0203200	NAHASDA Formula	6/10/2022	9/30/2033	Q (due: 4/30; 7/30; 10/30), A (due: 3/30), F	SF425	Finance	
							A (due: 3/30), F (due 90	APR	Compliance	
							A (due: 3/30), F (due 90 days after)	FFATA Reporting for subs $30K & over	Finance	
14.867	Federal	HUD	22ICAK03	Competitive 2021	1/1/2022	5/31/2025	A (due: 3/30), F (due 90	SF425	Finance	
							A (due: 3/30), F (due 90	APR	Compliance	
							A (due: 3/30), F (due 90 days after)	FFATA Reporting for subs $30K & over	Compliance	
14.867	Federal	HUD	21AH0203	IHBG ARP	6/25/2021	9/30/2026	A (due: 3/30), F (due 90	SF425	Finance	
							A (due: 3/30), F (due 90	APR	Compliance	
14.870	Federal	HUD	ROSS231794-01-00	HUD ROSS-SC	6/1/2023	5/31/2026	A (due: 10/30), F (due: 9/28/26 (120 days after	SF425	Finance	
							A (due: 10/30), F (due: 9/28/26 (120 days after	Performance Metrics Report	Resident Services	
14.899	Federal	HUD	23HV0203	VASH 23	10/1/2023	9/30/2024	A (due: 3/30), F (due 90	SF425	Finance	
							A (due: 3/30), F (due 90	APR	Compliance	
							F (due 90 days after)	Closeout agreement	Finance/Housing	
21.026	Federal	Dept. of Treasury	HAF0210	Housing Stability Fund - American Recovery Plan	7/1/2021	9/30/2026	Q (due: 2/15; 5/15; 8/15; 11/15), A (due: 11/15), F (due 90 days after end)	Financial/Targeting Data/Metrics - use Treasury Portal (No FFATA reporting-Treasury updates FSRS system)	CILC HAF Program Manager w/assistance from CILC & CIHA Finance	
21.027	Federal	Dept. of Treasury	ARPA AR2022-178(S)	State and Local Fiscal Recovery Fund (SLFRF)	9/16/2022	12/31/2024	Q (due: 1/15; 4/15; 7/15; 10/15)	Project and expenditure report - use MOA Portal	Finance (coordinate with development finance)	3 years after completion of all projects
							A (due: 5/15)	Annual Performance Report for KPI's and EBI's - use MOA portal	Finance (coordinate with development finance)	3 years after completion of all projects funded with this grant
							A (due: 12/31)	Annual Financial and Compliance Report - use MOA portal (includes submitting P&L B2A for year)	Finance (coordinate with development finance)	3 years after completion of all projects

Section 4

System Requirements to Separately Track Multiple Grants

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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.

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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 (AL) title and number (use to be CFDA)
- ❑ 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.

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Slide 31

fp18 Need to discuss HUD comment
first pic, 10/25/2023

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 condition.
   - A signed copy of the Approval/Agreement (e.g. HUD-52734-B) that shows amount of the grant award.
   - Terms and conditions of the grant.
   - Financial and Progress and Program Reports (SF-425, APR).
   - Correspondence.

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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

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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.)?

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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.

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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	ICDBG	30	Housing Rehabilitation
4110	SALARIES	ICDBG	31	Development-Community Building
4110	SALARIES	IHBG-COMPETITIVE	20	SENIOR HOUSING DEV PROJECT
4110	SALARIES	IHBG-COMPETITIVE	21	FAMILY RENTAL HOUSING PROJECT

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EXAMPLE 2: Tracking Multiple Grant Activity with an Enterprise Accounting Software

Chart of Account Structure Example: XXXXX.XXX-XX.XXXX-XX-XXX

Program Description Code:XXXXX		Grant Description Code:XXX-XX		Account Code: XXXX-XX-XXX						EXAMPLE
Program Description	Program Code	Grant Description	Grant/Year Code	Account Description	Acct Desc Code	Location	Minor 1 Acct	Activity Reporting	Minor 2 Acct	Complete Account Code
Housing Services	HA110	IHBG NAHASDA	100-00	Wages & Salaries	5010	Location A	10	IHP Activity 1	100	HA110.100-00.5010-10-100
Housing Services	HA200	STATE GRANT 1	203-26	Wages & Salaries	5010	Location B	20	IHP Activity 1	100	HA200.203-26.5010-20-100
Crime Prevention	HA110	IHBG NAHASDA	100-00	Wages & Salaries	5010	Location A	10	IHP Activity 2	200	HA110.100-00.5010-10-200
Community Building	HA110	IHBG NAHASDA	100-00	Wages & Salaries	5010	Location B	20	IHP Activity 3	300	HA110.100-00.5010-20-300
Community Building	HA341	FOUNDATION GRANT 2	320-26	Wages & Salaries	5010	Location B	20	IHP Activity 3	300	HA341.320-26.5010-20-300
Countertop Projects	HA901	IHBG COMPETITIVE GRANT	101-25	Wages & Salaries	5010	Location B	20	n/a	000	HA901.101-25.5010-20-000
Multi-Family Construction	HA405	IHBG COMPETITIVE GRANT	101-25	Wages & Salaries	5010	Location B	20	n/a	000	HA405.101-25.5010-20-000
Multi-Family Construction	HA405	HUD-184	105-25	Wages & Salaries	5010	Location B	20	n/a	000	HA405.105-25.5010-20-000
Weatherization Program	HA550	STATE GRANT 2	204-26	Wages & Salaries	5010	Location C	30	IHP Activity 3	300	HA550.204-26.5010-30-300

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Uniform Guidance Requirements for Managing Grants

Let's review what these mean!

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

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Recording Revenues and Charges to Grants

- Review your grant's budget to 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 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

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ACCURATE	CURRENT	COMPLETE
Financial data must reflect actual values in accordance with Generally Accepted Accounting Principles (GAAP)	Financial report must be up to date to provide relevant information for timely decision-making	ALL financial data must be included to provide a complete picture of the financial position of your organization
• Accounting for revenues and expenditures are accurately recorded in accordance with GAAP. • All transactions are consistently treated. • Transactions are posted in the correct period. • Balance Sheet accounts are reconciled on a regular basis. • Sub-ledgers are reconciled to the General Ledger.	• Ensure all income and expenses of the grant are posted in your accounting system when costs are incurred, which may not be the same period as the date posted. • Revenues are posted when earned. • Consider the conditions of the grant, the grant amount and the grant periods.	• The Tribe/TDHE's accounting system must record ALL transactions for all accounting activities. • Follow your policies, procedures and internal controls to reduce risk of transactions not being posted, of being posted in the wrong period, or not being consistently treated. Also reduces the risk of fraud. • Review financial reports and budget to actual reports, which are tools for ensuring financial information is accurate and complete.

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Have the right Documents to Support Revenues and Expenditures

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

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How To Adequately Document Grant Fund Purchases?

To adequately provide supporting documentation, 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.

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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 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.

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Adequately Identify and Document Source and Application of Each Grant Fund

REQUIREMENTS	IDENTIFY SOURCE 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.

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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.

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Slide 45

fp28 Need to review HUD Commnets
first pic, 10/25/2023

Grant Activities Pitfalls

3. Inadequate 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. Inadequate 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.

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

- 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!

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Section 5

Costs:
Allowable Direct vs Indirect Costs and Allocable Costs

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Refer to § 200.403

What Makes Costs ALLOWABLE for your Program?

- (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**

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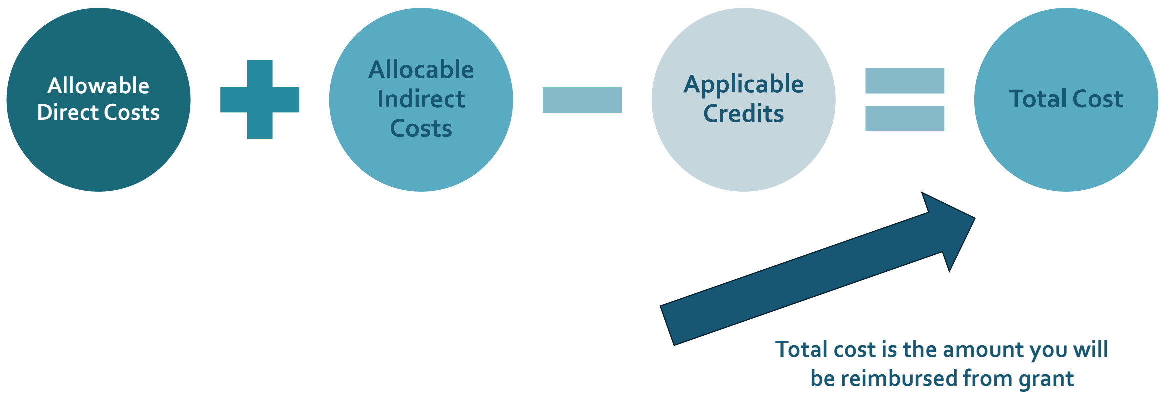
Composition Of Costs § 200.402



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What are Direct 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).**

Whereas the opposite of such costs are considered <u>INDIRECT COSTS</u> because these costs BENEFIT AND SUPPORT ALL PROGRAMS. However, there are exceptions…….

EXAMPLE	
TYPICAL DIRECT COSTS	**TYPICAL INDIRECT COSTS <u>TREATED AS DIRECT COSTS</u>**
Compensation of employees, related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award.	An accountant's wages, normally an indirect cost, may be treated as a direct cost if the accountant's time is exclusively assigned to a development or project activity.

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Direct vs Indirect Costs

Costs are 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?**

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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 administers only ONE GRANT – IHBG grant, then 100% of its expenses to operate the program, including the administrative building expenses and utilities would be a direct cost 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?

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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.

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REMINDER

§ 1000.236: Planning and Administrative Expenses

§ 1000.236 What are eligible administrative and planning expenses?

(a) Eligible administrative and planning expenses of the IHBG program include, but are not limited to:

(1) Costs of overall program and/or administrative management;

(2) Coordination monitoring and evaluation;

(3) Preparation of the IHP including data collection and transition costs;

(4) Preparation of the annual performance report;

(5) Challenge to and collection of data for purposes of challenging the formula; and

(6) Administrative and planning expenses associated with expenditure of non-IHBG funds on affordable housing activities if the source of the non-IHBG funds limits expenditure of its funds on such administrative expenses.

(b) Staff and overhead costs directly related to carrying out affordable housing activities or comprehensive and community development planning activities can be determined to be eligible costs of the affordable housing activity or considered as administration or planning **at the discretion of the recipient**.

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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.

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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 a reasonable allocation method** of those administrative or facilities costs .

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Indirect Costs using the 15% deminimis rate [§ 200.414(f)]

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

1. An approved negotiated approved Indirect Cost Rate (IDC), or
2. Cost Allocation Plan.
3. The 15% De minimis rate – can claim up to 15% 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 15% deminimis rate, then it must apply this rate to all federal grants to recover indirect costs.

QUESTION:

IF A TRIBE/TDHE ELECTS TO USE THE 15% DEMINIMIS RATE TO RECOVER INDIRECT COSTS, DOES THAT MEAN THEY CANNOT CHARGE EXPENSES TO THE IHBG PLANNING AND ADMINISTRATIVE EXPENSES?

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What/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 1: ALLOCATE DIRECT COSTS

A maintenance staff is issued a Work Order for a job on a 1937 Housing Act Unit and a tax credit unit to "make ready" for occupancy.

- Material costs included I can of paint and brushes and supplies for both units totaling $2,000. Unit sizes are the same. Hours spent on the 1937 Housing Unit was 6 hours, and time to fix the tax credit unit was 4 hours.

DIRECT COST CHARGED TO 1937 UNIT: 50% of material cost and supplies and 6 hours of wages and benefits.

DIRECT COST CHARGED TO THE TAX CREDIT UNIT: 50% of material cost and supplies and 4 hours of wages and benefits.

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What/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 2: ALLOCATE INDIRECT COSTS:

- TDHE manages multiple federal and state grants.
- Indirect Cost to allocate to the multiple grants: administrative expenses of office building and utilities.
- TDHE does not have an IDCR.
- To allocate a share of the office building and utilities, **TDHE uses square feet of office space utilized by grants to allocate office building and utility expenses to all the grants benefiting from the use of the building.**

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Section 6

Managing Multiple Grants for Select Items of Costs

1. Payroll Costs and Benefits

2. Materials and Supplies

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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.

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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.

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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.

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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?

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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.

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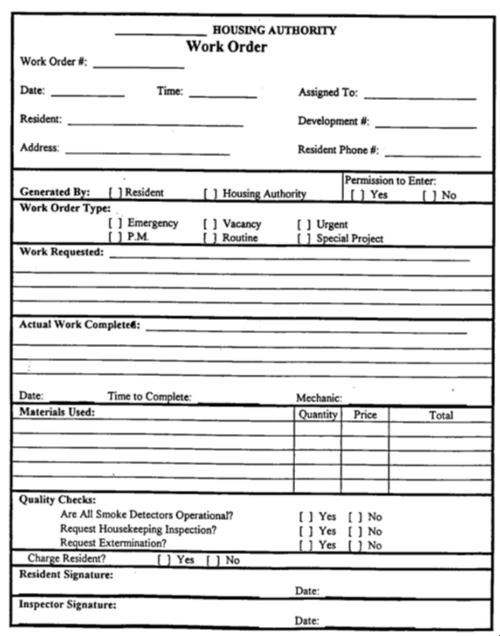
Sample Work Order

- Should be issued for all maintenance work.
- Should be logged in, assigned to a priority category and recorded for materials usage.
- Write the Work Order
- 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:

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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.

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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.

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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 ____________

Free use content provided by ClickTime

- 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

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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.
- 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 Employees 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**.**

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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			

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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 PRACTICE MAKES PERFECT

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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?
- 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.

BEST PRACTICE MAKES PERFECT

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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).

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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.

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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.

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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.

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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 on-going 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 quantity 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.

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Strategies for Grant Reimbursement

1. Only draw funds from LOCCS for eligible expenditures of the grant.
2. Do NOT draw grant funds in excess of the amount you are reimbursing yourself for incurred expenditures with the intention of covering expenses of other grants in the short term.
3. How much to draw from LOCCS? See example – next slide

   - ALWAYS draw grant funds from LOCCS ONLY for the amount of recorded grant receivable, which should reflect the amount of funds you are required to reimburse yourself for. When the grant funds are received, you increase (debit) cash and clear the grant receivable, and your total IHBG Revenues = Total Eligible IHBG Expenditures.
   - Internal Control Check: Ensure that the financial report of a specific grant does NOT show total grant revenues that exceed total grant expenditures.

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Sample Grant Reimbursement

At April 30, 2026: Trial Balance shows the following:	Balance before LOCCS draw	Adjust No.	Adjustments: Debit/(Credit)	Balance after LOCCS draw
Cash - Bank	1,000,000	2	175,000	1,175,000
Accounts Receivable	-	1	175,000	0.00
		2	(175,000)	
Total IHBG Grant Revenues	(200,000)	1	(175,000)	(375,000)
Total IHBG Expenses	375,000			375,000
Expenses > Revenues: Amount you need to draw from LOCCS	175,000		(175,000)	-
1. Adjustment to record amount to draw from HUD LOCCS:			Debit	Credit
Debit: Accounts Receivable/HUD			175,000	
Credit: IHBG Grant Revenue				175,000
2. Adjustment to record receipt of IHBG grant funds from				
Debit: Cash Account			175,000	
Credit: Accounts Receivable				175,000

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Section 7

Grant Monitoring Activities and Closeout

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Grant Closeout Activities Per §200.344

- 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 (HUD grant closeouts are within 90 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.
  - Note: HUD issues a closeout letter to the Tribe/TDHE based on grantee's certification that the project was completed in accordance with the program compliance – HUD's close out letter does not mean that the program/project was carried out correctly!
  - Post-award monitoring and audits may disclose deficiencies that will need to be addressed even after close out.

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Slide 84

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fp24 Need to review HUD comments
first pic, 10/25/2023

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Grant Closeout Activities Per §200.344,

- 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). [*Currently, HUD is not required to report this information to OMB under 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.

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Review Accuracy of Reporting Grant Financials, Program Performance and Other Closeout Reports

EXAMPLE: IHBG COMPETITIVE GRANT

- Review final Financial reports (SF-425) to ensure accuracy of grant expenditures that agree with your financial records, and
- Review the Annual Performance Report (Form HUD-53248) that provides HUD with progress and status of program/project performance funded with the grant.
- At the closeout of the grant, the federal granting agency may require additional reports. For example, for the IHBG Competitive Grant, HUD requires the grant recipient to submit a HUD Form 53246 as part of the close out process.
  - HUD Form 53246: A report that the recipient submits information that enables HUD to:
    - Select the best projects for funding during annual competitions for the IHBG Competitive Program, and
    - Helps HUD to determine whether applications meet minimum screening eligibility requirements and application submission requirements.
- **Ref: §200.329: Monitoring and reporting program performance**

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fp25 Edited to include HUD comments
first pic, 10/25/2023

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

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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 in compliance with the requirements of the grant.
- Are expenditures charged to the grants allowable under the grant?
- Is the project timely?
- Are expenses tracking according to the grant agreement and tracking with budget?

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Monitoring Grant Program Performance Continued…

- 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 $1,000,000 in your fiscal year?
    - Then be prepared for a single audit.

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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.

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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.

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Questions?

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