Welcome!

Financial and Grants Management Training

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AGENDA

Financial Management
• CoC Program Components
• Eligible Costs
• Program Income
• Match

Grants Management
• Subrecipient Recordkeeping
• Budgets and Expenditures
  • Budget Requirements
  • Budget Changes
  • Time and Activity Reports
Who is here today?

Name
Pronouns
Racial Identity
YHDP Community you represent
1 question you have going into today?
FINANCIAL MANAGEMENT

- Eligible Costs
- Program Income
- Match
Supportive Services, Rental Assistance, Leasing, Operating, HMIS

You need to know what budget lines are in your grant agreement to ensure you expend funds on eligible costs!

Visit the CoC Binder!

Eligible Costs – Project Administration

Eligible Costs:
• General Management, Oversight and Coordination
• Training on CoC Requirements
• Environmental Review

NOTE!
• Staff and overhead related to each project administration activity is eligible
  • Bill to eligible ACTIVITY (ex: Staff conducting admin activities should be billed under admin, not RRH")
• Admin totals may have be negotiated with Sole Recipient if you are a Sub-Recipient in a budget and scope reconciliation process.

Eligible activity under ALL components (PSH, RRH, TH, SSO, HMIS & CE)
Program Income

CoC Regulations pertaining to program income (24 CFR Section 578.97)

1. **Definition**
   Program Income is the income received by the subrecipient or recipient directly generated by a grant supported activity.

2. **Use**
   Program Income shall be retained by the recipient and be added to funds committed to the project and used for eligible activities.
Rent as Program Income (24 CFR 578.97(c))

Rent and Occupancy Charges:

• Rent and occupancy charges collected by the recipient or subrecipient from program participants is program income.

• Income from rent and occupancy charges collected from participants in Transitional Living Programs can be considered client savings and used to assist youth who moving into permanent housing.
Tracking Program Income

Tracking incoming and outgoing program income:

• Track receipt and expenditures of program income

• Recipient should have written agreement with subrecipient, if they retain program income for project use
Match requirements (578.73):

- Match may be cash or in-kind
- Recipients must match all grant funds, except for leasing funds, for at least 25% on the total of what HUD provides the recipient
- Match is spent by or donated to the recipient or subrecipient to cover eligible costs of the project
- Recipients that are UFAs or are the sole recipient for their Continuum, may provide match on a Continuum-wide basis.

Costs incurred by a partnering organization to provide “in-kind” services to the program participants must be documented by a MOU.

In most cases, match must be provided on a grant-by-grant basis.
Questions?
GRANT MANAGEMENT

- Recordkeeping Requirements
- Budgets and Expenditures
RECORDKEEPING REQUIREMENTS:

- Organizational requirements
- Project Requirements
- Program Participant Requirements
- Monitoring for Compliance
Recordkeeping

Whether you are a direct recipient or a subrecipient, ensure that your project has the appropriate recordkeeping procedures in place by following these fundamentals...

1. **Obtain Documentation**
   Obtain documentation from a qualified source or qualified sources

2. **Maintain Records**
   Maintain records in your files

3. **Monitor Regularly**
   Monitor at least annually for compliance
Electronic Record Keeping

Recipients and/or subrecipients may keep files electronically; recipients and/or subrecipients must be able to print them out upon request or allow them to be viewed as part of an on-site or remote monitoring or audits conducted by designated federal agency staff or by the HUD Office of Inspector General as set forth in 24 CFR 578.103(d).

Additionally, if the recipients and/or subrecipients use an electronic system, they must provide an adequate back-up system for the files, and ensure privacy protections that adhere to other federal privacy regulations, such as HIPAA (Health Insurance Portability & Accountability Act).

There is no required timeframe for the amount of time you need to store hard/physical files as long as the above requirements are met for your electronic files.
Indirect Benefits of Recordkeeping

Proper recordkeeping allows you to:

- Track what works and what doesn’t
- Measure the services provided
- Know what takes up most of your time
- Check your efficiency
- Make program decisions
- Strengthen your outcome reports
- Know when you need grant amendments
- Apply and report to funders with ease and expediency
Reminder:

**GRANT AGREEMENTS:**

- Sole Recipient holds grant agreements and is responsible for applying for renewal and Subgrantees hold contracts with Sole Recipient.
- OR Recipient is holding contracts directly with HUD.
- When executing the grant agreement: partner with the HUD Dedicated Desk Officer or HUD Field Office to adjust projects budget to ensure compliance with the CoC Program Interim Rule.

**RENEWAL CLAUSE:**

- 24 CFR 578.33(d)(1) of the CoC Interim Rule states that existing projects are eligible for renewals in the CoC Program even if the awardees would not be eligible for a new grant under the program.
- Must continue to serve the same population, same number of people/units, in same type of housing
## Recordkeeping Requirements (24 CFR 578.103)

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<tr>
<th>Category</th>
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<td>UFA Records</td>
<td>Records of Reasonable Belief of Imminent Harm</td>
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<td>Homeless Status</td>
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<td>Program Participant Records</td>
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<td>Match</td>
<td>Conflicts of Interest</td>
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<td>Faith-Based Activities</td>
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<td>Subrecipients and Contractors</td>
<td>Other Federal Requirements</td>
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<td>Other Records Specified by HUD</td>
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</table>
Organizational Requirements

**Required Documentation:**
- Conflict of Interest Policy
- Faith-Based Activities and Limitations
- Fair Housing and Equal Opportunity
- Equal Access Policy
- Emergency Transfer Plan Policy and Procedure
- Grievance Policies and Procedures
- Programmatic Policies and Procedures
- Other Federal Requirements
Conflict of Interest Policy

Organizational conflicts of interest:
- Agency representative cannot make funding decisions that involve his/her agency
- Employee cannot determine HQS or rent reasonableness for property their agency owns

Individual conflicts of interest:
- Agency decision makers cannot obtain personal benefit or gain from CoC Program funds

HUD may grant exceptions if recipient submits a written request:
- Disclose the conflict
- Including the opinion of the recipient’s legal counsel that the conflict doesn’t violate state or local laws
Limitations on the Use of Funds Policy (24 CFR 578.87)

No assistance may be used to replace state or local funds previously used/designated to assist homeless persons.

The Federal, State or local government receiving funds cannot discriminate against an organization on the basis of religious affiliation.
Limitations on Faith-Based Activities

Religious or faith-based organizations are eligible to operate CoC Program projects.

- **Protections:** Independence to pursue mission
- **Restrictions:** Must separate religious activities from CoC Program funded activities

***Recipients may not discriminate against a prospective or active program participant on the basis of religion or religious belief***
Fair Housing and Equal Opportunity (578.93)

- May limit TH and PH projects to exclusive homeless subpopulations, as specified
- Must implement the project in a way that affirmatively furthers fair housing
- Must comply with accessibility requirements for persons with disabilities
- May not deny project admission to a family on the basis of prospective program participant’s child(ren)’s age or gender
Equal Access Rule

- Ensures that lesbian, gay, bisexual, and transgender people are guaranteed equal access to HUD's housing and shelters
- Clarifies the term "family" and "family unit", as used in the HUD programs

https://www.hudexchange.info/faqs/1529/how-is-the-definition-of-family-that-was-included/

“Family includes, but is not limited to, regardless of marital status, actual or perceived sexual orientation, or gender identity, the following:
A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or,
A group of persons residing together, and such group includes, but is not limited to:
  • A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
  • An elderly family;
  • A near-elderly family;
  • A disabled family;
  • A displaced family; and,
  • The remaining member of a tenant family.”
Amended Equal Access Rule

- Published on September 21, 2016
- Requires that policies and procedures to protect privacy, health, safety, and security, shall be established or amended, as necessary, and administered in a nondiscriminatory manner to ensure that:
  - Equal access to all CPD programs is provided in accordance with gender identity;
  - In single-sex facilities, individuals are placed, served and accommodated in accordance with one’s gender identity; and
  - Individuals are not subjected to intrusive questioning or asked to provide anatomical information or documentary, physical, or medical evidence of the individual’s gender identity
- Non-discriminatory steps must be taken to address privacy concerns, including updating operating policies and procedures
- For more information visit: https://www.hudexchange.info/homelessness-assistance/resources-for-lgbt-homelessness/#program-guidance-and-equal-access-rule
Example of Local Equal Access Policy

- Providers should have their own equal access policy.
- Policy should include specifics on how agency will comply with Equal Access Rule.
  - **Note**: Ensuring compliance with the Equal Access Rule may look different in a PSH/RRH program that has individual apartment vs a program with communal living spaces (TH, shelter)
- All Coordinated Entry Access Points, and YHDP subrecipients must post related HUD Equal Access Fact Sheets in locations accessible by program participants.
- Program participants who feel that they have been a victim of discrimination and/or has experienced family separation by a local provider within the CoC may file a grievance with the CoC Lead Agency. **Grievance Fact Sheet** (example)
Emergency Transfer Plan

• A tenant who is an active victim of domestic violence, dating violence, sexual assault (within last 90 days and SA occurred on the premises), or stalking is eligible for an emergency transfer, if: the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit.

• Resources: [MCEDSV Emergency Transfer Video Training](#)

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<td>Confidentiality - HSP</td>
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<tr>
<td>Urgency - HSP</td>
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Questions?
Grantees are responsible for ensuring that their organization (and any subrecipients) expend CoC funds in a **legal and timely fashion**, an **effective and efficient manner**, and in a way that is **consistent with the program's intent**. This includes ensuring that:

1. Funds are spent only on **eligible participants**
2. Funds are spent only for **eligible activities and allowable costs**
3. Funds are committed and **expended within prescribed deadlines**
4. The use of funds is supported by the **required documentation**
5. Policies and procedures are **consistent with all applicable federal, local, or grant-specific requirements**
Monitor for Compliance

- To maximize performance and compliance with all relevant statutes and regulations, **grantees must conduct regular, comprehensive internal monitoring** (in addition to the requirement that recipients monitor subrecipients).

- Always keep **clean and detailed records** on the following topics:

  - Participant Eligibility
  - Fiscal Management
  - Housing
  - Client Payments
  - Program Policies
  - Use of Program Income & Cash Match
  - Supportive Services
Four Components

To ensure that all requirements and topics are covered in your self-monitoring, it is useful to break them down into four components, each of which requires you to review different types of documentation:

1. **Organization**
   Monitoring the grantee’s larger organization requires a review of files such as employee records, agency policies and procedures, confidentiality policies, memorandums of agreement (MOAs), Board composition, etc.
Four Components

To ensure that all requirements and topics are covered in your self-monitoring, it is useful to break them down into four components, each of which requires you to review separate types of documentation:

1. Organization
2. Project
   Monitoring grantee operation of the project requires a review of files such as grant agreements, subrecipient agreements, project policies and procedures, housing inspections, staffing policies, etc.
Four Components

To ensure that all requirements and topics are covered in your self-monitoring, it is useful to break them down into four components, each of which requires you to review separate types of documentation:

1. Organization
2. Project
3. Finances
   Monitoring grantee finances requires a review of files such as documentation of matching funds, program income, project expenses, employee time and activity reports, how the project handles Line of Credit Control System (LOCCS) drawdowns, etc.
4.
Four Components

To ensure that all requirements and topics are covered in your self-monitoring, it is useful to break them down into four components, each of which requires you to review separate types of documentation:

1. Organization
2. Project
3. Finances
4. Participants

Monitoring participant files requires a review of participant files, including eligibility documentation (homelessness, chronic homelessness, disability, etc.), assuring accuracy through comparison to HMIS records, confidentiality agreements or Releases of Information (ROIs), etc.
Example of Monitoring from CoC

- Notice
- Method
- Monitoring Guide
- Monitoring
- Monitoring Report
Confidentiality

Develop and implement written procedures within your organization (and CoC) to ensure the security and confidentiality of:

• All records containing protected identifying information of applicants and/or participants

• The address or location of any CoC-funded family violence project

• The address or location of any housing for a program participant
Record Retention

All records pertaining to CoC funds must be retained for at least 5 years, except:

- Eligibility documentation must be retained for 5 years after the final expenditure of all grant funds
- Records of acquisition, new construction, or rehabilitation must be retained for 15 years after the date that the project site is first occupied or used by participants
Questions?
BUDGETS & EXPENDITURES

- Budget Requirements
- Budget Changes
- Time and Activity Reports
Budget Requirements

• Projects **must** operate within a HUD-approved budget
  • Because you are a subrecipient, the budget must first be approved by HAND and then HUD

• Expenditures must reflect budgeted amounts (see “Eligible Costs” section for discussion of eligible vs. approved costs)

• Projects must serve the number of participants approved by HUD in the grant application and grant agreement

• Drawdown from LOCCS must be based on the HUD-approved budget
  • Who will make drawdowns?
  • Do you have a financial system in addition to LOCCS?
### Budget Changes

The key distinction is between significant and non-significant changes...

<table>
<thead>
<tr>
<th>Significant Changes</th>
<th>Non-Significant Change</th>
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<tbody>
<tr>
<td>Significant changes to a project require a <strong>grant amendment</strong> approved by HUD</td>
<td>Non-significant changes do not require a <strong>grant amendment</strong>, but must be documented in the project’s records</td>
</tr>
<tr>
<td>Examples of “significant” changes:</td>
<td>Examples of “non-significant” changes:</td>
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<tr>
<td>• Change of recipient</td>
<td>• A shift of less than 10% from one approved budget item to another</td>
</tr>
<tr>
<td>• Change of project site</td>
<td>• Shift in project practices that do not rise to the level of significant</td>
</tr>
<tr>
<td>• Additions/deviations in the type of approved activities for a project</td>
<td>• Change in population served</td>
</tr>
<tr>
<td>• A shift of more than 10% from one approved budget item to another</td>
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<tr>
<td>• A reduction in the number of units</td>
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<tr>
<td>• A change in population served</td>
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</table>
Documenting Budget Changes

- Grant amendments are reflected in updated grant agreements signed by both HUD and the recipient.

- Non-significant changes need to be fully documented in the project’s files, so that HUD can review during or monitoring or upon request:
  - What changed?
  - Why?
  - How?
  - Ensure compliance with HUD requirements (e.g., compliance with procurement policies if changing contractors, or ensuring that you’re still able to serve the contracted number of participants).

- If you aren’t sure how significant the change is, discuss with your DDO point of contact. Explain the change you want to make and ask for guidance and they will inform you of internal procedure for budget changes.

- Inform The Field Office often needs to be notified of even non-significant changes (e.g., budget changes require changes in LOCCS).
Documenting Expenditures

• An organization must maintain records that adequately identify the source (where did the money come from?) and use of funds provided (how was it spent?):
  • Proof of source and receipt
  • Proof of expenditure
  • Proof of expenditure on eligible costs and activities

• Records must be supported by source documentation such as:
  • Cancelled checks
  • Paid bills
  • Payrolls
  • Time and activity records
  • Contracts
  • More!
Common Expenses and Documentation

Common Expenses and Documentation for Financial Status Reimbursement Reports

- **Staffing Costs**: Details on the staff being paid on the grant (names and amounts charged to the grant) and associated payroll register for said staff.
- **Benefits (WC, healthcare, retirement, liability, etc.)**: Associated invoices and breakdown of billings by staff charged to the grant.
- **Rental Assistance**: The amount, date, type of the assistance and who the assistance was paid to.
- **Equipment**: Invoices and breakdown of charges to the grant.
- **Transportation**: Details of mileage traveled by staff including list of staff, associated mileage and rates, and mapping of mileage.
- **Overhead**: Invoices and parking receipts.
- **Communication**: Invoices and breakdown of charges to the grant.
- **Admin**: Details on the staff being paid on the grant (names and amounts charged to the grant) and associated payroll register for said staff.
Use of Accounting Records

Accounting records may be examined to determine whether the recipient or subrecipient has adequately identified and documented the source and application of grant funds, in particular whether:

• Expenditures are supported by invoices, contracts, purchase orders, etc.
• Wages chargeable to more than one grant or activity are supported by time and activity records
• Costs were eligible
Focus on Time and Activity Records

Time and Activity Records should be maintained for three years (at a minimum) and track employee time by cost objective:

- Employees that work on a single indirect cost activity should be documented with a time record
- Employees that work on more than one activity (either direct or indirect) should be documented with a Time and Activity Report supported by activity records (e.g., client case notes, sign-in sheets, calendars, etc.)
## Preparing Time and Activity Reports

When preparing Time and Activity Reports, follow these guidelines...

### What You Should Do

Reports must be:
- Prepared monthly (at least)
- Signed and dated by employee and supervisor
- Reflect actual time worked
- Track both eligible and ineligible costs
- Demonstrate multiple activities
- Demonstrate multiple funding sources, if applicable
- Demonstrate eligible activities and eligible participants served (with back-up)
# Preparing Time and Activity Reports

When preparing Time and Activity Reports, follow these guidelines…

<table>
<thead>
<tr>
<th><strong>What You Should Do</strong></th>
<th><strong>Common Mistakes</strong></th>
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<tbody>
<tr>
<td>Reports must be:</td>
<td></td>
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<tr>
<td>• Prepared monthly (at least)</td>
<td>• 8 hours in a single day to one grant</td>
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<tr>
<td>• Signed and dated by employee and supervisor</td>
<td>• Fixed percentage of time to a grant</td>
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<tr>
<td>• Reflect actual time worked</td>
<td>• Not reconciling time and activity reporting with invoicing/drawdowns</td>
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<tr>
<td>• Track both eligible and ineligible costs</td>
<td>• Excluding sick/vacation time</td>
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<tr>
<td>Demonstrate multiple activities</td>
<td>• Forgetting to record an eligible activity</td>
</tr>
<tr>
<td>• Demonstrate multiple funding sources, if applicable</td>
<td>• Forgetting to record an eligible grant</td>
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<tr>
<td>• Demonstrate eligible activities and eligible participants served (with back-up)</td>
<td>• Forgetting to record a project/client</td>
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<tr>
<td></td>
<td>• Forgetting to record ineligible time and activities</td>
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<tr>
<td></td>
<td>• Forgetting supporting documentation</td>
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<td>• Forgetting signatures</td>
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# Resources for Reference

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<td>CoC Program Interim Rule</td>
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<td>HUD Monitoring Handbook (chapter 29)</td>
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What else do you need to know to feel confident in operating your YHDP project?
Upcoming YHDP Basics Cohort Sessions

- May 16 – Grant Management & Admin
- May 30 – Hiring Youth
- June 13 – Driving the CCP – YHDP Values
- June 20 – Peer-to-Peer Policies & Procedures

All materials are in this folder: https://drive.google.com/drive/folders/1JLVyeX-aejMfLM2mpmdkUL7Rem_eGGW?usp=share_link

For more information, please work directly with your YHDP TA providers and HUD Dedicated Desk Officers!