



No. 2005-4
March 16, 2005

PROGRAM GUIDANCE

PROGRAM: Indian Housing Block Grant (IHBG)

FOR: Tribal Government Leaders and Tribally Designated Housing Entities

RJ.B.

FROM: Rodger J. Boyd, Deputy Assistant Secretary, PN

TOPIC: Recipient Self-Monitoring

Purpose: This Guidance clarifies and addresses a recipient's responsibility for self-monitoring. For further information, please refer to the Self-Monitoring Guidebook, published by the Office of Native American Programs (ONAP) in March 2002, which can be downloaded at http://www.hud.gov/offices/pih/ih/grants/sma_guidebook.pdf.

Recipients of IHBG funds are responsible for monitoring their grant activities, ensuring compliance with applicable Federal requirements, and monitoring performance goals under their Indian Housing Plan (IHP). Section 403(b) of the Native American Housing Assistance and Self-Determination Act (NAHASDA) states:

“Not less frequently than annually, each recipient shall review the activities conducted and housing assisted under this Act to assess compliance with requirements of this Act.”

As stated in 24 C.F.R. §1000.502(a), there are 3 things the recipient is required to do in order to accomplish this.

1. Conduct a self-monitoring assessment. This must be done at least annually to determine if all of the applicable Federal requirements are being followed.
2. Have an audit conducted by an Independent Public Accountant. In accordance with the Single Audit Act, if a recipient expends at least \$500,000 in Federal funds in a fiscal year, the recipient must have an Independent Public Accountant conduct an audit and submit it to the Federal Audit Clearinghouse 30 days after receipt of the auditor's report or 9 months after the end of the recipient's fiscal year, whichever is earlier.

3. Prepare and submit an Annual Performance Report (APR). This report, which assesses the progress the recipient has made toward attaining the goals and objectives stated in the IHP, must be submitted to the Area ONAP within 60 days after the end of the recipient's program year. The APR also requires that the recipient report on the inspections of 1937 Housing Act units it performed during the reporting period, as well as the self-monitoring conducted during that period. A copy of the most recent audit conducted, compliant with the Single Audit Act, must also be submitted to ONAP with the APR. Note: The audit submitted would normally be for the previous fiscal year since, in order for it to be compliant with the Single Audit Act, it would have had to have been submitted and accepted by the Federal Audit Clearinghouse.

A recipient of IHBG funds may be either a Tribally-Designated Housing Entity (TDHE) or a tribe. If the recipient is a TDHE, the tribe also has responsibility in this monitoring process. 24 C.F.R. §1000.502(b) explains:

“Where the recipient is a TDHE, the grant beneficiary (Indian tribe) is responsible for monitoring programmatic and compliance requirements of the IHP and NAHASDA by requiring the TDHE to prepare periodic progress reports including the annual compliance assessment, performance and audit reports.”

In other words, the TDHE is required to prepare and submit progress reports to the tribe as often as the tribe prescribes, as well as a copy of each completed self-monitoring assessment, a copy of the APR at the end of each reporting period, and all audits. The tribe must review these documents to ascertain whether the TDHE is complying with all applicable requirements.

While not required, ONAP recommends that the recipient adopt a self-monitoring policy that explains how the self-monitoring assessment will be conducted, who will be conducting it, and how often it will be conducted. A sample self-monitoring assessment is contained in ONAP's Self-Monitoring Guidebook. This assessment can and should be revised to fit the recipient's needs.

The recipient is not required to use the assessment included in the Guidebook but can develop its own. However, the Guidebook sample is recommended since it includes all areas that should be reviewed, as appropriate, and the questions that the person(s) conducting the assessment should ask to determine whether the recipient is complying with all applicable requirements. This assessment is very similar to the monitoring checklist ONAP uses when reviewing a recipient. Therefore, if the recipient follows the assessment provided in the Guidebook (revised, as necessary), identifies any areas of noncompliance, and addresses and/or corrects the noncompliances, when ONAP later monitors the recipient, there should be few, if any, findings.

As stated above, recipients are to report on their self-monitoring activities in the APR, currently under Part II, Section A. The recipient is to briefly describe its monitoring and internal control procedures, the activities monitored and results, any required corrective action, and the monitoring activities conducted of subrecipients, if appropriate. If the recipient is a TDHE, the recipient is also to describe the monitoring conducted by the tribe. The recipient is not required to submit its self-monitoring policy or the assessment with the APR. ONAP staff would normally look at these documents during a monitoring review.

If you have questions regarding the self-monitoring process or your responsibilities, please contact your Grants Evaluation Specialist in the Area ONAP.