
CHAPTER 1. REQUISITIONING PROCEDURES FOR GRANTS AND
COOPERATIVE AGREEMENTS - HUD PROCESSING

- 1-1. PURPOSE. The purpose of this handbook is to prescribe guidance to be followed by HUD officials responsible for implementing, reviewing and approving the Standard Form 270, Request for Advance or Reimbursement, as well as processing instructions to accounting office personnel. This handbook is to supplement the provisions of HUD Handbook 1900.6, Processing of Requisitions and Analysis of Reports Submitted by HUD Grantees.
- 1-2. POLICY. The SF-270, Request for Advance or Reimbursement, shall be the only requisition form used by recipients not qualifying for letter of credit funding or direct disbursement electronic funds transfers to obtain funds from HUD grant programs or cooperative agreements. HUD will process the SF-270 and request the U.S. Department of Treasury to mail a check directly to the depository designated for credit to the recipient's account. Checks will not be mailed directly to the recipients' office. The policy contained in this paragraph is effective for all grants or cooperative agreements entered into on or after October 1, 1986
- 1-3. DEFINITION OF GRANT AND COOPERATIVE AGREEMENT. The definition of the terms "grant" and "cooperative agreement" as used in this handbook is as follows:
- a. Grant. A "grant" is the legal instrument used reflecting a relationship between HUD and a state and local government or other recipient whenever the principal purpose of the relationship is the transfer of money, property, services, or anything of value to a recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute, and substantial Federal involvement is not anticipated.
 - b. Cooperative Agreement. A "cooperative agreement" serves the same purpose as a grant; however, substantial Federal involvement is anticipated.
- 1-4. DISTRIBUTION OF HANDBOOK, SF-270 AND HUD-274. At the time that a grant or cooperative agreement is approved the recipient will be furnished the following:

- a. A copy of Handbook, HUD 1900.17 REV-1, Requisitioning Procedures for Grants and Cooperative Agreements - Recipient Organizations.
 - b. A HUD-274, Designation of Depository for Direct Deposit of Loan and/or Grant Funds.
 - c. A supply of the SF-270, Request For Advance or Reimbursement.
- 1-5. DESIGNATION OF DEPOSITARY. U.S. Treasury checks will be mailed directly to the depository designated and authorized by the recipient organization for credit to the recipient organization's bank account. The recipient organization shall complete Section I of Form HUD-274, Designation of Depository for Direct Deposit of Loan and/or Grant Funds, and forward it to the HUD office which serves it in accordance with instructions received from that office. An illustration of this form is shown in Appendix 1. Preparation instructions are provided in HUD Handbook 1900.17. A recipient organization will execute a power of attorney only where the depository requires such an authorization in order to receive checks directly from the U.S. Treasury Department for credit to the recipient organization's bank account. Recipient organizations shall execute a new Form HUD-274 whenever changes in the depository are necessary.
- 1-6. REVIEW AND APPROVAL OF SF-270 FOR PAYMENT. The program participant will transmit SF-270 as Instructed In HUD Handbook 1900.17 REV-1 depending on the payment method being used. Guidance for review and approval of the HUD-270 for payment under the various payment methods is as follows:
- a. All payments. The GTR or other reviewing officer must determine that the SF-270 is prepared correctly as prescribed in Appendix 2, HUD Handbook 1900.17. Special attention must be given to the review of block (11) of the requisition. If the review is satisfactory, the requisition should be signed and dated in the spaces indicated on the form.
 - b. Reimbursement method - "fast pay". Because the costs have already been incurred by the recipient, it is imperative that requests for reimbursement be handled expeditiously. As with many HUD cost-reimbursement contracts, most assistance agreements are placed under the "fast-pay" method. Under this payment method, the recipient mails the original and two copies of the SF-270, except the final request, directly to the Office of Finance and Accounting (OFA) with copies to the Grant

Officer and GTR. The recipient must mail the original and two copies of the final SF-270 to the grant officer for payment approval. The GTR and grant officer must review the vouchers promptly to assure that costs claimed for reimbursement

are reasonable and allocable. If OFA receives no notification from the grant officer to the contrary, OFA will pay the voucher after 30 days, assuming that the voucher is mathematically correct and that undisbursed funds are available. The "fast-pay" payment system applies only to assistance agreements administered by HUD Headquarters in Washington.

- c. Advance payment by Treasury check. Under this payment method, the recipient mails the original and all copies of the SF-270 to the grant officer in the HUD office responsible for administering the grant or cooperative agreement. The GTR and grant officer will review the SF-270 to determine whether payment should be made. The review guidance provided in Chapter 3 of HUD Handbook 1900.6 REV-1, Processing of Requisitions and Analysis of Reports Submitted by HUD Grantees, shall be adhered to. If the SF-270 is approved for payment it will be sent to the servicing accounting office to be processed for payment.

1-7. PROCESSING OF SF-270 BY ACCOUNTING OFFICE. The SF-270 that is received by the Office of Finance and Accounting or Regional Accounting Division as appropriate, will be processed for payment, depending on the payment method, as follows:

- a. Reimbursement method - "fast-pay". Under the "fast-pay" system, the recipient mails the original and two copies of the SF-270, except the final request, directly to the Office of Finance and Accounting (OFA) with copies to the Grant Officer and GTR. The final SF-270 is mailed to the grant officer and must be approved by the GTR and grant officer prior to processing for payment. If OFA receives no notification from the Grant Officer to the contrary, OFA will pay the voucher after 30 days, if the voucher is mathematically correct and that undisbursed funds are sufficient, The Office of Finance and Accounting will request Treasury to mail a check to the depository shown in block 10 of the SF-270. The "fast-pay" payment system applies only to assistance agreements administered by HUD Headquarters in Washington.
- b. Advance payment by Treasury check. Under the advance payment system, after the GTR and grant officer have reviewed and approved a SF-270 the original and one copy will be transmitted to the appropriate accounting office. The appropriate accounting office will process the SF-270 and request Treasury to mail a check to the depository shown in block 10 of the SF-270.

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- c. Accounting Information. The coding strip at the bottom of SF-270 may be used to transcribe information from the

requisition for input to the Program Accounting System (see HUD Handbook 1970.33 REV-1).

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