

CHAPTER 2. REVIEW OF REQUISITIONS

2-1. PROGRAM OFFICE REVIEW ACTIONS. The minimum review actions to be taken by the reviewer assigned by the program manager upon receipt of a requisition are as follows:

- a. Give each requisition a "face value" check to ascertain that it is in all respects consistent with current information on the grant agreement to which it relates and certified to by a properly authorized official of the grantee organization.
- b. Determine whether or not HUD has set requisites or other qualifications (including those pointed up in audit reports) which the grantee must meet before HUD funds may be requisitioned. For example, the grantee may be required to complete a given portion of the total work to be accomplished, or may be required to use financial resources other than HUD funds to meet initial operating needs. The reviewer shall determine whether the grantee had met the requisites or other qualifications and the extent to which, if any, the amount requisitioned shall be reduced.
- c. Determine whether the grantee is providing the reports required by the grant agreement in a timely basis. If not, action shall be taken by the program manager to correct the situation before additional funds are dispersed. When delay in disbursements of funds would result in unwarranted hardship to the grantee, disbursements in the absence of required reports may be approved but only with the concurrence of the Regional Administrator (for programs administered in the regions) and an appropriate Headquarters program official (for programs administered from the Headquarters).
- d. In the case of a final requisition for funds, determine that all conditions precedent to final settlement have been met by the grantee, or properly waived by the Department, and that there are no unresolved legal qualifications or objections to final settlement of the grant agreement. Further, when required by HUD policy or the grant agreement, final payment shall not be made until final audit and other inspections (e.g., engineering) are completed; however, final payment may be made when the appropriate HUD officials waive requirements for withholding final payment. Unresolved material questions raised by the auditor or inspector must be cleared by the Regional Administrator or appropriate program official responsible for a program administered from the Headquarters before final settlement is made.

-
- e. In the case of a requisition for advance of funds, in addition to the above, the reviewer shall determine that

the most current balance sheet and other supporting financial statements and progress reports indicate (a) the grantee has properly controlled and accounted for the funds obtained from HUD and other sources, (b) the amount requisitioned is reasonably in line with estimated requirements, and (c) the grantee's cash on hand, together with the funds being requisitioned, are not obviously out of line with actual needs requisitioned, are not obviously out of line with actual needs for the period covered. Should the information available to the reviewer not support the amount requisitioned, the matter shall be brought to the attention of the appropriate program manager for proper disposition.

- 2-2. ACCOUNTING OFFICE REVIEW ACTIONS. The Regional or Headquarters accounting activity, whichever schedules the grantee's requisition for payment, shall take the following review actions:
- a. Verify the accuracy of the grantee's representations as to total funds previously requisitioned to the related amounts shown in the Department's official accounting records. All calculations shall be verified and, in coordination with the program manager, all discrepancies shall be examined thoroughly and taken into account in adjusting amounts requisitioned or the requisition shall be returned to the program for action.
 - b. Determine that the cumulative funds requisitioned (including the current requisition) do not exceed the contract stated amount minus audit and inspection fees and, where applicable, minus any holdback prescribed by HUD program policy or the grant agreement.