

CHAPTER 5. ADMINISTRATION

- 5-1. **OBJECTIVE.** To identify requirements for administration and closeout of discretionary grants and cooperative agreements awarded by the Office of Procurement and Contracts in Headquarters and Regional Contracting Officers in the Field.
- 5-2. **DEFINITIONS.**
- a. **Government Technical Representative (GTR).** The individual in the Program Office who is responsible for the technical and financial oversight and evaluation of the recipient's performance.
 - b. **Government Technical Monitor (GTM).** The individual(s) designated to provide technical monitoring, advice, and assistance, to aid the GTR in the technical and financial oversight and evaluation of the recipient's performance. The GTM is usually selected for special skills or knowledge necessary for the Government's supervision of the recipient's project, and/or to represent the interest of another program office concerned with the project. The GTM may be from the program office concerned with the recipient's project, from the program office initiating and funding the assistance action, or from another part of the Department.
- 5-3. **ROLES.** The titles "Government Technical Representative" (GTR) and "Government Technical Monitor" (GTM) usually associated with HUD contracts are also used in association with HUD grants and cooperative agreements. Although the titles, and often the individuals, are the same, the roles of HUD officials differ significantly between acquisition and assistance. This distinction is most evident in post-award administration due to the impact of the uniform administrative requirements for grants and cooperative agreements found at 24 CFR 85 and OMB Circular A-110. The requirements place limits on the roles of Federal agency officials in post-award administration. As a result, individuals serving as GTRs and GTMs need to take careful note of the instrument type and conditions in fulfilling their administrative responsibilities. Program offices should ensure that individuals appointed as GTRs and GTMs have the programmatic knowledge necessary to effectively monitor the recipient's technical performance.

5-4. GTR TRAINING. Knowledge of the assistance process, assistance administration techniques, duties, and the limits of a GTR's authority is essential. GTR training is available, on a regular basis, through the Office of Procurement and Contracts or Regional Contracting Officers. New GTRs must attend prior to their appointment. Exceptions to this policy must be approved by the Office of Procurement and Contracts or the Regional Contracting Officers.

5-5. RESPONSIBILITIES.

- a. The Grant Officer is responsible for:
- (1) Negotiating and executing amendments to existing awards;
 - (2) Determining allocability of cost for cost-reimbursement awards;
 - (3) Assuring interest earned on cash advances is remitted to HUD unless the recipient is exempted under the Intergovernmental Cooperation Act (31 U.S.C. 6501, et seq.) or the Indian Self-Determination Act (23 U.S.C. 450);
 - (4) Monitoring recipient compliance with all assistance terms and conditions;
 - (5) Assuring that recipients account for proper use and accounting of program income;
 - (6) Assuring that recipients submit required organizational audits, and/or requesting Federal audits;
 - (7) Assuring recipient financial status and cash management reports are submitted in a timely manner;
 - (8) Reviewing recipient payment requests, financial, cash management and performance reports and taking appropriate action as necessary;
 - (9) Approving recipient budget and project revisions;

- (10) Suspending and terminating awards when appropriate;
 - (11) Providing for property approvals and disposition;
 - (12) Approving recipient noncompetitive contracts;
 - (13) Initiating and completing administrative closeout;
 - (14) Making the final decision in the event of a dispute;
 - (15) Maintaining the official award file;
 - (16) Providing the GTR with copies of all correspondence issued by the Grant Officer to the recipient; and,
 - (17) Promptly resolving problems raised by the GTR or recipient.
- b. The Government Technical Representative (GTR) is responsible for:
- (1) Monitoring the recipient's performance, including progress against the recipient's work plan, performance schedule, and budget;
 - (2) Maintaining liaison with the recipient and Grant Officer to resolve performance problems;
 - (3) Reviewing the recipient's payment requests and financial reports;
 - (4) Assuring that key personnel, if named in the award, are being utilized to the extent required by the award;
 - (5) Evaluating the qualifications of any personnel which the recipient proposes to substitute for named key personnel;
 - (6) Reviewing the merits and qualifications of proposed contracts, contractors, and consultants and making recommendations to the Grant Officer regarding approval, when applicable;
 - (7) Providing the Grant Officer with copies of all correspondence issued to the recipient;

- (8) Maintaining a GTR working file;
- (9) Redelegating authority to a GTM, when appropriate;
- (10) Fulfilling substantial involvement responsibilities stated in cooperative agreements;
- (11) Providing a final written evaluation of the recipient's performance;
- (12) Recommending modifications to the Grant Officer; and,
- (13) Providing assistance to the Grant Officer as required in the event of disputes or other problems.

c. The Government Technical Monitor (GTM) is responsible for:

- (1) Serving as an advisor to the GTR; and,
- (2) Carrying out any duties and responsibilities as redelegated by the GTR.

d. The Office of General Counsel or Office of Regional Counsel is responsible for:

- (1) Furnishing legal advice to Grant Officers;
- (2) Assisting in negotiations, when necessary; and,
- (3) Reviewing patent clearances.

e. The Office of the Assistant Inspector General for Audit is responsible for:

- (1) Providing audit and advisory services as may be requested in connection with the negotiation, administration, and settlement of awards;

- (2) Arranging, as appropriate, audits of organizations by other Government agencies to furnish "assist audit services" in carrying out the above responsibilities; and,
 - (3) Providing information with respect to the previous participation in HUD/Federal programs of individuals and organizations being considered for award.
- f. The Office of Finance and Accounting or Regional Accounting Division is responsible for:
- (1) Establishing and maintaining records and accounts showing the current status of allotments issued to each program office;
 - (2) Establishing and maintaining official reservation, obligation and payment files; and
 - (3) Processing approved payment requests in a timely manner for payment, through the Automated Clearinghouse or other form of electronic payment.

5-6. **RESPONSIBILITIES NOT DELEGATED.** The GTR and/or the GTM **shall not:**

- a. Direct the recipient to undertake any activity which will change the:
 - (1) Total award amount;
 - (2) Project description or content;
 - (3) Project period; or,
 - (4) Administrative provisions of the award.
- b. Consent to the placement of contracts;
- c. Disallow the recipient's costs; or,

- d. Provide any directions to the recipient in those areas of responsibility delegated or redelegated to the other, in order to avoid the issuance of any conflicting instructions to the recipient.

5-7. MONITORING RECIPIENT PERFORMANCE.

- a. General. Recipients are responsible for managing the day-to-day operations of activities supported by HUD grants and cooperative agreements. HUD's role is to monitor recipient performance in accordance with the uniform administrative requirements stated in 24 CFR 85 and OMB Circular A-110.
- b. Exceptions. HUD shall not take any action related to recipient performance in excess of its monitoring responsibilities except:
 - (1) In accordance with specific requirements identified in the statement of substantial involvement of a cooperative agreement;
 - (2) In accordance with restrictive award conditions established pursuant to paragraph 2-15f; or,
 - (3) Upon failure of the recipient to comply with award conditions as determined by the Grant Officer.
- c. Reports. Recipient performance and financial reports are HUD's primary tool for recipient monitoring. Each award document states requirements for recipient performance and financial reporting -- usually on a quarterly basis. Additionally, events that have significant impact on the project are required to be reported as soon as possible rather than in the next scheduled report.
 - (1) Assuring Receipt. The GTR shall monitor recipient compliance with reporting requirements. When reports are late, the GTR should contact the recipient and request immediate submission. Should the recipient fail to submit the reports or should a pattern of late or incomplete submissions develop, the GTR should inform the Grant Officer and appropriate action should be taken in accordance with paragraph 5-8.

- (2) **Review.** The GTR and Grant Officer shall each review financial reports. Performance reports shall be reviewed by the GTR and, when required, by the Grant Officer. They must act as a team to resolve any programmatic, financial or administrative issues. Often this will require consultation prior to recipient contact.
- d. **Site Visits.** In accordance with program office practice, GTRs may make site visits for recipient monitoring and technical assistance. Site visits should be documented in a brief file memorandum with a copy to the Grant Officer.

5-8. **NONCOMPLIANCE.**

- a. **Corrective Action.** Appropriate action must be taken to enforce any award requirement that is not being met by the recipient. If a recipient is not complying with a specific requirement of the award, such as submitting financial and performance reports or performing the project, the following steps should be taken:
 - (1) The GTR and/or Grant Officer should inform the recipient of the problem and request the recipient to remedy the situation. A deadline shall be established and follow-up action taken if the recipient does not correct the situation.
 - (2) If the recipient does not agree that a problem exists, the GTR and/or Grant Officer should learn the basis for the recipient's position. If the recipient's position appears incorrect, the Grant Officer, in cooperation with the GTR, shall determine the appropriate course of action to resolve whether or not the recipient is complying with the award.
 - (3) If the recipient is not in compliance with award requirements, the Grant Officer shall write the recipient stating:
 - (a) The basis for noncompliance;
 - (b) Required corrective action;

- (c) The date, not less than 30 calendar days, by which corrective action must be taken; and,
 - (d) The action the Grant Officer will take if the recipient does not take corrective action.
- b. **Remedies.** If a recipient does not achieve compliance or provide satisfactory evidence that compliance will be achieved, the Grant Officer may:
 - (1) Convert payment from an advance to a reimbursement method;
 - (2) Withhold payment;
 - (3) Recover misspent funds;
 - (4) Suspend the award;
 - (5) Terminate the award for cause; or,
 - (6) Take other remedies that may be legally available.
- c. **Suspension or Termination for Cause.** Except as provided in d below, a suspension or termination for cause may not be taken until at least 10 calendar days after the Grant Officer provides written notice to the recipient of HUD's intent to suspend or terminate for cause. The notice in a(3) above is sufficient for this purpose, provided the notice specifies that suspension or termination for cause may result from the recipient's failure to correct the noncompliance.
- d. **Immediate Action.** The Grant Officer may take any of the actions specified in b and c above immediately, without prior notice to the recipient, if the Grant Officer determines that:
 - (1) Serious mismanagement or misuse of funds exists;
 - (2) The recipient has ceased to exist or becomes incapable of fulfilling its award responsibilities;

- (3) There is evidence the award was fraudulently obtained; or,
- (4) Immediate termination is otherwise determined necessary in the best interest of the Government.

5-9. **TERMINATION FOR CONVENIENCE.** A Termination for Convenience occurs when both the recipient and HUD agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. A Termination for Convenience may be initiated by either party, and the agreement may be terminated either in whole or in part. HUD and the recipient must agree upon the termination conditions, including the effective date. The recipient shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. HUD shall allow full credit to the recipient for HUD's share of the noncancellable obligations, properly incurred by the recipient prior to termination.

5-10. **DISPUTES.** Grant Officers shall comply with the disputes procedures of paragraph 2-22. With respect to awards made by OPC, the designated official to whom the recipient may appeal is the Director, Office of Procurement and Contracts. For awards made by the RCOs, the designated official is the Regional Administrator.

5-11. **AMENDMENTS.**

- a. **General.** An amendment is a written change, signed by a Grant Officer, in the terms and conditions of the award document. Amendments which reflect the rights and obligations of either party shall be signed by the recipient and the Grant Officer. Administrative amendments, such as changes in the GTR or appropriation data, or cases where the recipient has submitted a signed request from an authorized individual and HUD adopts it without any changes, may be signed by the Grant Officer only.
- b. **Processing.** Changes usually originate with the recipient. HUD has no right to unilaterally direct changes in the recipient's project. Recipient requests should be directed to the Grant Officer with a copy to the GTR. The proposed change shall be evaluated by the GTR who shall inform the Grant Officer in writing of the merit of the proposal. If the GTR recommends that a change should be made, a request should be

prepared and forwarded to the Grant Officer for action. If the GTR does not agree with the recipient's proposed change, the GTR should so inform the Grant Officer.

5-12. PAYMENT OF VOUCHERS.

- a. Reimbursement method. Standard Form 270, *Request for Advance or Reimbursement*, is the form by which recipients seek reimbursement when advance payments are not authorized. 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" procedure. Under this system, the recipient mails the original and two copies of the SF-270 directly to the Office of Finance and Accounting (OFA) with copies to the Grant Officer and GTR. If OFA receives no notification from the Grant Officer to the contrary, OFA will pay all but the final voucher after 30 days, assuming that the voucher is mathematically correct and that undisbursed funds are available. The GTR must review the vouchers promptly to assure that costs claimed for reimbursement are reasonable and allocable.

Generally speaking, the GTR is responsible for spotting any direct costs that appear to have no connection with the project. If it is not evident why the recipient would need materials or effort billed in order to perform, then it may be that the costs were charged to the agreement in error. Alternatively, the materials or effort may be "unreasonable" in that they exceed or differ from what is necessary to accomplish the project.

Understanding what charges are for is essential to determining whether they are reasonable and allocable. If information submitted initially in support of a voucher is inadequate, the GTR should seek the needed additional information from the recipient.

The GTR must support recommendations for disallowance of claimed costs. A written statement must be prepared outlining why costs are considered unreasonable or not allocable (or both). Otherwise, it is administratively impracticable for the Grant Officer to take action on the recommendation.

Review claims for reimbursement promptly. The payment clause promises the recipient that HUD will, promptly after receipt of each voucher and statement of cost, make payment as approved by the Grant Officer. HUD's standard practice, in accordance with Department of Treasury directives, is to pay each acceptable voucher within 30 days from receipt. Therefore, the GTR should not ordinarily hold a voucher pending clarification of questions but should send the voucher along to the Grant Officer with notation as to any costs questioned. In this way, claimed costs, the allocability of which is not in question, can be paid promptly, in accordance with HUD's obligation. If the questioned costs later appear, on the basis of additional information provided by the recipient, to be allowable, they can be added to payments on a subsequent voucher.

- b. Advance payment by Treasury check. Recipients may also use the SF-270 to claim advance payments, i.e., funds received in advance of performing the work and incurring the costs. A recipient may receive advance payments only if expressly authorized in the agreement terms and conditions. Under this method, the recipient receives a lump sum amount which is anticipated to cover the costs for a specific period of time. The GTR must review this amount and determine its reasonableness as to the work to be performed during the specified time frame.
- c. Reserved.

5-13. CLOSEOUT.

- a. General. Closeout is the process by which HUD determines that all applicable administrative and project requirements have been completed by the recipient and HUD.
- b. Evaluation. The GTR shall complete a Form HUD-24016, *Final GTR Performance Assessment for Assistance Agreements* (Exhibit 5-1), upon receipt of said form from the Grant Officer. The GTR shall indicate:
 - (1) Whether the recipient has completed all performance requirements;

- (2) The acceptability of performance by major objectives or task;
 - (3) Whether any patentable items were developed;
 - (4) Whether property was furnished to or acquired by the recipient; and,
 - (5) A qualitative rating of the recipient's performance. This rating should candidly address the recipient's expertise, ability to keep actual costs and completion times in line with those originally estimated, and other aspects of their performance.
- c. Administrative Actions. After receipt of the GTR assessment, the Grant Officer initiates necessary actions to close the award. This may include audit resolution, financial settlement, payment approval, deobligation of unexpended balances, property disposition (in accordance with Chapter 8 of HUD Handbook 2235.7, Personal Property Management), and execution of closeout agreements.
- d. Recipient Notification. Upon completion of all administrative actions for closeout, the recipient shall be notified, in the form of a letter from the Grant Officer or an amendment to the award, of the terms and conditions of closeout including:
- (1) Final financial settlement;
 - (2) Provision for submission of audit reports and due dates;
 - (3) Record retention requirements; and,
 - (4) If closeout is made without full audit coverage, a statement that HUD reserves the right to recover disallowed costs or take other appropriate action if HUD determines that information provided by the recipient was false or erroneous.

5-14. FILES.

- a. The Grant Officer shall maintain the official file and unsuccessful applications for each award in accordance with the requirements

specified in paragraph 2-24. However, the official file need not contain interim performance reports if the award does not require their submission to the Grant Officer.

- b. The GTR shall maintain a working file which includes:
- (1) Request for Assistance Services;
 - (2) NOFA and application kit;
 - (3) Successful application;
 - (4) Award and amendments;
 - (5) Performance and financial reports;
 - (6) Correspondence;
 - (7) Records of telephone calls with recipient;
 - (8) Site visit reports;
 - (9) Payment records and copies of all invoices/vouchers submitted;
 - 10) Periodic and final GTR evaluations;
 - 11) Internal memoranda; and,
 - 12) Other pertinent materials and information.
- c. File Retention. After administrative closeout, the Grant Officer shall send the official file to the Federal Records Center, where it is retained for a period of six years and three months from the date of final payment. Unsuccessful applications must be retained for a minimum period of five years, beginning 30 calendar days from the date of award. Unsuccessful applications may also be sent to the Federal Records Center (see paragraph 2-24g). Individual program offices are responsible for developing a procedure for the retention or retirement of GTR files.

**Final GTR Performance
Assessment
for Assistance Agreements**

U. S. Department of Housing
and Urban Development
Office of Procurement
and Contracts



Request for GTR assessment of Agreement No.	With
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Please provide the following information so that we may authorize final payment and close out the subject Agreement.

1. Has the Recipient performed all requirements identified in the Agreement? Yes No
If "No", explain:

2a. Have you reviewed and accepted all work performed by the Recipient? Yes No
If "No", explain:

2b. What were the major products/deliverables and/or milestones?

3. Have any patentable items resulted from the subject Agreement? Yes No
If "Yes", explain: Not Applicable

4a. Did the Agreement call for any Recipient-acquired or Government-furnished property? Yes No
If "Yes", please list below:

4b. Did the Recipient acquire any property which was not called for in the Agreement? Yes No
If "Yes", please list below:

4c. Did the Recipient account for all such property? Yes No
If "No", explain: Not Applicable

5. How would you rate the quality of the Recipient's performance? Good Fair
 Unsatisfactory

Date of receipt of final report or completion of all work: _____

Provide a signed narrative detailing your relationship with the Recipient which makes candid judgements about the Recipient's expertise, responsiveness to Government needs, receptivity to directions and suggestions, ability to keep actual costs and completion times in line with those originally estimated, and other aspects of the Recipient's performance. If you need more space, please attach supplemental pages.

GTR Signature

Date