

CHAPTER 4. COMPREHENSIVE FUNDING APPROACH - POST AWARD
ADMINISIRATION

- 4-1. OVERVIEW. This chapter describes the activities that must be carried out by FHEO to ensure that the terms and conditions of the FHAP noncompetitive Cooperative Agreements, as written, are actually carried out. These post-award activities include review and approval of the vouchers and narrative reports for payment, modifications to the Cooperative Agreement and closeout of awards by the GTR and the Grant/Cooperative Agreement Officer.
- 4-2. OFFICIAL FILES. The G/CAO is responsible for preparing and assuring maintenance of the official files. The G/CAO may prepare a master file which contains all of the common documentation. The individual grant files must be maintained for information relating to a particular award.
- A. The master File shall contain:
1. Notice of Funding Availability;
 2. Application Kit;
 3. List of eligible applicants to which the solicitation was sent, showing for each eligible applicant the type and amount of funds for which each was eligible to apply.
 4. List of agencies eligible to receive funding for case processing and training only, the reason for their ineligibility for Incentive funds, and the amount each agency should receive for case processing and training;
 5. Any general correspondence related to the application kit;
- B. The individual Cooperative Agreement file shall contain:
1. Application for Capacity Building or Incentive Funds and any supplements or modifications to that application;
 2. Funds reservation (HUD-718) and any increases, decreases or other amendments thereto;
 3. Application Review Checklist (HUD-952);
 4. Negotiation record, including notes on clarifications and additional information requested;
 5. Award correspondence;

6. Cooperative Agreement and all amendments to it;
7. Copy of all vouchers and payment record;
8. Performance, financial, property, and other required reports;
9. Correspondence; and
10. Closeout documentation.

4-3. STANDARD GTR WORKING FILE.

- A. The GTR/RGTM is required to set up and maintain a separate file for each Cooperative Agreement annually. Each file should be clearly labeled by recipient name and instrument number and centrally filed, with file drawers labeled according to year of the NOFA. The file's purpose is two-fold:
 1. to provide easy access to technical information; and
 2. to ease the transition to a new staff person.
- B. Each file must be clearly indexed and must contain copies of the following materials:
 1. copy of application kit (Capacity Building and Incentive Funds only) (Appendix 11);
 2. copy of Congressional Notification (Appendix 16);
 3. copy of Application Review Checklist for approving application (Appendix 18);
 4. conformed copy of the Cooperative Agreement and all modifications to it showing G/CAO's signature and effective date (Appendix 13);
 5. copies of all vouchers and a payment register indicating the balance of funds remaining (i.e. Request for Reimbursement (SF-270) and Payment Register) (Appendix 19);
 6. copies of all narrative reports submitted and approved;
 7. copies of all correspondence and records of telephone contact with the recipient;

8. documentation of on-site visits, showing purpose and results of visit;

9. a list of all complaints investigated and closed by the recipient and accepted by HUD for the purpose of determining the agency's subsequent funding eligibility;
 10. copy of GTR Assessment Closeout (Appendix 20); and
 11. any other pertinent materials and information.
- C. These files may be sent to the Federal Records Center after closeout by the G/CAO and RAD approval of the disbursement of the final payment. The requirement is for the file to be retained for a total of six years and three months after final payment (either at the work site or the Federal Records Center).

4-4. MONITORING AND EVALUATING RECIPIENT PERFORMANCE.

- A. The primary purpose of monitoring and evaluating a recipient's performance is to ensure that FHEO gets what it pays for through good recipient performance.
- B. GTR/RGTM monitors performance to ensure that:
1. the recipient does what the Cooperative Agreement requires;
 2. performance is consistent with the Cooperative Agreement purpose;
 3. vouchers and narrative reports are submitted on time;
 4. cases investigated and closed by the recipient meet the Criteria for Processing; and
 5. Vouchered amounts do not exceed the Cooperative Agreement amount.

4-5. MONITORING TOOLS AVAILABLE TO THE RGTM/GTR. All of the tools listed below may be used to monitor firm-fixed price cooperative agreements. For firm-fixed price agreements, the emphasis is on timely submission of vouchers (Standard Form-270) (Appendix 19), thoroughness of narrative report detailing fair housing enforcement efforts, and the timeliness and quality of fair housing investigations.

- A. Application and Cooperative Agreement. These documents will contain exactly what the recipient is to do during the life of

the Cooperative Agreement. These are the most important of the monitoring tools. The RGTM/GTR should become thoroughly familiar with these documents.

1. The Application will specifically describe what is to be accomplished and with what resources. It consists of a narrative description of what project(s) the recipient proposes to undertake to further fair housing in the jurisdiction, a financial breakout of proposed expenditures, and a description of what computer equipment, if any, will be purchased. The most significant work products resulting from this application will be included as product deliverables in the Statement of Work in the Cooperative Agreement.
2. The Cooperative Agreement sets out the specifics of the award by identifying the period of performance, amount of award, payment schedule and amounts, work to be performed, number of people to be trained, and conditions for suspension and termination. The GTR/RGTM needs to be familiar with all of these provisions to adequately monitor the recipient's performance. The Cooperative Agreement has four parts as follows:
 - a. Cover Page HUD-1044;
 - b. Schedule of Articles with;
(Attachment A - Statement of Work
Attachment B - Criteria for Processing)
 - c. Administrative Requirements for Grants and Cooperative Agreements (24 CFR Part 85); and
 - d. Assurances.
- B. Statement of Work is the portion of the agreement that specifically sets forth what the recipient will do. It contains requirements for general adherence to the recipient's Memorandum of Understanding, and overall requirements for Capacity Building, case processing and training activities. It also contains a list of product deliverables and due dates for Capacity Building and Incentive funds, based on the activities proposed in the application. Requirements outlining the types of media (large type brailled and taped computer disk) are included. The GTR/RGTM must ensure that the recipient complies with the Statement of Work.
- C. The Criteria for Processing is also a tool used for monitoring a recipient's performance. Prior to closing a dual-filed complaint, the GTR/RGTM must ensure that the recipient has

complied with the criteria. The GTR/RGTM must read, understand, and be thoroughly familiar with the Criteria.

- D. Technical Assistance is another tool for monitoring a

recipient's performance. If at any time during the Cooperative Agreement year, the recipient asks for technical assistance or the GTR/RGTM determines it is needed, guidance and direction should be provided to ensure that due dates are met and all work identified to be performed under the Cooperative Agreement will be completed timely.

Although the recipient is totally responsible and held accountable for all activities of a subcontractor, the GTR/RGTM may monitor the subcontractors' activities and personnel as well.

E. Request for Reimbursement. Under firm-fixed price Cooperative Agreements, each voucher (Appendix 19; SF-270) should be accompanied by the following:

1. a narrative report which describes the fair housing activities undertaken and completed by the recipient during the reporting period;
2. a listing of all complaints processed during the reporting period (which HUD has accepted for closure) showing name of complainant, name of respondent, date closed or conciliation failed, and complaint numbers;
3. a listing of agency participants by name, showing dates they attended HUD-sponsored training; and
4. a description of the Capacity Building or Incentive fund activities completed (pursuant to the application) by the recipient during the reporting period.

4-6. SUBMISSION, REVIEW AND APPROVAL OF THE VOUCHER - STANDARD FORM 270.

A. Receipt of Vouchers. The GTR/RGTM is responsible for ensuring that the recipient submits vouchers in accordance with the schedule contained in the Cooperative Agreement. In order to ensure that payments can be authorized and paid promptly, the GTR/RGTM may review and approve vouchers and send them to the RAD for processing five days prior to the due date (Appendix 19).

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B. Processing of Vouchers.

1. Specific instructions are provided in the Cooperative Agreement as to the procedure, place, and time for submission of requests for payment. Once received, every effort should be made to ensure expeditious handling of the requests so that payments are made promptly. The GTM should review and approve vouchers within two (2) business days of receipt.

2. Upon receipt, each voucher should be date stamped on the front, in or near block #10.
3. First, the GTM shall review the voucher for completeness to determine:
 - a. if it is correctly filled out;
 - b. if there is a narrative report;
 - c. if there is a list of case closures;
 - d. if it has been signed by an authorized person of the State or locality. Usually, this information can be found on the cover page of the Cooperative Agreement (HUD 1044).
4. Second, the GTM must review submissions for reasonableness and propriety. Review:
 - a. the voucher to ensure that the amounts requested match the payment terms of the Cooperative Agreement;
 - b. the narrative report to ensure that the contents describe, in sufficient detail, what the recipient actually did in fair housing enforcement during the period. The GTM should assess whether the recipient is progressing satisfactorily in completing the activities identified in the application and statement of work ;
 - c. the list of complaints processed and closed by the recipient to ensure that cases were in fact closed by the recipient, and that a case is not counted more than once;
 - d. the list of persons by name, title, and dates attending HUD-sponsored training; and

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- e. for Incentive funding, assuring that the charges billed are reasonable and allowable for the tasks completed during the voucher period.
5. If the voucher or the narrative report is unacceptable, the GTM must contact the recipient and the G/CAO and advise that the voucher cannot be approved and state the reason(s).
 - a. If the voucher is unacceptable because the

narrative report is weak, the GTM should provide technical assistance and have the recipient resubmit the information.

b. If the voucher has some minor calculation errors or a particular cost is in error the GTM should make pen-and-ink changes and initial the changes. A copy of the GTM's changes should be sent to the recipient and the corrected voucher should be processed.

6. The GTM should ask the recipient for information to support requests for training funds. If the information provided does not resolve the matter, in such a way as to enable the GTM to approve the payment submitted, then the request can be reduced or disallowed by the amount set forth in the Agreement until the recipient provides the justifying data. The recipient's program under its Incentive application must be closely monitored for completeness of tasks prior to authorization of payment.

While the recipient is entitled to some latitude in carrying out the activities under the Cooperative Agreement, HUD has the right to withhold payment for failure to complete activities contained in the statement of work.

7. If all of the above are acceptable, the GTM should sign and date the voucher in the appropriate place and forward it to the GTR. The final voucher should be approved by the GTR and the CAO prior to being sent to the RAD.

8. If there is any change in the GTR or GTM, the RAD must be given a copy of the new signature to keep on file.

4-7. MONITORING USE OF FUNDS. In the event all monies are not spent (actually used) for the purposes set forth in the statement of work, the recipient must ensure that all remaining funds are used for fair housing activities. This requirement is found in the Schedule of Articles of Award. It is the responsibility of the GTR/RGTM to see that the recipient understands this requirement.

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4-8. HOW TO HANDLE PERFORMANCE PROBLEMS.

A. General. When there is reason to believe that a recipient is not complying with the terms and conditions of an assistance award, appropriate action is required to enforce such requirements. The GTR, RGTM and the G/CAO are responsible for ensuring that the recipient complies with the terms of the agreement and is notified of noncompliance.

B. Identification of Performance Problems. Performance problems include but are not limited to:

1. failure to submit vouchers for payment on time;
2. failure to adhere to the Statement of Work;
3. failure to send the requisite number of staff members to HUD-sponsored training;
4. failure to submit narrative reports detailing fair housing enforcement activities;
5. failure to submit product deliverables listed in the Statement of Work in accordance with the timetable;
6. failure to provide a listing of dual-filed complaints processed and closed; and
7. failure to undertake fair housing enforcement activities.

C. Initiating Corrective Action. The G/CAO must take appropriate action to enforce any Cooperative Agreement requirements that are not being met. Therefore, the GTR/RGTM must:

1. call the recipient's attention to the matter (and follow-up in writing) and seek the voluntary commitment to remedy the noncompliance. Provide a date certain to have the recipient meet the requirements of the Cooperative Agreement;
2. provide the G/CAO with a copy of any communications with the recipient so that the G/CAO is kept abreast of the situation;
3. Recommend that the G/CAO initiate the following if the recipient fails to comply with a Cooperative Agreement requirement after proper notice and technical assistance:

- a. temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency;
- b. disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance;

- c. wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program;
- d. withhold further awards for the program; or
- e. take other remedies that may be legally available which may include suspension or termination of the Agreement pursuant to the appropriate Agreement provision.

4-9. ANNUAL PROGRAM REVIEW.

- A. HUD will conduct an annual review of the performance of an agency which has received Incentive or Capacity Building funding. To implement this review, HUD will primarily utilize the agency's program records and reports, findings from other on-site monitoring, audit reports and information generated from the requirements for disbursement of FHAP funds.
- B. HUD may also make its monitoring and review determinations from other sources of information which may include final court decrees and relevant comments from citizens and organizations. HUD will give a recipient the opportunity to respond before considering negative comments from citizens and organizations.
- C. The annual review will determine whether the recipient:
 - 1. has carried out the required activity in a timely fashion. This also includes the proper expenditure of funds allocated for an activity within the application;
 - 2. has a continued capacity to carry out its activities in a timely fashion;
 - 3. has met the objectives that the proposed activities were designed to address; and
 - 4. has compiled with all certifications and assurances required by HUD including Section 504.

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- D. A funded agency is required to participate in this program performance review in addition to the assessment provided under 24 CFR Part 115 for continued substantial equivalency.

4-10. CORRECTIVE AND REMEDIAL ACTION. If HUD makes a preliminary determination that a recipient has not met the program review standards, set forth in paragraph 4-9 above, the recipient will be given notice of this determination and an opportunity to show that it has met these standards. The recipient must present facts and data in support of its position, within the time period prescribed

by HUD.

If a recipient fails to demonstrate (to HUD's satisfaction) that it has met all required review standards, HUD will request that the recipient submit and comply with proposals for action to correct, mitigate, or prevent program differences including the following:

- A. prepare and follow a schedule of actions for carrying out the affected fair housing activities;
 - B. establish and follow a management plan that assigns the responsibilities for the carrying out of remedial action;
 - C. cancel or revise activities that are likely to be affected by performance deficiencies before the funding for the activity is expended;
 - D. redistributing FHAP dollars that have not yet been expended to other eligible activities;
 - E. suspend the disbursement of payments for not more than sixty days; and
 - F. condition the use of the agency's FHAP award amounts with respect to an agency's succeeding fiscal year's allocation upon the satisfactory completion by a recipient of appropriate corrective action. When the use of funds is so conditioned, HUD will specify the deficiency, the required corrective actions, and the time allowed for taking these actions. Failure of a recipient to complete the actions as specified will result in a reduction or withdrawal of the recipient's allocation in an amount not to exceed the amount conditionally granted.
- 4-11. COOPERATIVE AGREEMENT DISPUTES AND APPEALS. Each Cooperative Agreement contains a Disputes provision. If a dispute arises, that is strictly a program matter, the dispute will be resolved at the program office level. However, any dispute concerning a question of fact arising under the terms and conditions of the

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Cooperative Agreement will be decided by the G/CAO in writing. The recipient may appeal the G/CAO's decision to the Assistant Secretary for FHEO.

4-12. COOPERATIVE AGREEMENT MODIFICATIONS.

- A. During the life of a Cooperative Agreement, it may become necessary to make modifications in the award amount, name or address of the recipient, name of the GTR or other provisions of the existing agreement. In such cases, the G/CAO must prepare and issue the modification, using a HUD 1044 (Appendix

13, cover page).

- B. All requests for modifications should be in writing and addressed to the G/CAO. The requirement for the change may originate with either HUD or the recipient.
- C. The G/CAO is the only person authorized to modify a Cooperative Agreement on behalf of HUD. All modifications must be signed by the G/CAO. Substantive modifications must also be signed by the recipient.
- D. A conformed copy of the modification becomes a part of the Cooperative Agreement file.

4-13 FINAL EVALUATION AND CLOSEOUT BY GTR.

- A. A Cooperative Agreement is completed when the final payment has been requested and all services, products, and requirements (included in the period of performance) have been completed. Closeout is the process by which HUD determines that all applicable administrative and project requirements have been completed by the recipient and HUD.
- B. In order to ensure that closeouts can be completed by the end of the fiscal year, agencies should be requested to submit their final SF-270's and supporting information at least two weeks prior to their due date.
- C. When the Cooperative Agreement expires, the G/CAO sends the GTR an Assessment form for completion (Appendix 20). This assessment constitutes the GTR's final evaluation and closeout of the recipient's performance. The GTR should complete and return the final assessment to the G/CAO within 30 days. The GTR should consult with the RGTM in preparing the final evaluation assessment. On the assessment form identify the following:
 - 1. Recipient name and Cooperative Agreement number;

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- 2. Fiscal Year of the NOFA, which is normally the previous fiscal year;
- 3. Cooperative Agreement Amount and Appropriation(s);
- 4. Total payments (including final) approved;
- 5. Balance;
- 6. RAD disbursements (from A96CYCA report); and
- 7. Total number of cases closed during Cooperative Agreement year.

- D. Where there is a balance, the GTR should note on the closeout the reason for the balance. If any payment is disapproved, in whole or in part, the closeout should not be submitted prior to advising the recipient of the disapproval and providing an opportunity to appeal the decision. If the funds remaining have not expired, as determined by the appropriation number, the GTR or G/CAO should ensure that they are made available for obligation to another eligible-recipient or returned to Headquarters.
- E. Where the amount disbursed by the RAD, combined with the amount on the final voucher, do not equal the total payments approved, the GTR should determine the reason and ensure that all partial vouchers have been processed.
- F. The GTR must indicate on the assessment form:
 - 1. whether the recipient completed all performance requirements identified in the Agreement;
 - 2. whether the GTR accepted all major objectives or tasks performed by the recipient;
 - 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. Prior to determining whether a recipient's overall performance for the year was good, fair, or unsatisfactory, a written assessment, described below, must be completed. All ratings must be supported by the written assessment.

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- G. In addition to completing the assessment form from the G/CAO, the GTR/RGTM must also provide the following information in a written assessment indicating:
 - 1. whether the recipient met the due dates established for the submission of vouchers in a timely manner, i.e. no vouchers received more than 15 days after the due date;
 - 2. whether the recipient complied with all of the requirements stated in the Cooperative Agreement;
 - 3. whether the recipient adhered to the statement of work and submitted timely and acceptable product deliverables;
 - 4. how complaint closures compared with closures during the

previous 12 month period;

5. a summary of the effectiveness of outreach and training as evidenced in the recipient's receipt of cases;
 6. any success stories that happened during this Cooperative Agreement year; and
 7. the recipient's capability to perform under a similar cooperative agreement (staff, in-house financial resources, etc.) in the future.
- H. The GTR should sign and date the GTR assessment form, attach the written analysis, and forward it to the G/CAO for official Departmental closeout. A copy of these documents should be filed in the GTR file. The GTR should submit the final approved voucher along with this assessment form, instead of submitting it directly to the RAD.
- I. On the final voucher, in the space for agency use, the GTR should indicate approval to pay and insert the amount recommended for payment. The GTR should sign this statement and put his/her title of GTR behind the signature.

4-14. CLOSEOUT BY G/CAO.

- A. Once the final assessment has been received from the GTR, the G/CAO initiates the necessary actions to close the award. This includes payment approval, deobligation of unexpended balances, property disposition, and execution of closeout agreements.

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- B. The G/CAO shall review the entire Cooperative Agreement file to ensure the Government's interests are adequately protected. The G/CAO should note any unusual provisions in the agreement, such as recapture of "special property." This review is also for the purpose of ensuring that the assistance file is complete and that all significant actions have been completed and documented.
- C. If the GTR has indicated that no patentable items were developed, and there is no Government furnished property to be accounted for, a closeout letter is not required. The G/CAO shall complete the Assistance Closeout Checklist (Appendix 21), as follows:
 1. Recipient name and Cooperative Agreement number;
 2. The agreement being closed out is a Cooperative Agreement;
 3. Type of agreement being closed out is a fixed price;

4. Performance completion date is the expiration date of the award, which is 12 months after the effective date;
5. Amended through Mod # is the last modification issued by the G/CAO for this Agreement;
6. Under "Action Items" and "Action Completed Date" the G/CAO should insert dates after each applicable action item as follows:
 - a. "Request for GTR Assessment Sent" is the date the G/CAO sent the GTR assessment form to the GTR for completion. If the GTR initiated the assessment form, this can be marked N/A;
 - b. "GTR Assessment Received" is the date the G/CAO receives the completed assessment;
 - c. "Closeout Letter Mailed to Recipient" is the date of the letter. A closeout letter (Appendix 24) is required if a patent or copyright is involved or if the recipient must account for Federally funded property;
 - d. "Final Closeout Forms Received" lists actions required if government furnished property or a copyright is involved. Identify the date the action was completed. Where this is not applicable, N/A should be marked in the column;

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- e. "Audit Requested and Audit Received" are not applicable to fixed price agreements with State and local government agencies which can be closed out without the benefit of an audit pursuant to the Single Audit Act;
- f. "Negotiations Completed" is not applicable to the CFA fixed price agreements;
- g. "Closeout Mod Issued/Checklist" is the date when a bilateral amendment is issued to change the Statement of Work, Period of Performance, Amount of Award or other provision requiring signature by both parties to the agreement prior to the closeout. This is rarely applicable to a closeout under the FHAP noncompetitive funding;
- h. "Closeout Mod Executed" is the date that an amendment, at closeout, is signed by the G/CAO. This is rarely applicable;

- i. "Final Invoice Forwarded to OFA" is the date the G/CAO approves payment of the final invoice and forwards it to OFA;
 - j. "Funds Due to the Government Recovered" is the date that the G/CAO recovers any overpayment and submits the check to the RAD. This is not applicable to fixed price awards.
 - k. "FRC Date" is the date the file is sent to the Federal Records Center. This may be done at some date subsequent to the closeout.
- 7. At the bottom of the closeout checklist (Appendix 20), the G/CAO notes the amount, if any, that should be deobligated and enters the appropriation number.
 - 8. The G/CAO signs and dates the checklist and sends a copy to the RAD and a copy to the GTR. One copy is retained in the G/CAO file.
- D. Upon completion of all administrative actions for closeout, the G/CAO should notify the recipient, through a letter or amendment to the award, of the terms and conditions of the closeout including:
- 1. Final financial settlement;
 - 2. Provision for submission of audit reports and due dates;

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- 3. Record retention requirements; and
 - 4. 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.
- E. If property is involved with a value in excess of \$5,000, the G/CAO shall send a letter to the recipient, requesting that the recipient submit an inventory of all Federally-owned property (as distinct from property acquired with Cooperative Agreement funds) for which it is accountable. The G/CAO will provide disposition instructions for property no longer needed.
- F. The files may then be sent to the Federal Records Center.
- 4-15. AUDIT REQUIREMENTS. Agencies must complete an audit in accordance with 24 CFR part 44 (Appendix 7). The financial management system used by Agencies must comply with OMB Circular A-128 -- Audits of State and local governments.

