



Q: Now that my grant has been funded, can I get my full 10 percent advance right away?

A: You can, if the two advance payment requirements are met: First, you must need at least 10 percent for your actual, immediate cash requirements to start the grant; and, second, the Grant Officer must agree that you need that much, based on your detailed written justification.

In general, whatever your minimum immediate cash requirements for grant start-up is what you should request, because that's all that HUD is allowed to provide.

Q: Before the three years are up, I will have to have spent all of the grant amount. Once I have paid my subcontractors, will you pay me the balance of my funds right away?

A: The Office will hold 5 percent of the grant amount until the Government Technical Representative and Grant Officer have received and approved your final progress report and associated forms. It is not enough for you to pay for work, we have to know that the work was done acceptably and that other requirements of the grant were met.

Remember that the HUD staff do not automatically approve your submissions. If they find that a document needs to be revised, they will reject your submission within 5 days and give you the opportunity to revise it. The last month of the grant period is reserved for these close-out activities, including any back-and-forth, with the goal of obtaining and approving acceptable documents and authorizing payment before the end of the 36th month. All field work is to be completed by the end of the 35th month.

If you have not revised the materials properly in time for the payment to be made by the end of the 36th month, the remaining funds will revert to the Treasury. The main message is that you should follow the guidance you get from our Office regarding any revisions you are asked to do, and have them done promptly.

Q: What can I do to be reimbursed for costs I incurred before the effective date of my grant?

A: Normally you may incur costs for activities beginning on the effective date of the grant.

You may be allowed costs incurred before the effective date, only if the Grant Officer or Government Technical Representative specifically authorizes this in writing.

Incurring costs before the effective date was at your risk, because HUD is not required to allow them.

Q: Why do the subs for my grant have to register with the Central Contractor Registration? They never had to before.

A: They have to register because the Recovery Act says they have to register! Specifically, the reporting section of the Act *{section 1512(h)}* says that both you and your first-tier subgrantees and subcontractors “must register with the Central Contractor Registration database.”

The reason for this requirement is that another part of this reporting section *{paragraph (c)(4)}* requires you to report “Detailed information on any subcontracts or subgrants awarded by [you].”

The specific reporting requirements are listed in your grant agreement’s terms and conditions, and will be included, as you have heard, in your electronic quarterly progress reports.

The CCR registration allows the Office of Management and Budget and the public to track the funds received by your subs, for transparency reasons. In particular, your subs may be subs to other Recovery Act grants as well, and the Congress and the President wanted people to be able to find out how much each grantee and each first-tier sub is getting under the Act.

Finally, I should note that these registration and reporting requirements do not apply to subs at the second and farther-down tiers; that was another decision the Congress made.

Q: We have been asked about tracking the creation of “green jobs” in our lead hazard control grant. What are they?

A: In general, they are jobs that promote the reduction of energy in a way that protects or enhances the environment.

For the lead hazard control grants and the healthy homes demonstration grants, these jobs are for replacing existing windows that have lead hazards with energy efficient windows, and doing the removal and installation in a lead-safe manner.

Q: Who on my staff can request a change in the grant's provisions? It is cumbersome for me to get the Authorized Organization Representative to sign the grant amendment.

A: The change request should come from the Authorized Organization Representative, or AOR.

Neither the program manager, project director, accounting director, staff assistant, nor any other person has that authority. Remember that the grant is to the organization – the local government, the nonprofit, or the university – and not to the project staff. Only a person authorized to represent the organization has that authority to ask for the grant to be changed.

If the AOR puts the request in writing to the Grant Officer, and if we agree to the request, we can often expedite the processing of the request by issuing a unilateral grant modification, and keeping the AOR's request in the grant file.

Q: HUD's regulations for our grant, "part 84," as we call them, say that we have 30 days after the end of the quarter to report our progress. Why are you saying that we have just 10 days for these grants? Don't the regs apply?

A: For all grants, there is a particular order of importance of documents, so that, when there is an inconsistency, everyone will know how to resolve it.

Because these grants were awarded under the Recovery Act, and would not have been awarded except for that Act, it has first precedence over the other requirements, such as the NOFA, the HUD grant regulations, and other documents. Your grant agreement's terms and conditions lay out the full order of precedence.

On this particular issue, the Recovery Act has the 10-day requirement in its reporting section *{section 1512(c)}*.

Q: If I am running a successful grant and get additional funds in my third grant year, from a grant that did not spend enough money after two years, will I have to spend that additional money in my third year, when my staff will already be booked up?

A: That's a good question, and we have requested an answer. When we get it, we will let you and all of our grantees know.

Because this situation will not occur until 2011, Office of Management and Budget – and we – are focusing primarily on issues that apply to 2009 and 2010 first.

Q: How will you decide who gets the money that is taken back from grantees that haven't spent half of their grant after two years?

A: We will develop our system to for reallocating funds to successful Recovery Act grantees once HUD receives OMB guidance on this subject.

Q: Going back to the questions about subs, do I have to report about firms I buy materials from?

A: No, you don't have to report about vendors. These are firms that provide supplies and equipment, or routine business services, and that are not involved with decision-making or controlling the direction or implementation of the grant.

Similarly, you don't have to provide reports on any of your first-tier subcontractors and subgrantees that receive less than \$25,000, or who are individuals. For them, you can bundle the reporting and provide aggregate amounts.

Q: You referred to lead certification requirements for interim controls. The EPA doesn't require certification for interim controls. Can you explain this?

A: While the EPA doesn't currently require certification for interim controls in pre-1978 target housing, it will be, starting on Earth Day 2010, next April 22nd.

Any interim control work in this housing will have to be done by a certified renovation firm using a certified renovator – the supervisor – and other workers who are either trained by the supervisor or are themselves certified renovators.

The one-day training course has been published by HUD and EPA, and it is on both of our Websites. It can be reached from hud.gov/offices/lead/training, and epa.gov/lead/pubs/renovation.htm.

The EPA expects that many States will run their own lead renovation certification programs, just as they do for lead abatement certification. EPA will provide links to the State programs on that Web page.

Q: When can I invoice for a subcontract or a subgrant I have executed under my grant from your Office? After I have made a payment to the sub, or after I executed the subcontract or subgrant?

A: You may invoice the Office of Healthy Homes and Lead Hazard Control once you have executed the subcontract or subgrant.

The costs are considered incurred when the subsidiary agreement is executed and can be reimbursed from us at that point.

You will then pay the sub as it performs the work, and you accept it, either as a lump sum or using partial payments.