

## CHAPTER 1. INTRODUCTION

- 1-1. POLICY. Decisions on a grantee's requisition for funds shall be based on an effective process of review and analysis which will interrelate information on the grantee's performance, financial position, operating costs incurred, and budgeted targets with the grantee's representations appearing on requisitions for HUD funds. With respect to advances to grantees, the Treasury Department requires program managers to determine that cash is being advanced only in accordance with the needs of the recipient. The Treasury Department's Fiscal Requirements Manual, Chapter 2000, Section 2060, requires each agency to review the recipient's use of funds advanced periodically but not less frequently than once each calendar quarter.
- 1-2. OBJECTIVES. The review and analysis of grantees' representations form an integral part of the Department's process of administering grant programs. The principal objectives are to determine whether (a) representations from grantees concerning the usage of and future requirements for Federal funds are reliable and (b) the resources provided by the Federal Government are being safeguarded adequately.