

FY2022 EDI CPF Grant Administration Training Transcript August 2022

Michelle: Welcome and thank you for joining today's conference, Community Project Funding, Grants Administration Training. Before we begin, please ensure that you have opened the WebEx chat panel by using the associated icon on the bottom right corner of your screen. Please note that all audio connections are muted. You may submit written questions throughout the presentation, and these will be addressed during the Q and A. To submit a written question, select all panelists from the dropdown menu on the chat panel, enter your question in the message box provided and send. If you require technical assistance, please send a chat to the event producer. And with that, I'll turn the conference over to Robin Keegan, Deputy Assistant Secretary for Economic Development. Please go ahead.

Robin Keegan: Great. Thank you so much, Michelle. Thank you all for joining this afternoon. As just mentioned, I'm Robin Keegan, I'm the Deputy Assistant Secretary for Economic Development within HUD's Office of Community Planning and Development. A few housekeeping notes up front. We will post this presentation as well as the transcript and the recording from this session. Many of you joined us a couple of weeks ago for our orientation. We will also do the same with that information and we plan to send this presentation as well as the transcript to you early next week. So of Community Project Funding Grants falls under my office. I want to welcome you to today's training. I also really want to say congratulations again to you on this important funding for your communities. We're excited to be your partner at administering these congressionally directed grants. As I just mentioned, two weeks ago, we had an orientation focused on the steps to get your grant agreement executed.

Today's training will focus on important administrative requirements, a high level overview of the environmental review process and our grant reporting system. I want to reiterate that the most important thing that you can do today is to complete the steps required to get an executed grant agreement, send us to your project narrative and budget. Exclamation point. I really write that only because I'm excited. We've been seeing your project's narrative and budgets. We are really excited that we have a number of these that we've verified with the congressional record, with the intent of Congress. And we're really, really excited that we are about to get underway, starting to execute grant agreements.

So again, this is step one, get us your project narrative, and budget. There are some administrative forms that are required for the grant agreement as well. We'll continue to reiterate that message, and you know that your grant officer is standing by to help you talk through your project narrative, talk through your budget, talk through all of your other questions and connect you with the right

partners to implement these grants, including our environmental review specialists who are standing by to support you.

A few other housekeeping notes. In addition to the fact that we will be posting this presentation, that we will be posting the recording, we'll be posting the transcript for both this training, as well as the previous orientation. We will also be finalizing additional updates to our community project funding grants' webpage that include clarifications to many of the questions that you asked in the orientation and that we've received from you in discussion with your grant officer. I'll drop that link to the webpage, into the chat momentarily. And again, as I mentioned, we'll be sending you these transcripts starting next week.

We also intend to have another orientation for those of you that missed the first one, or you just want to listen in again, because it's a lot of information. And for some of you that are new to this process, we understand that we want to make sure that we are helping you in supporting you to get up to speed on this process. We'll send that date via email once we have it scheduled. I'll ask a reminder to our colleagues today, that are doing the training, that we're committed to not using acronyms. We know that many of you again are new to this, and we want to make sure that we are really clarifying and speaking clearly to the purpose of the programs and the requirements that we're sharing today. That said, I will let our systems person use the acronym once he defines it because it's a mouthful.

As someone reminded us last week, also cross cutting is a woodworking term or in our last session, we want to indicate that these are federal requirements that run across all programs. But again, we want to make sure that we're speaking clearly, that we're very much communicating to you the nuance of these requirements. We also have an environmental review technical assistance desk that will be opening shortly, and we will be sending that information to you through our email list serve, as well as posting that on our webpage once it is stood up. Finally, as mentioned, we will have some time at the end for questions and answers. For questions that are common across the group, we'll be answering those as we can with the time allotted and updating our FAQs on our website. But I know that each of you have your own specific questions and for those questions, those are really best place for your grant officer so they can walk you through the specifics of your question and get you answers.

So again, thank you for joining us today. I know we have a long session ahead, but it's going to go quickly. It's full of a lot of really good, important information. And we look forward to working with you on today's training and going forward to make sure that you have the best information and preparation for getting us your project narrative and budget to execute your grant agreement, and then working with you through the grant award process. With that, I want to turn it over to Holly Kelly. She's the Director of the Congressional Grants division. She'll introduce you to the agenda today to our additional trainers and get us started. Thank you again for your time today and for your work on behalf of your communities. Holly, I'll turn it over to you. Thanks.

Holly Kelly:

Thank you Robin. Thank you very much for that. Again, my name is Holly Kelly. I'm the Director of the Office of Economic Developments Congressional Grants Division in HUD Community Planning and Development. And I want to echo Robin's message of congratulations to the FY 2022 portfolio of EDI Community Project Funding, congressionally directed spending grantees. We are excited to be working with you. We have 1014 of these grants and projects that we will be working with over the next several years and my team and I could not be more excited to receive this portfolio, be responsible for coordinating with you and looking forward to hearing about all the various projects across the nation that you will be engaging in. So again, I want to echo those messages of congratulations. The agenda today is full. It's a two and a half hour session. We hope we have enough time to move through all of the information that we're going to provide to you this afternoon.

We recognize that there will be questions that you will have, and some of them we will address at the end of the presentations to try to capture as many of the questions that are germane and are relevant to a broad section of projects. We know that there are 1014 grantees and there might be 1014 specific challenges or issues or curiosities or questions that you would have. And so we have assigned grant officers in the division to address those, to capture those questions, to respond to those questions either in real time or to step back and do the necessary research to provide you the answers that you need. So you'll see a list of grant officers at the end of this presentation. We provided it earlier, we have it on our website and we will be responding to questions. Some of you may have already reached out to your grant officer and you haven't heard back and please excuse us for that delay.

We are working through getting through all of the emails and phone calls and contacts that we have had in association with your various projects and your questions. So again, thank you for your patience in that. And we promise you, we will be getting to you as quickly as we can. We do have a very full agenda today, but we wanted to address the main topics of focus that we've been getting the most questions about. And that's regarding the environmental review and how the department intends to coordinate with grantees on payment and reporting. And so our colleagues in CPD and our colleagues in HUD have been fantastic in volunteering and agreeing to provide these presentations. And so, to talk about the environmental review requirements under the various regulations, CFR, Code of Federal Regulation, part 50 and 58 is Lauren Hayes Knutson.

She's the Director of the Policy Division in the Office of Environment and Energy and Mark Mitchell, who is a Senior Advisor, Special Advisor under the Office of Community Planning and Development Office of Operation will be talking about the disaster recovery grant reporting system. Many of you who are CDBG grantees or other grantees within HUD, particularly in CPD may be familiar with DRGR. And so Mark's done and give a tutorial on how to register for that and move through that system. There's a lot more to know. There's a HUD exchange and that's a resource that we recommend you tap into to find various tutorials

and modules on those topics. Particularly DRGR. Later on in the afternoon, I will come back and talk about the code of federal regulations that are the administrative requirements for the administration of these grants and these awards. And that's two CFR part 200.

So I will give an overview and I'll step through some of those provisions that we provided in the grant guide. And after I've moved through that very brief presentation, Bon Watson, who's a Grant Officer on my team. We'll talk specifically, or generally I should say, about some of the elements of cost rates that you need to be aware of. Of course, there will be questions that will come out of these presentations. We absolutely recognize that and know that and are preparing ourselves for that. We wanted to make you aware of some of these requirements, and that will allow you to step back, look at your grant [inaudible 00:11:35] guide. Look at the regulations with some of additional information provided, and then we'll have a Q and A with what time is left at the rest of the afternoon. So I'm going to stop sharing my screen. I'm going to ask Vaughn to advance the slide so we can move into... Or to stop sharing the slides, I'm sorry. To stop sharing the screen so that Lauren Hayes Knutson can move into the presentation for environmental review. Thank you.

Lauren Hayes Kn...:

Great. Thanks, Holly and Robin. Good afternoon. And good morning, everyone. As Holly mentioned, I'm Lauren Hayes Knutson, and I'm the Director of the Environmental Planning Division in HUD's Office of Environment and Energy. I know that you have received some information on environmental review in the grant guide information. So I want to go over those items today on a somewhat high level, just to reiterate the requirements, go over some basics and hopefully have time to answer some questions at the end. And we hope to have another environmental session for grantees sometime in the fall. So we'll plan on a follow up session as well to address anything that didn't get covered today.

So first, we'll go over some environmental review basics. I know some folks may be very new to the environmental review process, so we can talk about what this means for HUD projects and what is involved. So on a very high level, an environmental review is an analysis of a project's potential impacts on their surrounding environment and vice versa. It also looks at the impacts of the surrounding environment on the project and end users. So a look at the site suitability for proposed use. So this could mean looking at, if the work associated with the project will impact endangered species or air quality, but also looking at site suitability. So making sure that it's not going to expose anyone to contamination or site anything in a flood way that could cause flood damage.

So I'll go over kind of the full scope of what that includes, but it is a procedural look at any potential impacts and alternatives for proposed project. Depending on the size and scope of the project and environmental review documents compliance with up to 17 federal environmental laws and authorities, and an environmental review is a public document that encourages public comment and community participation. It is transparent. So an underlying feature of an

environmental review is that the federal government needs to be transparent with the public about federal actions and any associated environmental impacts.

So the legal framework for environmental review comes from the National Environmental Policy Act or NEPA. And that is the federal umbrella statute that requires all federal agencies to conduct an environmental review prior to funding any federal action. It requires federal agencies to implement their own NEPA implementing regulations, some actions maybe categorically excluded from NEPA via regulation. That doesn't mean that an environmental review is not required. It just means that it's a little smaller scale than a project that may require an environmental assessment or an environmental impact statement under NEPA. And I'll go through what those levels of review mean.

HUD also has to comply with various other related environmental laws and authorities, many of which are implemented by other federal agencies. So things like the Clean Air Act, the National Historic Preservation Act, the Endangered Species Act, [inaudible 00:16:12] of the Safe Drinking Water Act, and then others that are implemented by executive order. So like Environmental Justice or Floodplain Management, for instance. Then HUD has our own environmental regulation requirements that apply specifically to HUD projects. So that includes our regulations on Floodplain Management and Wetland Protection, as well as regulations on manmade hazards. So things like explosives, flammable hazards, noise and airport hazards. Then finally, HUD addresses site contamination largely through program policies, but our environmental regulations do require that properties be free of any toxics, contamination, hazardous materials that could impact the health and safety of occupants or end users of the project.

So this is the full scope of real even laws and authorities that HUD's environmental reviews consider. Generally projects that require any physical work beyond routine maintenance or repair will require review of all of these factors. Smaller scale projects that are things like supportive services or nonphysical work won't require a look at all of these, but it does have to consider a [inaudible 00:17:52]. So these are HUD's environmental regulations. The regulations at 24 CFR part 50 and part 58 are HUD's NEPA implementing regulations. So under part 50, these regulations implement NEPA for environmental reviews completed by HUD program staff. So these environmental reviews are done by HUD staff in house. Part 50 reviews mostly applied to office of housing programs. So things like FHA insurance programs, some public housing projects, but the majority of HUD programs under the Office of Community Planning and Development are reviewed under part 58.

This implements NEPA for environmental reviews completed by local governments or tribal governments, which we call responsible entities. So this applies two programs with statutory authority to perform environmental reviews under part 58. And I'll get into more of what that looks like. But the community project funding program is a part 58 program. So local governments do have authority to assume federal environmental review authority and

perform the environmental reviews themselves. So that gets into why we are encouraging local governments to take on these reviews for this program. And as I mentioned, part 51 are our requirements for manmade hazards. So noise, airport hazards, and acceptable separation distance from explosive and flammable hazards. And then our regulations at part 55 implement executive orders, 11988 and 11990 that implement our Flood Clean Management and Wetlands Protection regulations.

So this is covered in your grant guide in terms of timing of the environmental review. But I want to reiterate this requirement. It is also an underlying tenant of NEPA and of HUD's environmental regulations, but under our regulations, neither the grantee, nor any other partners or stakeholders in the process. So other consultants that you may hire, the responsible entity, a developer, no partners in the process are allowed to commit or spend HUD or non HUD funds on physical or choice limiting actions until the environmental review is completed. So this means things like acquiring a property, entering into a contract for purchase and sale or for construction or physical work, leasing, rehab, demolition, new construction, really any kind of ground disturbance or physical work cannot be done or committed to until the environmental review is complete. So when we say complete, we mean that you have either received an approved request for release of funds form where it's required under part 58 or an approved part 50 environmental review.

It also mentions in your grant guide that work under contracts that were entered into prior to the federal nexus, which is the date you received the letter of invitation, I believe that was July 18th, but that is indicated in your letter. So that is the federal nexus and federalizes these community project funding projects. And they are now federal projects where these environmental regulations apply. So work under contracts that were entered into prior to the letter of invitation may proceed, but it is at the grantees risk. And what I mean by that is that there are certain environmental requirements or instances of work being done that if any environmental harm cannot be mitigated, or if work is done that may preclude federal consultation requirements, HUD cannot guarantee successful completion of the environmental review. So I just want to caution folks about that. It is risky in that HUD may not be able to guarantee funding of those aspects of the project.

If there was environmental harm, following the federal nexus, certainly work with your grant officers. And if we do run into issues, we can look at other activities to fund, but I just want folks to be cautious of ongoing work following the federal nexus, but before an environmental review is completed. So please continue to reach out to your regional environmental officers and your congressional grants division folks, to discuss this and submit a project plan at budget and share where you're at in terms of work on this project, just to make sure no one risks a project not being able to be funded, or at least those aspects being funded. And as a reminder, any costs incurred prior to the grant obligation, so prior to signing a grant agreement cannot be reimbursed with federal funds. So reminder, if you are pursuing work with local funds.

Then this is kind of a general overview of the environmental review process. The first step is to initiate the review and define the project. So part of this will be working with your congressional grants officers to finalize the project description and start entering environmental review information into HEROS, the HUD environmental review online system. And when I say partners here, I'm referring to any stakeholder in the environmental review process that is not HUD or a responsible entity, so unit of local government. So partners would be nonprofit recipients, consultants, public housing authorities, and any of these partner groups can and should initiate the environmental review and HEROS. You are welcome to enter a project specific information as part of the environmental review.

Then the next step is to determine the level of review and I'll go over what those are in a minute. This depends again on your project activities and the size and scope of the project and partners can make an initial recommendation here that is required in HEROS. So you will have to make a recommendation of the level of review, but this must be finalized by HUD for the responsible entity. Next you would conduct the analysis that's required to comply with that list of related environmental laws and authorities, and provide supporting documentation. Again, partners can initiate that analysis and provide documentation, but any determinations or determination of mitigation that may be required must be completed by HUD or the responsible entity. Similarly, any federal consultation, so things like consulting with the state historic preservation officer for historic preservation or consulting with the Fish and Wildlife Service for endangered species. Those consultations also can only be completed by HUD or the responsible entity. Then finally you would finalize the review so HUD or the make findings and determinations and sign off on the environmental review and it gets posted publicly for most levels of review.

So these are the levels of review that your project may fall under. The first is categorically excluded, not subject to the related laws and authorities. So when we say categorically excluded, we mean categorically excluded from the additional analysis requirements underneath that. And not subject to the laws and authorities means that you don't have to look at that list of 16 other laws and authorities for compliance. So these are going to be projects that do not involve physical work. They are smaller scales, so things like supportive services, maintenance, operating costs, planning, and other non-physical work. Category two, and this is very limited compliance requirements. These reviews can be completed very quickly, probably in under half an hour most of the time. Then categorically excluded subject to the laws and authorities or CEST level of review is again, categorically excluded from the additional NEPA analysis, but is subject to that list of 16 laws and authorities that you have to comply with.

So these are going to be things like minor rehab, single family construction, refinances, so a little larger scale projects, all those environmental laws and authorities apply. And if there is mitigation required, then it does trigger public comment under part 58. So that adds a bit of time to go through a public comment period for the review. So that can take a little longer. At minimum, it's

30 days because certain consultation, for example, with the State Historic Preservation Officer, they have 30 days to complete that consultation. But if there are no other compliance factors that can be done in the 30 days, if there are mitigation that needs to be worked through, it can take a little longer. Then an environmental assessment level of review are going to be larger scale, generally new construction projects or very large scale rehab infrastructure repairs. So this requires a look at all of those laws and authorities plus an additional NEPA analysis, looking at additional environmental or community or socioeconomic factors that might impact the project and vice versa.

And this level of review always triggers a public notice and public comment period under part 58. So that will add 15 days to the review for public comment plus 15 days for a hot objection period. So again, it can be a range of timeline here, about 45 days. A year is very long and unlikely. We would generally say 45 to 90 days, but sometimes there can be extenuating circumstances that draw out the timeline a bit. And then finally, an environmental impact statement is a very large scale project with large scale infrastructure or over 2,500 housing units. HUD rarely sees this level of review, maybe a couple projects a year, but it is possible for some of these very large scale.

Lauren Hayes Kn...:

... But it is possible for some of these very large scale community project funding grants that may be funding infrastructure, for instance, that it could require an EIS. And that it can take up to two years that has extensive public comment procedures. So, please reach out to your regional environmental officer as soon as possible if you anticipate having one of these very large scale projects. Okay. Then just some clarification on Part 58 versus Part 50. So, I mentioned that community project funding grants are in Part 58 program. So, responsible entities, so, city, state, tribal governments are statutorily authorized to carry out the federal environmental review responsibilities on behalf of HUD. So, responsible entities that are completing reviews under part 58 are responsible for the scope and content of the review, consultation with other federal agencies, making a finding, determining if mitigation is required, and certification by their certifying officer, which is the highest elected official. So, a mayor, or a governor, or a delegate, and they maintain legal responsibility and liability for the environmental review.

HUD has a somewhat limited role in Part 58 environmental reviews. We can provide technical assistance and answer questions, but we do not review the content of the review itself. That is the responsibility of the local government. HUD does review the request release of funds certification, and the public notice if that's required. We review any public objections that may be received. And, we certify the authority to use grant funds if that is required, which is the timestamp on completion of the environmental review. And then, HUD conducts environmental monitoring after the fact to review responsible entity compliance with these requirements.

So, for community project funding Part 58 is the default environmental regulation for this program, but Part 50 will apply if the local government was

not a direct recipient of the funds and they do not want to do the environmental review under Part 58. So, if the funds were for nonprofits or public housing authorities, for instance, they would need to find responsible entity to complete the environmental review on their behalf. If that responsible entity declines to do the Part 58 review, then it would come to HUD under Part 50. HUD also has the ability to determine that a local government does not have capacity to act as an RE. In which case, again, the environmental review would come to HUD under Part 50 to HUD's Office of Environment and Energy to finalize. For Part 50 reviews, as a CPF grantee, you are still responsible for providing all of the project information and documentation that's necessary for HUD to facilitate completing the review. So you would work closely with your regional or field environmental officer, and they can talk about what information they need.

So, this is an overview of the process when the grantee is a responsible entity. So, if a direct recipient is a unit of local government, or state, or a tribe, they would do the environmental review under Part 58, which means that, that responsible entity would document the environmental review information in HEROS. They are responsible for submitting that request for lease of funds form that is certified by the certifying officer. And then, assign that review in HEROS to the local HUD office to sign off on the request release of funds. A note here, depending on the level of review, and then the compliance factors, not every project will require a request release of funds under Part 58, in which case, it doesn't require HUD sign off. And it's complete when it's signed by the responsible entity. Then, HUD would review the request release of funds,, we wait a 15-day objection period for the public to submit any objections to the project, and then HUD or the community planning... I'm sorry, the CBD director approves the AGF. So, we would work with regional folks to get that approved in HEROS.

Then, as a final step, the responsible entity would maintain an electronic copy of that Part 58 review. And note, the there is an environmental review ID number in HEROS. So, that is cross referenced in DRGR, that Mark will talk about. But following the sign off, well, the RE would notify the grantee can proceed with the project. Then, for nonprofit grantees or other grantees who may not be units of local government, so public housing authorities, you would need to work with our office and the regional environmental officers to determine who will complete the review. So, our first step in the Office of Environment would be to help you locate an RE or a state to perform the environmental review under Part 58. And our staff can give you contact information to reach out to REs to make that request. And then, if that RE accepts, they will complete the review under Part 58. If they decline, then it would come to HUD under Part 50.

So, under the Part 58 process, it is very similar to what it would be if the RE is a direct recipient. In this case, where they are not a direct recipient, the responsible entity would need to work with the grantee to collect project information, to find the project and level of review, they would need to request HEROS access as needed. Then, the grantee would work with the responsible

entity to enter that documentation and analysis into HEROS. Again, the partner, user, so grantees, consultants, nonprofits can enter that information directly into HEROS. It does not have to be only the responsible entity. And, remember that the responsible entity is required to conduct any of the federal consultation and make any findings for medication determinations.

Then, the responsible entity would sign off on the request of release of funds, but the grantee would also sign off on part three of that form, as well as a sub-recipient or non-RE in this case. And then, assign the review to the local HUD field office for review. Again, then it's similar to the previous process. HUD reviews the form in public notices. We wait the 15-day objection period, and the CPD director signs off on the review. Following that, the responsible entity you should notify the grantee that the review is complete, and the grantee can proceed with the project.

And, if the review comes into HUD under Part 50, the Office of Environment and Energy, so those are your regional and field environmental officers will work with the grantee to determine the project definition at the level of review. We will host a concept meeting just to exchange this information and talk about requirements and timelines, recommend hiring an environmental consultant if necessary to conduct analysis for the review. And then, the grantee would enter the information in HEROS in a Part 50 review. It's the same requirements under Part 58, except the HUD is responsible for any of the findings and for the federal consultation. Then, OEE would sign off on the review as the preparer. And, again, the CPD director would certify the Part 50 review as the authorizing official. So there's not a public comment process under Part 50 or an objection period. So there's no wait time. HUD can sign off on the review as soon as it's complete and determinations have been made.

So once the review is complete, the regional environmental officer would inform the grantee that it's complete, provide a copy of the review, and the grantee can proceed with the project. So, I do have some resources here. I believe, most of these are included in your grant guide. But, as a reminder, please contact your regional environmental officer as soon as possible to start talking about environmental requirements and determining a responsible entity for your project if you do not have one. Their contact information is listed here by region on the HUD exchange site. So, please reach out to them. I included a link to the CPF grant guide with additional environmental review information. Also, HUD's environmental review website on the HUD exchange has a ton of different guidance documents.

It goes through requirements for all of those laws and authorities I mentioned. It gives information on the levels of review. We have webinars, trainings. So please check out that website for additional resources. We also have a HEROS page on the HUD exchange. I see some questions about getting access to HEROS. So there is a link on that page to sign up for HEROS. It takes you to an online form to submit your information. And a note on that, once you submit your HEROS access form, it comes directly to us at HUD, but because it has to go

through an IT security process, it can take about two weeks to process. But, once your HEROS access is ready, you will receive an email from HUD with resources and with your login information. So, because there is a two week lead time, I would encourage requesting HEROS access as soon as possible.

Now, there's also other HEROS resources on that site, there's trainings, there's how-to videos, webinars, FAQs. So definitely review those as well. And then, we also have a web-based instructional system for environmental review called WISER, and this is a self-paced set of training modules that goes through all of the requirements for environmental review. So, it gets into all of those laws and authorities. There's a module on flood plains, on site contamination, on endangered species, and it goes through all of those requirements. So, if you are new to environmental review, I would encourage you to work through those modules as well.

And then, finally, we have a community project, ask a question feature, where you can submit questions about environmental requirements for this program in particular. And so, that is also on the HUD exchange website. We are working on loading a list of all of the CPF grantees into the menu on the ask a question. So, check and see if your grantees in that list, but it might not be there yet. In which case, you can select other when it asks for the name of your grantee, and just indicate that you are a community project funding grantee, or partner. And then, in step two, indicate that your project is related to community project fund. So, those will get submitted to us and we'll respond to your questions. And then, if you have other program questions that are not environment related, please reach out to your grant manager, or you can reach out to CPF grants at hud.gov, and we will get to your question there. And I think that is all I have for environmental content, but I'm happy to answer questions at the end.

Holly Kelly:

Hi, this is Holly. Thank you, Lauren. That was, of course, incredibly informative. It's a lot of information, as you said in the outset. It's a lot of material to consider the message that you are providing. And, the Office of Economic Development, Congressional Grants Division wants you to press home is that, of course, grant officers that respond to and can help to understand programmatic questions. And our partners in the Office of Environment and Energy are, of course, the experts in the environmental review, environmental process of our consideration aspects of the project. And so, our message to grantees is that, there is a multi-pronged team that works together at HUD to help the grantee move their way through understanding this award, understanding what it is, what it represents, and how to get the grant under grant agreement, and administered in accordance and in alignment with the requirements that are in place.

And so, this presentation, of course, provided that overview. There are, I'm sure, questions that have been asked as a result of the presentation that we're going to, again, capture those questions, review them, and get them responded to, and post it as we can. And so, Lauren, I really appreciate that overview, and I know you're going to stay here until the end, and we'll answer, again, some

questions that are as broad as possible, so that we can make sure that we use the time that way. But recognizing that folks have specific questions remain to their circumstance and we will get to those as well.

Before we go into the DRGR, Disaster Recovery Grant Reporting presentation, I want to touch on a couple of things. One, there might be some questions. I know there were questions during the last session a couple of weeks ago that were addressing the availability of funds and what does that represent? What could be paid for at what time? And so, the notion of, the concept of the award obligation has come up in the last session. And, we've been asked that question. My grant officer and I have been asked that question many times. And so, we always orient the question and the grantee to the part of the congressional language that speaks to the availability of those funds. And, we know that, we cannot reimburse for any cost prior to the obligation of the award.

And so, what is obligation of the award? The obligation of the award, the point of obligation is when, HUD, the department signs the grant agreement. And so, that would represent a fully executed grant agreement. And that's why we continue to stress getting your grant materials to us, so we can review them and make a determination accordingly and prepare the grant award package. So, point of obligation is when the department signs the grant agreement, grantee you will sign first, the department will sign second, that will represent a point of obligation. After that date and beyond, the grantee can incur costs as allowable per the administrative requirements that we're going to step through in a little while. So, wanted to touch on that again. The point of obligation, then HUD signs the grant agreement, but we need all of your grant materials prior to that to move it to that next step.

And then, another question that has come up several times is regarding the limitation of certain types of expenses. And, of course, the statute also provides guidance that limits the administrative costs of planning, management development, and administration is capped at 20% of the total award, unless the statutory language is explicit in that the award is for planning for those administrative costs. So unless it's explicit in the statutory language, and that's found in your letter of invitation, we provided that there is that 20% limit. So I wanted to touch on those two questions that have come up during the last session, have come up in many, many emails that my team has received. And so, we want to help folks understand that one of our main focuses is to get you to grant agreement. We have some time, but we want to make sure that we're helping you to understand that there are those time limitations.

So with that, I think, Lauren, if your presentation is included, you can take that presentation down and tee up the presentation on disaster recovery grant reporting. Lauren, is this your last slide, or do you have more material to share? I didn't want to jump in there before you were finished.

Lauren Hayes Kn...: No, I can turn it over to Mark.

Holly Kelly: Mark Mitchell is going to-

Mark Mitchell: Showing up on the slides slide deck that I see. Can y'all see it okay?

Holly Kelly: ... I do. I see it okay. So we're going to turn it over to Mark Mitchell. Thank you.

Mark Mitchell: Thanks so much. Again, I'm Mark Mitchell. I work with the Disaster Recovery Grant Reporting system, and that's what we'll be using for these grants. The system was, of course, established originally for the disaster recovery grants, but it allows us to customize activity types, performance measures, and that's one of the reasons we have started to use it for a number of other programs, so. And it's something that we are setting up still, we're working on getting grantees and grants into the system. But we just wanted to give you a quick tour. And, I'll be going through these slides pretty quickly, but we will be doing follow-up trainings. So, we just wanted to give you a quick idea of what it's going to look like and how you're going to structure things to get started.

So, as I mentioned again, it was set up for special appropriations. The DRGR, we're going to use the term action plan, and all it means it's a template for you setting up budgets and goals. So, if there's different types activities, or if you have partners, we typically break those out as what we call an activity in the system. And then, each of those activities might have a different set of performance goals, and they'll report out, we'll do draws based on these activity breakouts. And, when you're submitting these, you're going to submit them in the system to HUD. And then, your grant officer will be making sure that they're consistent with your grant agreement.

But so, we'll try to align what you've said you're going to do in your grants with what's actually in the system. We have several different modules. And you can see at the very top, there is little icons at the head of the screen, one looks like a bank building, one looks like a home, there's a dollar, scales, a pie chart, and a crown, but these are just a different modules. And as you hover over each one, then they'll be separate sections underneath. And that's one of the main ways you'll navigate in the system.

So, the key things, again, to remember is that there's different modules. And, you'll be navigating across them. So, the home button, the little house icon is just bringing you back, and it'll have action items, things like that at the top. When you're setting up, again, your original plan that says to HUD, "Here's what I plan to fund." You're going to be doing that in the action plan module. And then, when you do it, you'll submit it to HUD for approval. And then, if you make changes to it, then that'll get resubmitted to HUD again. When you do draw downs, when you pull funds from treasury to cover the costs, you'll be doing that in the draw down module. There'll be an interim step we're going to go over called obligating funds. And then, you'll be creating a voucher. Somebody on your side will approve it, and then submitting it to HUD, again for approval.

And then, you'll also be doing performance reports in the module. And those are based on the information from the action plan and from the draw down module. And again, each performance report will get submitted to hub for approval. And then another thing we'll go over real quickly today is just the data analytics reports. So you'll see, there's a lot of screens. The data analytic reports just allows you to export a PDF or export a spreadsheet, summarizing financial performance data, or administrative data, such as account information. So, it's the way that you can pull data out of the system, and then be able to see it, and actually share it with other folks that might not have a DRGR account.

So again, the action plans and the performance report's all going to follow the same type of status. And so, at one point, they'll be editable. When it's submitted then it becomes non-editable in some of the cases, particularly for the performance reports. But they follow the same general path. When you're working on the first draft, it's called original in progress. If it's pending head approval, it'll say, submitted - await for a review. If HUD says, "Hey, I need you to make some changes." It'll say, rejected - await for modification. Then the status will change to modified - resubmit when ready. And then, you could potentially submit something again, and then it will be eventually in the reviewed and approved status. So again, some of the things to remember is that HUD will need to approve those plans, and also unblock the grant before any draws can be made. Again, anytime you update plans, we also need that submitted to HUD for review and approval. And then, the other key thing to remember about the status of plans is that in order to submit the performance reports, the plans actually have to be in approved status.

So real quickly, these are some of our draft activity types and performance measures. I mentioned that we would hopefully break things out. Administration, there won't be performance measures, but planning there might. And each set of measures is going to be different for the different types of activity types. And again, these are the draft ones we're working with right now, if we need to customize these, we will. This is just what we're starting. And, we're just trying to give you an idea of the major categories that some of them fall into. But, when we're breaking out individual activities, it's going to be based on these individual activity types that you see in the right hand column. And so, we've got a number of them. We've got housing, we've got public facilities, public services, and very specific types. One of the things that'll allow us to do again is track that figure out, "Hey..." Helps us think through, what level that environmental review is they're needed?

And also, if there's particular performance measures and we'll be able to summarize the information about the program, based on the information that y'all are putting into the system. So again, we do customize the measures. Some of the measures will be common across activity types, but others they'll be very specific to the individual activity types. One key thing to remember here is that in order to make a report against those goals, you do have to set the goals up in the actual action plan itself. So, if you have a problem, when we get to the performance reports part that you can't report on a particular thing, that usually

means you've forgotten to submit a performance goal for that particular measure in the action plan.

So, here quick, I did a little mock up of a particular grant. So here, I just had a grant for a million dollars. And in this particular case, there's a 200,000 administrator. So, one activity is an administrator activity. The second one, we had a down payment program. The third one, they had homeless facilities. The next one was construction of new housing. So, if you have different... And you can see each one of them, except for the administrator had different partners. So again, that's why the typical breakout we would do on activities, it could be that you have a very simple activity and maybe you only have administrator, and then the one activity type. But the system's built to be flexible to allow you to do a number of activity types and performance measures. And again, it's something you can work with your grants officer and try to get advice on, where does yours fit in.

So, again, these are things that are draft activity types and performance measures. We might make adjustments as we proceed and we'll keep you posted. So, logging into the system, it's just a very basic URL. You can see the drgr.hud.gov and DRGR web. The user manual is on the HUD exchange. But basically, when you log in... We'll talk a little bit about the user IDs, but you're going to put in user ID and a password, and you're going to log in, and it'll get you entry into the system.

So again, here's a little bit more drilling down into some of those modules I talked about. As you go into each module, you'll have multiple screens that you might be able to navigate. So you can see interaction plan., There's an add an action plan, manage, view, download, a search, if you had multiple grants, you might have multiple action plans. So, one of the prior uses of the system was the Neighborhood Stabilization Program. So, some of your local government grantees might have an existing account there. So you might have users there. So anyway, you can see there's a number of... We won't go into detail here, I'm just giving you the flavor, and the look, and feel.

When it comes to administration, one of the main things you're going to do, of course, to get started is, create user accounts. Your first user accounts, you will request through your grant officer. And so, in order to do that, there'll be some particular things that you want to be conscious of. One is, there'll be a function of a grantee administrator user, and a particular user that if you want to request additional accounts, you couldn't do that in terms of the user profile request button. There is a separation of duties when it comes to financial duties. And so, we have a separate request, versus approved drawdown. Each user can only have one of those roles. And, you might have multiple users and you only want somebody that's a particular user to submit the action plan or performance reports. So you just need to be conscious of what are those roles that you're requesting. Again, original administrator accounts. You'll be asking through your grant officer and we'll set those up. And then, eventually that person could, hopefully, the grantee administrator users will be able to make other requests.

So, if you have an existing DRGR account, again, if you are a neighbor stabilization grantee, or you're a local government that gets funds such as CDBG, HOME, ESGR, HOPA. If you've got an existing user account, which is typically a B, or a C id, then you could reuse those. If you are requesting an account for the first time and you don't already have one of those IDs, then you're going to just provide certain information like your name, email. And then, there's a five digit pin that we would need to know. So, if you ever have to call the HUD help desk to get your password reset, then this is a pin, a personal identifier number that you will have to supply to the help desk to reset it. So, if you can submit all this information, again, with the city and state, then your HUD staff can make those requests for you. Or, again-

Mark Mitchell:

Then your HUD staff can make those requests for you. Or again, later on, if you're a grantee admin user that's requesting other folks, then that's the same type of information you'll be submitting. When we first get in, we also have a process called certification. So we are required to certify and re-certify every six months that somebody has a valid reason for being in the system. This is something the inspector general made us do back in 2010. So again, if you're a grantee administrator, your HUD representative, your grant officer will be the one making those certifications. If you are a regular grantee user, then you would be contacting your grantee administrator, anybody that has those rights.

But again, it's just a process that you'll have to do every six months. If you have more than one grant, or well, if you have any grants, you're also going to have to make sure that you're assigned to the individual grants. So it's another step. We do have some grantees that have multiple programs, and they might have some team members that work on one grant and not on others. So this allowed the grantee administrators to customize, and this is a grantee admin screen, to customize which staff work on which grants. And so we do also have, I talked about my data analytics and reports. This is just the first example of a report.

And so it has the user IDs on it, the names, and the status and the roles. So if you need to kind curate and figure out whose got what role, this would be one report that you would check that little pie chart up at the top, reports, and then you'll drill down to the admin folder and see this. So we have, again, this is the A42 report. And I think in IDAS, again, if you're a formula grantee, there are comparable reports. I think it's the P30 report that says, hey, what's the status of particular user accounts. So those are available. So those, again, this would be ways for you to look up to see if there's folks that have those roles already and if they need to be reactivated.

So I'm going to switch now to covering the action plan. There's some basic steps. In some of our grants, we have billion dollar grants in here and we actually have lots and lots of activities. So we have a function called projects that is just a grouping capability. So if there are no need for groupings because you just have a couple of activities, you could make the whole grant a project. So some of the steps that you'll have to do before you can add those activities I talked about is you're going to add the project, and then you'll also need to list

who are the people or what organizations are going to be manage the activities. And we call that in the system, a responsible organization. So when you're first adding your action plan, there's a real basic step that just says, add an action plan.

It's under that action plan module. And all it is just confirming that the grant amount looks correct. If it's not, then you could check with your grant officer and we can see if there's any adjustments need to be made. Again, I'm in the process of uploading these grants. We've added a thousand grantees. I think I've added about 200, 250 to the system. And then I'm also working on adding those first grants. One of the required information in there is things like the DUNS and the different identifiers, like tax ID numbers. So that's one of the things that we have to have for me to set these up. So when you're doing your action plan and working on it, there's going to be a second set of tabs along the middle of your screen. And those will be the way you navigate to different parts.

So I mentioned projects and activities, and so there's also basic narrative. And so that's the first one on the left, the first tab. And so the narrative here, I think we've got it set up for just to be your project description. And you can copy and paste into here. If the formatting looks strange, you could always put it into notepad first and strip out the formatting, and then put it in there. So that particular section is nothing very elaborate. And some of our programs we have multiple narratives. But in your case right now, we've set it up just to be one project description. Again, I mentioned project groupings. And so in this case, I'm showing an example of, hey, somebody had an admin project, and then they might have had another one. But basically when you're adding a project, you're just basically putting in what's the budget for that project. It's a part of the grant. And if there's a start and end date, then you would be actually going through and putting those in.

But again, the project is just a grouping. So the more important level is going to be the actual activities. But again, projects are just a first step. And again, in this case you could see there's a restricted balance. If you see that restrict balance be the grant amount, then notify us and let us know. In some of the grants, we let part of the grant out at one time. And so we start off with a whole grant amount there, but I will try to be making those zeroed out. And then the total projects here, you can see 200,000 for administration, and then 800,000 for affordable housing. So again, it's just a grouping. But you would budget those out because you'll have to assign those activities to those projects. So again, this is just a first step. And if you need to edit it and make modifications, you can see on that right hand side under the actions column, there is just a little edit icon, and that lets you go in and modify things.

So moving on to those responsible organizations. So in that, there's a little module over there with a crown that's administration. So if you need to add an organization, you can add that. You can either type in these identifiers, the organization name. The types tend to be local government, nonprofits, or profits, things like that. So you can see there's the unique identifier, there's

required information, the DUNS, and then there's basic things like city and state. And then the status is usually just active or inactive. So you can type those in. We also have a lookup where it goes to the SAM system. And so you can look up those organizations and get the information from there. But again, when you add those, if you have partners and you're going to create activities for those partners, we'll need you to add that responsible organization first. So if you need to make edits to them, you'll go into that managed responsible organization, and then you'll see, again, that little edit icon on the right hand side.

Now, again, the most important level in an action plan is adding the activities and editing activities. That's, again, going to be the basis for your template when you're doing your vouchers, doing your draw downs. So we'll be tracking the information by that, and then reporting out on it. So the first step here is when you're adding an activity is you're going to pick your project. You're going to pick the activity type. And you can see there's an environmental assessment dropdown, and it's just going to say, is it exempt? Category excluded? Things like that. The national objective is something for our disaster program. It's just going to be all sent to EDI, CPF, so you do not need to worry about that. The program's not something we have for this, so you don't have to worry about that particular one. The grantee activity number, that'll set the sort order under your activities.

Some grantees might use an accounting code. So those are something, the activity number and the activity title are up to you. You can customize them. You'll be typing in an activity description. The activity status, it might start off as planned. You won't be able to draw funds against an activity list as planned. So if it's underway, that's where you could do draws. If it's marked as complete, you won't be able to do draws. So just be cognizant of the activity status there. And then your start and end dates are just for reference, but that's required information. And then below that you can see which is the organization. It's a dropdown, so it'll allow you to pick which one that you've created. And then you're going to set up an activity budget. And some of the math rules, again, is all the activity budgets can exceed the project budget, and all the project budgets can exceed the grant. So this is just an example of another one. So here in this last case, I showed an administration activity. Here I've picked an affordable housing activity. And I've put a different organization.

And then when you're creating your measures, again, we've got a navigation bar. When you're in activity, you've got a separate navigation bar in the middle. And so on in the middle, over towards the right, if you've got uploads, those would go into documents under the middle. The measures is you'll have to pick which benefit report type is it first. So here we've got housing unit, single, multifamily. And then you'll have individual accomplishments versus beneficiary data. Those would be different sections down at the bottom. So I can use this here in this case, you could see that we've got housing units and multi-family units showing up as the measure types and owners and renters. And then

there's an edit little icon on the right. And then if you clicked on that, then you'll be able to put those performance measures.

Sorry, might have gotten too far from the mic. This next one is another activity type. Gotham City Housing is doing an affordable housing. Under the project, we've got homeless facilities. And here again, you could just see that we've got different measure types set up for this one. And then when you click on that edit, you'll see that you'll be able to put in those proposed goals. And also, we've got some section three measures there. So if those are applicable to an activity type, then we'll have those as available. But again, they'll only show up in the performance report to report against if you've set them up here. So here's just another activity type. Again, construction of new housing. And particular measures over there.

And as I've added a few of them, then you can see the activity types showing up. You could see the first ones administration showing underway. The Gotham Shelter I've only got as planned. But as you're needing to make edits and modifications, then you can just do search activities and then use that little edit icon on the right. So if you're doing documents, again, this one is showing documents up at the action plan level versus the activity level. And so if your grant officers asked for some documents to be attached, this is one place you can do it. And then when you're ready to submit that action plan, if you think it's looking good, basically you're going to go up to the top of manage action plan and there's a submit plan icon.

It's going to kind of build a email out in the system itself, and then it will actually send this email. So you just type in the comments. If you want to CC people, you would just do that in the CC line. And then it will be sending that email, hopefully to the staff, the HUD grant officer that was listed on your grant in our system. And it'll tell them, hey, there's a action plan ready for your review. And so that's the basic process for setting up an action plan. Once that HUD staff goes in to review it, again, they'll have the choice between rejecting it, or reviewing it and approve it and making comments. And so it's pretty simple process on the approval side, but this is just wanted to walk you through that kind of basic flow.

Let's see. And then it will send a response email back. So here in this slide here, you can see that we've changed the status to reviewed and approved, and with the narrative showing. And I wanted to show too, there's a few other screens there under the action plan. If you wanted to create a PDF of this to share with somebody that doesn't have system access, you can do download action plan. That'll be a PDF. If you want a Word version of that, you can download a Word version. So that's basically the action plan. Again, it's just a template. So one of the things that is a major function of the system too is to do disbursements. Yes, this is separate from this. And I forgot to mention one real quick thing. Let me back up real quick.

Sorry, trying to find with the tabs. So I didn't mention it. I've missed putting the slide in here. But if you look at the very far right, there is an environmental tab in the action plan. And so if you are doing your review in HEROS, then there's a lookup where you can look up that ID and it'll cross reference it here. But I apologize, I didn't get a slide in here when I was taking screenshots for this. Let me see here. Back to the draw. So we're going to go over real quickly, again, just the basic process of the draws. Sorry, there's a question about responsible partners. Yes. If you've got a different organization that's part of your grant that you're passing through funds, then you'll be setting up as a responsible organization. Back to the draws. The draw down process, the first step is obligating funds.

And then one user will be creating the draw of voucher, and it could be multiple activities or one activity. There'll be a separate person on the grantee side that will approve that. This here says, is it over threshold? So in some grant programs, we have a different threshold. But in this case, we'll be submitting those all to HUD for review. So everyone would go to then HUD after the grantee approver has done the draw approval. That'll go then HUD for response. And so the typical time for it to hit your account should be two or three days. And that's especially to key to check with us on your first draws after we've unblocked the grant and approved your action plan is keep us posted. If the draw doesn't come through, there is a separate process of setting up your banking information and LOCCS that's outside of DRGR.

But basically when the vouchers go through, we're doing a nightly data exchange between DRGR and the draw down system, the LOCCS. But again, all our draws are going to be done in this system. And we're kind of behind the scenes, sending them over for payment. So if you don't get your draw after a few days, the first draw, then let us know. Then we can always troubleshoot in the system. If for some reason there's been an error in your draw, we do have the ability to revise a draw, or you do rather. You have the ability, say the draw approver to reject it or cancel it. So when you're making the obligation, say if you have a grant that you haven't made some of your sub awards yet too, you would set up your activity budget, but you might not obligate the grant until you've signed an agreement.

If it's all things you're doing yourself, you might want to go ahead and obligate those funds. The obligation step is a pretty simple step. It's going to the manage my financials, which is the dollar sign. Search, edit obligations. You find the particular activity. You go to the right hand column under the action and says maintain. And once you do that, it's going to say, what's your budget? How much has been obligated already? What's available for obligation? And so again, you can only draw as much as you've obligated, as much of you said, hey, I've got a commitment here for this particular activity. So you can update that partially, you can update it to the full amount. And these are just examples here. In one case, I've got putting in 200,000 for the admin, and then in the bottom right, you can see we're doing it for the particular affordable housing corporation and they didn't obligate the full amount.

So again, if you've completed your obligations, then you're going to create a voucher, whoever has those create voucher rights. And the first step of that is picking the activities. Some of our programs have a function called program income. They have to spend funds that are generated by a grant on the same thing, so we track that in the system. For your purposes, if there's no program income evolved in a particular grant program, all you ever going to select is program funds. So you could ignore program income and just always pick program funds as the type. And then the system will display what's the available amount. And then you'll put in what's the amount for each particular activity that you want to complete in this particular draw down voucher. And so you'll type that in. You can also recalculate those amounts that are available.

And then the next step, as you're moving through this, you see up at the top, it's says submit voucher. The next step, step three is confirming a voucher. And once you do that, it's going to say it's successful and it will generate a voucher number. That voucher number will be the same in LOCCS as it is that you don't see, but our HUD staff could check on it. But it'll have a voucher number, the date it was submitted. And again, it's going to generate it. And on a nightly basis, it'll send those over to LOCCS for payment. If you want to generate a PDF of it, there's a little button up there on the top right. So when the draw approver wants to go in, they're going to go same module called manage my financials. They'll go to search and maintain vouchers. And you'll can see, there's a check boxes on the left so they can approve all of the selected ones at once. Or if they want to do one by one, they can use the action column.

If they want to wait for that submission date to be drawn to be a further date, then it is going to be, they can modify the submission date so that it'll be paid later on. But once they hit approve selected, then it should be going again through HUD for their approval and then onto LOCCS for payment. So you can see, again, the main thing is, remember obligate your funds before you do the vouchers. And then if you don't hear back from HUD, you might contact your grant officers. They should get an email that says there's a voucher. But if for some reason there's a hangup, it doesn't hurt to check with your grant officer to make sure we've got, especially with the first draws to make sure everything's set up okay. So now the last thing we're going to talk other than just the analytics real quick is the semi-annual performance reports.

So the first line there says grantees are not expected to report on each activity for every report period. So this is a general statement across our grant programs. So the system itself will only kind of prompt you to report on the ones that had draws or obligations. If you want to make sure every report, every activity gets reported on, you could select those activities and type in some text accomplishments, even if you've got no draws. So you might say, oh, hey, these are the reasons we haven't done any draws this period, or we've done outreach, or we've done X, Y, Z, we had some events, but there were no draws. Anything like that you can put in the narrative. So the performance reports will be a combination of financial data, performance data, and then any kind of narrative. So again, when we're in the performance report, it's going to show the

projections from the action plan, and then you'll be putting in the actual accomplishments only for the period being reported.

DRGR will calculate the cumulative totals itself. So that's one of the errors you want to avoid is don't put in your cumulative totals, otherwise it'll end up doubling, and quadrupling and things like that. So just for the period that's in the report. So if you built a certain number of houses, you would put how many were completed in that particular period. The financial data is going to be pulled. The obligations and the vouchers that were completed will be pulled from the draw down module. And then there's a separate concept we'll go over called expenditures. And so that is manually entered, and that's something we use to examine cash on hand, and draws versus how much did you spend from your side out on the activity itself?

So again, this slide here just shows the data sources. So things like the project number and title, the activity number title, budgets, description, activity types and goals are all from the action plan. They'll display in the performance report, but if you need to make edits or changes, you've got to go back to the action plan. The draw downs will be obligations and draws. Performance reports will be the beneficiaries, the accomplishments, expenditures and progress narratives. And I saw a comment about this is a lot to digest, and it is. Again, this is just a quick overview and we will be doing more in depth, separate trainings later on.

So on the performance reports, when you're actually working on it, there's a manage your performance report. Then you'll go in. And then once you have multiple ones, they'll be multiple ones. And again, you'll just have an action column and edit them. There's, again, the financial. You can see, again, different navigation in the middle. So the first one's financials, details, narratives, documents and measures are all summary information. Your bread and butter is going to be that activities tab there. And so when you go into the activities tab, you'll edit each one. And then there's that little edit icon on the right hand side. So if you're wanting to report on them, then you'll go there. Something to just be aware of it, the default for up at the top, where it says show all activities, it's default is set to no. So you might not see any activities, say there's no draws. Change that to yes and then it should show all your activities, and then you could report on any of them that you want.

So as you're adding activities, again, it'll show the summary of the financial information in the first tab. The narratives is at the second tab. And again, it's just a little progress narrative, a little text. The measures, as you're putting in your accomplishments, you'll see some information that shows projected versus this report period to date. If you need to make the edits to show what was in this period, you'll hit that edit. And again, you'll just be putting information. You can see the only editable section is the part that says this report period. And then the expenditures, again, this is for us to compare how much have you spent from your side versus how much has been drawn. You would put in that expenditure manually each period. So just something to be aware of that is

something that's required in this system. And again, the beneficiary measures. If we were collecting information on housing units and the households assisted, you could edit it there.

This is that progress narrative tab. It's nothing very elaborate. It's just text that we mentioned. And that's pretty much it. You'll submit those performance reports just like we did with the action plan. It's pretty similar process, so I didn't want to have slides again for that. And then I'm not going to cover this much in detail, but this is just, I showed you that first sample report for the user account status. This is just another set of reports that shows how to navigate down to those analytic reports that I talked about. So if you click on DRGR, the reports up at the top, there'll be shared reports and then there's different folders, admin, finance and performance are the main ones that are helpful. In this case, you could see down there, the A43 I showed you before is down at the bottom. There's action plan status, things like that. Organizations list that.

So you can just kind of use it as a QA, just ability to compare your records to what's in the system. So this was just examples of the financial reports. Something we have some data by quarter. Or not by quarter, but by the performance report period. And then we also have some of the ones that I find more useful are the F67, 68 and 69. Those are the activity level reports. And the performance report's one of the more helpful reports. And the performance folder is just projected versus cumulative totals. And so that will allow you to look at those and have a spreadsheet that shows all your activities at once, that way, again, you could just compare it to what your records are on your side to see what's been done. And there's also performance report, ones by the particular performance period. If you want to share these reports with someone, up at the top, there'll be little icons for exporting to a PDF. And you can also export these to Excel or a file such as that.

But basically, they're just a little spreadsheet that'll be generated or a PDF, that way if you need to work with someone else at your agency, that you can share the information with them. And that is pretty much it. I know, again, it's a lot of information, but we wanted to give you an idea of the look and feel so that you have a heads up. We did talk about that a lot of the material is available online. There's a user manual on the HUD Exchange, that in each chapter there's a specific thing on each chapter. It's real good on how to. It's available there. But it's a very good resource to dig through as you're getting your feet wet and learning to use the system. Holly or anybody else, any other comments on the DRGR that you want to give as we wrap up this section?

Holly Kelly:

No. This is Holly. No, thank you. I know you're going to be available during the Q&A session to respond to questions. And again, we're hoping to keep them broad for the good of the questions that could address broader swath of curiosities and questions. And so Mark just told, we really appreciate that overview. And Vaughn, if you would move this presentation to the title card for the part 200 presentation, that would be great. And so we're going to hold there, because I think it bears some comment to level set the understanding of

what is going on here. I know, I'm speaking to our grantees on behalf of HUD and the representatives here from HUD, I know that this is a lot of information for many of you. For some of you who might be entitlement communities and are accustomed to working vis-a-vis federal statutes, and regulations and systems, it can still be somewhat daunting, but you have an understanding of what it is you're experiencing.

For those of our grantees who this is your first foray into federal funding or funding of this type, we can appreciate that it might feel like you're drinking from a fire hose, so to speak. It's a lot. The environmental review requirement. Do, I don't, or do I have to? Under what circumstance? That can be intimidating. We can appreciate that. The Disaster Recovery Grant Reporting System, the presentation we just saw, that was a lot of material to hear, and to understand that you will have to coordinate and operate vis-a-vis. And so we know it's a lot, but what we also know is that we have this team assembled here is just the folks that are presenting today, but there is a whole lot of us that are here at HUD, who are committed to helping you understand what's required of you, and how to navigate the regulations and the systems and what's required, and everything from end to end grant administration.

We want you to be successful. Your success is our success. And so don't feel as though you can't get your questions answered. I know that there are folks who have been asking questions and we need to respond to you. We absolutely know that. And we will most certainly do that. We have our grant officers. We're trying to catch up with the questions. There's a few of us. There's six of us. There's a thousand of you. And we are trying to get caught up with all of your questions. We're hoping to, as I said, scoop up those questions in buckets where it's the same topic and issue those as updates to our frequently asked questions. If you have not gone onto our website, the CPF grants website, and looked at those FAQs, those FAQs might respond to some of your curiosities. But as we get deeper into the administration of this portfolio, we will be revisiting those FAQs. We will be pulling questions that we get here today and adding those to the FAQs as we recognize is necessary.

I want to, again, absolutely appreciating both Mark and Lawrence presentation and overview. Want to make sure that folks step away understanding that Disaster Recovery Grant Reporting, even though it's got disaster in the name, this is the system that these grants, if your grant, your FY22 EDI CPF grant, will be administered through as-

Holly Kelly:

... will be administered through as it regards drawdown requests. So when you're making drawdown requests, they will be done through DRGR. If any of the grantees here have other federal funds, you may make those drawdown requests through the LOCCS. Mark mentioned LOCCS and LOCCS stands for the Line of Credit Control System. So you may be making those drawdown request through the Line of Credit Control System. But for this program, you'll be making your drawdown request through DRGR. Excuse me. I'm going to little sip of water here.

You'll also be doing your periodic reporting through the DRTR. So as Mark walked us through, we will be collecting project specific reporting. What did you complete on a semi-annual basis or twice a year? You'll be required to submit that semi-annual report through the identification of the activities that you engaged in. Mark walked through some of the activity types that we've identified. What we did was looked at the joint explanatory statement, looked at the congressional record, looked at some information and tried to analyze that to identify large swaps of activities that you would be engaged in. But for those who have seen the joint explanatory statements, seen the list of grants that we are administering this year's. Mother language is broad, is somewhat vague.

So we know we'll have the opportunity to come back to those activity types and to revise those as we get more project descriptions in. And that's why we're encouraging all of you to submit your project narrative and budget to us as soon as possible. So we can start to do that additional analysis and add those project activity types. And that will make the list in DRGR more robust and reflective of the portfolio that we're working with.

So [inaudible 01:32:27]. There's a question of, do I have to go through DRGR every grant in this portfolio would be administered from a financial perspective and a reporting perspective through DRGR? You will also be reporting on... So the semi reports talks about project activities and status. It will also be an annual report that speaks to Section 3 of the HUD 1968. And you can reference the grant guide regarding Section 3, which is the 24 Code of Federal Regulation CFR Part 75.

Section three is a statutory requirement. And it says that in I'm paraphrasing, I would probably should be paraphrasing statutes, but it says, "To the greatest extent... If you are a recipient of these funds through the department of HUD, you should, to the greatest extent feasible, direct training opportunities, employment opportunities, business opportunities, to low, very low income." So that HUD being to the greatest extent feasible, we don't get to opt out necessarily of considering Section 3, but if you don't hire anyone, then you can't necessarily report that there have been those accomplishments. However, the system is going to compel you to report that there were no job hires or there were no job hires that would be in alignment with the individuals that are laid out and explained in Part 75. And we know that when we do additional trainings, we will cover Part 75 and will invite some of our folks that manage our uniform relocation act guidance to provide some tutorial on that.

So we are managing those awards through DRGR. DRGR, HEROS, SAM.gov, those are separate systems that do not align. I mean, HEROS is a HUD system. DRGR is a HUD system. SAM.gov is a system that's administered through General Services Administration, GSA, and maybe a week or so ago, we sent out an email blast to our distribution list that gave a little bit of technical assistance on navigating SAM.gov. We have heard that some of you are having some major challenges registering in SAM.gov, and we've heard you, and we've got some

general technical assistance. And basically what we got is information that says, "If you tried to register in SAM.gov and you have not been successful, you can enter a ticket." And then there's a certain period of time that one has to wait until they can notify HUD before we can escalate it further.

So when we send out this information, the recordings and the transcript, et cetera, we will make sure to include that technical assistance regarding SAM. Also because we know that's some of the first information that you'll need to be able to get your UEI in order to enter that information in your 424 or standard form 424 at an association with your grant material. So HEROS and DRGR SAM.gov, those are our separate systems.

These awards, you will operate on a reimbursement basis. So we'll talk about that but let me talk a little bit about it. And in no time is winding down, but I think it hopefully will allay some concerns and address some questions about the sequence of events that need to happen. So we know that we need your... We've said this. Grant guide says it. We've said it before, we need your grant materials. For those who have not submitted... Several of you have. Several of the 1014 that we have submitted your grant materials, but those materials are the first thing we need. We send those to your grant officer. We review them in coordination with our office of environment [inaudible 01:36:59].

And let's say, for example, just to walk through the sequence, the materials are "approved." We know that you've coordinated with your member of congress on the approval of this project. We are looking at the materials Viavi project description in the statutory language to ensure that it aligns. And also as we begin to coordinate with you on funds drawdowns, we have to be able to align those activities with the drawdown request that you'll be making. So in expanded project narrative Viavi, grant guide it explains it.

Budget forms are sent to us. We receive them. If they are "approved," we then prepare what we call an award package. And then we hold that award package and we do some congressional coordination internally. That award package would include an award letter in order to the letter of invitation that you got, congratulations, et cetera, et cetera. So there will be an award letter. There will be a grant agreement. There's a grant agreement contract that will lay out all the provisions and association with this award that will be signed by the authorized representative in the organization. And eventually signed by HUD.

There will also be a HUD form 1044, which is the grant award assistance form. There is a standard form 1199 that will ask you for financial information for your organization. We need to know what bank account for your organization to connect to department of treasury for the transfer of funds, and to facilitate those transactions. Then there's a HUD a 27054 that speaks to who will be drawing down those funds. And there's also a grant award instruction kit that will be provided that grant award instructions similar to the grant guide will provide an overview of how to complete the forms that you've been provided, how to access drawdown funds. There will be DRGR screenshots in there that

we think will help you to navigate the establishment of accounts DRGR drawing down funds, et cetera.

So some of this information that you're hearing today feels somewhat out of sequence because we have not issued that grant were packaged to you yet. But just to let you know that once we get your grant materials, if everything is in order, we will prepare a grant package that will include those materials that I just laid out. After you receive that grant package, review it, sign it, date it, send it back to us. The department reviews it, sign dates. That establishes this concept of the obligation of the award with HUD, signs the grant agreement. That's the obligation of the award. And then we work with our CFO, our chief financial officer's office to establish an account in our financial system. You'll be notified by your grant officer when that happened. That time you may not be position to drawdown funds against your project.

However, you may be positioned to drawdown funds against your 20% limitation on administrative costs. You'll be able to access some of those funds in accordance with the regulations that we have to follow for that. And then you'll be continue to work with your grant officer entering your drawdown request and your reporting over the life of the award. Two more dates I want to touch on before we go into the part 200 and the cost rates presentation is of course, we are encouraging you to submit your materials by December of this year. [inaudible 01:41:04] we have until September of 2025, to work with you to get the grant obligated under a grant agreement. We do not encourage you wait that long, because a lot that has to be done prior to that and considered. So we are encouraging you to provide those materials as quickly as possible for how you want to structure your project.

After September 30th or 2025, the department will not have the authority to enter into a grant agreement for these funds under this award. So that opportunity will go away. But the other date that I want to make sure that we're sensitive and we on is September 30th, of 2030. So when you get the grant under a grant agreement, the organization will have until September 30th, of 2030 to extend the funds. You don't have to drawdown the funds.

You can but drawdown is necessary, but again, some of these projects that I'm looking at in this list are very large, very soon very complex, and will be I'm sure multi-year projects. So your organization has until September of 2030 to draw those funds down. I'll make a note about September 30th, 2030. Several weeks prior to that date, we'll send out notification about the need and the requirement to submit your final drawdown request because of course our financial organization has to have time to reconcile the federal books prior to the end of the fiscal year.

Lastly, when you are drawing down funds and the grant award instructions will lay out for you. When you're making your first drawdown request, if it's for admin cost or other, and your last drawdown request, or any drawdown request in DRGR that's more than 70% of the award, we will need the supported

documentation in association with that draw out request. And we'll look at that material Viavi project description. And that's why we need that very expanded and detailed project description so we can track those funds.

Okay. There's a lot more we could talk about, but I hope that helps folks understand the sequence of events that will be happening. We get your materials, we review them, we "approve" them. We prepare an award package. We submit the award package to you. You review signed date, you send it back. We review signed date that establishes that the grant is obligated. At that point, that's when you start going into DRGR and submitting your drawdown request, depending upon whether or not you have a cleaned environmental review, or if it's just for admin and cost. And you'll be entering your reporting information in a studio in accordance with the grant award instruction.

So let me pull there. Before I go into Part 200, I'm going to ask if Mark or Lauren wanted to circle back and make a comment or two about their presentation, or if there's anything that needed a little bit further clarification. And if not, that's fine. We can step right into Part 200. And then if there's a time at the end, we'll go into Q&A.

Lauren Hayes Kn...:

Holly, yeah. This is Lauren. I'm just looking through the questions and I can speak to a couple of them and a reminder, a lot of these are about project specific questions. And again, please reach out to your regional environmental officer with any project specific questions or any questions about environmental review, and they can certainly help you out. There's a link to their contact information on my slides. I'm seeing a few [inaudible 01:45:16] environmental assessment. So this is a contamination analysis completed by a contractor to meet a contamination standard, the ASTM standard. This is not required for every project, but a contamination analysis is required for any physical work that requires a categorically excluded subject to or environmental assessment level of review. So you do have to look at contamination, but there are various ways to do that. And that there is guidance on our website, but a phase one environmental site assessment would be required in instances where your project may be located on a Superfund site, or is located within 3000 feet of a solid waste or toxic landfill site, or if there's an underground storage tank on your site.

So we would certainly include or encourage completing or getting an ASTM phase one site assessment completed as part of your contamination analysis, but it's not required unless there are these big contamination issues that need to be looked at. I also saw some other questions about responsible entities and who that is. So if your organization is a city government, or county government, or state government or a tribe, then you are the responsible entity.

So your organization has authority to undertake the environmental review to consult with federal agencies, make determinations. So you can complete the Part 58 review. If your organization is a nonprofit or a public housing authority or anything else that is not a local government, then reach out to your regional

environmental officer. And we will put you in contact with a responsible entity. So with the local government in the area to reach out about completing the review under Part 58. Then depending on the outcome of that conversation, either the responsible entity will either agree to do it under Part 58, or it will have to go to Part 50 in which case HUD will be responsible for finalizing the review. Those were the main ones I saw I think. I mean, I'm sorry, there's a ton of questions, but those are the ones I wanted to flag.

Mark Mitchell:

Yeah. There were a lot of DRGR questions in there too. So I just was going to hit on just a couple or a few of the... For folks that already have an IDs or DRGR account, yes, you can use those existing IDs, but we're basically going to be having to point them to the profile in the system. So you might have a separate grantee profile in DRGR, so if you've got those IDs and you'll just let your grant officer know. All the draws are going to be done in DRGR. So when I mentioned the line of control credit system LOCCS, that's just a back behind the scenes thing. You don't need LOCCS access for this. You'll be doing your draws in DRGR only.

And then someone had a question about program income versus program funds. So program income, and some programs is where they're getting proceeds from grants and they have the track, the eligible uses of it. But in here, you're just going to always pick program funds when you're doing your draws. I think again, there was lots of questions, but I think those are some of the ones I, same like with Lauren, I just wanted to hit a few of those.

Lauren Hayes Kn...:

Sorry, I have one more question that I was going to respond to. Sorry, Holly. I also saw some questions about if your CPF funding will be going towards a project that may already have other HUD funding that already has an environmental review completed. So for instance, if you have CDBG funding for instance, and that there's already a completed environmental review for that project, do you have to do a separate environmental review? The answer is yes, but in many cases, if the same responsible entity who completed the original review agrees to complete or CPF environmental review, it can be a review for supplemental assistance, which is one of those lower levels of review. It's very quick to document. It does not need to come to HUD. You would not need to do a complete new analysis of everything if those project scopes align.

So if it's funding exactly the same project activity, then it's possible you wouldn't have to do a total duplication of effort. Environmental review documentation is still required, but it could be a quick process, but again, please reach out to your regional environmental officer about that. Holly, you're on mute if you're speaking.

Holly Kelly:

I was. Wow. I absolutely was speaking. So no, I just wanted to thank you, Lauren. Thank you, Mark for those follow ups. And I know you'll be available time admitting for additional questions as we get those off the chat. Again, the dates to remember, December 31st, 2022. We encourage grantees to submit their grant materials. September 30th, 2025 is the date that after which the

department will now have the authority to enter into a grant agreement with the grantee. We encourage you to not wait until that time, because there's a lot that has to be done prior to.

End of September 30th, 2030 is the date after which grantees will no longer be able to drawdown funds. And the department does not have the authority to waive or to extend the guidance and those mandates. So want specific reference to that statutory guidance, reach out to us, reach out to your grant officer who will make sure to get you congressional record, go and explanatory statement and point you to where that reference and that guidance is.

Okay. So let's go into 2 CFR Code of Federal Regulations Part 200. 2 CFR Part 200 are the uniform administrative requirements, cost of principles and audit requirements for federal awards. If you've been working with federal awards, federal grants for years, you may recall that there used to be old regulations. There were 2 CFR Part 84 and 85, and one regulation addressed units of local governments and tribal communities. And the other regulation provided guidance for institutes of higher learning, et cetera. I think in 2013, there was an effort to codify all of those regulations along with some OMB circulars to provide it under this 2 CFR part 200.

So 2 CFR Part 200 requirements apply to all CPF awards. However, not all parts of the regulation apply to the entire portfolio. So that's saying that the parts of the regulation that apply to all of the grantees, but there are parts in the regulation that do not apply to this portfolio. For example, there's reference there's provisions in the regulation that speak to notice of funding opportunity. And of course we know that's not part of this process.

We ask that you assemble your team internally and look at the letter of invitation, the grant guide, the regulations that we've provided in the grant guide and for the particular focus on the areas that we're going to touch on today for Part 200, we provided a link here and we've provided a link to the HUDEXchange. If you have not been on HUDEXchange, I absolutely recommend that you do so. It is a resource where the plethora of information on soup to nuts into end grants management of all types. So I would encourage you to access the HUDEXchange.

We anticipate and I know we said it in our last meeting that we will make these materials available, we will. Hopefully very soon, as soon as the first part of next week, we will make the presentations to the extent that we can available. We will make the transcripts of this conversation available. We know that the meeting is being recorded and we will make sure that we position that recording such that we can make that available. We'll send that out to you through our distribution list. We'll send that out in our list and we will post them on our website. So as early next week, you should have access to both the transcript and the presentation for two weeks ago event and this event, and we'll make the recording available as soon as possible.

Think in advance the slide. So the provisions of 2 CFR Part 200 that we want you to pay particular attention to are as follows. So suspension and debarment, the department ensures that the organizations, particularly the organizations that would be sub-recipients for these awards are not included on a suspension or debarment list. So we will do our due diligence to do that research when we get your project narrative. If you intend to identify a subrecipient, you can sub award this grant to an organization in accordance with the guidance, but however, we will do our due diligence to ensure that organization based on EIN and some other identifying information are not included on a suspension or debarment list.

We also want to make you aware that under Subpart 216, that there's a prohibition on certain telecommunication and video surveillance services and equipment. And when you go into the regulation in that section, there will be organizations or companies that are named in the regulation. And we want you to go in and look at that yourself because to identify it here. And then there are some changes that are made to the regulation and we want to leave room for those adjustments to be made. So we direct your attention to 200.216 for organizations that would be included on a list that would be prohibited. We could not use these funds to acquire telecommunication or video surveillance services or equipment from certain companies.

Financial management and internal controls. Of course, the regulations don't say what types of financial management or internal controls processes you have to have. It doesn't say what spreadsheets or systems, et cetera, you have to employ. What it's saying is you have to have an established process or system that you utilize and can identify an evidence in the event of some monitoring or audit or something like that. So it's not pointing the grantee to specific processes, but it is requiring that you have an established, documented process for financial management as it relates to these awards.

So I've talked about financial management and internal controls. Again, you can refer to those in your project narrative what types of management internal controls you will be employing, but we want to make you aware that you will need to be positioned to respond to any questions under certain circumstances and audit, et cetera, that would have questions about the establishment of internal controls and those regulations guide you on what would be expected. Again, not telling you what kinds of systems to have, but what would be expected to be included and provided in those systems? We operate on a reimbursement basis. So talking about federal payment requirements, we operate on a reimbursement basis. So these are costs that are...

Holly Kelly:

Reimbursement basis. So these are costs that are incurred, bills, invoices, et cetera, with the acceptable forms of supporting documentation and association with a draw down request, what we will provide to you in our grant award instructions, is that the funds that are paid in association or reaction to a payment request must leave your bank account, your organization's bank account within 72 hours of receipt. We don't want those funds sitting in your

account drawing interest. The objective is to position you to honor those payment obligations as soon as possible. So we will be notified that there's a request for reimbursement and DRGR, we will review that. And under the necessary circumstances, we will review the materials that you'll provide to us. I will add a note here, that when you are providing supporting documentation, we are going to... The expectation would be, the request would be that you submit it in a way that we can review it expeditiously.

If we have to really dig through and piece through and parse through a lot of materials, we will come back to you and ask you for some additional clarification. I'll put it like that. So we ask you upfront if you know that you're going to submit supporting documentation that is luminous, put a transmittal form on top of it, put some sort of communication on top of those documents that tell us exactly what we're looking at. That will allow us to review it, and ideally approve it quickly and prevent us from having to come back to you and ask for additional clarification. The main takeaway here is for to recognize that the funds should be moving through our system, into your account and out of your account to your vendors for payment within the 72 hour period of time. Our disaster recovery reporting system. I don't know if it was mentioned, but we mentioned locks, a time or two.

So locks is, of course, the official for those of you, and I don't want to, line of credit control system, get to into the weeds on that. But the line of credit control system is the financial system for the department, DRGR communicates with locks, but your interface will be with DRGR. It won't be with e-locks. Anybody who's familiar with e-locks, some program offices in HUD still coordinate their payments through e-locks. Long time ago when we did earmarks 12 years ago or special projects, 12 years ago or so, we managed them through EOCs. However we recognize that DRGR allows us the opportunity to do multipurpose transactions, payment requests, and reporting requirements, all in one system. And allows us to do some analysis of the material of the data that we're collecting. So it's a lot that DRGR presentation. It's a lot, but we will work together and try to make it as smooth as we possibly can for you.

There was reference to program income, and whether or not the program income needed to be, and I know we've had this question with our grant, with some grantees that have reached out to us regarding program income. We know that statutorily, we are required to make X number of dollars available to you under certain conditions for this award. And so program income, as one can imagine, would be rents and fees that are associated with the program that would be established and funded for this grant. So while you will report on the program income in DRGR, our focus at OED congressional grants division focus, will be looking at the project funding. How much of the project funding you're drawing down. One moment here.

So user program income specifically is under 307 subject section E, one through three. That talks about how you should treat program income. For this portfolio of awards, and again, not program, but a portfolio of awards, we have not

directed you on that use of program income, but we do require you to report on that programming. With the understanding that you would submit your project description and your budget to us over time, it might be a necessary that you do some revisions to that project plan, that project description, and that change, that amendment would be coordinated through the office of economic development through the congressional branch division. And so your first point of contact, of course, will be your grant officer to let them know that, that is your intention. And they would then instruct you to provide that amended project narrative or budget.

And we would review it in the same way that we reviewed your initial budget description and budget. However, it would not require a new grant agreement, but that language that would be communicated that we approved it, would become an amendment to the existing grant agreement. So that to say, as you move through your project, if you recognize, well, I want to move a little less money of my project admin cost to my project cost, [inaudible 02:06:28] 20% limitation on my admin cost. And initially I thought I was going to identify 20% of it and 80% for the project costs, but I recognize we don't need as much admin, and we need to move that money into the project cost. You can do that, but that would require the approval of the amendment and we would coordinate accordingly. But your first touch, again, for that would be your grant officer.

This position of property acquired with these funds after years and years, and this is specifically regarding grantees who will be constructing, purchasing, renovating, rehabilitating real property. After a certain period of time, you may realize that your organization no longer needs that structure for the purpose as allowed for in the statutory language or in your narrative, that becomes a part of your grant agreement. You would then coordinate the disposition of that real property through your grant officer. And so there's a couple of options that we would guide you through. You can either sell it and repay the federal government, the [inaudible 02:07:47] portion of the grant that was a part of the project. You could get approval for converting it to some other purpose that would align with statutory language. The main point being that, if you decide the out over time, the organization has come to realization you don't need the property for the purpose that was intended 15 years ago, you would coordinate with HUD on how to make that.

Regarding procurement requirements, similar to the financial management and internal controls, the department doesn't guide you on what type of procurement process you have to follow. The guidance is saying you have to have an established procurement for services, goods, et cetera. You have to have an established procurement plan and operation that you can evidence in the event that you're required to provide that overview. Juan, if you would advance the slide, please, that would be great. Of course reporting requirements, and we talked about that through DRGR, the regulation guides us to require that there is some sort of reporting that is associated with these

awards over the life of the award. And of course, it could go up to September of 2023.

I would imagine many of you will not be using the funds, or you'll have used the funds well prior to that. We will be asking for the status of real property that's constructive, acquired, renovated, rehabilitated, and association with these awards. As we can imagine, there is a record retention requirement. We need you to keep the records. We keep your records, your everything from letters, grant guides, to grant agreements, et cetera. So all of those materials are retained by us in your electronic file. And we follow our records retention guidance to determine how we keep those and how long we keep those et cetera. Recipient monitoring and managing. And so our monitoring is addressed through the submission of your reports. We don't site visit monitor, as some of you who may be entitlement communities or other organizations that are familiar with federal fundings, where you may have had site visits or a more, I don't want to say more, but a specific structured monitoring scheme, our monitoring addresses, or is done through the submission of your reports and we review them. If we have questions, we circle back with you on those questions.

Of course, there are remedies for non-compliance, but we absolutely anticipate being able to satisfy any non-compliance challenges or concerns that we encounter. And we will work with the authorized representative, or [inaudible 02:10:52] doesn't mean the organization to identify any non-compliance matters and work with you either through technical assistance, et cetera, to correct those deficiencies and rectify those. At the end of the award, there is an established closeout process that we undergo and closeout per under one of three conditions, either all the funds are expended and the account is at zero. If the grantee writes to us on letterhead that they no longer want the award, the closeout can occur after that, or at September 30th, 2030, when the funds expire and are no longer available, we will close out the award and recapture any remaining funds.

Lastly, there are two cost principles that I want to bring your attention to cost principle of sub-part E, that speaks to how we evaluate your [inaudible 02:12:01] requests. And we evaluate them under three conditions to determine whether or not the activities and the [inaudible 02:12:09] requests are reasonable. Is this a reasonable cost for certain associated activities? If it's allowable, if it's allowed under the project, under the project narrative, and if it's allocable, if we can allocate and align it with the approved project narrative input. So sub-part E speaks to reasonable allowable and allocable. Sub-part F speaks to audit requirements. What I want to do because we are at 3:13 and we're running out of time. I want to hold off on that. And I'm going to ask my colleague Vaughn Watson to tee up the next slide, please, because we want to talk about cost, [inaudible 02:12:55] several questions that address or had question about cost rates, both indirect cost rates and direct cost rates. And so I wanted to yield here and give Vaughn an opportunity to give us an overview of cost rates. So [inaudible 02:13:08]

Robin Keegan:

[inaudible 02:13:12] As it relates to indirect cost week, we as highly pointed out, we use 2 CFR, 200.413, as it relates to direct costs, and direct costs are those costs directly associated with your activity and or project. Easiest way to determine a overview if cost is a direct cost, does that cost specifically align or tie to the activity? In other words, if I didn't have this cost, if I didn't have this activity or project activity undertaking, would I still have the cost? So it's directly tied to it. Another way to look at direct cost, is the costs that are specific, identifiable and are incurred to provide a service or product for a grant award service or activity. Listed here are a couple, just a couple examples. There are a lot of examples. One thing 2 CFR part 200 recognizes is, it's like a broad source swing to incorporate a lot of different things.

But this is just a couple examples of direct costs. For example, if you're doing an activity, providing a service, the case manager, or a staff spending time with a client, or miles traveling for the program, are examples of direct costs. Next, I want to cover, again, this is also let you know, this is a 30,000 view look at direct and indirect costs. We will definitely provide additional training later on, or in depth on direct and indirect costs. Also, if you have any questions as relates to indirect costs, feel free to email the department at CPFgrants[inaudible 02:14:55].gov for us to answer your question. Indirect costs [inaudible 02:14:59] are spread across multiple [inaudible 02:15:03]. They're not directly associated with the activity, but the activity benefits from them. Indirect costs are those costs that cannot be identified for a specific grant award, service or activity of an organization, but are incurred as the result of multiple grant award service or activity. So the overarching.

In 2 CFR, 200.414, I define the two types of indirect costs, which are facilities and administration. Again, we do recognize that there's not one size fit all term, and that the 2 CFR guidance recognize a wide diversity of organizational tied structure and ranges from nonprofits to large profits to local and state government. Again, if you have any questions, any doubts, definitely email your grant officer or email the department at cpfgrants.gov for us to address your question. When in doubt, ask the question. Some example of indirect cost rates are like utilities, rent, insurances, those things that are not tied specifically to a program or activity indirect, but are benefit from it. Those administrative and executive team functions and like the purchase of equipment and staff. And again, this is just a high level overview of some examples of indirect costs. There are hundreds upon hundreds of other examples. These are just a couple that we picked out.

Indirect costs rates. For our division, there are three indirect costs rates that we recognize, is the 10% the minimus rate, a federated negotiated indirect cost rate agreement, or a cost allocation plan. Just note, if you are a non-federal agency and you receive 35 million or more in federal funds per year, you may not [inaudible 02:16:56] the indirect cost rate, the 10%. The minimus rate, you are required to have a negotiated rate with the cognizant agent for the indirect cost rate and listed here, is the citation for that. So again, if you are a non-federal agency like state local government, and you receive \$35 million in federal funds

or more, you are required to have a negotiated cost rate in order to take advantage of the indirect cost rate, again, and that has to be with the cognizant agents.

I listed in your screen. I'm not going to go through all of these, but I just want to highlight the general allowable costs and unallowable costs. Again, Holly did point out again, it has to be reasonable and necessary. It has to conform to the limits and also can't be an exclusion. Must be consistent with policies and procedures of your organization. Has to be according to consistent treatment across the program. And then also has to be conform to gap, generally accepted accounting principles. Also, the calls cannot be for matching or cost sharing, and you must have adequate documentation. Real quick, I see one question, the indirect cost rate does fall under the 20% admin cap for the grant. So again, that does impact your admin cap. So if you're going to take the 10%, the minimum rate for the grant, that does fall under the 20% cap. If you have a negotiated cost rate and it's more than a 20% for our grant, you cannot exceed that 20% cap, even if you have a indirect cost rate that allows you to charge more. For our grant, you can only charge up to 20% admin for the grant.

Also listed here, are the unallowable costs. Again, I'm not going to go through all of these, but here are the different citation. Please reach out to your finance team and your finance department if you decide to undertake an indirect cost rate to cover these items, and then direct any questions you have, again, to your grant officer, or more specifically to our CPFgrant@hub.gov mailbox. That's our department mailbox.

And again, I do recognize we're moving quickly through this. Indirect cost rate is very specific to organizations. So again, feel free to reach out and send us your questions. Also, to recognize cognizant agency. The cognizant agency for each organization may be different. The cognizant agency is the agency that awards you the highest dollar value on an annually award to your organization. For example, if you received \$10 million annually from HUD, \$2 million from department of labor, and \$2 million from department of justice, then HUD would be your cognizant agency. That is the agency that you received the highest annual federal award from. For example, if the numbers were changed and say, department of justice awards you 10 million, HUD issues you annually 2 million, and department of labor issues you 2 million, then the department of justice would be your cognizant agency. And that would be the agency you would reach out to, to negotiate at indirect cost rate.

Also, one thing to note different for non-profits versus non-federal governmental agency, is again, for governmental agency that are not federal, that receives \$35 million or more, they're required to have a negotiated indirect cost rate where nonprofits do not have a threshold limit that requires them to have a negotiated indirect cost rate. For HUD, we have an agreement with HHS, health and human services. They are our approving agency that negotiate the indirect cost rate on behalf of HUD. So we listed here is the email address, if you're interested into negotiating for an indirect cost rate, we also ask that you

notify the department as well, and work with your grant officers if you will be undertaking this, so that we can have this incorporated as a part of your grant agreement, we can include this in the process.

Lastly, I want to cover is, and again, this is a 30,000 high level overview of the process for submission of a indirect cost rate proposal. Each organization seeking indirect cost rate, you will have to submit the following information. There's a lot more detail information that gives specific for each category, but in the interest of time and indirect cost rate and direct cost rate, we could spend two to three hours just covering this topic. We want to give a high level overview of that. And so here is the information that your organization would compile and submit to the cognizant agency to start that conversation and to negotiate an indirect cost rate, your organizational profile, your cost policy statement, your indirect cost proposal preparation policy and procedures, financial reporting, your indirect cost rate proposal, how you allocate salaries and wages, statement of employee benefits.

And as you can see, it is a very comprehensive list identification and description of an unusual factor that may affect the proposed rate. A list of all your federal awards. You also complete a lobbying certification and complete a certification for indirect cost rate. And I want to make it very clear, it is very important that your agency clearly segregates direct and indirect costs in your accounting system and when computing your indirect cost rate. So if you decide to take, and I'm going to go back for a second, if your agency decides it does not undertake a negotiated indirect cost rate, but then want to just take advantage of the 10%, the minimus rate, again, I want to make it very clear that you also have your supporting documentation on that determination, on how you determine the minimus 10% for the indirect cost rate.

And again, our department will be providing more guidance and training on direct costs and indirect costs. But again, my rule of thumb is if you have any question, please, please, please email your grant officer or email the department at CPFgrants@hub.gov your question. We want to make sure that we address all questions and concerns upfront, then make sure that you are reimbursed for all of your expenses. We want to make sure everything is done properly. So again, if you have any questions, ask in the beginning, not at the end. At this time, I'm turning back over to my director, Holly Kelly.

Holly Kelly:

Thank you, Vaughn. Thanks so much again. Thank you, Lauren Hayes. Thank you, Mark Mitchell. Thanks, Vaughn, for this information, as you see, we've talked about grant officers for those who are not familiar with who, or not aware of who their grant officer is, this is a list of states, of course, that the grant officers are assigned. If you see my name listed here, recognize that that very probably will be changing either in the near, or not so near future, as we build our team of professionals that will be working with you over time for these awards. So the grant officer is here, email addresses, you are free to reach out to them to get appointed. And of course, as Lauren has referenced, there's a regional environmental officer that handles all things, environmental assessment wise.

So that team together, the office of economic development and the office of environment and energy and our office of operations, and so far as DRGR is concerned, we come together to address a coordinated effort to provide you the technical assistance to work your way through this award.

Would you advance the slide please? So we are a couple minutes away from time, and I know we have a lot of questions that we will, as a team, pull together and provide responses to. And we will put those out maybe as we, in buckets of them. But we want to assure you that your questions are sincerely, are taken and we will be providing responses to them. I want to make sure that folks step away with some additional resources. And of course, you have the grants., our websites. If you have grants@hub.gov website, there's also the EDI website, the congressional grants divisions website on the HUD webpage. We have a webpage on the HUD website.

We want to make sure that if you're not already accessing the HUD exchange, please access the HUD exchange. There's a lot of modules, tutorials, sessions, materials on the subjects that we've covered here today. So that's going to be a great resource for you in terms of technical assistance. As Lauren referenced earlier in the conversation, there is an ask a question, a resource desk that we will provide the link to. So if you have specific questions about your environmental review concerns or curiosities, going to ask that question, and we've got technical assistance providers that are managing that desk, who have the expert understanding of how to respond and will be responding to you through that medium. And of course, we have the office of economic development, [inaudible 02:27:22] grants division team position to provide technical assistance. We hope that in future, we will be able to provide stepped up technical assistance through accessing TA providers and professionals that can speak to specific environmental review questions beyond, not necessarily beyond HUD's capacity to do so, but in coordination with HUD doing so and so spreading the talent, such that we can really drill down on your specific questions and concerns.

And so we're hoping in the near future, to be able to provide that kind of technical assistance. So with that, we thank you for your time today. This will not be the last time that we are together. We are committing, of course, and again, to getting these materials out to you as soon as possible, ideally by the beginning of next week. The presentation materials and the transcripts very early, at the beginning of next week, and then the recording as they become available to us. We want to make sure that you have them to refer back to. Again, as Robin Keagan said in the beginning of the presentation, we do intend to do the orientation again, for those who may have come away with some additional questions that should be addressed through that conversation.

So we'll plan to do that in next few weeks, give everybody an opportunity to step back and digest what they've heard during these two sessions. And then these types of events will be ongoing throughout the life of the time of the term for this portfolio. And we'll be notifying you through our distribution list and

through list serve list and other ways about training events that we will be pulling together. So it is 3:30, and at this time I thank you for your time and attention. I'll turn it back over to the event producer, to close out the event. Thank you so much for your time, everyone. Looking forward to working with you.

Michelle:

Thank you, everyone, for attending today's conference. And thank you for using event services. Your conference has ended and you may disconnect.