



# HUD Grants Management Handbook 2210.17 REV 3

July 2017

**ISSUED BY  
OFFICE OF STRATEGIC PLANNING AND MANAGEMENT  
GRANTS MANAGEMENT AND OVERSIGHT DIVISION**

# HUD Grants Management Handbook

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July 2017

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## CHAPTER I: GENERAL INFORMATION

## 1- 1 PURPOSE

The Grants Management Handbook (Handbook) implements requirements for the U.S. Department of Housing and Urban Development's (HUD's) administration of grants and cooperative agreements. This handbook gives HUD Program and Administrative Offices a uniform set of requirements staff must follow to fully implement OMB directives, federal statutes, and regulations throughout the grant life cycle. This Handbook revises HUD Grants Handbook 2210.17 REV 2 (January 23, 1992) and replaces it.

Since 1992, numerous processes and procedures addressing advances in technology and the growing role of electronic government have been developed. The Department has worked to streamline and simplify the application submission and reporting requirements for grants. Several significant pieces of legislation affecting the federal grants landscape have passed and their implementation is underway. They include:

- [Federal Financial Assistance Management Improvement Act of 1999 \(Public Law \(P.L.\) 106-107\)](#);
- [Federal Funding Accountability and Transparency Act of 2006 \(FFATA\)](#);
- [Digital Accountability and Transparency Act of 2014 \(DATA Act\)](#);
- [Grants Oversight and New Efficiency Act of 2016 \(GONE Act\)](#);
- [2 CFR part 200](#) – Uniform Administrative Requirements for Federal Grants, Cost Principles, and Audit Requirements for Federal Awards issued by the Office of Management and Budget (OMB); and
- [Circular No. A-123](#), Management's Responsibility for Enterprise Risk Management and Internal Control (issued by OMB in July 2016).

The processes and procedures in this Handbook cover the functions associated with the management and stewardship of federal financial assistance by HUD staff. There are several grants management systems and processes used by HUD Program Offices. The Handbook only addresses Department-level grants management and does not specify the use of any specific grants management information system(s). If an enterprise-level grants management solution or system is implemented by the Department, this Handbook will be updated to reflect that change. The Office of Strategic Planning and Management (OSPM), Grants Management and Oversight Division (GMO) will provide updated information and procedures to Program Offices.

The Handbook's Pre-Award, Award, and Post-Award chapters reflect the steps in the grants management life cycle including:

- Receiving Congressional appropriations;
- Preparing a Notice of Funding Availability (NOFA) for publication on Grants.gov or a Federal Register Notice (FRN) for renewals on HUD's website and/or the HUD Exchange;
- Conducting a merit review or other comparative evaluation of application submissions for adherence to program rules and requirements;
- Preparing award documents, notifying Congress of applicants selected to receive the awards and announcing funding approvals;

- Issuing award documents to recipients with the terms and conditions of award; establishing payment accounts; and obligating funds;
- Monitoring program compliance and results; and
- Closing the award and recapturing unexpended funds.

## 1 – 2 ENTERPRISE RISK MANAGEMENT (ERM)

In response to new requirements in Circular A-123, HUD now requires the integrated management of risk at strategic, program, and operational levels. This requirement includes creating a holistic view of risks for HUD and incorporating internal controls as a subset of Enterprise Risk Management (ERM). Internal controls are tools to help manage risk and perform missions and operations. The Chief Risk Officer (CRO) and Risk Management Program develops the strategy for HUD to meet the new requirements and further operationalize sustainable risk management processes across HUD. The CRO and Risk Management Program will assist HUD Program Offices to meet the OMB requirements by providing the tools, templates and methodologies to align risk management to the strategic objectives of the organization.

The Risk Management Program is partnering with GMO to develop an enterprise view of risks around grants at HUD. The processes and procedures in this Handbook will evolve over time as the ERM processes of the department mature. For grants management, the ERM program will work with stakeholders to further embed risk management into the daily business of HUD operations. Work will focus on helping Program Offices identify, manage, and mitigate risks while integrating risk mitigation efforts across the department’s grants programs. ERM is an ongoing and continuous effort which will be further developed and periodically reassessed with the input of the grants stakeholder community.



FIGURE 1- ERM LIFECYCLE

## 1 – 3 APPLICABILITY

The Handbook establishes requirements for HUD Program Offices. It does not establish requirements for recipients. It applies to Program Offices administering federal financial assistance programs. It will be updated as necessary to reflect changes in Department regulations or government-wide policy. For the Handbook, the term, “recipient” means a non-federal entity as defined in 2 CFR 200.69. This includes a state, local government, Indian tribe,

institution of higher education, or nonprofit organization administering the Federal award. “Recipient” also includes a for-profit organization, as permitted by 2 CFR 200.101(c).

The Handbook:

- Reflects requirements in the Code of Federal Regulations (CFR), including HUD’s regulations at 24 CFR part 5, OMB’s regulations at 2 CFR part 200 (made applicable to recipients by 24 CFR 84.1 and 85.1 and the program regulations) and HUD’s Office of the Chief Financial Officer’s Administrative Control of Funds: Policies and Procedures Handbook 1830.2 REV 6 (Funds Control Handbook);
- Cancels former versions of the HUD Grants Handbook;
- May not be cited in awards or publicly available documents, including NOFAs as it is an internal management document; and
- Promotes consistent grants management practices across HUD.

2 CFR part 200 applies to federal awards made on or after December 26, 2014, and to awards with terms stating the award will be subject to regulations as may be amended. 2 CFR part 84 and/or 2 CFR part 85 (2013 edition) may continue to apply to older grants and cooperative agreements. HUD Program Offices may elect to apply the requirements under 2 CFR part 200 to older awards if they receive additional funding and new terms and conditions are issued. The terms and conditions of some awards issued before December 26, 2014, provide that the awards become subject to 2 CFR part 200 as of December 26, 2014. The audit requirements apply to recipients for the first full fiscal year on or after December 26, 2014. For prior fiscal years, OMB Circular A-133 must be used for audit requirements.

Program Offices should note the requirements in this Handbook do not all flow from 2 CFR part 200 and they may not all apply to every grant program. Appendix C outlines the specific provisions applicable for both discretionary and mandatory grants. The list is not exhaustive.

If the Handbook conflicts with requirements from a program statute or regulation issued by HUD or another federal agency, then those requirements will take precedence over the Handbook. Program Offices should notify GMO of any such conflicts.

## **1 - 4 FEDERAL FINANCIAL ASSISTANCE**

The Handbook covers procedures and processes governing all HUD financial assistance programs. (Please note HUD financial assistance programs may use different terminology, e.g., Annual Contributions Contract and HOME Investment Partnership Agreement, but the award instrument for Federal financial assistance, is either a grant or cooperative agreement as required by the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6301-08)).

This includes related information in **Section 2 -1, Program Purpose and Instrument Selection**. The funding instrument used and the eligibility of recipients of grants, and cooperative agreements must be consistent with the authorizing statute, program regulations and this Handbook. The type of instrument must be specified in the funds control matrix for each program. HUD staff are urged to consult with their program counsel when determining the funding instrument to be used.

**A. TYPES OF AWARD INSTRUMENTS (2 CFR 200.201)**

1. Grant Agreements are used when the principal purpose of the relationship between HUD and the recipient is the transfer of money, property, services or anything of value to accomplish a public purpose authorized by Congress and **substantial federal involvement is not expected**. Substantial federal involvement is not anticipated when the recipient is expected to operate the program without agency collaboration, participation or intervention.
2. Cooperative Agreements are used when the principal purpose of the relationship between HUD and the recipient is the transfer of money, property, services or anything of value to recipients to accomplish a public purpose authorized by Congress, **and substantial federal involvement is expected**. Substantial federal involvement occurs when HUD anticipates agency collaboration, participation or close agency oversight and control during the period of performance. Examples of substantial federal involvement include:
  - a. Federal authority to halt activity if specifications or work statements are not met;
  - b. Review and approval of work elements must be obtained from HUD prior to commencement of work;
  - c. Review and prior approval of substantive provisions of proposed sub-grants or contracts must be obtained beyond what is required by existing statutes or regulations;
  - d. Highly prescriptive HUD requirements limiting recipient discretion;
  - e. Review and approval of key personnel by the Program Office; and
  - f. Substantial and direct HUD operational involvement or participation during the assistance activity.
3. Fixed Amount Awards are a new type of grant agreement permitted by 2 CFR 200.201(b). For a fixed amount award, HUD provides a specific level of funding without regard to actual costs incurred under the Federal award. HUD may use fixed amount awards if the project scope is specific and if adequate cost, historical, or unit pricing data is available to establish a fixed amount award based on a reasonable estimate of actual cost.

**B. CATEGORIES OF FUNDING**

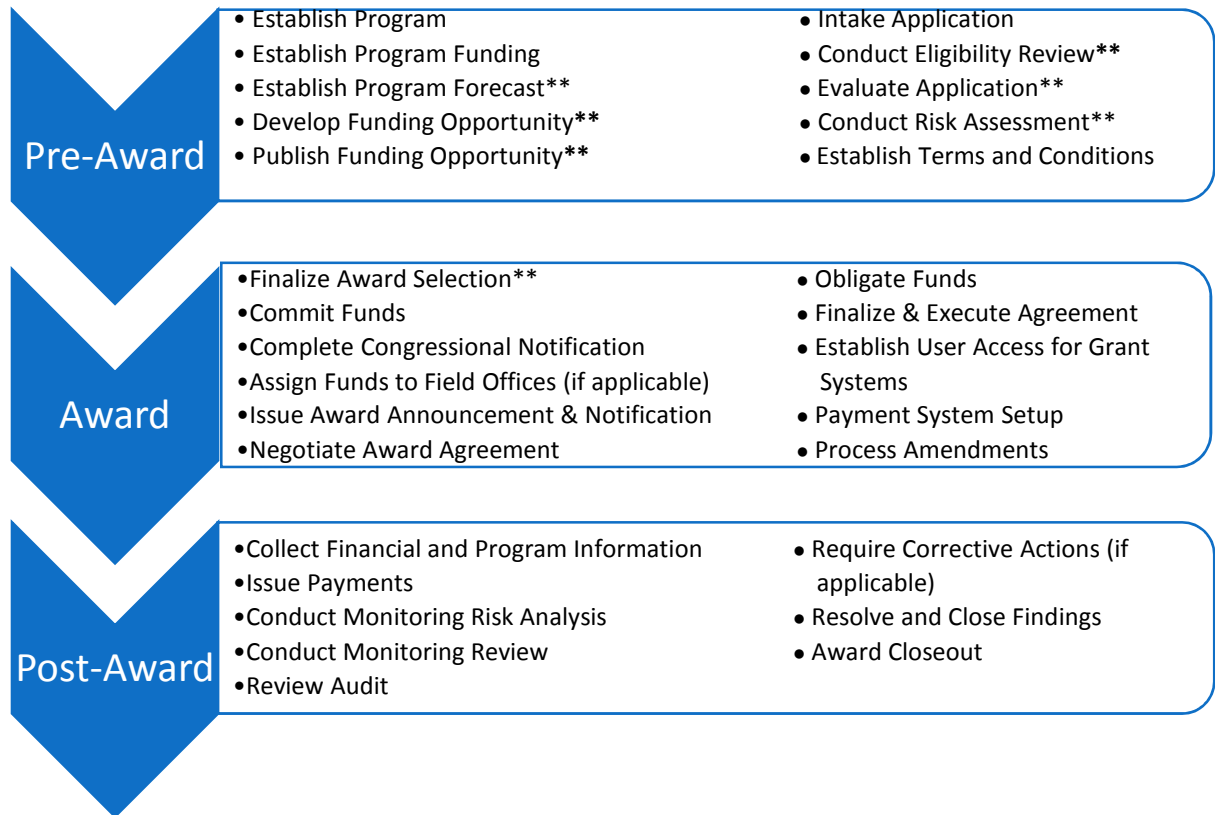
There are two major categories of funding for HUD financial assistance: (1) discretionary funding and (2) mandatory funding.



1. Discretionary funding is a grant (or cooperative agreement) that allows HUD to exercise judgement in selecting recipients and determining award amounts through a competitive, renewal, or unsolicited proposal process.
2. Mandatory funding is a grant (or cooperative agreement) awarded under a program where the authorizing statute requires HUD to make an award to each eligible recipient under the conditions and in the amount specified in the statute. Award amounts are usually determined by formula allocation. Block grants are the most common types of mandatory funding.

**C. GRANT LIFE CYCLES: DISCRETIONARY AND MANDATORY FUNDING**

The grant process follows a life cycle that typically includes creating the funding opportunity or Notice, processing applications, making award decisions, administering the awards, and closing out the awards. The specific actions in the life cycle are grouped in three main phases: Pre-Award, Award, and Post-Award.



The life cycles for discretionary and mandatory funding are nearly identical, except in the Pre-Award phase, as depicted above. Processes marked with a double asterisk **do not apply** to mandatory programs.

The **Pre-Award** phase begins the grant life cycle, including announcing funding opportunities and reviewing applications. For discretionary grant awards, it also includes conducting a pre-award risk assessment.

The **Award** phase begins once HUD completes the application review process. Program Offices finalize awards and then notify Congress. The Award phase includes developing, finalizing and executing grant agreements or cooperative agreements. Grant amendments also happen during this phase.

The **Post-Award** phase includes monitoring, reporting progress, and completing closeout requirements for the award.

## 1 – 5 GRANTS MANAGEMENT ROLES AND RESPONSIBILITIES

This Section summarizes the federal agencies and HUD offices affecting the management of HUD grant awards. It also explains the HUD grants workforce and the responsibilities involved in the administration of HUD awards.

In this Handbook, the term “HUD Program Offices” or “Program Offices” refers to these major organizational units within HUD awarding and managing federal financial assistance **and** their sub-offices (i.e., Special Needs Assistance Programs; Office of Affordable Housing Programs; Economic Opportunity Division



HUD Program Offices and their sub-offices use different approaches to grants management and are organized differently. For example, some Program Offices have sub-offices containing large organizational units, such as Offices, and Divisions with Branches. For others, the sub-offices are Divisions. Some Program Offices have centralized some of the grants management functions. For example, the Grants Management Center (GMC) in Public and Indian Housing (PIH) evaluates many grant applications and makes funding recommendations while CPD’s Office of Policy Development and Coordination handles grant closeout oversight.

While Program Offices have flexibility in the assignment of grants management responsibilities to staff, work assignments should be made in alignment with federal grants management competency standards, grants management experience, Department standards

and/or a Program Office’s Standard Operating Procedures (SOP). Program Offices should also consult with program counsel concerning developing grants management directives and notices.

**A. KEY GRANTS MANAGEMENT ROLES**

**1. Authorizing Official**

- a. The Authorizing Official (AO) in a Program Office oversees the implementation of and adherence to HUD grants management requirements. The Authorizing Official must be appointed by the Secretary or his/her designee.
- b. The Authorizing Official has the authority to sign and approve Notices of Funding Availability (NOFAs) or publication of notices and may delegate the authority to sign NOFAs or notices. Current delegations of authority may be found [here](#).

**2. Allotment Holder**

- a. The Allotment Holder is the Assistant Secretary or equivalent, who submits apportionment requests to the OCFO as needed to carry out responsibilities. He or she bears overall responsibility for the funds allotted to them. Often, the Authorizing Official and the Allotment Holder are the same person.
- b. Allotment Holders develop, submit, implement and enforce adequate funds controls and procedures. They also certify that the funds control matrices accurately reflect practices within the Program Office and assign the role of committing or obligating funds to Field Offices, where applicable. For additional information, see Chapter 1-6.2 of the [Funds Control Handbook](#).

**3. Grants Manager (also may be Grants Officer, Grants Specialist, Program Analyst, Program Official and/or Senior Program Staff member)**

- a. Authorizing Officials may assign staff to manage pre-award, award, and post-award activities and maximize the integrity of grant programs from a programmatic, financial management, and administrative perspective.
- b. Grants managers ensure the assigned grant activities conform to HUD grants policy and regulatory requirements. These grant life cycle activities may include:
  - i. Setting program goals and objectives;
  - ii. Drafting program regulations and NOFAs;
  - iii. Managing grant competitions;
  - iv. Advising on the scientific, technical and programmatic suitability of applications for funding; and

- v. Administering the post-award activities of a program, which may include preparing, executing, and negotiating awards and terms and conditions.
4. The Program Office may assign additional responsibilities to staff members including those related to collaboration with program officials and others in development, implementation, and evaluation of program plans, strategies, regulations, announcements, guidelines, and procedures.

## **B. FEDERAL AGENCIES**

The following is general information about the external organizations affecting the administration of HUD grants.

### **1. Office of Management and Budget (OMB) – Executive Office of the President**

Develops government-wide policy and issues guidance to federal agencies to assure grants are managed properly and federal dollars are spent under applicable laws and regulations. OMB works cooperatively with the grant-making agencies and the recipient community to create and maintain regulations and guidance. OMB also apportions appropriations to federal agencies; reviews and approves regulations, NOFAs, and information collection requests.

### **2. Department of the Treasury (Treasury)**

Establishes government-wide cash management policies, operating the system for processing of electronic payments, check payments, and certain transactions with states. Treasury also manages the [USAspending.gov](http://USAspending.gov) website and the [Do Not Pay \(DNP\)](#) Business Center to support federal agencies. Treasury and OMB also lead the government-wide implementation of the DATA Act.

### **3. Government Accountability Office (GAO)**

Under various statutory authorities, GAO examines the use of federal funds; evaluates federal programs and activities; provides information, analyses, options, recommendations, and other assistance to help Congress make effective policy, funding, and oversight decisions.

### **4. General Services Administration (GSA)**

Maintains government-wide databases for identifying and tracking awards, including the [Catalog of Federal Domestic Assistance \(CFDA\)](#) and [System for Award Management \(SAM\)](#).

## **C. HUD OFFICES**

Besides the Program Offices shown above, other HUD offices impact the administration of HUD grants, including:

1. **Office of the Secretary/Deputy Secretary** - Provide Departmental leadership through the management of HUD's programs and activities.

2. **Office of Strategic Planning and Management (OSPM)** – Manages HUD’s strategic planning and performance management by working with the Secretary, the senior leadership team, and external stakeholders. OSPM houses the Department’s Chief Risk Officer and Enterprise Risk Management efforts which facilitate the identification, tracking, reporting, and monitoring of risks across the enterprise; the Performance Division which helps develop, analyze, and report on key agency performance indicators through the Annual Performance Plan; the Transformation Division which support’s HUD’s priority projects and agency-wide strategic goals; and the Grants Management and Oversight Division.
3. **Grants Management and Oversight (GMO) Division** - GMO, as part of OSPM, provides oversight and policy responsibility for HUD’s grant programs. The Division:
  - a. Communicates federal statutes, regulations (including 2 CFR part 200) and Executive Orders governing the management of grant programs to Program Offices;
  - b. Advises Program Offices on grants management issues;
  - c. Establishes processes to report on the timely obligation of funds and results achieved;
  - d. Promotes an enterprise-level view on grants management;
  - e. Enhances management integrity by separating the duties and responsibility of those establishing overall policy from those selecting recipients for funding;
  - f. Improves management efficiencies by streamlining and simplifying processes associated with grants management consistent with the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107) across HUD programs; and
  - g. Facilitates the implementation of best practices from other agencies.
4. **Office of the General Counsel (OGC)** - Advises GMO and the Program Offices on grant-related matters such as the applicability of statutory requirements, including annual appropriations acts, and program/grant regulatory requirements.
5. **Office of Inspector General (OIG)** - The OIG makes independent audits and investigations of HUD programs, operations, and its recipients; conducts national evaluations to prevent fraud, waste, or abuse while promoting economy, efficiency, and effectiveness of departmental programs; and reviews responses to audit reports and reports significant disagreements to the audit follow-up official.
6. **Office of Congressional and Intergovernmental Relations (CIR)** - CIR establishes the requirements for Congressional notification of grant awards, including the timing, content of the required notification, the transmission

procedures, and the means of acknowledging receipt, and, authorizing any exceptions to the waiting period.

7. **Office of the Chief Financial Officer (OCFO)** - The OCFO establishes and maintains records and accounts showing the status of allotments issued to program offices; establishes and maintains official commitment, obligation, and payment records; processes approved payment requests in a timely manner for payment through the HUD financial systems and other mechanisms for electronic payments; and advises on matters regarding budget development and execution, appropriations act provisions, and appropriations law (as defined by Chapter 1 – 6.7 of the Funds Control Handbook)

## 1 - 6 DEFINITIONS

Definitions can be found in Appendix A in the Handbook. The appendix is not intended to be an all-inclusive listing, but provides a single reference source for many definitions and abbreviations applicable to grants management used throughout the Handbook, including hyperlinks. See HUD regulations in Code of Federal Regulations (CFR) Title 24 – Department of Housing and Urban Development, for additional definitions.

## 1 - 7 GOVERNMENT-WIDE and HUD REQUIREMENTS FOR GRANTS MANAGEMENT

### A. OVERVIEW

1. There are national, government-wide, and program requirements governing the award. HUD must manage and administer Federal awards in a manner to assure HUD funding is expended and programs are implemented in full accordance with applicable requirements.
2. HUD Program Offices must communicate these requirements to the recipient and must incorporate the requirements either directly or by reference in the grant agreement or cooperative agreement. (2 CFR 200.210 and 2 CFR 200.300)

### B. NATIONAL PUBLIC POLICY REQUIREMENTS (2 CFR 200.300)

1. **Public (or national) policy requirements**, including but not limited to protecting socio-economic and environmental rights, apply both pre- and/or post-award. The requirements are usually applied government-wide, but may be HUD-specific, based on the activities or recipients. The requirements are set forth in HUD regulations. Examples are bulleted below. They include, but are not limited to:
  - a. **Protection of civil rights** (e.g., non-discrimination based on race, color, national origin, religion, sex, familial status, age, or disability) (24 CFR 5.105);
    - Fair Housing Act
    - Title VI of the Civil Rights Act of 1964

- Section 504 of the Rehabilitation Act of 1973, as amended;
  - The Americans with Disabilities Act of 1990, as amended (ADA); and
  - Section 109 of Title I of the Housing and Community Development Act of 1974
- b. **Use of human subjects in research** (24 CFR 60.101);
- Participation in HUD-Sponsored Program Evaluations
- c. **Safety and health rights;**
- Drug-Free Workplace (2 CFR part 2429 and the Drug-Free Workplace Act of 1998)
  - Handling of Hazardous and Biological Materials (Occupational Safety and Health Act of 1970, as amended);
  - Labor Standards for Construction and Non-Construction (e.g., Fair Labor Standards Act, 29 USC § 207, as amended; Davis-Bacon Act)
- d. **The public's right to information;**
- Federal Funding Accountability and Transparency Act of 2006 (2 CFR 200.211)
  - Acknowledgment of federal funding, publications and copyrights (2 CFR 200.315)
- e. **Preserving natural or other resources and avoiding adverse impacts on the human environment;**
- HUD rules and regulations governing the environmental review process (24 CFR Part 50 and 58 – National Environmental Policy Act (NEPA) Process)
  - National Historic Preservation Act (24 50.4 and 58.5)
  - Section 6002 of the Solid Waste Disposal Act (Appendix II to 2 CFR part 200)
  - Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 – 4128) and Coastal Barrier Resources Act (16 U.S.C. 3501) (24 CFR 50.4 and 58.5)
- f. **Ethics and business integrity;**
- Lobbying Restrictions (24 CFR part 87 and 2 CFR 200.450)
  - Restrictions on political activities (The Hatch Act 5 USC § 1501 – 1508) (SF-424 assurances)
  - Suspension and Debarment (2 CFR 180)

- Conflict of interest (2 CFR 200.112)
- General procurement procedures, including Conflict of Interest (2 CFR 200.317 through 200.326); and

g. **Limiting the burden on taxpayers or the public**

- Paperwork Reduction Act of 1995

2. Program Offices must communicate national requirements to recipients, including those in appropriations acts, and incorporate the requirements in program regulations or NOFAs and in the terms and conditions of award (2 CFR 200.300).

**C. PROGRAM REQUIREMENTS**

Program-specific requirements are established in the authorizing statute, annual appropriations, and implementing program regulations.

**D. ADMINISTRATIVE REQUIREMENTS**

1. Administrative requirements ensure accountability for the obligation and expenditure of federal funds. They may come from several sources, including statutes, but the primary sources are Office of Management and Budget (OMB) regulations, circulars, and policy memoranda from OMB’s Office of Federal Financial Management.
2. Another example is the OCFO’s Funds Control Handbook. Administrative requirements are complementary to program requirements and apply to grant-related business and financial management performance. HUD makes the administrative requirements applicable to recipients in program regulations, NOFAs, renewal notices, and the award documents.

**E. FEDERAL ELECTRONIC SYSTEMS AND PORTALS**

1. HUD complies with policies on the transparency of federal grant processes and provides accurate and reliable information to the public by using the federal-wide electronic systems approved for this purpose. As noted in 2 CFR part 200, these electronic systems and portals are used throughout the federal grant lifecycle.
2. Electronic systems and portals used in the **Pre-Award (Information and Application)** stage of the grants lifecycle are:
  - a. Catalog of Federal Domestic Assistance (CFDA) – government-wide resource database of federal programs and services available to state and local governments (including the District of Columbia), maintained by the General Services Administration (GSA). HUD must submit specified data to the GSA for programs awarding discretionary federal



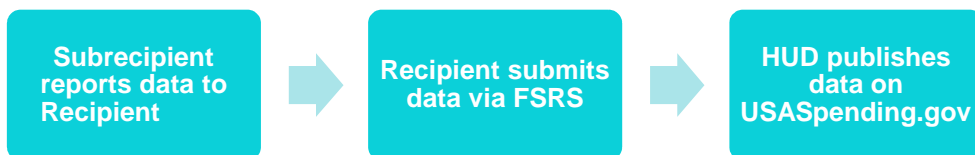
awards, non-discretionary federal awards, loans, insurance, or any other federal financial assistance. (2 CFR 200.202)

- b. **Grants.gov** - the central electronic portal HUD uses to publish competitive funding opportunities and for applicants to find and apply for those opportunities. (2 CFR 200.203)
  - i. Grants.gov offers a system-to-system interface allowing HUD to post NOFA forecasts and associated application packages and receive applications. Grants.gov has reporting and information management functionality for federal users.
  - ii. The Grants.gov system sends applicants automated email messages providing the status of the application and it assigns a tracking number.
- 3. Electronic systems and portals used in the **Award (Non-Federal Entity Management)** stage of the grants life cycle are:
  - a. **System for Award Management (SAM)** consolidates nine government-wide acquisition and award support systems into one system, including the Central Contractor Registry (CCR), Excluded Parties List System (EPLS), Online Representations and Certifications Application (ORCA), Federal Awardee Performance and Integrity Information System (FAPIIS), FFATA Subaward Reporting System (FSRS), and the Catalog of Federal Domestic Assistance (CFDA).
    - i. Each applicant for a HUD award must register in the SAM prior to submission of an application. To continue to be eligible for award, recipients must maintain an active registration throughout the life of the award including an annual renewal. (Appendix I to 2 CFR 200)
    - ii. Program Offices must:
      - 1) Include SAM registration requirements for applicants in both discretionary (NOFAs) and mandatory funding processes, including renewal procedures;
      - 2) Ensure applicants are registered and the registration is current in SAM at the time of application and at the time of award, including award amendments adding funds, changing period of performance, etc.; and,
      - 3) Include in award's terms and conditions as per 2 CFR part 25, Appendix A, the requirement that each recipient must maintain an active SAM registration and the currency of its information. Both the registration and information must be kept up to date throughout the period of performance and until the recipient submits either the final financial report or receives the final payment, whichever is later.

**REQUIREMENT**



- b. **Unique Entity Identifier** (UEI) is the identifier required for SAM registration for entities conducting business with the federal government.
  - i. Applicants for federal grants, except for individuals other than sole proprietors, must include a UEI as part of the application for federal assistance. (Appendix I to 2 CFR part 200)
  - ii. As of early 2017, the unique entity identifier must be requested from the Dun and Bradstreet system and is commonly known as a DUNS number.
  - iii. Program Offices must include the requirement for recipients to ensure applicants for subawards have a DUNS number in the grant agreement or cooperative agreement.
- 4. The electronic system used in the **Award Management** stage of the grants life cycle is the **FFATA Subaward Reporting System (FSRS)**. The FSRS is the reporting tool federal award recipients must use to capture and report subaward and executive compensation data regarding their first-tier subawards under FFATA reporting requirements.
  - a. Recipients must enter information in FSRS to report subaward obligations. The subaward information entered in FSRS is provided on USAspending.gov.



- b. Program Offices must include language from 2 CFR part 170, Appendix A, in the terms and conditions of Federal awards that authorize subawards. The award term specifies responsibilities for recipients related to reporting in FSRS.
- c. As part of post-award monitoring, Program Offices must assess recipient compliance with the requirements for subaward reporting and reporting of executive compensation.
- 5. Electronic systems and portals used in the **Post-Award** (Past Performance and Integrity Information) stage of the lifecycle are:
  - a. The Federal Awardee Performance and Integrity Information System (FAPIIS) is an electronic data system that provides specific information related to the integrity and performance of non-Federal entities. HUD must report information to FAPIIS and review FAPIIS data prior to making federal awards. (2 CFR 200.205)

REQUIREMENT



- i. FAPIIS includes information on Terminations for Cause or Default, Defective Cost and Pricing Data, Determinations of Non-Responsibility, Terminations for Material Failure to Comply (financial assistance), Recipient Not Qualified Determinations (financial assistance) and Administrative Agreements.
- ii. On July 22, 2015, OMB amended 2 CFR part 200 and 2 CFR part 180 regarding FAPIIS for Federal financial assistance. As of January 1, 2016:
  - 2 CFR 200.205 requires Federal agencies to review FAPIIS (including information in the non-public segment) as part of the pre-award risk assessment.
  - 2 CFR 200.212 requires agency reporting in certain circumstances when a financial assistance applicant has been determined to be “not qualified” for a Federal award.
  - 2 CFR 200.213 contains information regarding suspension and debarment (previously found at 2 CFR 200.212).
  - 2 CFR 200.339 and 2 CFR 200.340 requires agency reporting of award terminations in FAPIIS.
  - 2 CFR 200 Appendix XII contains the award term and condition requiring recipient integrity and performance reporting.
- b. SAM.gov also includes information regarding entities or their principals who have been debarred, suspended, proposed for debarment, excluded or disqualified from receiving federal contracts, certain sub-contracts, and certain federal assistance and benefits under either the non-procurement common rule (2 CFR part 180), or the Federal Acquisition Regulation (FAR).
- c. Program Offices must review the information in the SAM before HUD obligates federal funds under a grant or other form of financial assistance. The review must determine whether an organization or any of its principals is debarred, suspended, or voluntarily excluded from eligibility for federal funding.

CHAPTER II: PRE-AWARD

## **2 – 1 PROGRAM PURPOSE AND INSTRUMENT SELECTION**

As outlined in 2 CFR 200.201, HUD uses three types of instruments: contracts, grants, and cooperative agreements for procurement and assistance relationships to achieve its mission. The Federal Grant and Cooperative Agreement Act (FGCA) (31 U.S.C. §§ 6301-08) distinguishes procurement relationships from assistance relationships with non-federal entities.

### **A. OVERVIEW**

1. Grant agreements and cooperative agreements are the legal instruments used for HUD's financial assistance relationships. The main difference between a grant and a cooperative agreement is the degree of federal participation or involvement during the performance of work activities. A grant agreement is the appropriate instrument when HUD anticipates no substantial involvement. When HUD expects substantial involvement with the recipient, a cooperative agreement is appropriate.
2. When selecting the award instrument to be used, the Program Office must first look to the specific authorizing statute or appropriation act to determine if there is specific guidance on the funding instrument. (Note the authorizing statute may use different terminology, e.g., Annual Contributions Contract, but the instrument must be either a grant or a cooperative agreement.) Program Offices are advised to discuss this with their program counsel to ensure the proper funding instrument is selected. In making the selection of the funding instrument, Program Offices should consider:
  - a. The program purpose and
  - b. The purpose of the relationship between the award recipient and HUD. Does HUD intend to have substantial involvement or is substantial involvement not anticipated?
3. For more information on the selection of Grant Agreements and Cooperative Agreements, see Section 1 – 4 of this Handbook, Federal Financial Assistance.

### **B. BASIS FOR AWARD**

1. HUD Authorizing Officials must make awards based on:
  - a. Plans submitted in response to the formula allocation notification or other notification by recipients as is the case with mandatory grants and Congressionally-directed awards;
  - b. Applications received resulting from a NOFA for discretionary funding or notice; or
  - c. Unsolicited proposals, if permitted under program requirements. For more information, see Section 2 – 10 of this Handbook, Unsolicited Proposals.

2. HUD Authorizing Officials must always solicit applications for discretionary funds competitively, under the HUD Reform Act, and in concert with program requirements.

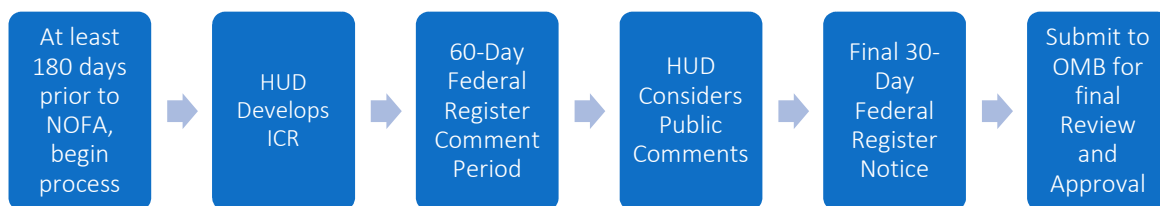
## 2 - 2 PAPERWORK REDUCTION ACT AND CATALOG OF FEDERAL DOMESTIC ASSISTANCE

### A. PAPERWORK REDUCTION ACT (PRA) of 1995 REQUIREMENTS

1. The PRA requires HUD to obtain OMB approval before requesting most types of information from the public. These information collection requests (ICR) include application narratives, forms, surveys, interviews and recordkeeping requirements.
2. Program Offices must adhere to HUD PRA policy requirements and use the ICR approval process to obtain OMB approval for federally-sponsored data, or information collections (2 CFR 200.206). HUD’s Office of the Chief Information Officer (CIO) oversees the [PRA process](#) for HUD.

### B. PROCESS FOR INFORMATION COLLECTION REQUESTS INCLUDED IN NOFAs AND FEDERAL REGISTER NOTICES

1. NOFAs submitted for Departmental Clearance must include OMB-approved forms, sample formats, or other information to be submitted by the applicant.
2. Only NOFAs with a current OMB approval number for information collection requests can be published on Grants.gov. In addition, to publish on HUD’s website, the Program Office cannot issue a Federal Register Notice (FRN) for renewals, unless the ICR has a current OMB approval number.
3. Program Offices should submit their ICR to OMB at least 180 days prior to the proposed publication date of the NOFA to ensure adequate time for OMB clearance. This includes time to develop the ICR and include time for Departmental clearance, the 60-day public comment period, comment review and package revisions, and the final 30-day notice period. The total ICR process takes approximately six to nine months from beginning to end.
4. The process for obtaining an OMB approval number includes publishing the requested information collection instrument or form and the estimated burden hours in the [Federal Register](#) for a 60-day public review and comment period



after Departmental clearance. At the end of the comment period, comments must be addressed prior to publication of a 30-day Notice, OMB review and final approval.

**C. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) (2 CFR 200.202)**

1. The [CFDA](#) is a government-wide compilation of federal programs, projects, services and activities assisting or benefiting the public. The CFDA assists the public with obtaining general information on federal assistance programs.
2. OMB provides oversight of the collection of federal domestic assistance program data. GSA operates and maintains the CFDA system and website. Federal agencies, including HUD, must update information in the CFDA system.
3. To comply with HUD requirements, Program Offices must update program information in the CFDA at least annually. Program Offices must:
  - a. Designate a CFDA liaison to work with the CFDA Coordinator assigned by the OCFO Budget Office;
  - b. Obtain a unique CFDA number for new programs via the CFDA Coordinator, provide a completed [CFDA template](#), and submit to the CFDA Coordinator for HUD internal review and approval;
  - c. The CFDA Coordinator submits it to the CFDA portal for clearance by GSA and OMB;
  - d. Update program information annually in the CFDA system; and
  - e. Discontinue or archive programs not funded for at least two years.
4. Program Offices must include the CFDA number in the Grants.gov synopsis, NOFA and the grant agreement or cooperative agreement. (2 CFR 200.210(a)(13)).
5. All programs for Federal financial assistance must have a valid CFDA number.

**REQUIREMENT**



**2 – 3 ANNUAL MILESTONE PLAN**

**A. ANNUAL MILESTONE PLAN FROM PROGRAM OFFICES**

1. Program Offices must conduct an annual planning process for financial assistance programs and transactions to ensure decisions and time frames for awarding financial assistance. The annual planning process should address activities for which the Program Office has discretion regarding the timing of the announcement, receipt of applications, and/or award selection. This includes activities relating to competing and non-competing continuation of on-going awards. This information must be recorded in the Annual Milestone Plan template and submitted to GMO.

2. By October 15, Program Offices must submit the Annual Milestone Plan for discretionary programs for the fiscal year. The Milestone Plan must detail dates for internal and Departmental clearance, publication, application deadline, award, and obligation for discretionary programs. The Milestone Plan should also indicate the estimated funding for the next fiscal year (if known) and any estimated carryover funding from previous fiscal years. It must also include estimated funding and award dates for mandatory programs.
3. Proposed funding amounts in the plan should be based upon actual appropriations, or if the program does not yet have a permanent appropriation for the fiscal year (because HUD is operating under a Continuing Resolution), the best information available for proposed funding amounts plus any estimated carryover of funds from prior years available for obligation.
4. Program Offices are expected to work closely with their program counsel and Budget Officers when developing their Milestone Plan. Attention should be paid to the identification of any new programs during a fiscal year and the proposed NOFA publishing date.

#### **B. ANNUAL AWARD CALENDAR AND NOFA DASHBOARD**

1. GMO hosts an annual Kick Off meeting with Program Offices to highlight the review milestone plans, annual award calendar and NOFA Dashboard.
2. Based on plan information submitted, GMO will develop the Department's annual Award Calendar. The [Award Calendar](#) is housed on [GMOHome](#).
3. GMO also develops the NOFA Dashboard, which is a visual assessment of whether the Department is achieving publication and obligation goals in a timely manner. To see a sample NOFA Dashboard report, click [here](#).
4. Progress on the Award Calendar will be updated by GMO regularly.

#### **C. GMO PORTFOLIO MANAGER ROLE**

1. GMO Portfolio Managers support Program Offices throughout the grant lifecycle. Portfolio Managers are trained grants management staff in GMO assigned to support Program Offices with the development and publication of NOFAs, application evaluation, and award processing.
2. Throughout the grant lifecycle, GMO Portfolio Managers consult with Program Offices on grants management issues; help strengthen internal controls; and propose enterprise-level solutions to streamline and/or simplify HUD's grants management processes.
3. GMO Portfolio Managers host a monthly meeting for HUD's grants management professionals, produce a quarterly newsletter update and maintain [GMOHome](#), with updated grants information, including training, resources and access to other federal grants-related websites.



**D. HUD FORECAST**

1. HUD publishes a Forecast of planned discretionary grant opportunities on Grants.gov.
2. The Program Office must designate a staff member to develop/draft a Forecast for planned grant opportunities. The forecast information includes estimated dates, funding, a program description, and statutory authority.
3. The Forecast should contain actual or estimated funding levels for awards and the estimated number of awards the Program Office intends to make during the fiscal year, subject to Congressional appropriations.
4. A Forecast is subject to change and may be modified by the Program Office.

**2 – 4 NOTICES OF FUNDING OPPORTUNITIES**

**A. CONTENT (2 CFR 200.203)**

1. Any public notice issued by HUD announcing the availability of funds or soliciting applications for funding must comply with 2 CFR 200.203, including Notices of Funding Availability or other notices.
2. NOFAs are HUD’s equivalent to Funding Opportunity Announcements (FOAs) or Notices of Funding Opportunity (NOFOs) used throughout the federal government to make awards.
3. Competitive notices published in the Federal Register that announce the availability of funds or solicit applications for funding must include the same information required in NOFAs.
4. NOFAs for discretionary awards must follow a standardized format and order of content. However, each Program NOFA for a discretionary award will have a unique title, funding opportunity number (FON), text and instructions specific to the program. Please note there is no prescribed format for notices.
5. The standard format for the NOFA Table of Contents is below:

[Funding Opportunity Title]  
 [Funding Opportunity Number]  
**TABLE OF CONTENTS**

**Executive Summary**

**I. Funding Opportunity Description**

- A. Program Description
- B. Authority

**II. Award Information**

- A. Available Funds
- B. Number of Awards
- C. Minimum/Maximum Award Information
- D. Period of Performance

E. Type of Funding Instrument

F. Supplementation

**III. Eligibility Information**

A. Eligible Applicants

B. Cost Sharing or Matching

C. Eligible Activities

D. Other

**IV. Application and Submission Information**

A. Obtaining an Application Package

B. Content and Form of Application Submission

C. DUNS Number and SAM Registration

D. Application Submission Dates and Times

E. Intergovernmental Review

F. Funding Restrictions

G. Other Submission Requirements

**V. Application Review Information**

A. Review Criteria

B. Reviews and Selection Process

C. Anticipated Announcement and Award Dates

**VI. Award Administration Information**

A. Award Notices

B. Administrative, National and Departmental Policy Requirements

C. Reporting

**VII. Agency Contact(s)**

**VIII. Other Information**

4. A sample Table of Contents for the Continuum of Care (CoC) NOFA is below:

[Funding Opportunity Title]

[Funding Opportunity Number]

TABLE OF CONTENTS

**Executive Summary**

**I. Funding Opportunity Description**

A. Program Description

B. Authority

C. Summary of the Application Process

D. CoC Program Competition NOFA

**II. HUD's Homeless Policy and Program Priorities**

A. Policy Priorities

B. CoC Program Implementation

**III. Continuum of Care Program Requirements**

A. Definitions and Concepts

B. Establishing and Operating the CoC

C. CoC Geographic Area

- D. Planning Duties of the CoC
- E. Centralized or Coordinated Assessment System
- F. CoC Program Components
- G. Collaborative Applicant
- H. Competing CoCs
- I. CoC Maximum Award
- IV. Award Information**
  - A. Amount Allocated
  - B. Distribution of Funds
- V. Eligibility Information**
  - A. Eligible Applicants
  - B. Eligible Project Applicants
  - C. Renewal Projects
  - D. New Projects
  - E. Matching
  - F. Indirect Costs
  - G. Other Project Eligibility Requirements
- VI. Application and Submission Information**
  - A. Application Package
  - B. Content and Form of Application Submission
  - C. CoC Consolidated Application
  - D. Submission Dates and Times
  - E. Intergovernmental Review
  - F. Funding Restrictions
  - G. Other Submission Requirements
- VII. Application Review Information**
  - A. Criteria
- VIII. Project Review and Selection Process**
  - A. Review, Rating and Ranking
  - B. Adjustments to Funding
  - C. Corrections to Deficient Applications
- IX. Award Administration Information**
  - A. Award Notices
  - B. Administrative and National Policy Requirements
- X. Appeals**
  - A. Description
  - B. Types of Appeals
  - C. Solo Applicant
  - D. Denied or Decreased Funding
  - E. Consolidated Plan Certification
  - F. Submission
- XI. Agency Contacts**
- XII. Other Information**

REQUIREMENT



5. NOFAs must contain detailed instructions explaining requirements, the funding opportunity and application submission procedures. See Appendix I to 2 CFR part 200 for additional details about the contents of a NOFA.
6. The NOFA must also comply with the [Plain Writing Act of 2010](#) (Public Law 111-274). To help Program Offices develop clearly written NOFAs, GMO has created the *Writing Effective NOFAs and Developing Sound Rating Criteria* course. It is available to all HUD staff on HUD Virtual University (HVU) via InCompass. The course includes 3 modules: *Plain Writing*, *NOFA Development* and *Rating Factors and Evaluator Instructions*. Staff completing the course will earn 2.15 hours of training credit.
7. NOFAs must be provided to potential applicants through Grants.gov. In addition, Program Offices may use supplementary means of sharing NOFAs, e.g., distribution through a constituency organization, transmittal through a targeted mailing, or electronic notification directed to the known universe of eligible applicants. Any supplementary notice cannot pre-date the publication of the NOFA at Grants.gov.
8. A Program Office may not give potential applicants advance notification of planned or pending funding opportunities nor may Program Offices tailor NOFAs for selected projects informally discussed with a potential applicant in another forum. (Section 103 of the HUD Reform Act, in HUD regulations in 24 CFR part 4, subpart B)

**B. NOFA SUBMISSION REQUIREMENTS AND EXCEPTIONS (2 CFR 200.203)**

1. NOFAs must include submission requirements and an application deadline. A Program Office must provide all funding opportunities for at least 60 calendar days. The Program Office may determine a NOFA to have a less than 60 calendar day availability period but no NOFA should be available for less than 30 calendar days unless exigent circumstances require as determined by the HUD agency head or delegate.
2. There are three reasons for which an exception may be granted for the required 60-day posting policy. They are:
  - a. Delayed appropriations beyond the first quarter of the fiscal year, where publishing for less than 60 days is necessary to avoid hardship on the applicants;
  - b. The competition was published in two phases, the NOFA for first phase was published for 60 days and the applicants invited to apply in phase two are only updating or expanding upon the application information provided in phase 1; and
  - c. Departmental leadership holds the publication of NOFAs for an unspecified period that results in a potential negative impact on the program or its intended recipients.

3. Requests to have NOFAs available for less than 60 calendar days must include specific details regarding the exigent circumstances requiring a shortened availability period.

### **C. NOFA DEADLINES AND APPLICATION SUBMISSION**

1. HUD may extend a published application deadline when justified by circumstances such as a presidentially-declared disaster (e.g., floods or hurricanes); widespread disruptions of mail service or other services; or technical issues at Grants.gov. If circumstances affect a defined geographical area, the Program Office may extend the deadline to applicants in the affected area. Application deadline extensions must be announced on Grants.gov.
2. Applications not meeting the deadline specified in a NOFA are late and will not be accepted for competition under the NOFA. To be timely, an application must be received by Grants.gov by the deadline date and time specified in the NOFA.
3. Under 24 CFR 5.1005, applicants demonstrating good cause may request a waiver from the requirement for electronic submission. Lack of SAM registration or valid DUNS is not good cause. Applicants seeking a waiver of the electronic grant submission requirements must submit a written request, following the instructions provided in the NOFA. Waivers will not be granted if the request is not received at least 15 days before the application deadline and if the applicant does not demonstrate good cause.
4. A Program Office may not require an applicant to submit more than an original and two copies of a paper application unless OMB has approved a different number of copies as part of the ICR for an application form or format.
5. If a Program Office permits submission of a paper application, the applicant must send the application in sufficient time to be received before the deadline date (with documented proof of mailing). A Program Office may not accept hand-delivered applications.

### **D. CERTIFICATIONS AND ASSURANCES (2 CFR 200.208)**

1. NOFAs must include the required certifications and assurances for the program. The certifications and assurances are material representations of the facts HUD relies upon when making an award.
2. If a later determination shows the applicant has knowingly made a false certification or assurance, or the signatory did not have the authority to make a legally binding commitment for the applicant, the applicant may be subject to the False Claims Act. HUD may then terminate the award, or pursue other available remedies.

## 2 – 5 NOFA and NOTICE REQUIREMENTS

### A. OVERVIEW

1. Unless otherwise specified, the following requirements apply to recipients of HUD funding under a NOFA and/or a Notice. HUD has implemented these requirements in 24 CFR part 5. Many of the national public policy requirements (See Section 1 – 5 of this Handbook) have been incorporated into the NOFA template.
2. Program NOFAs or Notices must clearly refer to these requirements and where applicable, indicate any variation or additions. There may be slight variations in requirements among HUD programs.
3. HUD is not required to make an award to a recipient, even if it has submitted a meritorious application, as determined by the merit review, based on HUD's review of risk as provided in the NOFA and consistent with program requirements.

### B. FISCAL AND ORGANIZATIONAL REQUIREMENTS

1. OMB Administrative Requirements, Cost Principles and Audit Requirements. Unless excepted under HUD program regulations (24 CFR chapters I through IX), the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR part 200 apply to Federal awards made by HUD. For older HUD grants, 24 CFR parts 84 and 85 (2013 edition) may apply (24 CFR 84.1 and 85.1).
2. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L.109-282), as amended. Recipients of HUD's financial assistance must report certain subawards in the Federal Subaward Reporting System (FSRS) or its successor system for prime awards.
3. Conducting Business in Accordance with Ethical Standards.
  - a. *Code of Conduct for Procuring Property and Services.* All Federal award recipients, except states, and all subrecipients under Federal awards must have a code of conduct (or written standards of conduct) for procurements that meets all requirements in 2 CFR 200.318(c). Before entering into an agreement with HUD, each applicant selected for award (other than a state) must ensure an up-to-date copy of the organization's code of conduct, dated and signed by the Executive Director, Chair, or equivalent official, of the governing body of the organization, is available in Code of Conduct e-library. Applicants can check the Code of Conduct List to confirm HUD has determined their Code of Conduct complies with 2 CFR 200.318(c).

HUD does not collect or review state codes of conduct for compliance with 2 CFR 200.318(c). Instead, each state must follow the same policies and procedures for procurements under Federal awards that the state uses

for procurements from its non-Federal funds, as provided in 2 CFR 200.317.

b. *Other Conflicts of Interest*

In all cases not governed by 2 CFR 200.317 and 200.318(c), all recipients and subrecipients must comply with the conflict of interest requirements in the applicable program regulations. If there are no program-specific regulations for the award, the following conflict of interest requirements apply in all cases not governed by 2 CFR 200.317 and 200.318(c):

- i. *General prohibition.* No person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient or subrecipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to assisted activities, may obtain a financial interest or benefit from those activities, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.
- ii. *Exceptions.* HUD may grant an exception to the general prohibition in paragraph (i) upon the recipient's written request and satisfaction of the threshold requirements in paragraph (iii), if HUD determines the exception will further the Federal purpose of the award and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effects of the factors in paragraph (iv).
- iii. *Threshold requirements for exceptions.* HUD will consider an exception only after the recipient has provided the following documentation:
  - a) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
  - b) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.
- iv. *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily

met the threshold requirements in paragraph (iii), HUD will consider the cumulative effect of the following factors, where applicable:

- a) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
- b) Whether an opportunity was provided for open competitive bidding or negotiation;
- c) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
- d) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
- e) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (i);
- f) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- g) Any other relevant considerations.

Recipients must disclose in writing any potential conflict of interest to HUD.

4. Participation in a HUD-Sponsored Program Evaluation. As a condition of receiving funding under a NOFA, recipients must cooperate with HUD staff, contractors, or designated recipients performing research or evaluation studies.
5. Ensuring the Participation of Small and Minority Businesses, and Women-Owned Businesses, and Labor Surplus Area Firms. Under 2 CFR 200.321, recipients, their subrecipients and contractors must take all necessary affirmative steps to assure small and minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
6. Prohibition Against Lobbying Activities. Applicants are subject to Section 319 of Public Law 101-121, 31 USC 1352, (the Byrd Amendment) and 24 CFR part 87, which prohibit recipients of Federal contracts, grants, loans, or cooperative agreements from using appropriated funds for lobbying the executive or legislative branches of the Federal government in connection with a contract, grant, loan, or cooperative agreement.



- a. All applicants must submit a Certification of Lobbying form signed by the authorized representative using language in Appendix A of 24 CFR part 87. A sample Certification of Lobbying form can be viewed [here](#).
- b. Applicants must also disclose, using Standard Form LLL (SF-LLL), “Disclosure of Lobbying Activities,” any funds, other than federally-appropriated funds, that will be or have been used to influence federal employees, members of Congress, or congressional staff regarding the specific grant, loan, or cooperative agreement. Federally-recognized Indian tribes and tribally designated housing entities (TDHEs) established by federally-recognized Indian tribes as a result of the exercise of the tribe’s sovereign power are excluded from coverage of the Byrd Amendment, but State-recognized Indian tribes and TDHEs established only under state law must comply.

### **C. REPORTING REQUIREMENTS**

1. Reporting Requirements and Frequency of Reporting. The NOFA and grant or cooperative agreement must specify the reporting requirements, including content, method of data collection, and reporting frequency. If the total Federal share of a recipient’s Federal award is more than \$500,000 over the period of performance, the recipient may be subject to post-award reporting requirements reflected in Appendix XII to Part 200--Award Term and Condition for Recipient Integrity and Performance Matters.
2. Race, Ethnicity and Other Data Reporting. HUD requires recipients providing HUD-funded program benefits to individuals or families to report data on the race, color, religion, sex, national origin, age, handicap (disability), and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of HUD programs to meet the Department’s responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987. NOFAs may specify the data collection and reporting requirements. Many programs use the Race and Ethnic Data Reporting Form HUD-27061 (U.S. Department of Housing; OMB Approval No. 2535-0113).
3. Performance Reporting. HUD-funded programs require recipients to submit, not less than annually, a report on achievement of outcomes under the program in the grant or cooperative agreement.

### **D. FUNDING GUIDELINES (IF INCLUDED WITHIN THE NOFA)**

1. Funding Distribution. To ensure the fair distribution of funds and enable the purposes or requirements of a specific program to be met in the NOFA, HUD reserves the right to fund less than the amount requested in an application.

HUD may also provide more funding than initially requested by an applicant, if permitted by the NOFA.

2. Funding Other Eligible Applicants. If an applicant turns down an award offer, or if HUD and an applicant do not successfully complete grant negotiations, HUD may fund another eligible application in accordance with the NOFA.
3. Additional Funding Distribution. If, after announcing awards, additional funds become available either through the fiscal year appropriations bill, a supplemental appropriation, other appropriations or recapture of funds, HUD may use the additional funds to provide additional funding to an applicant awarded less than the requested funds to make the full award, and/or to fund additional applicants (in accord with the NOFA selection requirements) eligible to receive an award where no funds were available.

**E. OTHER REQUIREMENTS (THIS LIST IS NOT EXHAUSTIVE)**

1. Environmental Requirements. The HUD regulations governing the environmental review process can be found at 24 CFR Part 50 and 58. This covers both the National Environmental Protection Act (NEPA) and related laws and authorities and incorporates NEPA and Council on Environmental Quality (CEQ) regulations in 40 CFR Parts 1500 through 1508.
  - a. The NEPA process must be completed prior to approval of an application or issuance of an award unless NOFA, grant agreement, or cooperative agreement includes a special condition providing for environmental review after approval of the application or issuance of the award.
  - b. The NOFA must include applicable environmental requirements in the NOFA or state if the funded activities are excluded from environmental review. Unless a categorical exclusion applies, each NOFA must also reference A Finding of No Significant Impact (FONSI) establishing that the issuance of the NOFA itself will not have a significant environmental impact or indicate that an environmental impact statement has been prepared if the NOFA does have a significant environmental impact. FONSI documents are available for public inspection on HUD's website for applicable NOFAs.
  - c. The Program Environmental Clearance Office for the appropriate office should be consulted for specific information on what the applicant must address.
2. Eminent Domain. Annual HUD appropriation acts have prohibited the use of funds to support any Federal, state, or local project seeking to use the power of eminent domain, unless eminent domain is employed only for a public use.

This requirement must be included in the NOFA if the fiscal year appropriation act contains this provision.

3. Consistency with the Consolidated Plan. Certain competitive programs require applications to contain a certification of consistency with a HUD-approved Consolidated Plan. This certification means the jurisdiction's consolidated plan shows need, the proposed activities are consistent with the strategic plan and the location of the proposed activities is consistent with the geographic areas in the jurisdiction's Consolidated Plan. HUD will not select and award funding for applications which do not contain certifications of consistency with the Consolidated Plan when certification is required under the NOFA.
4. Economic Opportunities for Low- and Very Low-income Persons. Certain programs require recipients to comply with Section 3 of the Housing and Urban Development Act of 1968 ([Section 3](#)), 12 U.S.C. 1701 and the HUD regulations at 24 CFR part 135.9. For NOFAs where Section 3 and 24 CFR Part 135 apply, applicants must include information regarding how Section 3 activities will be considered in rating the application, the evaluation criteria utilized, and the rating points assigned.
5. Real Property Acquisition and Relocation. Except as otherwise provided by Federal statute, programs or projects assisted with HUD funds are subject to the [Uniform Relocation Assistance and Real Property Acquisition Policies Act](#) of 1970, as amended (URA)(42 U.S.C. 4601-4655), and the government-wide implementing regulations issued by the Federal Highway Administration at 49 CFR part 24.
  - a. Real property acquisition satisfying the requirements of 49 CFR 24.101(b)(1) through (5) is not subject to the requirements of 49 CFR 24, subpart B. These acquisitions, commonly referred to as "voluntary acquisitions," include those conducted without the threat or use of eminent domain. Records demonstrating compliance with these requirements must be maintained by the recipient.
  - b. The relocation requirements of the URA, and its implementing regulations at 49 CFR 24, cover any person who moves from real property or moves personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a program or project receiving HUD assistance. While there are no URA statutory provisions for "temporary relocation," the URA regulations recognize sometimes, a person will not be permanently displaced but may need to relocate for a short period. Under the URA regulations any tenant temporarily relocated for a period beyond one year must be contacted by the displacing agency and offered URA permanent relocation assistance (See Appendix A to 49 CFR 24.2(a)(9)(ii)(D)). The URA does not apply to displacements resulting from the

demolition or disposition of public housing covered by Section 18 of the United States Housing Act of 1937.

6. **Accessible Technology.** Section 508 of the Rehabilitation Act (Section 508) requires HUD to make sure there is access to electronic information and data to persons with disabilities comparably to those without disabilities unless an undue burden would result to the Federal agency. HUD encourages its recipients to adopt the goals and objectives of Section 508 and comply with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act, where applicable.

## 2 -6 NOFA CLEARANCE

### A. INTERNAL CLEARANCE

1. This section outlines the specific process for NOFA clearance. Notices use the HUD Clearance Calendar for approval.
2. Originating program offices must prepare an original and redlined version of their prior year's NOFA to start the clearance process. Assigned counsel for each program office must review the proposed NOFA for legal sufficiency.
3. Review by program counsel might include consultation with OGC's Office of Legislation and Regulations. If the program counsel was not included in the pre-clearance process and the NOFA is new or contains significant changes from the prior year's NOFA, then program counsel will have up to 28 days to review and comment. Once the NOFA is approved by the Program Office, the Certifying Official can submit it into Departmental Clearance.

### B. DEPARTMENTAL CLEARANCE

1. The NOFA Departmental Clearance process allows 14 days for Program Offices and Support Offices (e.g., OGC, OCFO) to review and comment on a NOFA from the originating Program Office. The options for commenting on the NOFA are no position; no need to review the NOFA; concur without comment; concur with comment; or non-concur with comment.
2. A non-concurring comment should identify items in the NOFA that, in the opinion of the Reviewing Program Office, are not accurate based on Departmental policy, agency objectives, or other requirements. This includes, but is not limited to legislation, statutory or policy impact, or other cross-program requirements. The specific deficiency of policy, procedure, law, regulation or information providing the basis for the finding, must be cited. A non-concurring comment must also offer language to resolve the non-concurrence.
3. Specific criteria for non-concurrences are:



- a. Information which does not align with or accurately reflect documented HUD policies and procedures;
  - b. Information inconsistent with requirements or performance measurement requirements as required by the NOFA template;
  - c. Internal inconsistencies within the overall NOFA;
  - d. Information that could potentially place HUD at risk;
  - e. Information adversely affecting programs outside of the originating Program Office; and/or
  - f. Cross-cutting Federal requirements, such as civil rights requirements, not accurately reflected.
4. Grammar or stylistic writing preferences do not constitute a non-concurrence.
  5. Non-concurring comments must include proposed language clearing the non-concurrence or explain why the commenter cannot propose language. Non-concurring comments from OGC must have a basis in statute or regulation. Comments from reviewing Program Offices must have a basis in statute, regulation, or HUD policy, as stated above. Originating offices should make good faith efforts to consider and incorporate concurring comments.
  6. Once Departmental Clearance is complete, these steps take place:
    - a. The NOFA is submitted to OMB. OMB has an initial 14 days to review, approve, and return the NOFA to HUD with any comments or concerns.
    - b. The Department then works to resolve those comments or concerns and sends the NOFA back to OMB. OMB is then allowed an additional 14 days for a final review.
    - c. Once approved by OMB and returned to HUD, OGC then completes a final review. The OGC approves the NOFA for publication and it then goes to the Certifying Official for final publication approval.
    - d. GMO will publish the NOFA within 2-3 business days, provided the signed FONSI is available, unless the Program Office requests the NOFA be published on a specific date or other circumstances require a delay in publication.
  7. Concurrence is required from these offices: OGC, OCFO, and GMO. The OGC Legislation and Regulations Division coordinates OGC clearance of NOFAs.
  8. GMO will work with Program Offices to ensure no more than three NOFAs are in Departmental Clearance in any given week.

NOFA Clearance Steps	General Timeframes
<b>NOFA Drafted</b>	Milestone Plan Timeline
<b>Cleared internally by originating office</b> (including pre-review by OGC program attorney)	7-14 days
Departmental Review and clearance <b>by other HUD offices</b>	14 days
<b>Originating office revises NOFA</b> based on comments and resolves non-concurrences	14 days
<b>OMB reviews and approves NOFA. Originating office revises NOFA based on OMB comments.</b>	Up to 28 days
OGC completes final review and approval for publication	3 – 5 days
Certifying Official completes final review and approves publication	1 – 3 days
<b>GMO publishes NOFA on Grants.gov and HUD.gov</b>	2 - 3 days

**C. EXECUTING THE HUD-22, DEPARTMENTAL CLEARANCE APPROVAL PROCEDURES**

1. When an electronic grants management system is used to draft, clear, and publish NOFAs, a HUD-22 from the originating Program Office is not needed to put the NOFA into Departmental Clearance. The digital signature by the Certifying Official indicates approval to put the NOFA into Departmental Clearance.
2. Program Offices reviewing a NOFA have 14 days from the date the NOFA entered Departmental Clearance to submit a signed HUD-22 with or without comments.
3. Except for the offices listed in #4 below, Program Offices failing to submit a signed HUD-22 within 14 days will be deemed to have “No Position” by the originating Program Office when the clearance period has expired.

4. GMO, OGC, and OCFO must upload a concurring HUD-22 before a NOFA can go to OMB.
5. Portfolio Managers must give the GMO Director a HUD-22 to sign – either paper copy or electronic copy (via email formatted for digital signature).

**D. ORIGINATING PROGRAM OFFICE RESPONSIBILITIES**

1. Originating Program Offices must address all non-concurring comments and should consider concurring comments received on a NOFA during the Departmental Clearance process.
2. When necessary, the originating Program Office can extend the review period beyond the 14-day standard when requested by a reviewing office. Extensions granted should not be so long as to significantly delay the Departmental Clearance process.
3. Originating Program Offices should complete NOFA revisions based on comments received during Departmental Clearance within 14 days.

**E. NOFA PUBLICATION ON GRANTS.GOV**

1. Once Certifying Official has given final approval, GMO staff will publish the NOFA to Grants.gov and HUD.gov. GMO will also publish the FONSI document to HUD.gov.
2. NOFAs posted on Grants.gov are the official documents to solicit applications. If there is a discrepancy between a NOFA posted on Grants.gov and other information provided in any other copy, version, or supporting documentation, the Program NOFA published on Grants.gov will prevail.

**F. NOFA MODIFICATIONS AND TECHNICAL CORRECTIONS**

1. If, after NOFA publication, a Program Office determines a correction or change is needed, HUD can publish a revised version to grants.gov. The two corrections or changes allowed are modifications and technical corrections.
2. A modification is a minor change not altering the program intent, purpose, rating factors, or policy intent of the NOFA (e.g., funding amount change, deadline date, or minor typographical error).
  - a. To initiate a modification, a Program Office must seek approval from the Authorizing Official and work with GMO to update the NOFA publication on Grants.gov.
  - b. The minor nature of modifications does not change the application deadline date.
3. A significant change altering the program intent, purpose, rating factors, or policy (e.g., Program Office discovers an error in a rating factor or eligibility criteria changes) is a technical correction.

- a. To initiate a technical correction, a Program Office must seek approval from the Authorizing Official and consult with GMO Portfolio Manager on the correction and its implications.
- b. Technical corrections require review and approval of the revised NOFA by OGC before GMO can publish the updated version to Grants.gov. If the need for an amendment is identified less than 30 days before the published application deadline, the application deadline must be moved to ensure potential applicants have at least 30 days to apply.

## **2 – 7 APPLICATION RECEIPT AND REVIEW PROCEDURES FOR COMPETITIVE AWARDS**

### **A. APPLICATION RECEIPT**

1. After submission, applications undergo initial screening, often referred to as threshold or intake, to ensure they meet minimum eligibility requirements in the NOFA requirements. Applications failing to meet initial screening requirements (i.e., received on time, applicant eligibility) will not be evaluated further.
2. Applications passing the initial screening process will be evaluated based on the rating criteria outlined in the NOFA.
3. HUD does not accept faxed or hand-delivered applications or supporting documents.

### **B. CORRECTIONS TO DEFICIENT APPLICATIONS**

1. HUD will not consider information applicants want to provide after the application deadline. HUD will not seek or consider clarification of application items or responses improving the substantive quality of an application or correct deficiencies in whole or part of a rating factor, including items impacting preference points.
2. HUD may contact the applicant to clarify other items in its application, consistent with 24 CFR 4.26(b). To not unreasonably exclude applications from being rated and ranked where there are curable deficiencies, HUD will uniformly notify applicants of technical deficiencies.
  - a. A technical deficiency is an error or oversight that, if corrected, would not alter, in a positive or negative fashion, the review and rating of the application. Examples of curable (correctable) technical deficiencies include inconsistencies in the funding request, failure to submit the proper certifications, failure to submit an SF-424 with the correct CFDA or Funding Opportunity Number in Grants.gov, although the application is otherwise sufficient, and/or failure to submit an application containing a signature by an official able to make a legally



binding commitment on behalf of the applicant. These examples are not exhaustive.

- b. When HUD identifies a curable technical deficiency, HUD will notify the applicant's authorized representative. Official email notification must be sent from HUD with confirmation of delivery receipt requested. Applicants must provide an accurate email address for receipt of the notification.
  - c. Applicants must email corrections of technical deficiencies to [applicationsupport@hud.gov](mailto:applicationsupport@hud.gov) within the time limits specified in the notification. The time allowed to correct deficiencies will not exceed 14 calendar days or be less than 48 hours from the email notification.
  - d. The start of the cure period will be the date stamp on the email HUD sends to the applicant. If the deficiency cure deadline date falls on a Saturday, Sunday, Federal holiday, or other day when HUD's Headquarters offices in Washington, DC, are closed, then the applicant's correction must be received on the next business day HUD Headquarters offices in Washington, DC are open.
3. Corrections to a paper application should be sent to the address stated in the notice of deficiency. Paper applications with incorrect DUNS numbers submitted under a waiver may correct the DUNS number as a technical deficiency. Applicants failing to correct the deficiency and submit a DUNS number association with an active SAM registration on the submission deadline date will be ineligible for funding.
  4. The applicant must cure technical deficiencies before HUD can announce and award funding to the applicant.

## **2 – 8 APPLICATION MERIT REVIEW**

### **A. REVIEW DESIGN AND CRITERIA (2 CFR 200.204)**

1. Program Offices must design and execute a merit review process for applications. The process and criteria must be described in the NOFA. Merit review processes typically include intake or threshold screening reviews, reviewing and rating applications using HUD's standard rating factors and program-specific rating factors, and ranking applications by final scores. Alternative methods, such as funding by lottery, may be used if approved during the NOFA clearance process.
2. Under Section 103 of the HUD Reform Act, in HUD regulations in 24 CFR part 4, subpart B, HUD's employees reviewing applications and making funding decisions are prohibited from providing advance information to any person (other than an authorized HUD employee) concerning funding decisions or from otherwise giving any applicant an unfair competitive advantage. Applicants for assistance must confine their inquiries to the areas

HUD's employees may answer under 24 CFR part 4. This prohibition is lifted after award announcements are made.

3. Applications must be reviewed by at least one reviewer who is professionally and technically qualified to conduct the review. This review is limited to technical and/or cost matters.
4. Criteria used to evaluate applications during the merit review must be included within a NOFA.

## **B. APPLICATION EVALUATION**

1. Standard Rating Factors. HUD has established five (5) standard rating factors in the NOFA template. Program Offices may modify the factors for a specific funding opportunity to reflect statutory and regulatory limitations or program needs. The NOFA must indicate when rating factors are not applicable. The factors are:
  - a. Capacity of the Applicant and Relevant Organizational Staff
  - b. Need/Extent of the Problem
  - c. Soundness of Approach
  - d. Leveraging Resources
  - e. Achieving Results and Program Evaluation
2. Additional Points. NOFAs may award up to 100 points for the standard rating factors. Additional points may be given for Secretarial initiatives. As an example, as of June 2017, participating programs may award up to an additional 2 preference points for Promise Zone participation. As part of the Promise Zones initiative, applicants serving the urban, rural, and tribal communities designated may receive preference for funding. Applicants must submit HUD Form 50153, signed by the Promise Zone authorized official to receive the points.
3. Past Performance of Applicants. In evaluating applications for funding, HUD will consider an applicant's past performance in managing previous grants under the program or from HUD. Items HUD may consider including, but are not limited to:
  - a. Accounting for funds appropriately;
  - b. Using funds received from HUD in a timely manner;
  - c. Producing timely and high-quality reports submitted to HUD;
  - d. Meeting program requirements;
  - e. The use of quantitative data to establish performance targets;
  - f. Meeting performance targets as established in the grant agreement or explaining missing targets;
  - g. The applicant's organizational capacity, including staffing structures and capabilities;
  - h. Timelines for completion of activities and receipt of promised matching or leveraged funds; and

- i. The number of persons to be served or targeted for assistance.
4. Factors for Award. HUD may deduct points from the rating score or establish threshold levels as specified under the Factors for Award in the program NOFAs. Program NOFAs will specify how past performance will be rated or otherwise used in determining award amounts.
5. Funding Priority. HUD may give funding priority to applicants who demonstrate effective use of evidence in identifying needs to be addressed and selecting the practices, strategies or remedies proposed in the application, where practicable.
6. Applicant Performance. HUD may assess an applicant’s ability to manage performance, including data quality and validity. Applicants may be asked to describe their plan to manage and monitor their performance. HUD may evaluate these elements of the plan:
  - a. Timeline for data collection;
  - b. Timeline for regular and routine internal review of data quality;
  - c. Measurable outcome indicators and/or outputs;
  - d. Benchmarks set for outcomes and/or outputs (i.e. target numbers expected to be achieved); and
  - e. Description of how the outcome indicators support program goals and/or HUD goals.
7. Environmental Justice. HUD Program Offices may consider environmental justice in evaluating applications, if specified in a NOFA. Under Executive Order (EO) 12898, HUD is directed to identify and address disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations. Program NOFAs must clearly outline how environmental justice will be evaluated, where applicable.
8. Intergovernmental Reviews. Executive Order (EO) 12372, Intergovernmental Review of Federal Programs, as implemented by 24 CFR part 52, should foster an intergovernmental partnership and a strengthened Federalism by relying on state, areawide, regional, and local coordination and review of proposed Federal financial assistance and direct Federal development. NOFAs must indicate if the program is subject to EO 12372. If subject to EO 12372, a Program Office must review comments received from the State Single Point of Contact (SSPOC) and try to accommodate intergovernmental concerns as per the procedures outlined in 24 CFR part 52.

### **C. INDEPENDENCE OF APPLICATION REVIEWERS**

1. The Program Office must use objective reviewers knowledgeable in the field of endeavor or subject under review, be sufficiently independent of the entity applying for assistance, and able to render an objective and unbiased

evaluation. This include federal employees, including HUD staff. Any circumstance introducing a conflict of interest, or appearance thereof, prejudices, biases, or predispositions into the process must be avoided.

2. Federal employees, consultants and technical experts, who assist HUD in rating and ranking applications for funding under NOFAs are subject to 18 U.S.C. 208, the Federal criminal conflict-of-interest statute, and the Standards of Ethical Conduct for Employees of the Executive Branch regulation published at 5 CFR part 2635. Consultants and technical experts who assist applicants with preparing applications for Program NOFAs may not serve on a selection panel and may not serve as a technical advisor to HUD.
3. Employment of outside experts and peer reviewers under the consultant appointment authority subjects them to the restrictions under Section 103 of the HUD Reform Act when consultants/experts review competitive applications. Program offices must ensure inherently governmental functions, such as award selections and recommendations, are not performed by experts or consultants.
4. Anyone involved in rating and ranking Program NOFA applications, including departmental staff, experts, and consultants, must avoid conflicts of interest or the appearance of such conflicts. These individuals must also disclose to HUD's OGC Ethics Law Division the following information, if applicable:
  - a. How the selection or non-selection of any applicant under a Program NOFA will affect the individual's financial interests, as provided in 18 U.S.C. 208, or
  - b. How the application process involves a party with whom the individual has a covered relationship under 5 CFR 2635.502 (b)(1).
5. The consultant or technical expert assisting HUD must disclose this information before participating in any matter regarding a NOFA.

#### **D. CONDUCT OF MERIT REVIEW**

1. The merit review must be performed:
  - a. After the application submission deadline; or
  - b. After the Program Office accepts an unsolicited request for funding for review.
2. Applications must be evaluated against the Eligibility, Threshold Requirements and Rating Factors in the NOFA. At a minimum, evaluations of applications from eligible applicants must include a full reading of the application, scoring of the application on the evaluation criterion, and indicate the strengths and weaknesses of the overall response.

3. If stated in the NOFA, HUD may consider geographic distribution, diverse types and sizes of applicant entities, diversity of methods or approaches or a limitation on the number of awards a single applicant may receive when selecting applicants for funding.

**E. RANKING AND SELECTION OF APPLICANTS**

1. After applications are scored, the Program Office must rank the applications unless only one application is received.
2. The results of the application review process and selection recommendations are then provided to the Allotment Holder. Selections are made based on the evaluation, published factors for award and other factors as indicated under D.3. above, and comments if any, under EO 12372.
3. Approval of the ranking and selections by the Allotment Holder or his/her designee indicates all requirements in the NOFA have been met for successful applicants.
4. Applicants disapproved (including those not meeting eligibility threshold requirements), must be notified in writing after the Allotment Holder approves the selected applicants list.

**F. DOCUMENTATION OF THE MERIT REVIEW PROCESS**

1. Documentation of the decision to approve, disapprove, or otherwise not fund an application, as required by this Section, must be maintained by the Program Office in its files or in the official electronic award file.
2. Documentation must be handled in a manner that protects the confidentiality of the reviewers' identities and their comments, and does not reveal their assessments or scores to the public. This information must be documented for approved applications:
  - a. The numerical position of the application in the ranking list;
  - b. When applications are not approved in rank order, adequate justification and description of the items or reasons influencing the selection of applicants for funding;
  - c. The amount recommended for funding and, if different from the amount requested in the application, an explanation or rationale for the difference between the requested amount and the award amount;
  - d. Information on strengths and weaknesses of the application; and
  - e. Any conditions imposed on the approved application, whether resulting from the objective review or pre-award risk assessment.
3. HUD must ensure documentation states the rationale for approval or denial. The application, including any letters of support, will be available for public inspection for a 5-year period beginning not less than 30 days after the award

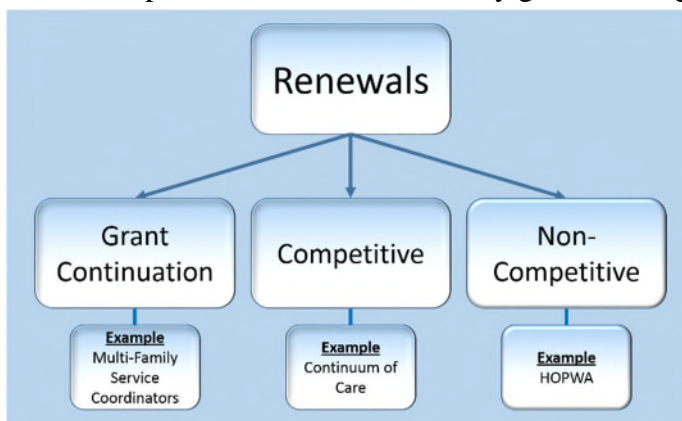
as provided under the FOIA and HUD’s implementing regulations at 24 CFR part 15.

4. Applicant disclosure reports (currently HUD-2880) submitted must be available to the public for five (5) years. Updated reports must be available with the initial applicant disclosure reports for at least three (3) years.

## 2 – 9 RENEWALS

### A. TYPES OF GRANT RENEWALS

1. Another important kind of discretionary grant-making at HUD is renewal grants.



There are three types of renewal grants: Continuation, Competitive, and Non-Competitive. Whether a grant can be continued or renewed and whether they may be awarded non-competitively depends on authorizing acts,

appropriations acts and program regulations.

2. A grant continuation is an extension or renewal of an existing expiring program funding for one or more additional budget period(s). Continuation grants are typically available to existing recipients of discretionary, multi-year grants.
3. A competitive grant renewal extends program funding for one or more additional budget period (s) based on a competition with other eligible renewal recipients. Funding is announced via a NOFA on grants.gov and selection is based on criteria detailed in the NOFA.
4. A non-competitive grant renewal extends program funding for one or more additional budget period(s) based on availability of funds, project performance and/or compliance with progress and financial reporting requirements. Recipients may have originally competed for selection or were selected based on Congressional direction or an appropriations act.

### B. RENEWAL APPLICATION REQUIREMENTS

1. For non-competing renewals, Program Offices must provide eligible applicants with specific instructions for completing and submitting applications via a Federal Register Notice (FRN) or other notification if OGC determines a FRN is not required.
2. At minimum, the FRN must specify:

- a. Required means of submission;
  - b. Required forms and documentation to be submitted;
  - c. Due date for submission and consequences of a late submission;
  - d. Approved funding level for the upcoming budget period if full-year appropriations are available;
  - e. Requirements to request any budget or project revisions; and
  - f. Instruct recipients to provide estimated unobligated balances at end of performance period and explain why an unobligated balances exist.
3. For competitive renewals, Program Offices must comply with the same requirements for discretionary grant competitions, including NOFA development and merit review.

**C. RENEWAL APPLICATION (NON-COMPETITIVE) REVIEW**

1. Subject to the requirements of the authorizing acts, appropriations acts and program regulations, award continuations and non-competitive renewals need not undergo a merit review process. However, HUD must determine that the award being renewed complies with program requirements.
2. As a prerequisite to continued funding, the appropriate grants official must:
  - a. Determine whether the recipient has submitted applicable certifications and assurances (2 CFR 200.208);
  - b. Review the required OMB-designated repositories of government-wide data such as the SAM and the FAPIIS and make award decisions accordingly (Appendix I to 2 CFR 200); and
  - c. Review the application budget, the most recent Federal Financial Report (FFR) and other available information.
3. For multi-year periods of performance, the Program Office may provide funding in the future based on appropriations in the approved amount(s) unless:
  - a. The recipient is not making adequate progress;
  - b. The recipient has not complied with the terms and conditions of the award; or,
  - c. The amount available for funding has been reduced or eliminated.
4. The Program Office may reject an application for a renewal award if any of these situations occur, subject to any appeal rights available to the recipient in statute or regulation.

## **2 – 10 UNSOLICITED PROPOSALS**

### **A. OVERVIEW**

1. Unsolicited proposals are those received without benefit of full and open competition. The determination to fund a grant or cooperative agreement without competition must be authorized by law and supported by a written justification approved by the responsible Authorizing Official.
2. Program Offices may only fund an unsolicited proposal where legally authorized and where it has been determined the applicant has offered a unique idea or concept and it is not feasible to pursue the project competitively without disclosing the applicant's proprietary ideas.

### **B. UNSOLICITED PROPOSALS INVOLVING RESEARCH**

1. If a proposed unsolicited project not exempt under 45 CFR 46.101(b) (made applicable by 24 CFR 60.101) involves research using human subjects, then a certification must be included indicating an Institutional Review Board (IRB) has approved the research design. The certification must be accompanied by a description of the procedures and membership of the IRB and shows it has been registered under the Department of Health and Human Services' (HHS) Policy for Protection of Human Research Subjects, 45 CFR Part 46, Subpart E. Unsolicited proposals involving research should be forwarded to the HUD Office of the Assistant Secretary for Policy Development and Research (PD&R).
2. Unsolicited proposals sent to HUD should be treated uniformly from receipt through evaluation in accordance with 48 CFR Part 15, Subpart 15.6. Title V of the Housing and Community Development Act of 1970, as amended, authorizes the Secretary to undertake programs of research, studies, testing and demonstrations, relating to the mission and programs of the Department.
3. To assure effective results of these activities, the Secretary is also authorized to disseminate significant reports, data and information to Departments and agencies of federal, state and local governments, private organizations and the public. Research conducted by HUD must undergo peer review procedures in HUD's Guidelines for Information Quality and Integrity prior to issuance to the public.

## **2 – 11 RESEARCH INVOLVING HUMAN SUBJECTS**

### **A. OVERSIGHT AND APPLICABILITY**

1. The Office of Policy Development and Research (PD&R) is the HUD office with Department-wide responsibility for research involving human subjects.



2. The regulations for protecting human subjects in 45 CFR part 46, Federal Policy for the Protection of Human Subjects, apply to HUD grants for research involving human subjects. Subpart A of Part 46 was adopted by HUD in 24 CFR 60.101 and by other federal agencies, as a uniform “Common Rule.”
3. HUD amended its human subject protection regulations on January 19, 2017 (82 Federal Register 7149 – 7274). The effective date for the amended regulations is January 19, 2018, except January 20, 2020 for research conducted at more than one institution, called “cooperative research.”

## **B. NOFA REQUIREMENTS**

1. Program Offices must ensure NOFAs for research state the requirements associated with protection of human subjects and specify the information and assurances required from the applicant prior to the issuance of award.
2. Recipients and subrecipients must safeguard the rights and welfare of human subjects in HUD-supported research activities in compliance with the Common Rule (45 CFR part 46, subpart A). This includes obtaining IRB approval and obtaining informed consent. As a matter of grants policy, recipients must ensure subrecipients comply with these requirements.

## **2 – 12 PRE-AWARD RISK ASSESSMENTS (2 CFR 200.205)**

### **A. ENTERPRISE RISK MANAGEMENT RELATIONSHIP**

1. An objective of HUD’s Risk Management Program is to facilitate the completion of risk assessments at the program level which inform, and are informed by, the enterprise risks. These pre-award risk assessments of recipients provide input into developing the Department’s view of risk. They also promote an understanding of HUD’s enterprise risks.
2. The Risk Management Program’s standard set of methodologies, tools, templates and processes for managing risk activities can be used by the Program Offices to develop or enhance pre-award risk assessment procedures. As enterprise-level risk management processes over grants are reviewed and matured by the Department, GMO will work with the Risk Management Program to provide updated information and tools to Program Offices.



### **B. PROGRAM OFFICE RISK FRAMEWORK**

1. Program Offices must establish a process to identify and mitigate potential risks posed by potential recipients before selection. (2 CFR 200.205) Before selecting applicants for award, Program Offices must conduct a pre-award evaluation of each applicant; determine if the applicant poses risk; and decide whether to impose award conditions and additional performance requirements

to mitigate and monitor risk or not select the applicant for funding based on the risk evaluation.

2. Regulations on reviewing and evaluating risk are in 2 CFR 200.205. Before making a federal award, HUD is required to review information available through any OMB-designated repositories of eligibility, qualification or financial integrity information, as appropriate.
3. Each Program Office's financial management staff is charged with helping the Program Office determine whether an applicant is sufficiently responsible to receive federal financial assistance under requirements established in 2 CFR part 200. If the review of the application shows risk using the indicators in sub-section C below, the Program Office must determine whether the risks can be handled with special terms and conditions (2 CFR 200.207).

**C. RISK INDICATORS (2 CFR 200.205)** – In evaluating risks posed by applicants, HUD may use a risk-based approach and may consider items such as the following:

1. Financial Instability. Indicators of financial instability include lack of timely payment to subrecipients, contractors, and staff; tax liens/failure to pay federal taxes; or a filing of bankruptcy or insolvency. Please note a decision not to make an award based on bankruptcy or insolvency alone may violate 11 USC 525(a) prohibiting discrimination against organizations filing such actions.
2. Quality of Management Systems and Ability to Meet Management Standards. HUD will not award or disburse funds to applicants not having a financial management system meeting Federal standards as described at 2 CFR 200.302. HUD may arrange for a financial capability system review for recipients who have not previously received Federal financial assistance. This may occur when HUD has reason to question whether a financial management system meets Federal standards, or for applicants considered high-risk based on past performance or financial management findings.
3. History of Performance. Unsatisfactory performance on another federal award, may include, but is not limited to, material violations of award terms and conditions, present debarment, suspension or voluntary exclusion from federal programs on the Limited Denials of Participation list, termination of a previous award for cause or unsatisfactory or incomplete reporting or performance under a prior or current award.
4. Debarments and/or Suspensions. Under 2 CFR part 180, no award of Federal funds may be made to debarred or suspended applicants, or those proposed to be debarred or suspended from doing business with the Federal government.
5. Reports and Findings from Audits performed under Subpart F. The reports and findings of any other available audits may also be reviewed.
6. The Applicant's Ability to Effectively Implement Statutory, Regulatory, or Other Requirements Imposed on Non-Federal Entities.

**D. RISK EVALUATION (2 CFR 200.205)**

1. Pre-award risk evaluation must include a review of the applicant's history in available systems; including OMB-designated repositories of government-wide eligibility and financial integrity and other sources of historical information. These systems include, but are not limited to:
  - a. System for Award Management (SAM);
  - b. FAPIS, including past performance on federal contracts as per Duncan Hunter National Defense Authorization Act of 2009; and
  - c. Dun and Bradstreet.
3. Before making an award expected to exceed the simplified acquisition threshold (as of early 2017, \$150,000), HUD must determine whether a non-federal entity is qualified to receive an award by considering any information about the entity in FAPIS.
4. HUD does not have to make an award to a recipient, even if it has submitted a meritorious application, as determined by the merit review. HUD reserves the right to:
  - a. Deny funding, or with a renewal or continuing award, consider suspension or termination of an award immediately for cause,
  - b. Require removal of any key individual from association with management or implementation of the award, and
  - c. Make provisions or revisions regarding method of payment or financial reporting requirements.
5. A financial capability review may be required for newly established organizations, organizations not receiving an award from a federal agency within the preceding 36 months, and organizations experiencing financial difficulty as evidenced by financial reports. In these instances, the Program Office may evaluate the organization's financial statements to assess the organization's financial stability.
6. The Program Office makes the final decision to fund an application based on the reviews. HUD may make a Federal award to a recipient who does not fully meet these standards, if it is determined that the information is not relevant to the current Federal award under consideration or there are specific conditions that can appropriately mitigate the effects of the recipient's risk in accordance with 2 CFR 200.207. This could include special restrictive conditions upon written notification of the conditions; the reason(s) for imposing them; and the corrective action necessary to remove them.

## **2 - 13 FUNDS COMMITMENT**

### **A. FUNDS CONTROL**

1. Program Offices must have an OCFO-approved Funds Control Matrix for their programs. The Matrix covers key information regarding the assignment, commitment, obligation, and disbursement of funds for each program activity, including the verification of the availability of funds. OCFO's [Funds Control Handbook](#) has chapters on each area. This process significantly reduces HUD's risk of an Anti-Deficiency Act violation. For additional information, see Chapter 3 -1 of this handbook.
2. Allotment Holders are the HUD primary organization heads, such as Assistant Secretaries or equivalent positions. No official or employee of HUD shall be designated as an Allotment Holder unless OCFO has determined he/she has implemented an adequate funds control system and has received training in funds control procedures. For additional information, see Chapter 1 – 5 A.2. of this handbook.
3. Before Congressional notification and public announcement, Program Offices prepare funding commitments for selected recipients and submit to the Allotment Holder for approval. Once approved, the Congressional Notification can be generated for Congressional and Intergovernmental Relations (CIR) and the OCFO. An electronic file is prepared for HUD's accounting system to record the commitment by the Program Office or OCFO systems staff. CIR provides the date awards can be announced once the notification has been submitted to Congress.
4. After selection, some Program Offices may negotiate specific terms of the funding agreement and budget with selected applicants, if permitted by the NOFA. If HUD and a selected applicant do not successfully conclude negotiations in a timely manner, or a selected applicant fails to provide requested information, the applicant will not be awarded. HUD may select another eligible applicant in accord with the NOFA selection requirements.

### **B. AWARD INSTRUMENT AND FUND COMMITMENT**

1. The grant agreement or cooperative agreement is the legal document issued to the recipient indicating an award has been made. To manage HUD awards, HUD funds grants on a period of performance model. For additional information, see Chapter 3 – 1 of this Handbook.
2. The grant or cooperative agreement must specify the period during which the recipient may expend the funds (Period of Performance Start and End Date) and authorities for no-cost extensions or automatic carryover. The recipient may expend federal funds under an award and any potential extensions.
3. The point of obligation for programs is defined in the OCFO-approved Funds Control Matrix. HUD must obligate funds for the purposes for which the funds were appropriated and during the period of availability for obligation.

## 2 – 14 AWARD NOTIFICATION REQUIREMENTS

### A. CONGRESSIONAL NOTIFICATION REPORT REQUIREMENT

1. These requirements apply to both discretionary and mandatory grant awards made by HUD, including grant renewals.
2. To ensure members of Congress receive prompt advance notification of grant awards not less than 3 full business days before any award is announced, Program Offices must notify CIR of:
  - a. New or renewal awards for discretionary grants of \$25,000 or more in federal funds (i.e., the amount obligated during the period of performance), whether awarded on a competitive or non-competitive basis;
  - b. Supplemental awards under discretionary grant programs, based on dollar amount or a change in scope, that have undergone objective review; and,
  - c. Allocations under mandatory grant programs.
3. The CIR notification requirement does not apply to the de-obligation of HUD funds.

### B. CONGRESSIONAL NOTIFICATION REPORT

1. The Congressional notification report must be provided by the responsible Program Office to CIR in an Excel file five business days before the Office would like to announce awards. The notification format may be subject to change. If changed, Program Offices will be provided with an update from GMO.
2. The current report format must include:
  - a. Name of the recipient;
  - b. Congressional district(s) of the recipient and place of performance (if different);
  - c. Award type (e.g., new, renewal, supplemental);
  - d. Award amount; and
  - e. Contact Name and phone number for the recipient.
3. CIR must provide the notice to OCFO for review.
4. After review, CIR provides the report to Congressional members. OCFO provides the report to House and Senate Appropriations Committees.
5. Program Offices must email the Congressional Notification report to [AskGMO@hud.gov](mailto:AskGMO@hud.gov) after it is submitted to CIR. They should also email the

URL link to the press release issued by the Office of Public Affairs, if applicable, to [AskGMO@hud.gov](mailto:AskGMO@hud.gov) soon after publication.

**C. FINAL SELECTION REPORT**

1. Program Offices must provide GMO with a copy of the final selection report or list within 30 days of the award announcement. The report or list must detail all applicants’ names, award amounts and scores.
2. GMO will update HUD’s [Funds Opportunities](#) web page to reflect awards made during a fiscal year.

**2 – 15 PROGRAM OFFICE RESPONSIBILITIES AFTER AWARD ANNOUNCEMENT**

**A. PREPARE AWARD ANNOUNCEMENT AND POST IN THE FEDERAL REGISTER**

1. HUD publishes a Federal Register Notice listing awards including (1) assistance subject to Section 102(a) of the HUD Reform Act and (2) assistance provided through grants or cooperative agreements on a discretionary, non-competitive basis (see 24 CFR part 4).
2. To implement this requirement, Program Offices must prepare and submit the draft Federal Register Notice to the [OGC Regulations Division](#). OGC reviews the Federal Register Notice before it is published.

**B. CODES OF CONDUCT (2 CFR 200.318)**

1. To ensure compliance with 2 CFR 200.318(c), Program Offices must ensure all proposed award recipients of discretionary funding, except states, have a Code of Conduct in the HUD [Code of Conduct e-library](#). The submission of the Code of Conduct to the E-Library is a HUD requirement.
2. The Code of Conduct must include compliant conflict of interest language. The Program Office must review the language to determine it meets the requirements in 2 CFR 200.318(c). If the applicant is not a state and does not have a compliant code of conduct on file, the applicant cannot receive discretionary funding.
3. If the Code of Conduct is on file and meets the requirements in 2 CFR 200.318 (c), no further action is required.
4. If **not** on file, but the Program Office has a copy of the Code of Conduct, it shall use the [Code of Conduct Checklist](#) to review each Code of Conduct for compliance with [2 CFR 200.318](#). Items on the checklist must be answered in the affirmative for compliance.
5. The Program Office should email the Code of Conduct and the signed, completed checklist and the following information to [AskGMO@hud.gov](mailto:AskGMO@hud.gov).
  - a. DUNS number

**REQUIREMENT**



- b. Organization name
  - c. Mailing address
  - d. Name, title, phone number and email address of Authorized Representative or person with executive authority
5. If **not** on file, and the applicant submits a Code of Conduct with an application, the Program Office should use the [Code of Conduct Checklist](#) to review the Codes of Conduct statement for compliance. Items on the checklist must be answered in the affirmative for compliance.
  6. If **not** on file, and the applicant submits no Code of Conduct statement with the application, the Program Office shall request a copy as a curable deficiency. The applicant must meet threshold requirements and be selected for an award. The selection of the application cannot be announced and funded if deficiencies have not been cured.

### **C. DEBRIEFING**

1. Most of HUD's discretionary funding competitions do not have appeal processes. However, application debriefing is available. For a period of at least 90 days, following the public announcement of awards under a NOFA, HUD will provide an application debriefing to requesting applicants.
2. A debriefing request must be made in writing or by email by the applicant's authorized official whose signature appears on the SF-424 or by his or her successor in office, and be submitted to the Agency Contact(s) in the NOFA.
3. Information provided during a debriefing may include the final score the applicant received for rating factors, final evaluator comments for rating factors, and the final assessment indicating the basis assistance was provided or denied.

CHAPTER III: AWARD



### **3 – 1 ISSUING AN AWARD**

#### **A. FUNDS CONTROL POLICY**

1. Program Offices must follow the Funds Control Handbook issued by the OCFO, including Chapter 4 on commitments and Chapter 5 on obligations. The following information in this section briefly describes certain aspects of commitments and obligations and contains references for additional information.
2. Program Offices, as per the Funds Control Handbook, must have a two-step funds control process requiring verification of fund availability prior to making any internal commitment of funds and to incurring any legal obligation to expend funds.

#### **B. GRANT AWARD NUMBERING**

1. For funding control, a unique identification number must be assigned to commitments and this identification number must be associated with any subsequent funding action.
2. Unless exempted by the OCIO, the numbering structure must conform to the HUDCAPS, its subsidiary system (e.g., the PAS), or a successor system issued by the OCFO and in concurrence with OSPM. For additional information, see Chapter 4 – 11 of the Funds Control Handbook.

#### **C. FUND OBLIGATION**

1. Key points in the obligation process are identified in the OCFO-approved Funds Control Matrix for each program and guidance and requirements for obligations are included in Chapter 5 of the Funds Control Handbook.
2. An obligation of funds is legally binding and requires an outlay or expenditure of funds immediately or in the future. An obligation may not be authorized before enactment of an applicable appropriation and issuing an allotment, unless otherwise provided by law.
3. Obligations should be recorded in the appropriate accounts as incurred, in the appropriate source year accounts. Obligations must never exceed available funds and should reference, and be verified against, a prior commitment of funds to assure sufficient funds are available, unless exempted from the funds commitment process by the OCFO.
4. Care must be taken to properly establish the point of obligation using the guidance provided in Chapter 2 – 14 of this Handbook and Chapters 5 – 5 and 5 – 7 of the Funds Control Handbook.
5. Program counsel should be asked to review the form and content of any notification of selection or announcement letters prior to signing an award agreement, to ensure such communications will not prematurely obligate the

government before terms and conditions have been agreed to by HUD and the proposed funding recipient.

6. Program Offices are cautioned to avoid any communication improperly implying an obligation of funds prior to the intended point of obligation. For additional information, see Chapter 5 – 6 of the Funds Control Handbook.
7. A recipient indicates acceptance of an HUD award and its associated terms and conditions by signing the grant agreement or cooperative agreement.

### **3 – 2 INDIRECT COSTS (2 CFR 200.414)**

#### **A. REQUIREMENTS**

1. Indirect costs are those costs not readily identifiable with a certain cost objective (e.g., direct organizational activity or project), but are necessary for general operations of an organization. Examples include accounting, personnel, purchasing functions, rent, depreciation and utilities. Indirect costs are generally charged to Federal awards through the development and application of an indirect cost rate (ICR).
2. A governmental department or agency unit receiving more than \$35 million in direct Federal funding must submit its indirect cost rate proposal to its cognizant agency for indirect cost.
3. A recipient (other than a governmental department or agency unit receiving more than \$35 million in direct Federal funding) can elect to accept a 10% de minimis indirect cost rate of modified total direct costs (MTDC), if a negotiated cost rate has never been established.
4. To recover indirect costs related to Federal awards, organizations must negotiate an ICR with the cognizant agency for indirect costs or charge a de minimis rate of 10% of modified total direct costs as provided at 2 CFR 200.414(f).

#### **B. COGNIZANT AGENCY FOR INDIRECT COSTS**

1. Cognizant agencies for indirect costs are assigned in accordance with 2 CFR part 200, Appendices III, IV, V, and VII. A cognizant agency for indirect costs means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposal under 2 CFR § 200.19.
2. HUD is the cognizant agency and negotiates formal indirect cost rate agreements (ICRAs) for many recipients. Organizations for which HUD is the cognizant agency are required to regularly submit proposals to update their ICRs.
3. HUD has an interagency agreement with HHS to negotiate and issue ICRs for HUD's cognizant recipients that are government and non-profit entities. HUD

does not negotiate ICRs for organizations that are not direct recipients of HUD funding (e.g. subrecipients) or for foreign organizations.

4. For assignments of cognizant agencies of indirect costs, see the following:
  - a. For Institutions of Higher Education: Appendix III to Part 200--Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), paragraph C.11.
  - b. For nonprofit organizations: Appendix IV to Part 200--Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, paragraph C.2.a.
  - c. For state and local governments: Appendix V to Part 200--State/Local Governmentwide Central Service Cost Allocation Plans, paragraph F.1.
  - d. For Indian tribes: Appendix VII to Part 200--States and Local Government and Indian Tribe Indirect Cost Proposal, paragraph D.1.

### **C. INDIRECT COST RATE AGREEMENTS (2 CFR 200.414)**

1. Program Offices must accept federally-negotiated indirect cost rate agreements unless:
  - a. Federal statute or regulation authorizes a different rate;
  - b. A specific rate is approved by HUD for a class of awards; or
  - c. A deviation is approved by the Secretary or designee with delegated authority.
2. HUD must inform OMB of any deviations from the federally negotiated indirect cost rate agreements.
3. HUD must implement, and make publicly available, the policies, procedures, and decision-making criteria that its programs will follow to justify deviations from negotiated rates. A NOFA or Notice must indicate if a rate other than a negotiated indirect cost rate applies to a certain grant program.
4. GMO will work with Program Offices to establish a Department-wide procedure and/or general decision-making criteria relative to deviations or changes from negotiated rates.

## **3 – 3 INFORMATION CONTAINED IN A FEDERAL AWARD (2 CFR 200.210)**

### **A. REQUIREMENTS**

1. A federal award must include:
  - a. General Federal Award Information;

- b. General Terms and Conditions;
  - c. Program-Specific Terms and Conditions;
  - d. Federal Award Performance Goals; and
  - e. Any other information required by HUD.
2. Under statutory requirements for Federal spending transparency (e.g. FFATA) for applicable awards, HUD must announce all Federal awards publicly and publish the required information on a publicly available OMB-designated government-wide web site (currently [USASpending.gov](https://www.usaspending.gov)).

**B. GENERAL FEDERAL AWARD INFORMATION**

1. Grant agreements or cooperative agreements must include:
- a. Recipient name (which must match the name associated with its unique entity identifier as defined at 2 CFR 25.315);
  - b. Recipient’s unique entity identifier, currently the DUNS number;
  - c. Unique Federal Award Identification Number (FAIN)
  - d. Federal Award Date (see 2 CFR 200.39 Federal award date)
  - e. Period of Performance Start and End Date;
  - f. Amount of Federal Funds Obligated by this action;
  - g. Total Amount of Federal Funds Obligated;
  - h. Total Amount of the Federal Award;
  - i. Budget Approved by HUD;
  - j. Total Approved Cost Sharing, or Matching, where applicable;
  - k. Federal Award Project Description
  - l. Name of Federal Awarding Agency and Contact Information for awarding official;
  - m. CFDA Number and Name;
  - n. Identification of whether the award is Research and Development (R&D); and
  - o. Indirect cost rate for the Federal award (including if the de minimis rate is charged per 2 CFR § 200.414 Indirect (F&A) costs).

**C. GENERAL TERMS AND CONDITIONS (2 CFR 200.210)**

- 1. HUD must incorporate general terms and conditions either in the Federal award or by reference, as applicable.
- 2. The general terms and conditions must include:

- a. Administrative requirements in 2 CFR part 200 as implemented by HUD;
- b. National policy requirements, including statutory, executive order, other Presidential directives or regulatory requirements that apply by specific reference and are not program-specific which are made applicable to recipients (e.g., Program offices should include specific conditions relating to the recipient's compliance with Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), if the recipient will use the award with the provision of electronic information and information technology);
- c. Recipient integrity and performance matters; if the total Federal share of the award exceeds \$500,000, HUD must include the term and condition available in Appendix XII of 2 CFR part 200 – Award Term and Conditions for Recipient Integrity;
- d. Conflict of interest requirements described in this Handbook in Section 2 – 5 (B)(3);
- e. A statement requiring flow-down of applicable requirements to subrecipients and contractors under grants or subawards;
- f. How any program income earned under the award must be used; and
- g. An indication whether the federal award amount is subject to adjustment based on total allowable costs incurred and the value of third-party in-kind contributions (e.g., if there are disallowed costs or contributions).

**D. PROGRAM-SPECIFIC REQUIREMENTS (2 CFR 200.210 (c))**

1. Program Offices must include program-specific terms and conditions (i.e. program requirements) into the award agreement.
2. These may include, for example, time requirements for project commitments, development and occupancy. They may also include additional reporting requirements after the period of performance as required by statute or regulations.
3. Whenever practicable, these program-specific terms and conditions should be shared on a public Web site and in NOFAs, in addition to being included in the grant agreement or cooperative agreement.

**E. AWARD-SPECIFIC TERMS AND CONDITIONS (2 CFR 200.207)**

1. Specific terms and conditions may be imposed on awards by HUD Program Offices as needed, as described in 2 CFR 200.207.
2. Based on the risk posed by applicants as determined through the pre-award risk assessment, Program Offices may implement specific award conditions either at the time of a new or renewal award, or based on non-compliance

during the post-award administration process under 2 CFR 200.207 and 200.338. Specific terms and conditions might be imposed if the recipient:

- a. Has a history of failure to comply with the general or specific terms and conditions of a Federal award;
  - b. Fails to meet expected performance goals as described in 2 CFR 200.210; or
  - c. When an applicant or recipient is otherwise not responsible.
3. These additional Federal award conditions may include items such as the ones depicted in the graphic below:



- a. Requiring payments as reimbursements rather than advance payments;
  - b. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
  - c. Requiring additional, more detailed financial reports;
  - d. Requiring additional project monitoring;
  - e. Requiring the recipient to obtain technical or management assistance; or
  - f. Establishing prior approvals.
4. Program Offices must notify the recipient as to:
- a. The nature of the additional requirements;
  - b. The reason why the additional requirements are being imposed;
  - c. The nature of the action needed to remove the additional requirements, if applicable;
  - d. The time allowed for completing the actions, if applicable; and
  - e. The method for requesting reconsideration of the additional requirements imposed.
5. Award-specific conditions based on risk must be removed once the recipient completes the required corrective action(s).

### **3 – 4 AWARD TRANSMISSION**

#### **A. REQUIREMENTS**

1. The grant agreement or cooperative agreement must be signed (or its electronic equivalent under the [Electronic Signatures in Global and National Commerce Act](#) – P.L. 106-229) by an authorized grants management official with the delegated authority to obligate the federal funds.
2. As HUD continues moving toward implementation of electronic transmittal, it is anticipated that paper documents will not be sent to recipients. Instead, transmission, return and receipt of documents will occur electronically and documents will be viewed and managed online.

#### **B. AWARD EXECUTION AND WITHDRAWAL FOR CAUSE**

1. The award package sent to the recipient must include the grant agreement or cooperative agreement and requisite financial forms needed to draw down funds. The award letter for the package will provide specific instructions to the recipient and providing a deadline for its return to HUD.
2. If a recipient fails to sign and return the agreement and HUD has tried to obtain the required response from the recipient, HUD may withdraw the offer.

CHAPTER IV: POST-AWARD



## 4 – 1 MONITORING (2 CFR 200, SUBPART D)

### A. OVERVIEW

1. Program Offices must perform post-award monitoring for both discretionary and mandatory awards ensuring the successful performance and administration of the awards. Post-award monitoring extends through the period of performance and closeout. Monitoring includes day-to-day activities and activities performed at specified intervals, such as site visits. It also includes periodic evaluations of recipient performance required by statute or policy.
2. Monitoring provides systematic, structured, timely, and dynamic data to help management make informed decisions about program effectiveness and efficiency. It helps identify fraud risks and design and implement controls to prevent, detect, and respond to fraud, including improper payments.
3. HUD-wide regulations on financial, performance and property monitoring and reporting requirements are found in the program regulations and 2 CFR part 200. Program Offices must monitor for conformity with program statutory and regulatory requirements and the terms and conditions of the award.
4. Examples of monitoring program guidelines/regulations/policies for some Program Offices may be found at:
  - a. [Community and Planning Development](#)
  - b. [Fair Housing and Equal Opportunity](#)
  - c. [Lead Hazard Control and Healthy Homes](#)
  - d. [Public and Indian Housing](#)

### B. OVERSIGHT ROLE AND RESPONSIBILITIES

1. Program Offices must conduct the appropriate post-award monitoring for grants and cooperative agreements regularly. Using a cooperative agreement, instead of a grant, does not relieve HUD from its monitoring responsibilities. Monitoring responsibilities are separate from the federal collaborative role in a cooperative agreement.
2. HUD, as steward of federal funds, must monitor recipients for compliance with the program statute, regulations, and terms and conditions of the award. The information obtained through monitoring is used to determine performance and whether additional actions are needed to increase the potential for successful performance or to protect federal interests.
3. Post-award monitoring should determine if the recipient is:
  - a. Making progress in achieving the objectives of the federal award, consistent with performance goals or milestones in the federal award, general activities at a level of effort, and/or specific project activities;

- b. Minimizing the time elapsing between the drawdown of funds for advances and the disbursement for program purposes in accordance with cash management requirements;
- c. Providing required matching or cost sharing consistent with its programmatic performance, if required;
- d. Maintaining adequate administrative and financial systems;
- e. Using and accounting for federal or grant-generated resources, such as program income, or property under the terms and conditions of award;
- f. Communicating developments having a significant impact on timeframes for completing activities and meeting performance goals of the federal award; and,
- g. Complying with other terms and conditions of award, e.g., allowable costs and public policy requirements, such as research integrity, appropriate treatment of human subjects, and protection of the environment.

### **C. MONITORING PLAN**

1. Monitoring is a responsibility of HUD's Program Offices. Monitoring is performed by both Headquarters and Field Office staff, depending on the program. Staff document the adequacy of recipient program and fiscal performance and compliance during the period of performance.
2. A monitoring plan based on risk analysis must be developed and implemented by the Program Office. At minimum, the analysis should quickly and clearly identify:
  - a. The program and/or recipients with the most significant risk exposure to the Department;
  - b. The number of program recipients to be monitored during a fiscal year in order of priority;
  - c. Types of technical assistance and other support that can be provided to address weaknesses;
  - d. Short- and long-term monitoring approaches (e.g. on-site, remote, virtual, focused, limited or comprehensive) to be used;
  - e. Timeline, including specific tasks and timeframe for monitoring or technical assistance to be conducted; and
  - f. Financial/staff resources to be used to support the monitoring strategy.
3. The monitoring plan should be determined prior to award and is subject to adjustment after award based on recipient performance and compliance. The plan should include strategies on how to measure progress towards

performance goals and reporting frequency. The approach should consider the:

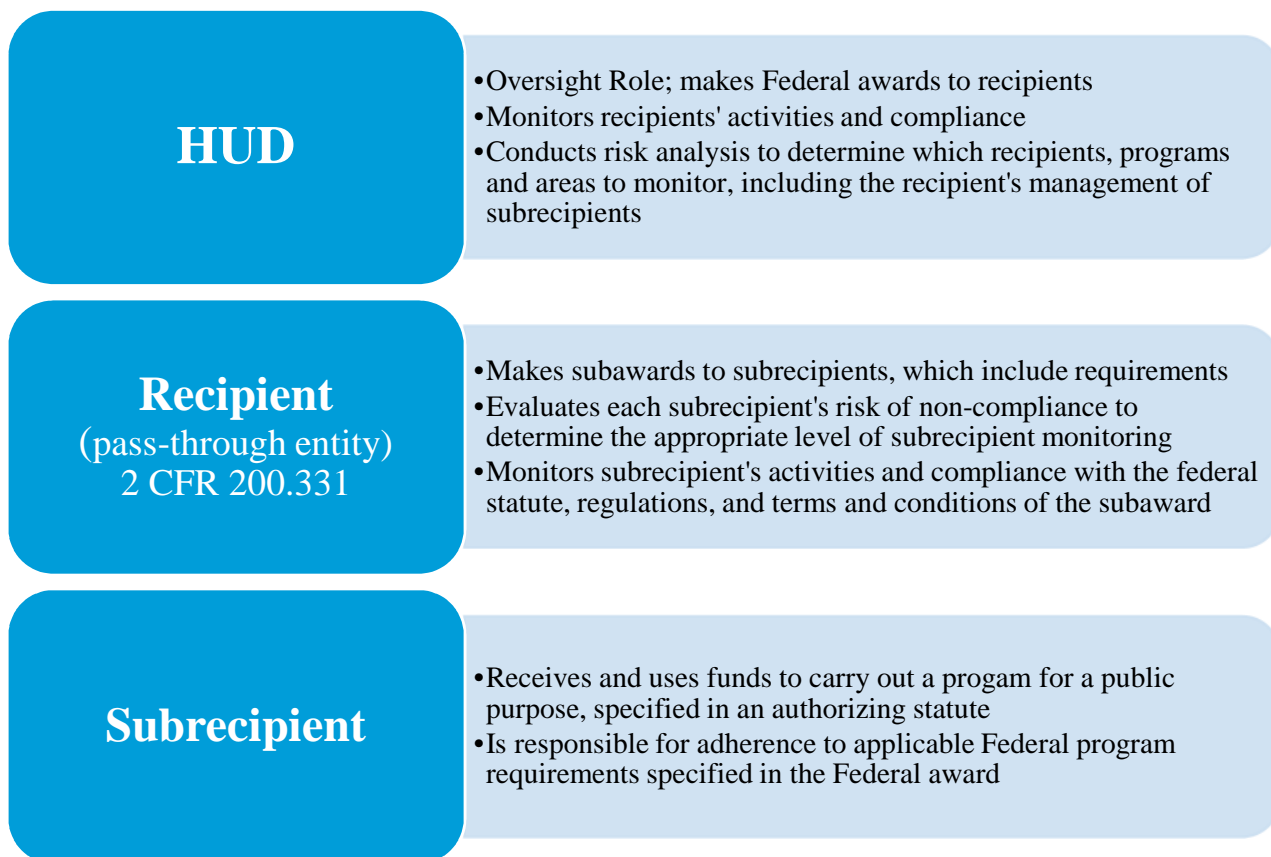
- a. Type of program (e.g., service, research, demonstration);
- b. Governing statutory and regulatory requirements;
- c. Type of award instrument;
- d. Type of recipient(s); and,
- e. Risk-based criteria specific to a program or award.

#### **D. PERFORMANCE MEASUREMENT (2 CFR 200.301)**

1. The recipient's performance should be measured in a way that will help HUD and other recipients improve program outcomes, share lessons learned, and spread the adoption of promising practices. HUD should provide recipients with clear performance goals, indicators, and milestones as described in 2 CFR 200.210 - Information contained in a Federal award.
2. Site visit or virtual monitoring (such as desk review) results, including findings, must be documented in writing after completion of the review and require development of a corrective action plan by the recipient for any findings of non-compliance.
3. An assessment of the recipient's performance should be conducted and follow the monitoring approach adopted for the program and federal award-specific considerations.
4. The assessment should indicate the recipients' overall progress (acceptable or otherwise) and whether there are known issues. The assessment should also include information obtained by phone, email or other sources.
5. The assessment should review both the administrative and financial aspects of the federal award. The assessment may include a review of the single audit, compliance with financial requirements, prior approval requests, and matching or cost sharing efforts.
6. Any need for specific award conditions, technical assistance, or enforcement actions resulting from the monitoring must be noted. Program Offices should consider whether these conditions or actions will be factored into any pre-award risk assessment for future awards.

#### **E. SUBRECIPIENT MONITORING**

1. As part of its oversight and governance role for recipients, HUD has a duty to confirm that using federal funds through any subawards meets the intended outcome. There is a tiered relationship between HUD, its recipients (or pass-through entities) and subrecipients, as shown below:



2. HUD must manage and administer the Federal award in a manner so as to certify that Federal funding is expended and associated programs are implemented in full accordance with U.S. statutory and public policy requirements: including, but not limited to, those protecting public welfare, the environment, and prohibiting discrimination. HUD must communicate to the pass-through entity all relevant public policy requirements, including those in general appropriations provisions, and incorporate them either directly or by reference in the terms and conditions of the Federal award. (2 CFR 200.300)
3. The recipient is the pass-through entity and is responsible for monitoring the subrecipient's activities and compliance with the federal statute, regulations, and terms and conditions of the award, whether the award is a grant or a cooperative agreement. Subrecipient monitoring encompasses the entire lifecycle of subaward activity.
4. Pass-through entities are responsible for making pre-award decision concerning subawards and managing the day-to-day operations of subaward supported activities. In addition, pass-through entities must monitor subrecipients to ensure compliance with applicable federal requirements and the achievement of performance goals.
5. Requirements for pass-through entities are found in 2 CFR 200.331.

6. The pass-through entity must handle any non-compliance issues by the subrecipient.
7. A pass-through entity may impose reporting requirements or require prior approval for an activity even if it is not required by HUD or use a different threshold if it would allow the pass-through entity to meet its obligations to HUD.

## **4 – 2 POST-AWARD REPORTING**

### **A. REQUIREMENTS**

1. Recipients must complete post-award reports required by the grant or cooperative agreement. The reports include financial, performance, and other types of required reports. Performance and financial reports are required at least annually and at a maximum of quarterly, as per 2 CFR part 200, Subpart D.
2. Increased reporting frequency is permitted when specific award conditions, because of a risk assessment, determine increased frequency is necessary.
3. Program Offices must do the following in relation to recipient post-award reporting:
  - a. Require use of standard, OMB-approved, government-wide reporting forms and formats and instructions for post-award reporting.
  - b. Identify the post-award reporting requirements in NOFAs applying to awards made.
  - c. Identify the forms or formats for reporting, including standard form number.
  - d. Obtain approval from OMB, as required under PRA, for any reporting requirements differing from standard reporting requirements or instructions.

### **B. PERFORMANCE AND FINANCIAL REPORTS (2 CFR 200.327 and 200.328)**

1. Performance Reports. Performance reports include:
  - a. A comparison of actual accomplishments to objectives for the period reported including costs per quantifiable accomplishment or trend data and analysis;
  - b. Reasons why performance goals were not met, if appropriate; and,
  - c. Additional information, including explanation of cost overruns or high costs, if appropriate.
  - d. Recipients should immediately notify HUD of developments with a significant impact on the award-supported activities. Also, notification should be given about problems, delays, or other adverse conditions

materially impairing the ability to meet the objectives of the award. This notification will include a statement of the action taken or contemplated, and any assistance needed to resolve the situation

2. Performance reporting frequency and content should be established to not only allow HUD to understand the recipient progress but also to facilitate identification of promising practices among recipients and build the evidence upon which HUD's program and performance decisions are made. (2 CFR 200.301)
3. Financial Reports. HUD may extend the due date of any financial report upon receiving a justified request from a recipient. A recipient requesting an extension of the due date for any financial report must obtain approval from the Program Office.
4. The Program Offices will follow the requirements of 2 CFR 200.327 and 200.328 to determine the required frequency for the submittal of the reports.

### **C. SUBAWARD REPORTING AND REPORTING OF EXECUTIVE COMPENSATION**

1. FFATA, as implemented in 2 CFR part 170, requires prime recipients (for both mandatory and discretionary grants) to report on first-tier subawards and executive compensation for the prime and first-tier subrecipients.
2. Reporting requirements apply to awards and subawards over \$25,000, and where the obligation date and/or the period of performance start date are on or after October 1, 2010. If a first-tier subaward was funded prior to October 1, but the subaward amount increases to the threshold of \$25,000, then these reporting requirements apply.
3. The total compensation for the previous year and the names of the five (5) most highly compensated executives must be reported, if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more of annual gross revenues from the federal government (contracts, subcontracts, financial assistance awards, and subawards subject to FFATA).
4. Organizations whose periodic reports are filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986 are not required to report executive compensation under the Transparency Act.
5. If the recipient had a gross income from sources under \$300,000, it is exempt from reporting subawards and subrecipient executive compensation.

## 4 – 3 RECORDS RETENTION

### A. PROGRAM OFFICE RESPONSIBILITIES

1. The management and protection of grant information and files is an important function of the grants life cycle. Various types of grant information and files require maintenance including award-specific files, program information files, and objective review files.
2. Program Offices must follow HUD retention requirements in the [Record Retention Handbook 2225.6](#). At minimum, financial records, supporting documents, statistical records and other recipient records pertaining to an award must be retained for three years from submission of the final expenditure report, or from submission of the quarterly or annual financial report, as applicable, or for the period for which the recipient must retain records.

#### REQUIREMENT



### B. TYPES OF FILES

1. A Program Office must maintain official grant and grant-related records in paper or electronic form, or as a combination of both paper and electronic forms. Program Offices must establish and maintain:
  - a. Individual Award files.
  - b. Competition files.
  - c. Objective merit review files.
2. These records must be organized into files or, for fully electronic records, a filing structure. Electronic records are strongly encouraged.
3. Individual Award Files. A Program Office must create and maintain an award file for each grant award, preferably in electronic format. The award file is an official, formal file and must contain a complete record of the award's history.
4. Documentation must be maintained to support decisions in the grant process, including but not limited to decisions related to competition, eligibility, application review results, funding, and post-award monitoring and administration.
5. Competition Files. Program Offices must maintain all information related to the competition, preferably electronically. This information may be contained in multiple electronic files and locations, but must be accessible to be compiled. Competition files should, at minimum, include:
  - a. The program statute, regulations, and program guidance (including documents such as policy information notices, policy/program assistance letters, or program assistance letters);
  - b. A copy of the NOFA or Notice instructions;

- c. Any justification for limited competition;
  - d. Documentation concerning selection of the award instrument (i.e., use of grants or cooperative agreements);
  - e. Ranking and selection list, including unsuccessful applicants;
  - f. OGC opinions;
  - g. GAO and OIG reports and related correspondence and congressional correspondence related to the program or class(es) of recipients under the program; and,
  - h. General documentation relating to post-award administration of the program, such as single or program-specific audits, if any.
6. Merit Review Files. Program Offices must maintain records of merit review proceedings. Documentation generated throughout the review process must be handled in a manner protecting the confidentiality of reviewers' identities and their comments without revealing their assessments or scores or the overall ranking, except on a "need-to-know" basis.
7. Besides any program-specific requirements, the information below and review documentation must be maintained in a manner limiting access to authorized individuals only:
- a. Names and affiliations of review committee members/chair;
  - b. Applications received under the NOFA or renewal, showing those applications that are ineligible for review (and supporting documentation);
  - c. Evidence of compliance with the conflict of interest requirements, including conflict of interest and confidentiality certification from reviewers and HUD Reform Act training;
  - d. Documentation of any appointments authorized as an exception to conflict of interest requirements;
  - e. Actions taken to manage conflict of interest, including documenting a reviewer with a conflict of interest in an application did not participate in the review of that application or other applications in the competition;
  - f. Application assignment list (by reviewer and, if applicable, by panel);
  - g. Review results, including summary statements and the ranking list;
  - h. The final decisions made by the approving official and documentation of out-of-rank-order decisions; and,
  - i. Copies of notifications to unsuccessful applicants.



8. Unless exempted from the disclosure requirements of the Freedom of Information Act (FOIA) (5 U.S.C. 552), the Privacy Act (5 U.S.C. 552a), and the HUD Reform Act regulations (24 CFR part 4), certain documents related to the objective review must be provided for public inspection and copying.

### **C. RECORDS MANAGEMENT, STORAGE, AND RETENTION**

1. Program Offices must develop award, program information, and objective review files in accordance with records management, storage and retention requirements in HUD’s Record Retention Handbook and the National Archives and Records Administration (NARA) [Bulletin 2013-02](#) on managing Federal email records electronically. Program Offices must store and retain certain grant-related documents and information and consult with the HUD’s Records Management Officer, when necessary.
2. Program Offices must have a systematic method to store and retrieve electronic files.
3. The Program Office must create and maintain federal award files allowing oversight entities (e.g., Office of the Inspector General (OIG) and Government Accountability Office (GAO)) access to documents, papers, or other records.
4. Records must be retained if they are the subject of a litigation hold or other directive even when a records schedule would otherwise allow for disposition.
5. Program Offices must ensure recipients comply with laws protecting security and privacy in research and other grant-supported activities, including but not limited to, the Federal Information Security Management Act (FISMA) of 2014. Electronic information systems or manual records containing federal data must be protected from unauthorized access.

## **4 – 4 CLOSING A GRANT AWARD**

### **A. REQUIREMENTS (2 CFR 200.343)**

1. In accordance with 2 CFR 200.343, HUD will close out a federal award when it determines that the recipient has completed all applicable administrative actions and all required work.
2. Recipients must submit, no later than 90 calendar days after the end date of the period of performance, (unless extended by HUD), all financial, performance, and other reports as required by the terms and conditions of the award.
3. HUD should close out an award no later than one year after receipt and acceptance of required final reports.
4. HUD policies are aligned with the [Grants Oversight and New Efficiency Act of 2016](#), Public Law 114-117 (Jan. 28, 2016) (GONE Act). The GONE Act requires HUD to submit a report to HHS with the information listed below.

HHS is charged with compiling data from Federal agencies and submitting to Congress a list of awards. The report must:

- a. Provide the total number of federal grant awards, including the number of grants by expiration date, the number with zero dollar balances, and the number with undisbursed balances;
  - b. Describe the challenges leading to delays in grant closeout; and
  - c. Explain, for the 30 oldest federal grant awards, why they have not been closed.
5. Grants covered under the GONE Act are those within an agency's cash payment management system for which the grant award period of performance, including any extensions, expired for two or more years and which have not been closed out.
  6. The first GONE Act report is due to Congress by December 31, 2017.

## **B. PROCESS**

1. After the end date of the period of performance, recipients have 90 calendar days to submit financial, performance, and other reports required in the terms and conditions of the award (2 CFR 200.343).
2. These activities must be completed by the Program Office, if applicable:
  - a. Receive and review required final reports for completeness, accuracy, and acceptability.
  - b. Respond to a recipient's request for property or equipment disposition instructions.
  - c. Review the federal financial information reported covering the end of the project period.
  - d. Make any required funding adjustments and notify the recipient of any amount due.
  - e. Take the action to close the award in the appropriate fiscal or payment management system.
  - f. Appropriately document closeout actions in the official award file.
3. After making reasonable efforts to obtain final reports from the recipient and the Program Office determines closeout cannot be completed with the cooperation of the recipient, HUD may elect to complete a unilateral closeout. This is an administrative process initiated by HUD to close out an award.
4. The Program Office must report information concerning the recipient in the FAPIIS.

5. Following closeout, the Program Office must retain or archive the official award file in a manner allowing access and retrieval of the file and its contents.
6. The Program Office must document that any additional requirements after the closeout, such as audits, have been appropriately handled. (2 CFR 200.344)

**C. PROPERTY CONSIDERATIONS (2 CFR part 200, Subpart D)**

1. The disposition of property is not required as part of closeout. If a recipient continues to use the property after closeout, as permitted in 2 CFR 200.311, 200.312, and 200.313, this will not affect the Program Office’s ability to close the award. (200.433)
2. For the disposition of any tangible personal or real property acquired or improved under the award, it must be determined whether:
  - a. The recipient will continue to use the property after closeout;
  - b. The recipient is requesting disposition instructions; or
  - c. HUD wants to exercise its right to transfer title; and,
  - d. Any reimbursement is due to HUD.
3. The Program Office must continue to track the recipient’s compliance with any accountability and reporting requirements for property throughout the term of possession. (2 CFR 200.313) This tracking will ensure the property continues to be used for the specified duration of the award.
4. Recipients who developed intellectual property, patents, or inventions as part of a grant award should identify and report those items. Patented items should be recorded in [iEdison.gov](http://iEdison.gov) as part of the grant closeout.
  - a. The recipient may copyright any work subject to copyright and was developed under a Federal award. HUD reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.
  - b. The recipient is subject to regulations governing patents and inventions, including government-wide regulations, such as 37 CFR Part 401.

**4 – 5 AUDITS AND REVIEWS (2 CFR part 200, Subpart F)**

**A. REQUIREMENTS FOR RECIPIENTS AND SUBRECIPIENTS**

1. Any non-federal entity, either recipient or subrecipient expending \$750,000 or more in federal awards in a fiscal year of the requirement must obtain a single audit meeting the [Single Audit Act](#), and applicable sections of 2 CFR 200, Subpart F.

2. Program Offices should review current and previous audit reports prior to awarding a new or renewal award; at least annually as a regular part of assessment; and when closing an award.

**B. SINGLE AUDIT REPORT SUBMISSION – FEDERAL AUDIT CLEARINGHOUSE (FAC)**

1. The Federal Audit Clearinghouse (FAC) is a public database of completed audits and the submission point for the single audit reporting packages. Auditees and auditors are responsible for completing and submitting the package in a timely manner. (2 CFR 200.512)
2. An award may be closed before submission of a Single Audit. If, after close out has been completed, a subsequent audit report identifies questioned costs, the Program Office may disallow costs and recover an amount based on sustained audit findings.
3. If the single audit report has not been submitted within nine (9) months of the end of the auditee’s fiscal year, it is considered delinquent ( § 200.512). For delinquent single audit reports, the Program Office must contact the recipient and instruct it to submit a single audit report covering the delinquent reporting period.

**C. AUDIT FINDINGS FOLLOW UP (2 CFR 500.511)**

1. Auditors must report the following as audit findings:
  - a. Significant deficiencies and material weaknesses in internal controls over major programs and significant instances of abuse;
  - b. Material non-compliance with Federal statutes, regulations, or the terms and conditions of the award
  - c. Known questioned costs greater than \$25,000 for a major program; and/or
  - d. Known or likely fraud affecting a Federal award.
2. Auditees (e.g. recipients) are responsible for follow-up and corrective action on audit findings.

**D. SINGLE AUDIT MANAGEMENT DECISIONS AND RESOLUTION (2 CFR 200.521)**

1. HUD, when it is the cognizant agency for audit, must issue a management decision, on assigned reporting packages with audit findings, within six months of the date the FAC accepts the single audit report package. (2 CFR 200.521)
2. Determinations of disallowed costs and/or deficiencies in management systems resulting from audit findings must be based on the applicable statute(s), regulations, cost principles, and other terms and conditions of the award.

**E. OTHER TYPES OF AUDITS**

1. The HUD Office of Inspector General (OIG) examines HUD programs and/or recipients and provides independent assessments.
2. GAO conducts audits to provide accountability and determines whether federal funds are being spent efficiently and effectively. GAO audits usually target an issue in a grant program or grants management function.
3. The GAO and OIG often request official government records and documents associated with their audits. Program Offices must provide the information requested in an expeditious manner.
4. A GAO or OIG audit may result in recommendations to address concerns. Program Offices must ensure:
  - a. The recommendations are consistent with law, regulation, and policy; and/or
  - b. Concerns are resolved in a timely manner.

## APPENDIX A: DEFINITIONS



--A--

**Applicant** - an individual, organization, agency, unit of government or entity applying for a HUD Discretionary grant or cooperative agreement.

**Application** - a written request to HUD for funding submitted in response to a HUD invitation, a Notice of Funding Availability (NOFA) or independently as an unsolicited proposal.

**Allotment holder** - a primary organization head, such as an Assistant Secretary or equivalent, who submits apportionment requests to the OCFO as needed to carry out responsibilities. He or she bears overall responsibility for the funds allotted to them.

**Anti-Deficiency Act (ADA)** - a federal statute prohibiting (1) making expenditures or incurring obligations before an appropriation has been made and (2) incurring obligations or making expenditures over amounts available in an appropriation or fund account, apportionment, or allotment unless specifically authorized by law.

**Audit** – an independent assessment of whether an entity’s reported financial information (e.g., financial condition, results, and use of resources) is presented fairly under recognized accounting criteria.

**Authorized representative** – the individual(s), named by the applicant/recipient organization, who may act for the applicant/recipient and to assume the obligations imposed by the federal laws, regulations, requirements, and conditions applying to grant applications or awards.

**Authorizing Official** – the individual, named by the Secretary, who oversees the implementation of, and adherence to, HUD grants requirements for a Program Office.

**Authorizing statute** – the statute providing the authority to establish a federal financial assistance program or make an award with specific terms. It may also provide programmatic requirements, such as eligibility and allowable activities.

--B--

**Budget** – the financial plan for the project or program the federal awarding agency or pass-through entity approves during the federal award process or in subsequent amendments to the federal award. It may include the federal and non-federal share or only the federal share, as determined by the federal awarding agency or pass-through entity.

--C--

Catalog of Federal Domestic Assistance (CFDA) – is the single, authoritative, government-wide comprehensive source of Federal financial assistance program information produced by the executive branch of the Federal government.

**Closeout** - process by HUD determining that applicable administrative actions and required work of the award has been completed by the recipient as described in 2 CFR part 200.

**Cognizant agency for indirect costs** – the federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this part on behalf of federal agencies. The cognizant agency for indirect cost is not necessarily the same as the cognizant agency for audit.

**Consolidated Plan** – document, as provided in 24 CFR 91, developed by states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions with funding from formula grant programs.

--D--

**Data** – recorded information, regardless of form or the media it may be recorded on. The term includes technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.

**Data Universal Numbering System (DUNS) Number** - a number used as a universal identifier for organizations seeking federal funding. As of early 2017, a DUNS number must be included in every application for a new award or renewal of an award.

**Debarment** – an action taken to exclude a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation.

**Direct costs** – those costs identified specifically with a final cost objective, such as a federal award, or other internally or externally funded activity, or can be directly assigned to such activities relatively easily with high accuracy.

**Disallowed costs** – those charges to a federal award determined to be unallowable by HUD, under the federal statutes, regulations, or the terms and conditions of the federal award.

**De-obligation** - HUD's cancellation or downward adjustment of a previously-recorded obligation.

***Discretionary funding*** - a grant (or cooperative agreement) for which HUD generally may select the recipient from among eligible recipients, may decide to make or not make an award based on the programmatic, technical, or scientific content of an application, and can decide the amount of funding to be awarded.

-- E --

***Electronic record*** – any information recorded in a form only a computer can process and satisfies the definition of a federal record under the Federal Records Act. The term includes both record content and associated metadata that the agency determines must meet agency business needs.

***Enterprise Risk Management*** – an enterprise-wide, strategic series of coordinated activities to direct and control challenges or threats to achieving an organization’s goals and objectives.

***Equipment*** – tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost equaling or exceeding the lesser of the capitalization level established by the non-Federal entity for financial statement, or \$5,000.

-- F --

***Federal Awardee Performance and Integrity Information System (FAPIIS)*** – the integrity and performance system established by OMB and GSA including government-wide data with specific information related to the integrity and performance of non-federal entities.

***Federal Award Identification Number (FAIN)*** – a unique number assigned to awards for financial assistance.

***Federal Audit Clearinghouse (FAC)*** – the repository of record, maintained on behalf of OMB, where non-federal entities must transmit the reporting packages required by 2 CFR 200. FAC distributes single audit reporting packages to federal agencies and maintains a public database of completed audits.

***Federal award*** – the Federal financial assistance a non-Federal entity (e.g., recipient) receives directly from HUD or indirectly from a pass-through entity, and the instrument (grant or cooperative agreement) setting forth terms and conditions.

***Freedom of Information Act (FOIA)*** – provides individuals with the statutory right of access to certain federal agency records. FOIA requires HUD to disclose requested records unless they are protected from public disclosure. [HUD’s FOIA page](#)



**FSRS (FFATA Subaward Reporting System)** - reporting tool Federal prime awardees (i.e., prime contractors and prime grants recipients) use to capture and report subaward and executive compensation data to meet the FFATA reporting requirements.

--G--

**Grants.gov** - central website portal where Federal agencies are required to electronically post forecasts and NOFAs for funding and applicants apply for federal financial assistance.

--H--

***HUD Grants Forecast (Forecast)*** – a HUD-wide listing of planned competitive grant opportunities developed for the fiscal year. The Forecast contains actual or estimated dates and funding levels for competing funding opportunities Program Offices intend to issue during the upcoming fiscal year, subject to change based on enactment of Congressional appropriations.

**HUD Reform Act** - enacted in 1989 to ensure accountability, transparency, and a level playing field in the grants process at the Department. Section 102 requires the agency to follow a set process in awarding grants, from NOFA to award announcement, and ensures the review process is open to public inspection. Section 103 prohibits communication of certain information during the selection process to persons not authorized to receive information.

--I--

***Indirect costs*** – costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted.

***Indirect cost rate agreement*** – a formal rate agreement signed by the agency negotiating the indirect cost rate or other cognizant federal agency office, and an authorized organizational representative of the recipient.

***Information Collection Requests*** – except as provided in 5 CFR 1320.4, the obtaining, causing to be obtained, soliciting, or requiring the disclosure to an agency, third parties or the public of information by or for an agency with identical questions posed to, or identical reporting, recordkeeping, or disclosure requirements imposed on ten or more persons, whether such collection of information is mandatory, voluntary, or required to obtain or retain a benefit.

--M--

***Mandatory funding*** - a grant (or cooperative agreement) awarded under a program where the authorizing statute requires the Secretary to make an award to each recipient under the conditions and in the amount (or based on the formula) specified in the statute.

**Merit review** – a process advising the individuals responsible for making award decisions which involves the thorough and consistent examination of applications based on standard criteria and an unbiased evaluation of scientific or technical merit or other relevant aspects of the applications.

**Monitoring** – a process whereby the programmatic and fiscal management performance of a grant are reviewed after award by collecting and assessing information from reports, audits, desk reviews, site visits, and other sources.

--N--

**Notice of Funding Availability (NOFA)** – a publicly available document by HUD making known its intentions to award discretionary grants or cooperative agreements, usually due to competition for funds. (May also be known as a Funding Opportunity Announcement, or FOA or NOFO, Notice of Funding Opportunity).

--O--

**Obligations** – orders placed for property and services, contracts and subawards made, and similar transactions during a period requiring payment by the non-federal entity during the same or a future period.

**Outcomes** - results achieved or benefits derived from an intervention, activity or services provided. Outcomes indicate the value or impact of the services provided. For programs serving individuals and households, outcomes would indicate a change in the circumstances for the person or household such as living situation, income, education, employment status, health care coverage, etc. For programs serving HUD’s recipient organizations, outcomes would indicate a change in the recipient’s management or operation of HUD-funded programs and activities.

**Outputs** – The activities, services or deliverables provided to individuals, households or HUD recipient organizations usually quantified by number served, number delivered, etc. Outputs do not measure the value or impact of the services provided nor do they indicate a change in the circumstances of the people or recipient organizations served.

--P--

**Pass-through entity** – a non-federal entity (e.g. recipient) providing a subaward to a subrecipient to carry out part of a federal program.

**Performance goal** – a target level of performance expressed as a tangible, measurable objective, against the actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate.

***Performance management***- a process to ensure an organization’s goals are met effectively and efficiently. The process involves defining desired impact, outcomes that will lead to such an impact, and a series of measurable indicators which are tracked regularly.

***Period of performance*** – the time the recipient may incur new obligations to carry out the work authorized under the Federal award. The Federal awarding agency or pass-through entity must include start and end dates of the period of performance in the Federal award.

***Pre-Award Risk Assessment*** - identification and analysis of collected information about an organization’s capacity to manage federal grant funds, prior to issuance of a grant award document. Information may also plan monitoring activities and/or identify technical assistance needed to strengthen operations.

**Promise Zones** - federally-designated, high-poverty urban, rural and tribal communities where the Federal government partners with and invests in communities to create jobs, leverage private investment, increase economic activity, expand educational opportunities, and reduce violent crime.

**Privacy Act** – a statute regulating the collection, maintenance, use, and dissemination of personal information by Federal Executive Branch agencies. The Act prohibits the disclosure of records in a system of records without the written request or consent of the individual to whom the records pertain.

**--R--**

***Recipient*** – an entity, usually but not limited to non-Federal entities, receiving a Federal award directly from HUD to carry out an activity. The term recipient does not include subrecipient.

**Records or Federal Records** – information in any format (electronic or hard copy), (a) created in official business; (b) received for action; or, (c) needed to document departmental activities.

***Research*** – a systematic study directed toward fully scientific knowledge or understanding of the subject studied. “Development” is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

**--S--**

**Standard Form-424 (SF-424)** - the application for Federal assistance programs required by discretionary grant programs.

***Site visit*** – a monitoring technique conducted by a representative of the Program Office at

the project location.

***Subaward*** – an award provided by a pass-through entity to a subrecipient to carry out part of a federal award. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

***Subrecipient*** – a non-federal entity receiving a subaward from a pass-through entity (e.g. recipient) to carry out part of a federal program, but does not include an individual that is a beneficiary of such program. The subrecipient is accountable to the recipient for the funds provided.

***Suspension*** – an action by HUD immediately prohibiting a recipient from participating in covered non-procurement and procurement transactions for a temporary period, pending completion of an agency investigation and any judicial or administrative proceedings.

--T--

***Termination*** – the ending of a HUD award, in whole or in part prior to the planned end of period of performance.

--U--

***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*** - found at 2 CFR part 200, was issued by OMB in December 2014. The requirements and cost principles synthesize and supersede guidance from earlier OMB Circulars A-21, A-87, A-110, A-122, A-89, A-102, A-133, and A-50. HUD made part 200 applicable to recipients in 24 CFR 84.1 and 85.1 and in program regulations.

***Unique Entity Identifier (UEI)*** – The identifier required for [System for Award Management \(SAM\)](#) registration for entities conducting business with the federal government.

***Unsolicited Proposals*** - funding requests not submitted in response to a NOFA.

***USAspending.gov*** - is the publicly accessible, searchable website mandated by the Federal Funding Accountability and Transparency Act of 2006 to give the American public access to information on how their tax dollars are spent.

**APPENDIX B: ABBREVIATIONS**

As used in this Handbook, the abbreviations below have these meanings:

ADA	Americans with Disabilities Act of 1990
AO	Authorizing Official
CCR	Central Contractor Registry
CEQ	Council on Environmental Quality
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CIR	Office of Congressional and Intergovernmental Relations
CoC	Continuum of Care
COFAR	Council on Financial Assistance Reform
CRO	Chief Risk Officer
DATA Act	Digital Accountability and Transparency Act of 2014
DUNS Number	Data Universal Numbering System Number
EO	Executive Order
EPLS	Excluded Parties List System
ERM	Enterprise Risk Management
FAC	Federal Audit Clearinghouse
FAIN	Federal Award Identification Number
FAPIIS	Federal Awardee Performance and Integrity Information System
FAR	Federal Acquisition Regulation
FFATA	Federal Funding Accountability and Transparency Act of 2006
FFR	Federal Financial Report
FGCA	Federal Grant and Cooperative Agreement Act
FISMA	Federal Information Security Management Act
FOAs	Funding Opportunity Announcements
FOIA	Freedom of Information Act
FON	Funding Opportunity Number
FONSI	Finding of No Significant Impact
FSRS	FFATA Subaward Reporting System
GAO	Government Accountability Office
GMC	Grants Management Center in Office of Public and Indian Housing
GMO	Grants Management and Oversight Division
GONE Act	Grants Oversight and New Efficiency Act of 2016
GSA	General Services Administration
HHS	U.S. Department of Health and Human Services
HUD	U.S. Department of Housing and Urban Development
HUDAR	HUD Acquisition Regulation
HUDCLIPS	HUD Client and Information Policy System
ICR	Indirect Cost Rate
ICRA	Indirect Cost Rate Agreement
IRB	Institutional Review Board
MTDC	Modified Total Direct Costs

NARA	National Archives and Records Administration
NEPA	National Environmental Protection Act
NFE	Non-federal entity
NHPA	National Historic Preservation Act
NOFA	Notice of Funding Availability
NOFO	Notice of Funding Opportunity
OCFO	HUD Office of the Chief Financial Officer
OCIO	HUD Office of the Chief Information Officer
OGC	HUD Office of the General Counsel
OIG	HUD Office of the Inspector General
OMB	Office of Management and Budget
ORCA	Online Representations and Certifications Application
OSPM	Office of Strategic Planning and Management
PD&R	Office of Policy Development and Research
PIH	Public and Indian Housing
PRA	Paperwork Reduction Act of 1995
SAM	System for Award Management
SF-424	Standard Form 424, Application for Federal Assistance Programs
SF-LLL	Standard Form LLL, Disclosure of Lobbying Activities
SOP	Standard Operating Procedures
SSPOC	State Single Point of Contact
TDHE	Tribally Designated Housing Entity
Treasury	U.S. Department of the Treasury
UEI	Unique Entity Identifier

**APPENDIX C. GRANTS REQUIREMENTS BY GRANT CATEGORY**

Requirement (2 CFR part 200 citation, if applicable)	Federal (F) or HUD (H) Requirement	Applicable to Discretionary Grants and Competitive Renewals	Applicable to Mandatory Grants	Applicable to Non-Competitive Discretionary Grants
<b>Pre-Award Phase</b>				
1. Submit Annual Milestone Plan for Award Calendar to GMO	H	X		X
2. Update Program Description in Catalog of Federal Domestic Assistance (200.202)	F	X	X	X
3. Develop Application Requirements Using Standard NOFA Template (200.206)	F	X		
4. Announce Funding Opportunity (200.203)	F	X		X
<ul style="list-style-type: none"> <li>Information Collection Forms (PRA) are current</li> </ul>	H	X		X
<ul style="list-style-type: none"> <li>Include SAM and DUNS requirements (Appendix I to 2 CFR part 200)</li> </ul>	F	X		X
<ul style="list-style-type: none"> <li>Insert Statutory and National Policy Requirements (200.300)</li> </ul>	F	X		X
<ul style="list-style-type: none"> <li>Include Performance Measures (200.301)</li> </ul>	F	X		X
<ul style="list-style-type: none"> <li>Include Certifications and Representations (200.208)</li> </ul>	F	X		X
5. Review Merit of Proposals (200.204)	F	X		
6. Assess Risk Posed by Applicants (200.205)	F	X		X
<ul style="list-style-type: none"> <li>Review Information in FAPIIS before making a grant or cooperative agreement exceeding \$150K (200.205)</li> </ul>	F	X		X
<ul style="list-style-type: none"> <li>Review Suspension and Debarment information (200.213)</li> </ul>	F	X		X
7. Commit funding as per Funds Control Plan/Matrix	H	X	X	X

Requirement (2 CFR part 200 citation, if applicable)	Federal (F) or HUD (H) Requirement	Applicable to Discretionary Grants	Applicable to Mandatory Grants	Applicable to Non-Competitive Discretionary Grants (Renewals)
8. Recommend Awards and Notify Congress about Awards	H	X	X	X
9. Ensure Code of Conduct compliance for all recipients, except States (200.318)	F	X		X
<b>Award Phase</b>				
1. Execute grant agreements or cooperative agreements (200.210)	F	X	X	X
<ul style="list-style-type: none"> <li>• Include applicable Terms and Conditions (200.207)</li> </ul>	F	X	X	X
2. Transmit Award to Recipient	H	X	X	X
<b>Post-Award Phase</b>				
1. Monitor performance and progress of award (200.328)	F	X	X	X
2. Create and maintain award files as per record retention requirements	F	X	X	X
3. Close out the award (200.343)	F	X	X	X
4. Issue timely management decisions on audit findings (200.521)	F	X	X	X