



NSP Policy Alert!

Clarification of Requirements for Quarterly Performance Reports – October 31, 2018

The U.S. Department of Housing and Urban Development (HUD) has determined some NSP grantees are not meeting (or have failed to meet) the Quarterly Performance Report requirement. This could be the result of several factors, including the assumption of reports ending upon meeting the expenditure deadline; completion of grant activities; completed fund expenditure or staff changes. Others stopped reporting either due to staff changes or in frustration in submitting information correctly. This policy alert:

- Addresses the minimum requirements for Quarterly Performance Report (QPR) submissions;
- Explains a simplified process for a grantee to catch up on missed QPRs;
- Describes how HUD field offices handle missed QPRs; and
- Identifies the required data needed for a QPR to be considered a final report.

The NSP Unified Notice (75 FR 64322) requires NSP1 and NSP3 grantees to submit a QPR no later than 30 days following the end of each quarter. NSP2 grantees are required to submit QPRs on the 10th day following the end of each quarter. The NSP Unified Notice also states QPRs will continue until all NSP funds (including program income) have been expended and those expenditures are included in a report to HUD.

Minimum Requirements for QPR submissions

Grantees are required to report on national objectives, financial data, and activity locations. Other information in action plans and QPRs is used to tell the grantee's story by informing the public, elected officials, and HUD of how the NSP grants will be implemented and activities carried out. The elements below must be met before a grantee's final QPR can be approved.

1. National Objectives

Each activity must meet a National Objective. The documentation must include:

- a. Benefit type that fits the activity; and
- b. Performance and beneficiary measures that are complete and accurate (e.g., the accomplishments reported all match up for the type of activity, no moderate- or middle-income households are reported in a LH25 activity or middle-income households are reported correctly etc.).

2. Financial Data

All financial data reported in the Disaster Recovery Grant Reporting (DRGR) system must:

- a. Reconcile with the data maintained by the grantee's finance department.
- b. Ensure the total budget, obligation, total drawn, and total expended all balance.

***Note:** If an activity is marked complete and there are additional funds in the budget and obligation than those drawn and expended, the grantee must adjust the total budget and obligation to equal the funds drawn and expended. By making this adjustment, the grantee "frees" up funds for other NSP projects/activities, or for recapture by HUD at closeout.

3. Activity Locations

It is imperative that grantees report the address for all NSP-assisted properties and identify the affordability periods. This is done in the Address and Address Support Screens in DRGR. For land banks, the grantee will enter property addresses only.

For the rest of the data entered in DRGR, grantees may enter as much or as little information as they deem sufficient for telling their NSP story. CPD Representatives may comment on those sections for improvement. The data elements that support the minimum reporting elements listed above are required for QPR approval.

HUD released two new DRGR reports (NSP Data Cleanup: Finance and NSP Data Cleanup: Performance Data Cleanup) that identify data errors for accurate reporting of National Objectives and Financial data. These cleanup reports are available in DRGR.

Procedure for Missed or Late QPRs (Grantees and HUD Field Staff)

Grantees: An NSP grantee is required to submit its QPRs even if no activity took place. HUD will not authorize any QPR to be re-opened for correction after it has been approved in DRGR.

A grantee who has one or more late or missed QPRs can:

1. Enter a statement in the first missed QPR's Overall Progress Narrative section recognizing the late QPR. The statement could say:

"The last QPR submitted was for the period ending [enter date for the last QPR]. Updated information will be provided in [insert the date of the current QPR to be submitted]".
2. Copy and paste the above statement into the Overall Progress Narrative in every missed QPR and submit each QPR to be approved by the local HUD CPD Representative.
3. In the current QPR, under the Overall Progress Narrative section, enter a statement that the current QPR includes all data that should have been reported in the missed QPRs.

4. A grantee with a substantial amount of data to update may upload an Excel spreadsheet CSV file to DRGR. Templates for each data type can be found at: <https://www.hudexchange.info/resource/3703/drgr-data-upload-templates/>. HUD recommends grantees contact their local CPD Representative for assistance if they choose to use the templates.
5. Submit current QPR by the established deadline for the quarter.

HUD Field Offices: If an NSP grantee has two or more late QPRs and the last submitted QPR does not qualify as a final report (based on guidance below), the HUD CPD Representative should:

1. Discuss missing and/or late QPRs with the grantee and inform them that a finding will be issued.
2. Issue a remote monitoring finding for lack of and/or inaccurate reporting.
3. Clear the finding in the finding letter if the grantee has an approved plan to submit all missing QPRs.
4. Comment in the QPR Review Comments section of the QPR a finding for non-reporting was issued (include the date of the letter) and when the QPR was approved.
5. Comment in the QPR Review Comments section of the QPR the date that the finding for non-reporting was cleared.

Final QPRs: Grantees and HUD CPD Representatives can determine if the last QPR submitted qualifies as the final QPR if the elements listed below have been met:

1. The grantee has not made any changes to the QPR or Action Plan after the date of submission of the last QPR;
2. All data is correct and matches the date of the last QPR (use the DRGR Financial and Performance Cleanup reports to identify missing data);
3. The grantee has reconciled its internal financial accounts with financial data in DRGR;
4. All accomplishment performance data is correct and accurate; and
5. The management plan for continued affordability contains the same addresses as the Perf Rept 03b, Support Addresses.

Technical Assistance: Technical assistance (TA) is available by emailing a request to nsp-questions@hud.gov. NSP TA providers are well versed in the requirements for reporting and correct data input into DRGR. TA will start with a grant assessment to pinpoint issues to be addressed either for DRGR or programmatic issues. A grantee can receive up to 30 hours of

remote TA which should be sufficient for the average NSP grantee. If more intensive TA is required, the TA provider may request it through the nsp-questions@hud.gov email without a delay or break in TA.