



# NSP Policy Alert!

## Guidance on NSP Draw Thresholds – Updated March 16, 2015

**Note:** *The Guidance on NSP Draw Thresholds was revised for the second time March 16, 2015 to reflect that Ryan Flanery is approving over threshold draws for NSP and that the NSP2 draw threshold is \$1,000,000 a day. The original guidance was issued April 14, 2011 and revised for the first time December 12, 2011.*

If a grantee submits a draw in DRGR that is over their draw threshold, HUD must review backup documentation for the draw and approve it in the system. These draw thresholds are daily limits, so once a grantee has gone over their threshold for the day all vouchers submitted after that must also be approved.

Draw Thresholds are currently set up in the following ways:

NSP1: \$5,000,000 a day

NSP2: Units of general local governments and States: \$1,000,000 a day  
Nonprofits: \$1,000,000 a day

NSP3: \$5,000,000 a day

If a grantee's draw request is over the threshold, they must submit back up documentation to their CPD/NSP Representative in the Field. It's always best to anticipate when you may submit a draw that will be over the threshold, so you can get documentation to your Rep as soon as possible (you can even do this in anticipation of entering a draw). The Field Office Rep will then review the documentation the grantee has to back up the draw request, making sure they can account for the following:

1. Evidence of the grantee's internal controls in approving the draw – usually this means two signatures/initials/electronic confirmations;
2. Basic math – the draw documentation adds up to the amount requested; and
3. The draw documentation is for the same activity shown on the DRGR voucher.

Once the CPD/NSP Rep confirms the above information, they can send the confirmation to HQ which should include the voucher number(s), amount of the draw, and the grant number. Once HQ receives the confirmation from the Field, they will go in and approve the draw. Ryan Flanery is approving over threshold draws for NSP, so Reps should send this information to him at [Ryan.D.Flanery@hud.gov](mailto:Ryan.D.Flanery@hud.gov).

There is no arbitrary upper limit on the amount a grantee may draw from its grant in a day. However, HUD must review documentation for draws over set thresholds.