



# Voucher Submission Guide for Technical Assistance Award Recipients

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## Revision History

Version Date	Revision Number	Nature of Revision	Revised by	Approved by
June 16, 2020	1.0	Adjustment to non-key personnel	Ken Rogers Lauren Deigh	Stephanie Stone
December 29, 2021	2.0	Purpose and Scope; Definitions; Governing Authorities: Voucher and Billing; Roles, Responsibilities, and Process Overview; Overview: Voucher Supporting Documentation Requirements; Additional Billing Guidance; Threshold Review Process; Automatically Paid Vouchers	Brenda Cole Atiba Antoine	

## Purpose and Scope

The purpose of the Voucher Submission Guide for Technical Assistance Award Recipients is to provide guidance to HUD Recipients responsible for the proper review and submission of Voucher payments. This guide operationalizes the requirements in the cooperative agreement and satisfies the Department's requirement for internal controls to reduce mismanagement of federal funds, and to manage risks associated with administration of the award. This guide reviews requirements for submission of payment requests, discusses the roles of the HUD Recipient in submitting vouchers, approval process, and timeliness. It describes the voucher review process, supporting documentation required, the processes for automatic payment of certain vouchers, and spot check reviews. This guide offers Recipients the flexibility for submitting supporting documentation, in recognition of differences in Recipients' financial management systems.

The guide is applicable to the submission of all payment requests for work conducted under approved work plans under the Community Compass Technical Assistance and Capacity Building Program (Community Compass) Cooperative Agreements and awards issued under other TA NOFOs (e.g., Distressed Cities) linked to CFDA 14.259. There are no significant differences across different funding years of cooperative agreements that warrant one procedure for each year. If future cooperative agreements include updated procedures, this document will be updated.

This guide codifies the autopayment process implemented in October 2021 and clarifies voucher documentation requirements.

## Definitions

This guide applies and incorporates the same meaning of terms, defined directly, or incorporated by reference, in the NOFO, 2 CFR part 200, Subpart A or 24 CFR parts 84 and 85 for awards executed before December 26, 2014. Some additional terms are defined below.

Term	Definition
Allowable Costs	A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. <sup>1</sup>
Contractor	A company or organization from whom the Recipient procures goods or services for work under the cooperative agreement. Contractor staff who work on the Recipient's technical assistance projects are referred to in this SOP as "contractor personnel." Also referred to as "subcontractor personnel" in the TA provisions
Cooperative Agreement Officer (CAO)	The CAO is the HUD official authorized to execute and/or administer this award. The CAO is identified as the HUD official on the award document (HUD form 1044). The CAO is responsible for approving awards and amendments that obligate or de-obligate funds, suspending and terminating awards, and performing other responsibilities that are set forth in this agreement.
Direct Costs	Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. <sup>2</sup>
Disaster Recovery Grant Reporting System (DRGR)	The financial and information management system used by HUD to manage Community Compass awards. The system is used for the submission and approval of vouchers and associated work plans.
Draw Down	A request for payment made by the Recipient against the Recipient's line of credit for services performed in support of one or more activities (also called a voucher).
Financial Management System Report (Financial Report)	The Recipient's instrument for actual verified billing from their financial system. It identifies the cost for services/goods and itemizes cost per employee (staff), rates/hours, contractors and consultants, other direct costs (ODC), indirect costs, and other expenses.
Government Technical Monitor (GTM)	As defined by HUD, the individual designed to provide technical monitoring, advice, and assistance to aid the Government Technical Representative (GTR) in the technical direction and evaluation of a successful applicant's performance. The GTM provides programmatic expertise and input to proposed TA work plans, status reports, invoices, and products. In some offices, the Program Office Technical Assistance Coordinator (POTAC) for a Recipient fulfills this role rather than a GTM.

<sup>1</sup> 2 C.F.R §200.405 (2019).

<sup>2</sup> 2 C.F.R §200.413 (2019).

Government Technical Representative (GTR)	As defined by HUD, the individual who is responsible for the technical direction and evaluation of a successful applicant's performance. The GTR is responsible for review and approval of work plans, status reports, invoices, and products. GTRs serve as representatives of the Cooperative Agreement Officer who has responsibility for the management and fiscal oversight of the cooperative agreement awards.
High Risk Voucher	Voucher of an amount that exceeds the risk threshold established by Technical Assistance Division. Voucher submitted by Recipients without an active Community Compass technical assistance award in the five most recently completed fiscal years. Voucher made from awards with specific, special conditions requiring pre-payment review.
Indirect Cost Rate	A Federally approved rate for charging indirect costs, approved by the Recipient's cognizant agency.
Key Personnel	Key personnel specified in the Recipient's application or on a work plan are essential to the work being performed under this agreement. Consistent with 2 CFR 200.407(s), any change to the key personnel assigned to a work plan or included in the Recipient's application is considered a revision of program plans, and requires advance written notice to and approval by the GTR.
Line of Credit Control System (LOCCS)	HUD's system for processing disbursements. DRGR interfaces with LOCCS and transfers approved vouchers to the Recipient's locally designated account
Priority Voucher	Vouchers containing any of the following - travel costs, trailing costs over 120 days, multiple voucher line items, or made from an award issued under a special appropriation.
Program Office Technical Assistance Coordinator (POTAC)	The individual who coordinates TA activities for the programs within an office. The POTAC provides technical monitoring, advice, and assistance to aid the GTR in the technical direction and evaluation of a successful applicant's performance. In some offices, a GTM fulfills this role rather than a POTAC.
Reasonable Costs	A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. <sup>3</sup>
Recipient	A recipient of a Community Compass Technical Assistance and Capacity Building Program cooperative agreement and other awards linked to CFDA 14.259.
Statement of Certification	To ensure that expenditures are proper and in accordance with the terms and conditions of the Federal award, approved project budgets, fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity. <sup>4</sup>
Threshold	Threshold based on 1/36 <sup>th</sup> of the award amount based on a standard 36-month term of agreement.
Trailing Costs	Refers to costs incurred over 120 days from the date of voucher submission. Activities that were conducted during the billing period, but not billed for on the month's

<sup>3</sup> 2 C.F.R §200.404 (2019).

<sup>4</sup> 2 C.F.R §200.415 (a) (2019).

	voucher. This is often the case for a contractor/consultant who has not yet billed for their work or travel costs.
Voucher	The request for payment in DRGR (also called the draw down). A voucher includes one or more line items (billing for work plans) that are requests for payment of costs associated with work or services provided during a billing period.
Work Plan	A project implementation and service delivery plan under which the Recipient provides eligible Technical Assistance (TA) or capacity-building services to one or more HUD customers. A work plan serves as the agreement between HUD and the Recipient, for the provision of TA services, and the Recipient's formal response to a TA assignment from HUD.

## Governing Authorities: Vouchers and Billing

Recipients are subject to requirements established in the NOFO the provisions, and all applicable Federal regulations and HUD policies. Per the TA provisions, Recipients of cooperative agreement TA awards are subject to 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Recipients of awards executed before December 16, 2014 are also subject to 24 CFR parts 84 and 85. 2 CFR 200 Subpart E establishes many of the cost principles, and standards that are applicable to HUD TA award Recipients, and are referenced in this document. Attachment 4 within the TA provisions identifies requirements for billing.

## Roles, Responsibilities, and Process Overview

This section briefly describes roles and responsibilities for the voucher submission and review process for any voucher over the Threshold amount. For any voucher over the Threshold amount, the Recipient prepares the voucher package for HUD review.

### HUD Recipient:

#### Billing Requirements

- Submits payment requests to HUD at least quarterly.
- Billing for costs incurred is required at least quarterly, but no later than ninety (90) days following delivery of service.
- Ensures that contractors and consultants submit invoices to the Recipient for costs incurred on a timely basis. Submits vouchers and Financial Management System Report (Financial Report) in DRGR.
- Voucher submissions MUST include documentation that supports what is being vouchered/entered in DRGR.
- Ensures that all billing is incurred specifically for the Federal award.<sup>5</sup>
- Establishes and maintains effective internal control that provides reasonable assurance that the Federal award is being managed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.<sup>6</sup>

<sup>5</sup> 2 CFR §200.405 (a) (1) (2019)

<sup>6</sup> 2 CFR §200.303 (a) (2019)

## Administrative Requirements

- Statement of Certification certifies that the information provided with the voucher is true, correct, actual, and that outlays were made in accordance with the cooperative agreement conditions and applicable regulations.
- Responds to any requests for additional documentation.
- Identifies vouchers that include travel costs (check the box in DRGR).
- Identifies vouchers with trailing costs of 120 days (check the box in DRGR).
- Provides a justification for travel and trailing costs over 120 days.
- Provides clarification and/or supporting documentation to the GTR, as requested, to support voucher approval. For example: approval of travel more than per diem rates. **All travel is subject to FTR regulation. Refer to Travel FAQ for TA Recipients for more information.**

### Government Technical Representative (GTR):

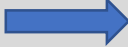



The GTR reviews the voucher, financial reports, and other supporting documentation to ensure that the costs incurred are eligible, reasonable, and appropriate.

Reviews the voucher for accuracy:

- Ensures that the billing complies with technical, administrative, and programmatic requirements.
- Requests additional information (as needed) with comment in DRGR. Recipient will get notification.
- Approves or rejects with comment in DRGR. Recipient will get notification.

GTRs will review all vouchers for new awardees and those that have not had an award for 5 years, regardless of amount.

## Initial Review Process (Voucher Submission)

<p><b>BELOW THRESHOLD</b></p>	<p>Recipient submits voucher, Financial Report (invoice), and signed Statement of Certification in DRGR.</p>		<p>Voucher is automatically paid unless NEW Recipient or no active awards in past 5 years.</p>		<p>Recipient receives the \$.</p>
<p><b>ABOVE THRESHOLD</b></p>	<p>Recipient submits voucher, Financial Report (invoice), and signed Statement of Certification in DRGR.</p>		<p>GTRs have a total of 30 days from the date of submission to review (and may request additional supporting documentation). If GTR requests additional documentation, Recipient submits within timeframe given by GTR.</p>		<p>GTR approves and Recipient receives the \$ OR the GTR rejects with comment(s).</p>

## Overview: Voucher Supporting Documentation Requirements

Recipients must provide the report from their financial management system that includes all of the elements listed below.

### Recipient's Financial Management System Reports (Financial Report)

The Recipient must provide documentation of actual costs from their financial management system, which must support the work performed.<sup>7</sup> Listed below are the requirements for the Recipient's financial management system report as delineated in the award provisions.

- a. A cover page with the cooperative agreement number, funding source, current and cumulative totals by work plan number and by award.
- b. Date of the activities (month and year)/actual costs by work plan.
- c. The names and position/title of each employee, contractor personnel, and consultant by work plan; (for exception see *Supporting Documentation* section below); applicable hours worked for the month by work plan; the compensation rate attributable to the employee, contractor personnel, and consultant; and travel costs by each employee, contractor personnel, and consultant.
- d. Actual costs - costs of work performed for each employee, contractor personnel and consultant.
- e. The federally approved indirect cost rate applied and the total indirect costs. This must be the approved rate in effect for the period during which the work was conducted.
- f. If applicable, the approved General and Administrative (G&A) rate used, and the total G&A rate costs as approved by the Recipient's cognizant agency.

HUD recognizes that there are variations among Recipient's financial management systems. For example, some financial management systems do not include the "position/title" or detailed (daily or weekly) time and wage reports for consultants and/or contractors. Therefore, HUD will accept other sources or information and make the following allowance:

- o If the Recipient's financial report does not provide detailed information on the hours worked and/or compensation rate of contractor personnel and/or consultants, HUD will accept this information in supporting documentation, i.e., a copy of the contractor's or consultant's invoice.

### Supporting Documentation

The Recipient must provide additional, supporting documentation to explain or clarify items that are not in the financial report or represent exceptions from standard practice.

Below are examples when supporting documentation is needed:

- Trailing costs over 120 days.
- Prior authorization of travel costs more than allowable Federal Travel Regulation (FTR) rates.
- Itemized breakdown of travel costs, by cost category, for each traveler and other miscellaneous costs (meals, incidental expenses, copying costs, etc.). Further guidance on travel is provided in section below: Special Notes on Travel Expenses
- Describe travel for staff and contractors (if applicable), including name; city of origin

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<sup>7</sup> "Provisions", Attachment 4. Monthly Billing Requirements, (e).



- and destination; and number of nights per trip.
- Newly approved Indirect Cost Rate (if applicable).
- Space agreement for a conference.
- Other items for the GTR review.

Regardless of the source of information, the GTR must be able to verify that the work was performed consistent with the approved workplan.

## Additional Billing Guidance

### Trailing Costs

Recipients are required to check the box in DRGR if the invoice includes trailing costs over 120 days. The comment text box or comments tab in DRGR should be used to provide an explanation, as needed. This is often the case for a contractor/consultant who has not yet billed for their work or travel costs. Report the activities or travel costs attributable to the “trailing costs” in the Financial Report for the month in which the costs are billed. If the billing occurs more than 120 days after the work performed, the Recipient must explain why there was a trailing cost over 120 days, justify the late billing, and seek authorization for reimbursement from the GTR.

### Staff Listed on Work Plans

Key personnel must be identified in the work plan. Any change in key personnel must be approved by HUD, prior to voucher submission. Recipients may bill for an individual who is not key personnel and not on the work plan if they have a HUD-approved rate effective prior to requesting reimbursement from HUD (see Wage Guidance).

### Direct Billing for Individuals Allocated to Indirect Cost Rate

As a rule, Recipients may not directly bill for individuals if 100 percent of their labor costs are included in the indirect cost rate calculation. HUD recognizes, however, that such personnel may at times be involved in Direct TA work and billed as Direct Labor on the financial report. The Recipient must inform the GTR of this change and provide documentation in your annual audit to demonstrate that HUD was not double billed for the labor of this person (billed both directly and indirectly).

## Voucher Approval - Working with Recipient to Remedy Submission

Except as noted below in the “Rejection of a Voucher” section, GTRs may approve vouchers while additional information is pending or work with the Recipient to obtain additional information. After completing the voucher review, the GTR will identify any work plan payment requests (voucher line items) that need clarification, correction, or additional supporting documentation. When the GTR submits a request for additional voucher supporting documents in DRGR, the System will send an email to all Recipient personnel with the DRGR user role of “Submit Voucher Documents to HUD”. Please ensure that the appropriate staff within the Recipient organization are set up to receive these notifications.

The Recipient must respond to requests for additional information by uploading documents/responses in DRGR within 10 business days or request additional time if needed. This allows the Recipient to respond to the GTR's questions and remedy issues without the GTR rejecting the voucher and triggering a resubmission. In addition, GTRs should approve individual line items of a voucher so as not to delay all payment on the voucher. Line items with concerns may remain open until issues are resolved (up to 90 days from submission date) or the GTR determines that the voucher must be rejected.

## Rejection of a Voucher

A voucher or a line item must be rejected if costs are determined to be ineligible or if they cannot be supported through explanation or additional documentation. The following is a sample list of reasons for voucher rejection.

- The products/services performed and billed for were not eligible TA products/services.
- Staff, contractor personnel, or consultants billed for on the Recipient's financial report did not have an approved wage rate in DRGR, or the wage rate was not effective prior to requesting reimbursement from HUD.
- Indirect Cost Rate billed is not consistent with rate authorized by the Recipient's cognizant agency.
- Costs billed are not allowable direct costs.
- Costs billed are not reasonable.
- Costs billed are not allocable.
- Discrepancy between the voucher line-item payment request and the financial report amount.

If the voucher or voucher line item is rejected, the GTR will include in their comments the reason for the rejection. When the voucher is resubmitted, the GTR will complete the review within 15 business days.

## Threshold Review Process

- Prior to September 30, 2021, the threshold was \$0.01: All Vouchers were reviewed.
- As of October 1, 2021, the Threshold for vouchers changed to 1/36 of the total award amount. This is based on a standard 36-month term of agreement. Recipient can find the threshold amount in DRGR.
- TAD reserves the right to modify this threshold at any time to respond to program-wide or awardee risk.
- All vouchers below the threshold \$ amount will be automatically paid for most Recipients except: New Recipients and Prior Recipients with no active award for five years.
- Vouchers over the threshold will be reviewed by the GTR assigned to your award.
- DRGR will notify the GTR assigned to the award of any vouchers submitted that are not automatically paid.
- Recipients will be notified if additional information is needed.
- Below Financial Threshold, voucher must include Financial Report, and Statement of Certification. Additional items may be required during Spot Checks (see section below *Automatically Paid Vouchers - Spot Checks by GTRs*).
- Above Financial Threshold, voucher must include Financial Report, Statement of Certification, and may request additional supporting documentation (travel related items, conference approval, contractor invoices, etc.).

## Automatically Paid Vouchers - Spot Checks by GTRs

- Spot Checks will begin April 2022 encompassing the Vouchers submitted after October 1, 2021.
- Spot Checks of Auto Paid vouchers will occur twice a year (April, after the 2nd Quarter of the Federal Fiscal Year and October, after the end of the 4th Quarter of the Federal Fiscal Year).
- TAD will identify the number of auto-approved vouchers to spot check based on number of Recipient's active awards and Recipient's Risk Level based on TAD's published most recent risk notice. These will include:
  - Spot Checks of vouchers with travel, trailing costs over 120 days, multiple line items, Special Appropriations, vouchers below threshold, and program exceptions.
  - Spot checks of New Recipients, and Previous Recipients with no active awards for five years.
- GTR Spot Checks will include a detailed review: Sub-recipient invoices, receipts, Financial Report, Contracts, etc.
- Supporting documentation needed for the Spot Checks will be requested through DRGR and stored in the system.

## Special Notes on Travel Expenses

The provisions for travel guidance are still applicable. This SOP provides additional information regarding the reporting of travel expenses. The current FTR (Federal Travel Regulation) <https://www.gsa.gov/policy-regulations/regulations/federal-travel-regulation-ftr> and 2 CFR part 200 guide the GTR's review of travel expenses. Recipients can refer to their own travel policy and HUD's "Travel Guidance Frequently Asked Questions" (FAQs) for more details.

In DRGR, check the box if the invoice includes travel costs. Recipients must include detailed information for each traveler and trip taken when the voucher is over the threshold for auto payment, or when asked in a Spot Check review. While there is no required template or format for reporting travel expenses on vouchers, Recipients shall include the following details:

- Name of traveler
- Origination and destination (TDY - Temporary Duty Station)
- Dates traveled
- Mode of Transportation and associated expenses (includes airfare, train, and privately owned vehicle (POV))
- Meals and incidental expenses
- Lodging costs, including tax and fees
- Ground transportation expenses, including transportation to and from home to the airport (e.g., car rentals, public transportation, mileage)
- Other miscellaneous expenses

Recipients should refer to the "Travel Guidance Frequently Asked Questions" (FAQs) for guidance on exceptions and additional expenses. While Recipients are required to retain receipts, itemized receipts are not required with vouchers unless specifically requested by the GTR. The GTR may request a justification and/or receipts when travel expenses appear unreasonable.