FY 17 NEW GRANTEE ORIENTATION

Fiscal Management Procedures

By: Victoria Jackson
Katina Jordan

WASHINGTON, DC  SEPTEMBER 20-22, 2017
Fiscal Management General Objectives

- Common Grant Amendments
- LOCCS Set-Up Requirements
- LOCCS Overview and Set Up
- LOCCS Payment Process Requirements
- On-Going Fiscal Monitoring
TYPES OF AMENDMENTS

THERE ARE THREE MAJOR AMENDMENTS:

- Change in Key Personnel
- Extension-Period of Performance
- Budget Change (10% or more of HUD’s share)
TYPES OF AMENDMENTS

❖ Change in Key Personnel

*The grant officer will need the following:*

- A letter from the grantee signed by Authorized Official requesting a change in Key Personnel giving the Name, Percentage of time and the effective date of the change.
- Resume(s)
- HUD-96012 – (include the effective date of the key personnel change(s)
- If the change is for the Program Manager, make sure the percentage of time is at least 75% as otherwise stated in the NOFA
- GTR acceptance/recommendation memorandum
TYPES OF AMENDMENTS

- **Extension – Period of Performance**
  - A letter from the grantee signed by Authorized Official requesting an extension and rationale/justification to substantiate the extension
    - Having funding remaining is not justification for an extension. Funding draws are part of benchmarks to be completed within the 36 month grant performance.
  - Revised HUD-424-CBW and Budget Narrative justification for the extension period only (if needed)
  - All amendment request must go through the GTR. DO not send anything regarding an amendment outside of HHGMS or to the Grant Officer Directly.
TYPES OF AMENDMENTS

- **Budget Change of 10% or more of HUD’s share (funding)**
  - A letter from the grantee signed by Authorized Official to change/reallocate funds and rationale/justification to substantiate the change(s)
  - Grantee shall submit a revised HUD-424-CBW (budget) and budget narrative justification
  - GTR shall review the budget and budget narrative justification to ensure that the types and quantities of cost elements are technically acceptable, and the budget has been completed correctly. **Note: Direct and Admin thresholds met and No costs shall be proposed in Category 8 (Construction Costs) in the budget**
  - GTR acceptance/recommendation memorandum
LOCCS Overview and Set-Up
The Line of Credit Control System (LOCCS) is the U.S. Department of Housing and Urban Development’s (HUD) primary grant disbursement system, handling disbursements for the majority of HUD programs.

Grant disbursements are facilitated via the Internet through the eLOCCS system.

Customers (users and approving officials) are required to gain access to Secure System or Federal Housing Administration (FHA) Connection.

Both Secure System and FHA Connection serve as an internet gateway between the general public and the internal eLOCCS application.

Please Note: There is a requirement for a separate eLOCCS User ID and password from Secure Systems access for both users and approving officials.
The requested payment amount is checked against the grant’s available balance in LOCCS to ensure that the request does not exceed the grant’s authorized funding limit and costs submitted are eligible.

LOCCS will only allow one draw per day on a given grant, unless funds are requested by project or sub grantee.

Once a request/draw is approved by HUD staff, funds are sent from the U.S. Treasury directly to the grantee's bank account, usually within 48 hours from the day the request is made.
LOCCS AND ELOCCS OVERVIEW

What Grantees See In eLOCCS

- REAC eLOCCS link (this is what they see on the Secure Systems Main Menu)
- LOCCS Authorizations (this is what they see after registering the 27054E)
- eLOCCS Core Screens
  - Main Menu
  - Portfolio
  - Grant Queries
  - User Profile
  - Voucher Drawdown
  - Email Maintenance
  - eLOCCS getting started Guide has complete list
What Our Side of LOCCS Looks Like

| Authorized: | 3,231,609.00 |
| Disbursed: | 0.00 |
| In Process: | 47,658.00 |
| Balance: | 3,183,951.00 |

| LOCCS Created: | 10-21-2015 |
| Effective Date: | 10-20-2015 |

1 = Total Award Amount
2 = Total $ paid to Grantee
3 = Total $ in process of request
4 = Remaining Balance (minus any requests in process)
LOCCS AND ELOCCS OVERVIEW

What Can Grantees Do in eLOCCS

- View their HUD portfolio
- View individual Grant detail
- Enter a voucher (if authorized)
- Enter Program information if required
  - (i.e. obligation/expenditure)
- Maintain their personal email address
- Control who in their organization receives LOCCS emails
LOCCS AND ELOCCS OVERVIEW

Detailed instructions for establishing and using the LOCCS and eLOCCS Systems are covered below in the following links:

- LOCCS Access Guidelines for Grantees
  portal.hud.gov/hudportal/HUD?src=/program_offices/cfo/loc.ws_guidelines

- LOCCS Registration Guide

- eLOCCS Getting Started Guide
GETTING HELP

Help desk contact numbers are:

- eLOCCS Support Help Desk- 571-766-2916

- Public and Indian Housing (PIH) Real Estate Assessment Center (REAC) Technical Assistance – 888-245-4860 or REAC_TAC@HUD.GOV

- LOCCS Security Office – 877-705-7504
Grantee Request for Payment Process
Grantee Request for Payment Process

Steps

1) Understand the OLHCHH Policy
2) Start LOCCS Set Up Process
3) Create Voucher in the eLOCCS System
4) Submit Documentation Requirements in HHGMS
   1) 2 person verification/signature on eloccs form
5) Wait on GTR Review to Process Payment
   ▪ Under $100K
   ▪ Over $100K
   ▪ At GTR Discretion: Can include any documentation needed to verify the draw requested at any time
LOCCS Documentation Requirements

Payment Voucher Form
Box 1-8 are auto filled from the eloccs system

Box 11. Should be auto filled with the name of the person who input the draw in the eloccs system

Box 12 and 13 Should hold the printed name and signature of the second reviewer.
### Documentation Requirements

#### Part 3 Form

**FINANCIAL REPORTING**

<table>
<thead>
<tr>
<th>Grant Agreement Number:</th>
<th>DRAFT 37: DRAFT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Organization:</td>
<td>HUD Lead Hazard Control Grant Funds</td>
</tr>
<tr>
<td>Report Period:</td>
<td>December, January and February</td>
</tr>
<tr>
<td>Year:</td>
<td>2013 and 2014</td>
</tr>
<tr>
<td><strong>BUDGET CATEGORIES</strong></td>
<td><strong>NEGOTIATED HUD SHARE BUDGET</strong></td>
</tr>
<tr>
<td>1. Personnel (Direct Labor)</td>
<td>$23,896</td>
</tr>
<tr>
<td>2. fringe benefits</td>
<td>$18,180</td>
</tr>
<tr>
<td>3. Travel</td>
<td>$18,180</td>
</tr>
<tr>
<td>4. Equipment</td>
<td>$18,180</td>
</tr>
<tr>
<td>5. Supplies and Materials</td>
<td>$18,180</td>
</tr>
<tr>
<td>6. Consulting</td>
<td>$18,180</td>
</tr>
<tr>
<td>7. Sub-Grantees</td>
<td>$18,180</td>
</tr>
<tr>
<td>8. Other Direct Costs</td>
<td>$18,180</td>
</tr>
<tr>
<td>9. Indirect Costs</td>
<td>$18,180</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,950,477</td>
</tr>
</tbody>
</table>

#### Administrative Cost Summary

<table>
<thead>
<tr>
<th><strong>BUDGET CATEGORIES</strong></th>
<th><strong>NEGOTIATED HUD SHARE ADMIN BUDGET</strong></th>
<th><strong>APPROVED LOCDS</strong></th>
<th><strong>CUMULATIVE LOCDS DRAWN TO DATE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Personnel (Direct Labor)</td>
<td>$23,896</td>
<td>$18,842</td>
<td>$65,179</td>
</tr>
<tr>
<td>2. fringe benefits</td>
<td>$18,180</td>
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<td>$65,179</td>
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<td>$1,950,477</td>
</tr>
</tbody>
</table>

#### Match Commitment Summary

<table>
<thead>
<tr>
<th>Source of Match Funds</th>
<th>Eligible Activities</th>
<th>Amount this Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Staff Time</td>
<td>$12,137</td>
</tr>
</tbody>
</table>

**Total Match Commitment**: $12,137

**Cumulative Match**: $17,722
## Documentation Requirements Breakdown (Part 3 Form)

### Major Columns Overview

**BUDGET CATEGORIES**
- 1. Personnel (Direct Labor)
- 2. Fringe Benefits
- 3. Travel
- 4. Equipment
- 5. Supplies and Materials
- 6. Consultants
- 7. Contracts / Sub-Grantees
- 7a. Mustardseed
- 7b. LHC - Owner Occupied
- 7c. LHC - Rental
- 7d. Healthy Homes Interventions
- 7e. Neighborhood Housing Services
- 7f. City of Independence, Missouri
- 7g.
- 7h.
- 7i.
- **Subtotal Item 7**
- 8. Other Direct Costs
- 9. Indirect Costs
- **10. TOTALS**

### Negotiated Budget Must Match Last Approved Budget Documents

The negotiated budget must match the last approved budget documents. NO negative balances can result from draw being approved.
### Documentation Requirements (Part 3 Form)

#### Administrative Cost Summary

<table>
<thead>
<tr>
<th>BUDGET CATEGORIES*</th>
<th>NEGOTIATED BUDGET</th>
<th>APPROVED LOCCS DRAWDOWNS THIS PERIOD*</th>
<th>CUMULATIVE LOCCS DRAWDOWNS TO DATE*</th>
<th>AVAILABLE BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Personnel</td>
<td>102,541.92</td>
<td>2,830.84</td>
<td>70,464.34</td>
<td>32,077.58</td>
</tr>
<tr>
<td>2. Fringe Benefits</td>
<td>41,683.29</td>
<td>1,154.36</td>
<td>34,079.10</td>
<td>7,613.19</td>
</tr>
<tr>
<td>3. Travel</td>
<td>29,727.00</td>
<td>6,022.17</td>
<td>14,704.83</td>
<td></td>
</tr>
<tr>
<td>4. Equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5. Supplies and Materials</td>
<td>12,936.00</td>
<td>-</td>
<td>7,103.37</td>
<td>5,882.63</td>
</tr>
<tr>
<td>6. Consultants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7. Contracts / Sub-Grantees /</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8. Other Grant Costs</td>
<td>17,400.00</td>
<td>0.46</td>
<td>12,292.55</td>
<td>5,107.46</td>
</tr>
<tr>
<td><strong>10. TOTALS ADMIN COSTS</strong></td>
<td><strong>195,336.21</strong></td>
<td><strong>3,994.69</strong></td>
<td><strong>129,952.53</strong></td>
<td><strong>65,385.58</strong></td>
</tr>
</tbody>
</table>

* Administrative costs included in totals expended **are not** to exceed 10-percent.

**No Negative Balances can result from the requested draw.**

**Example Analysis of Staying within the % of direct and admin cost.**

Total Award $2,480,000 with HHI Budgeted

- Minimum Direct Costs: $1,612,000.00
- Maximum Administrative Exp: $248,000.00

$1,806,526.19 meets $195,338.21 meets
Documentation Requirements (Part 3 Form)

Ensure the source is eligible and specific details given.

Total should always match the amount on 1044.

Running Total for draws in the quarter. Cumulative for Quarter End should match FFR 425.

Running totals all quarters to date.
Check List:

- Request under correct grant award number
- Attach all files needed
- Include invoices to support the draw in full if $100,000 OR if the GTR requests to see them for any reason
- Ensure the forms are filled out completely and accurately
LOCCS Cycle of Set up and Drawdown Process Recap

1. **Grant Awarded**
2. **Gain Access to System**
3. **Request /Update AO Certification**
4. **Apply/Confirm eLOCCS access**
5. **Maintain Certifications and Use by regular draws and response to notification**

The cycle repeats with each step.
On-Going Fiscal Management

- Match Basics and Requirements
- SF-425 Overview and Breakdown
- Fiscal Management Checklist for Ongoing Reporting
Match Basics

- Match is to be reported at a minimum quarterly on the SF 425
- The quarterly SF 425 should be attached to the quarterly report
- The LOCCS/Part 3 form can track and document Match with each draw
The documentation that is needed is the quarterly minimum reporting:

- Source of match amount
- Use of match funds
- Details should be tied to and part of unit files where applicable
SF 425 Review

- How to fill it out
- When is it due (Quarterly)
- Close Out Report and the Final SF 425
# Completing the SF 425

## Federal Financial Report

1. Federal Agency and Organizational Element to Which Report is Submitted
2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)
3. Recipient Organization (Name and complete address including Zip code)
   - State of Ohio Health Department
   - PO Box 15278, Columbus, Ohio 43215
4a. Grant Performance Dates (Month, Day, Year)
   - 10/15/15
5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)
6. Report Type
   - Quarterly
6. Reporting Period End Date (Month, Day, Year)
   - 12/31/15
7. Basis of Accounting
   - Cash □ Accrual □
8. Reporting Dates
   - (Month, Day, Year)
   - 10/14/18
9. Reporting Period End Date (Month, Day, Year)
   - 12/31/15
Completing the SF 425

<table>
<thead>
<tr>
<th>10. Transactions</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Use lines a-c for single or multiple grant reporting)

Federal Cash (To report multiple grants, also use FFR Attachment):

<table>
<thead>
<tr>
<th></th>
<th>Use this line to track cash received for match from homeowners and partners.</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Cash Receipts</td>
<td>$1,275,000</td>
</tr>
<tr>
<td>b. Cash Disbursements</td>
<td>$1,275,000</td>
</tr>
<tr>
<td>c. Cash on Hand (line a minus b)</td>
<td>0</td>
</tr>
</tbody>
</table>

All cash received here should be spent on eligible cost prior to draw down of grant funds. NO balance/profit is allowed and interest may be charged on any moneys received and not spent timely.
Completing the SF 425

<table>
<thead>
<tr>
<th>Federal Expenditures and Unobligated Balance:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>d. Total Federal funds authorized</td>
<td>Your total award $</td>
</tr>
<tr>
<td>e. Federal share of expenditures</td>
<td>Total $ Eligible drawdown received</td>
</tr>
<tr>
<td>f. Federal share of unliquidated obligations</td>
<td>$ remaining for drawdown</td>
</tr>
<tr>
<td>g. Total Federal share (sum of lines e and f)</td>
<td>$ Summary of e. and f.</td>
</tr>
<tr>
<td>h. Unobligated balance of Federal funds (line d minus g)</td>
<td>Line d. minus line g.</td>
</tr>
</tbody>
</table>

- Your total award $: $3,231,610
- Total $ Eligible drawdown received: $1,000,000
- $ remaining for drawdown: $275,000
- $ Summary of e. and f.: $1,275,000
- $1,956,610

These amounts should match what is in LOCCS for the same date range of reporting.
Close Out Report Final Financial Forms

- The Final SF 425 must be received and approved prior to the final payment of funds to the grantee.
- HHGMS Grant Award Amounts and Expenditures must match:
  - LOCCS
  - SF-425
  - Executed HUD 1044
In order to report and monitoring fiscal management accurately, each program must be able to:

- Access Funds in eLOCCS to disburse to staff, subs and partners
- Request Funds in eLOCCS and HHGMS
- Report Summaries Quarterly and with LOCCS request
- Collect and Provide Fiscal Back up Documentation that correlates to reported summaries clearly when applicable
- Provide cumulative reports in final Closeout Report
OLHCHH Policies on Fiscal Management

- 2015-01: Clarifications of Costs for LHRD and LBPHC
- 2013-03: Requesting Grant Amendments
- 2010-01: Revised Line of Credit Control System (LOCCS)
- 2012-05: Closeout Procedures for OHHLHC Grantees
- 2012-03: Eligibility of Units Counted as Match

OLHCHH Policies Link:
Conclusion
Fiscal Management Recap Activity

1. What were the three types of Amendments?
2. How often can you drawdown for LOCCS a day and how long it usually take to reach your organization bank account?
3. What where the three LOCCS and ELOCCS guides mentioned in the presentation? (Hint: There were links within the slides)
4. What documentation is needed for LOCCS Payment Draws?
5. What was our office recommendation on how often should your organization Draw Down to avoid LOCCs issues?
6. When do you report Match and SF-425?
7. How much percentage of Match is required for your program?
8. What happens if a grantee doesn’t collect all match as planned?
Match and SF-425 Answers

- Match and SF-425 are reported at least quarterly.
- The minimum statutory match is based on the LHC/LHRD allocation of fund only: LHRD-25%, LHC-10%.
- If for any reason you cannot collect all match planned it is best to consider limiting spending of LHC/LHRD amounts that corresponds to the min statutory amount you can collect.
- Defaulting on match amount could result in payment being due to OLHCHH and/or impact future application for funding.
LOCCS Activity Response

- Refer to Slide 9 (1 per day)
- Refer to Slide 13 for Answers:
  - LOCCS Access Guidelines for Grantees
  - LOCCS Registration Guide
  - eLOCCS Getting Started Guide
- Office Recommendations Answer on Avoiding LOCCS Delays:
  - Draw regularly to avoid access issues
  - Pay attention and take action early when notified due to the lengthy process
Point of Contact

- **VICTORIA JACKSON**
  
  Government Technical Representative
  
  Email: Victoria.L.Jackson@hud.gov
  
  Phone: (202) 402-3167

- **KATINA JORDAN**
  
  Grant Officer
  
  Email: Katina.L.Jordan@hud.gov
  
  Phone: (202) 402-7577