U.S. Department of Housing and Urban Development (HUD) Office of Lead Hazard Control and Healthy Homes (OLHCHH)

# **FY2021 NEW GRANTEE ORIENTATION**

Grant Administration and Regulatory Requirements: Understanding the Terms and Conditions

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# 2 CFR 200

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the "Uniform Guidance")
- Government-wide framework for grants management
- Intended to decrease administrative burden for recipients
- Synthesized and superseded guidance from earlier OMB circulars (A-21, A-87, A-110, A-122, A-89, A-102, A-133, A-50)
- Effective December 26, 2014

## Structure of 2 CFR 200

2 CFR Paragraph	Subpart	Title
200.0	А	Acronyms and Definitions
200.100	В	General Provisions
200.200	С	Pre-Federal Award Requirements and Contents of Federal Awards
200.300	D	Post Federal Award Requirements
200.400	E	Cost Principles
200.500	F	Audit Requirements
Appendices to Part 200	I-XE	

### Form HUD-1044

### • Form HUD-1044

- The award document:
  - Recipient Contact Information
  - Grant Award Amount
  - Recipient Amount (i.e., match)
  - Period of Performance
  - Assigned Grant Officer
  - Assigned Government Technical Rep.
- Required for grant amendments
- Signed by the Grant Officer
- Signed by the Authorized Official

1. A	Assistance Instrument		2	Type of Action		
Γ	Cooperative Agreement	Grant		Award Amend	dment	
3. Ir	nstrument Number	4. Amendment Number	5.	Effective Date of this Action	6. C	iontrol Number
7. N	lame and Address of Recipient		8.	HUD Administering Office		
			8a.	Name of Administrator	8b.	Telephone Number
10.	Recipient Project Manager		9.	HUD Government Technical Represen	ntative	
11.	Assistance Arrangement 12. P	Payment Method	13.	HUD Payment Office		
	Cost Reimbursement	Treasury Check Reimbursement				
	Cost Sharing Fixed Price	Advance Check Automated Clearinghouse				
14	Assistance Amount	Automated Gleaninghouse	15	HUD Accounting and Appropriation D	Data	
	Previous HUD Amount	\$		Appropriation Number		Reservation Number
Ĩ	HUD Amount this action	\$				
	Total HUD Amount	\$		nount Previously Obligated	\$	
- 1	Recipient Amount	\$		ligation by this action	\$	
	Total Instrument Amount Description	\$	10	tal Obligation	\$	
		5	10	(a) Obligation	\$	
16.	Recipient is required to s of this document to the H	ion and return three (3) copies	18.	Recipient is not required		gn this document.
16.	Description	ion and return three (3) copies	18.			gn this document.

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Previous editions are obsolete.

## HUD-1044: Block 16 Description

#### Description

#### **Employer Identification:**

This instrument sets forth the agreement between the parties as to all terms and conditions and provisions herein. By signing this award document, the Grantee certifies that it is in compliance with all administrative and financial provisions of this award. This grant instrument consists of the following, some of which are incorporated by reference:

- 1. Cover Page, HUD 1044
- 2. Schedule of Articles / FY 2020 Terms and Conditions
- 3. Statement of Work/Work Plan/Benchmark Standards
- 4. Lead Hazard Control Program Policy Guidance Issuances"PGI-2015-01- Clarification of Costs for LHRD and LBPHC Grant Programs"
- 5. Grantee's financial and technical proposal
- 6. Mutually agreed and negotiated proposal changes
- 7. Abstract of grant activities
- 8. <u>TITLE 2: GRANTS AND AGREEMENTS PART 200</u>—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS <u>http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1</u>
- 9. Notice of Grant Opportunity announced in GRANTS.GOV (FR-6400-N-13) Posted date: 07/22/2020 https://www.grants.gov/web/grants/view-opportunity.html?oppId=328297

#### Period of Performance: January 1, 2021 - June 30, 2024 - 42 months

#### DUNS:

#### Program:

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### Poll Question

Which of the following is not true about 2 CFR 200?

- A. It synthesized and superseded guidance from earlier OMB circulars (A-21, A-87, A-110, A-122, A-89, A-102, A-133, A-50)
- B. It intended to decrease administrative burden for recipients
- C. It came in to effect on December 26, 2014
- D. It allowed OMB to get rid of their circle shaped envelopes
- E. It is the Government-wide framework for grants management

### Terms and Conditions (T&C) Overview

- Two Sections
  - General
  - Program Requirements (Articles)
- Follow the T&C for the year in which your grant was signed

### T&C-General Section

A. Introduction	<u>B. Updates to the</u> <u>OMB Guidance on</u> <u>Grants and</u> <u>Cooperative</u> <u>Agreements</u>	<u>C. Overview of</u> <u>Award</u> Implementation	<u>D. Definitions</u>
E. Federal Funding <u>Accountability and</u> <u>Transparency Act</u> <u>(FFATA)</u>	F. English Language	<u>G. Code of Conduct</u>	H. Determining Subrecipient or Contractor Classification
	I. Procurement Standards	J. Treating Zero- Bedroom Pre-1978 Units with a Child under Age 6 under Lead Hazard Control Grant	

# B. Updates to the OMB Guidance on Grants and Cooperative Agreements

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- Effective 11/12/20
- The following sections of the Code of Federal Regulations where revised/ added:
  - 2 CFR 25 Universal Identifier and System for Award Management
  - 2 CFR 170 Reporting Sub-award and Executive Compensation Information
  - 2 CFR 183 Never Contract with the Enemy (new section)
  - 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

See Appendix 2 of the Terms and Conditions

### C. Overview of Award Implementation

- Grantee must complete and submit:
  - Final negotiated work plan, with deliverables/outcomes measures
  - Targeted areas of program implementation
  - Policy and procedures for how the grant will be administered in the community
  - Approved Request for Release of Funds and Certification (see <u>PG 2008-03 Activities Permitted</u> <u>Prior to Environmental Review/Request for Release</u> <u>of Funds</u>)

## D. Definitions

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### Allowable Costs (200.403)

Necessary and reasonable

Assignable to activities under the grant program

Conform to cost principles and other relevant governance

Treated consistently with other costs of the recipient (federal vs. non-federal)

Treated consistently as direct or indirect costs

Conform to Generally Accepted Accounting Principles (GAAP)

Not used to meet match or cost sharing requirement of another federally funded program

Be adequately documented

Incurred within the period of performance

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#### Allocable Costs (200.403)

- Incurred specifically for the Federal award
- Benefits both the Federal award and other work of the Grantee and can be distributed in proportions that may be approximated using reasonable methods
- Necessary to the overall operation of the Grantee and is assignable in part to the Federal award in accordance with the principles in 2 CFR Part 200, Subpart E - Cost Principles

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#### Direct Costs (200.413)

- Costs that can be identified specifically with a particular final cost objective, such as a Federal award. Examples include:
  - Employee compensation
  - Materials
  - Equipment
  - Travel

#### Indirect Costs (200.414)

- AKA Facility and Administrative (F&A)
- Costs incurred for a common or joint purpose benefiting more than one cost objective
- Not readily/easily assignable to a specific cost objective or project as direct costs

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### **Disallowable Costs:**

 Those charges to an award that HUD determines to be unallowable, in accordance with the applicable Federal cost principles or other terms and conditions contained in the award

### Pass-Through Entity (2 CFR 200.1):

 A non-Federal entity that provides a sub-award to a subrecipient to carry out part of a Federal award

### Sub-award (2 CFR 200.1):

 An award provided by a pass-through entity to a sub-recipient for the sub-recipient to carry out part of a Federal award received by the pass-through entity

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### Sub-recipient or Sub-grantee (2 CFR 200.1):

 A non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal award

### Grant Officer (GO):

• The HUD Official authorized to execute and administer the grant award

### **Government Technical Representative (GTR):**

• The HUD Official who is responsible for the technical administration of the grant

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### "Must" or "Shall"

• A mandatory requirement

### "Should"

The best practice or recommended approach

### E. Federal Funding Accountability and Transparency Act of 2006 (FFATA), 2 CFR 170

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#### **Recipient Reporting:**

- Prime grantees of HUD financial assistance are required to report subawards in the Federal Sub-award Reporting System (FSRS) if the initial sub-award is equal to or over \$30K
- Website: <u>www.fsrs.gov</u>

#### **Executive Compensation:**

- Prime grantees must report total compensation for each of their five most highly compensated executives for the preceding fiscal year. If:
  - Total funding on your award authorized is greater than \$30K; and
  - In the prior FY you received:
    - 80% or more of gross revenues from Federal Procurement or Assistance
    - \$25M or more in gross revenues from Federal Procurement or Assistance
- Website: <u>Sam.gov</u>

# G. Code of Conduct (Conflict of Interest)

- All prime grantees (except states) and all subrecipients must have a code of conduct for procurements that meet all requirements in 200.318(c)
- States must follow the same policies and procedures they use for procurements from their non-Federal funds (200.318)
- Prime Grantees must disclose in writing any potential conflict of interest to the Federal awarding agency. Subgrantees must disclose to pass-through entity in accordance with applicable Federal awarding agency policy (200.112)

### Program Requirements (Articles)

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#### 22. HUD's Right to Audit and Disallow Cost and Recover Funds PROGRAM REQUIREMENTS 1. Administrative Costs 23. Incurrence of Costs 2. Administrative Requirements 24. Indirect (F&A) Cost Rate Advance Payment by Treasury Check or Electronic Funds Transfer 3. 25. Inspection and Acceptance 4. Allowable Costs 26. Key Personnel Amendments 5. 28. Liability Insurance Limitation of Consultant Payments Amount of Cost Share (Estimated Cost and Payment - Matching) 6. 29. Limitation on Payments to Influence Certain Federal Transactions 7. Budget 30. Lobbying Activities Prohibition Certifications and Assurances 31. Grant Deliverables 9. Changes to Award Agreement 32. Order of Precedence 10. Closeout 11. Conduct of Work 33. Patent Rights (Small Business Firms and Nonprofit Organizations) 12. Collection of Data 34. Period of Performance and Extensions 13. Contact Information Updates 35. Pre-award Costs 14. Copyrights 36. Profit/Fee 15. Direct Costs 37. Program Income 16. Disputes 38. Project Management System 17. Estimated Cost and Payment – Line of Credit Control System (LOCCS) 39. Publications and News Releases 18. Equipment 40. Release of Funds and Environmental Certification 19. Flow Down Provisions 41. Review of Deliverables 20. Grantee Lead Certification Program Requirement 21. Single Audit Reporting Requirements 42. Sanctions 43. Scope of Services 44. Special Conditions

45. Suspension and Termination (For Cause)

# Program Requirements Highlights

1. Administrative Costs	6. Amount of Cost Share	23. Incurring Costs	17. Estimated Cost and Payment - Line of Credit Control System (LOCCS)
21. Single Audit Reporting Requirements	22. HUD's right to Audit and Disallow Costs and Recover Funds	9. Changes to the Award Agreement	34. Period of Performance, Extensions, and Obligating Federal Funds
	19. Flow Down Provisions	42. Sanctions & 43. Suspension and Termination	

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#### 1. Administrative Cost:

- Lead May not exceed 10% of the federal lead grant amount (excludes HH Supp.)
- Weatherization Program May not exceed 20% of federal amount
- Includes direct admin and indirect costs

#### 6. Amount of Cost Share (Match):

- Minimum 10% of federal lead grant award amount (excludes HH Supp.)
  - Does not apply to Weatherization Program
- Recipient amount on block 14 of the HUD-1044 is the negotiated and approved amount
- Must meet commitment
- Must be verifiable in records

#### 23. Incurring Costs:

- The Grantee can incur costs for activities beginning on the effective date on the form HUD-1044
- Cost incurred before that date are unallowable unless approved in writing by the Grants Officer

17. Estimated Cost and Payment – Line of Credit Control System (LOCCS)

- The Grantee shall be reimbursed for allowable costs incurred during the performance of work under the grant in an amount not-to-exceed "Total HUD Amount" on the form HUD-1044
- Incurred costs shall be reimbursed through eLOCCS
- In order to use eLOCCS, you must:
  - Register in Secure Systems to access the eLOCCS "application"
  - Submit a notarized HUD-27054E form, which will specify the Business Partner(s) and HUD Program that you are authorized to access within eLOCCS

See Policy Guidance PGI 2015-02 Line of Credit Control System (eLOCCS) Reimbursement Procedures

### 26. Key Personnel

- Specified on the HUD Form 96012
- Essential to work being performed
- Program Manager must commit at least 75% of their time to the grant award (Does not apply to Weatherization Program)
- Changes in Key Personnel must be approved in advance and in writing by the GO

### 9. Changes to Award Agreement

Prior Approval Requirements	Formal Amendment HUD-1044 Issued
Equipment > \$5K	No
Updated contact information	Yes
Revision of scope	No
Period of performance extension	Yes
Budget Revision	If <10% of total federal award, then no If >10% of total federal award, then yes
Key Personnel Change	Yes
Sub-contracting/Sub-granting or otherwise obtaining 3 <sup>rd</sup> party vendors	No
International Travel	No

#### (See PG 2013-03 Requesting Grant Amendments)

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# 34. Period of Performance, Extensions, and Obligating Federal Funds

- The Grantee shall provide all services stipulated in this award agreement for the period of months specified on the form HUD-1044
- An extension of the period of performance can only be authorized by the GO in writing
- During the closeout period (120 days after the period of performance end date):
  - No costs shall be incurred or obligated for conducting project activities
  - The only costs authorized are those associated with closeout activities
  - All obligations must be liquidated

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### **19. Flow Down Provisions**

If a grantee issues a sub-award to another entity to perform work under this award:

- Must include the FY20 terms and conditions and any other necessary provisions in the subaward agreement to ensure that sub-recipients comply with the requirements of this grant
- Grantees are responsible for monitoring its sub-recipients (See 200.332—Requirements for Pass-Through Entities)

# 21. Single Audit Reporting Requirements (2 CFR 200, Subpart F)

- A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or programspecific audit conducted for that year
- Submit to the Federal Audit Clearinghouse

Website: https://harvester.census.gov/facweb/

 Grants may be placed on "High Risk" designation, suspended, or terminated for failing to submit the Single Audit Report

#### 22. HUD'S right to Audit and Disallow Costs and Recover Funds

- The Government reserves the right to recover and recapture any funds that were not expended in accordance with the requirements of this agreement
- HUD has the right to order a special audit (even if the grantee has already conducted one)

#### Later Disallowances and Adjustments

The closeout of a grant does not affect:

- HUD's right to disallow costs and recover funds based upon a later audit or other review (2 CFR 200.344)
- The Grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustment. (2 CFR §200.344)
- Audit requirements in 2 CFR Part 200, Subpart D Post Federal Award Requirements of this part (200.334-200.337)
- Property management and disposition requirements (2 CFR 200.310 200.316).
- Audit requirements in CFR Part 200, Subpart F Audit Requirements

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# 42. Sanctions (200.338) & 43. Suspension and Termination (200.339-343)

- Failure to comply with the requirements of the award may result in:
  - Requiring that financial and programmatic reports be approved by the GTR/GO before drawing down funds
  - Suspending ability to incur costs and incur funds.
  - Suspending or terminating the grant
- Award can be terminated by mutual convenience between HUD and the Grantee

# Appendix 1: Action Schedule

Action	Due Date
Work plan, written policies and procedures, benchmarks, and revised budget with a breakdown of the match	60 days after the effective date of grant
Request for Release of Funds and Certification	60 days after the effective date
Institutional Review Board approval (if applicable)/Approval of Request for Release of Funds and Certification	120 days after the effective date
Grant work/deliverables	As per benchmarks following Institutional Review Board approval/Approval of Request for Release of Funds and Certification
Quarterly Progress Reports with a separate attached document illustrating match status and a current SF-425 (Federal Financial Report) Annual reports for Weatherization Program	30 days after the quarter ends, i.e.: January 30, April 30, July 30, October 30
FFATA sub-award Reporting System	By the end of the month following the month in which the Grantee awards a sub-award greater than or equal to \$30,000

### See Appendix A of the FY21 Terms and Conditions

# Action Schedule Cont'd

Action	Due Date
Economic Opportunities for Low- and Very Low- Income Persons (Section 3)	Within 30 days of the end of the grantee fiscal year-end
Race and Ethnic Data Reporting	January 10 annually
Single Audit	Annually based on the Grantee's fiscal year
The 90-day letter confirms all elements outlined in the grant have been met	Due before the end of the period of performance. This will be sent to you by the Grant Officer 90 days prior to the period of performance end date.
Final Reports (programmatic and final SF 425)	120 days after the end of the period of performance

### Appendix 2: Revisions to the OMB Guidance for Grants and Agreements

#### 2 CFR 25 - Universal Identifier and System for Award Management

§25.200 Requirements for notice of funding opportunities, regulations, and application instructions.	Recipients must maintain active SAM at all times when it has an active Federal award.
§25.300 Requirement for recipients to ensure subrecipients have a unique entity identifier (new)	Subrecipients MUST have a unique identifier number (DUNS)
2 CFR 170 - Reporting Subaward and	Executive Compensation Information
Appendix A to Part 170 - Reporting first- tier subawards	Subaward reporting threshold increased from \$25,000 to \$30,000 for each action.
Appendix A to Part 170 - Reporting Total Compensation of Recipient Executives for non-Federal Entities	Executive compensation threshold has increased from \$25,000 to \$30,000.

### 11/12/20 Revisions Cont'd

### 2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

§200.322 Domestic	Grantees should, to greatest extent practicable under a
preferences for	Federal award, provide a preference for the purchase,
procurements (new	acquisition, or use of goods, products, or materials produced in
section)	the United States.
§200.340 Termination	The term "for cause" is omitted and replaced with: to the
	greatest extent authorized by law, if an award no longer
	effectuates the program goals or agency priorities;"
§200.332 Requirements	Pass-through entities are only responsible for addressing
for pass-through	subrecipients single-audit findings related to their
entities.	subaward(s).
§200.344 Closeout	Final reporting deadline extended from 90 days after the
	period of performance end date to 120 days for prime recipients.
	Subrecipients must submit final reports to prime no later than 90 days after the period of performance end date.

### 11/12/20 Revisions Cont'd

### 2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

§200.320 Methods of procurement to be followed

Created 2 procurement categories: formal and informal

- Formal (Above Simplified Acquisition threshold):
  - Sealed bids
  - Proposals
  - Non-competitive
- Informal
  - Micropurchases (under \$50k)
  - Small purchases

### **OLHCHH** Policies

- OLHCHH Polices Website (Day to Day operations tied to our specific grant program and policy references): <u>https://www.hud.gov/program</u> \_\_offices/healthy\_homes/lbp/pg
- Foundational references 2 CFR 200 Regulations and Title X requirements .

<u>2020-06</u>	Closeout Procedures for OLHCHH Grantees
<u>2020-01</u>	Pandemic - Related Income Verification Applicability Extension
<u>2019-01</u>	Determining Subrecipient or Contractor Classification <ul> <li><u>Checklist for Determining Subrecipient or Contractor</u></li> <li><u>Classification for PG 2019-01</u></li> </ul> (Use this checklist for HHGMS submission.)
<u>2018-01</u>	Purpose and Use of Healthy Homes Supplemental Funding (HHSupp) - Revised (Healthy Homes Reports and Scope of Work Guide)
<u>2017-01</u>	<ul> <li>New Policy for Dust-Lead Action Levels for Risk Assessment and Clearance</li> <li>► Fact sheet on LHC grants dust-lead Policy Guidance 2017-01</li> </ul>
<u>2017-04</u>	Office of Lead Hazard Control and Healthy Homes Grant Procurement Standards (Contractor and Sub-Recipient Federal Standards and Agreements for programs to follow within grant program and to keep established documents on file)
<u>2016-02</u>	Lead in Water (If program addresses lead in water with HHS funds)
<u>2015-02</u>	Updated eLOCCS Procedures (Reminders for LOCCS voucher submission)

### **OLHCHH** Policies Continued

<u>2015-01</u>	Clarification of Costs for LBPHC and LHRD Grant Programs (Reminders for budget changes)
<u>2014-01</u>	Eligibility of Units for Assistance (Eligible Applicants Requirements and qualifications guidelines)
<u>2013-03</u>	<u>Requesting Grant Amendments (Any administrative changes to the grant listed that needs HUD 1044</u> or HHGMS award changes)
<u>2013-01</u>	Lead Inspection-Risk Assessment Reporting and Documentation (If program addresses lead)
<u>2012-03</u>	Units Counted as Match (Eligible Match Reminders)
<u>- 2004-01</u>	Revised Work Plan development guidance (objectives that is required in the workplan)

### Other Unit Program Reference Links

**1. HUD GUIDELINES-***Risk Assessors, Contractors Unit Work Activities Guidelines and Requirements:* 

https://www.hud.gov/program\_offices/healthy\_homes/lbp/hudguidelines

**2. THE LEAD DISCLOSURE RULE** -Section 1018 of this law directed HUD and EPA to require the disclosure of known information on lead-based paint and lead-based paint hazards before the sale or lease of most housing built before 1978.:

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Https://www.hud.gov/program\_offices/healthy\_homes/enforcement/disclosure

**3. THE LEAD-SAFE HOUSING RULE-** The Lead Safe Housing Rule applies to all target housing that is federally owned and target housing receiving Federal assistance

https://www.hud.gov/program\_offices/healthy\_homes/enforcement/lshr

\*These lead guidelines and regulations will be reference throughout NGO conference sessions \*

# OLHCHH WEBSITE

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Home / Office of Lead Hazard Control and Healthy Homes

#### OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES (OLHCHH)

The Office of Lead Hazard Control and Healthy Homes (OLHCHH) provides funds to state and local governments to develop cost-effective ways to reduce lead-based paint hazards. In addition, the office enforces HUD's lead-based paint regulations, provides public outreach and technical assistance, and conducts technical studies to help protect children and their families from health and safety hazards in the home.





The Programs Division provides program management, oversight and technical assistance of OLHCHH's grant programs



 The Programs and Regulatory Support Division ensures regulatory compliance with the Lead-Based Paint Disclosure Rule & the Lead-Safe Housing Rule as well as provides program & technical support to our grantees & stakeholders. Enforcement & support for the Lead Regulations are major functions of the group as well as outreach, technical assistance & guidance on lead an healthy homes issues. OLHCHH Contact Information by Region.



 The Grant Services Division provides the overall supervision of the grant's management life cycle. This consists of administrative, negotiation, awarding, ensuring compliance to meet federal regulations or agency policies, financial audits, regulatory review & award closeout for the OLHCHH's grant & cooperative agreement.



Post-Disaster Healthy Housing Resources  The Policy and Standards Division develops healthy homes guidelines & standards, oversees research studies, & provides technical assistance on policy issues for OLHCHH & other HUD Program Offices.

 The Post-Disaster Healthy Housing Resources page informs users on the essentials of healthy homes for post natural disaster restoration of homes, including the principles & technical aspects of the safe & proper response & removal of mold, asbestos, lead, & other hazards & unsafe conditions. Click here for helpful resources.

### https://www.hud.gov/program\_offices/healthy\_homes

# Contact us!



### For questions about this presentation:

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For specific questions about your grant, contact the GO/GTR assigned to you (found on the HUD-1044).