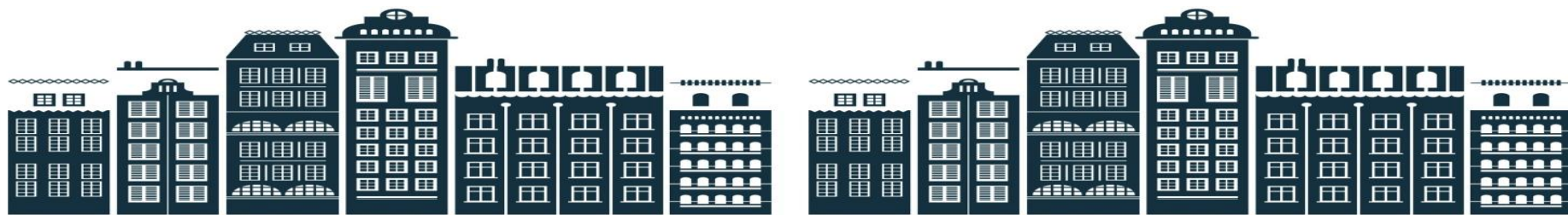


FY17 NEW GRANTEE ORIENTATION

Understanding Your Grant Terms and Conditions



WASHINGTON, DC SEPTEMBER 20-22, 2017

Objectives

2

- Learn Important Facts about the Terms and Conditions
- Clearly Define the Terms and Conditions Terminology
- Identify the Reporting Deliverables within the Grant Agreement
- Understand How to Find Other Major Program Requirements
- Learn How to Utilize the Terms and Conditions Search Tool



Form HUD-1044

3

- Form HUD-1044
 - The award document:
 - Recipient Contact Information
 - Grant Award Amount
 - Recipient Amount (i.e., match)
 - Period of Performance
 - Assigned Government Technical Rep
 - Required for grant amendments
 - Signed by the Grant Officer
 - Signed by the Authorized Official

Assistance Award/Amendment

U.S. Department of Housing
and Urban Development
Office of Administration

1. Assistance Instrument <input type="checkbox"/> Cooperative Agreement <input type="checkbox"/> Grant		2. Type of Action <input type="checkbox"/> Award <input type="checkbox"/> Amendment	
3. Instrument Number		4. Amendment Number	
5. Effective Date of this Action		6. Control Number	
7. Name and Address of Recipient			
8. HUD Administering Office			
8a. Name of Administrator		8b. Telephone Number	
10. Recipient Project Manager		9. HUD Government Technical Representative	
11. Assistance Arrangement <input type="checkbox"/> Cost Reimbursement <input type="checkbox"/> Cost Sharing <input type="checkbox"/> Fixed Price		12. Payment Method <input type="checkbox"/> Treasury Check Reimbursement <input type="checkbox"/> Advance Check <input type="checkbox"/> Automated Clearinghouse	
13. HUD Payment Office			
14. Assistance Amount		15. HUD Accounting and Appropriation Data	
Previous HUD Amount \$		15a. Appropriation Number	
HUD Amount this action \$		15b. Reservation Number	
Total HUD Amount \$		Amount Previously Obligated \$	
Recipient Amount \$		Obligation by this action \$	
Total Instrument Amount \$		Total Obligation \$	
16. Description			
17. <input type="checkbox"/> Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. <input type="checkbox"/> Recipient is not required to sign this document.	
19. Recipient (By Name)		20. HUD (By Name)	
Signature & Title		Signature & Title	
Date (mm/dd/yyyy)		Date (mm/dd/yyyy)	

HUD-1044 Terms and Conditions

4

Section 16. Description

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 / 2017 Terms and Conditions
3. Statement of Work/Work Plan/Benchmark Standards
4. Lead Hazard Control Program Policy Guidance Issuances
5. Grantee's financial and technical proposal
6. Mutually agreed and negotiated proposal changes
7. Abstract of grant activities
8. TITLE 2: GRANTS AND AGREEMENTS - PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS [<http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1>]
9. Notice of Grant Opportunity announced in GRANTS.GOV (FR-6100-N-12) – Posted date: Tuesday, February 07, 2017

Period of Performance: 36 months - Grant Agreement "Amendment 1" will execute grant funds

Terms and Conditions Overview

5

- Grantee Official Compliance of the Grant Agreement
- Grant Agreement Major Categories
 - Preface
 - General
 - Program Requirement Articles
- Current Year of Grant Terms and Conditions
- Grantees With Two Grants Terms and Conditions



Preface and General Section

U.S. Department of Housing and Urban Development
Office of Lead Hazard Control and Healthy Homes
Terms and Conditions for FY 2017 Grants and Cooperative Agreements

TABLE OF CONTENTS

PREFACE

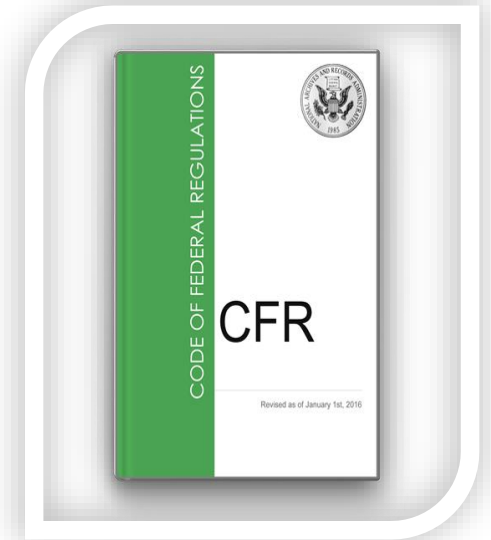
GENERAL

- A. Overview of Award Implementation
- B. Definitions
- C. Changes to Reporting – Transparency Act Reporting
- D. English Language
- E. Conflict of Interest
- F. Determining Sub-recipient or Contractor Classification
- G. Procurement Standards
- H. Treating 0-Bedroom Pre-1978 Units with a Child under Age 6 under Lead Hazard Control Grant
(New)

Preface Highlights

7

- Code of Federal Regulations:
 - 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Non-Federal Entity Procurement Standards
 - Required to use their approved Procurement Procedures that conform to applicable Federal law and the standards identified in 2 CFR §200.317–§200.326, Procurement Standards.



General Section Overview

8

□ Overview of Award Implementation:

(60 calendar days of the award)

□ Grantee must complete and submit a revised:

- Management and work plan (Who, What, When, Where),
- Policy and Procedures (How)
 - Template and Checklist available on website

□ Approved Request for Release of Funds and Certification

- **OLHCHH Policy Guidance 2008-03 on office website.**



Definitions Overview

9

- **“Grant Award” “Cooperative Agreement” or “Federal Award”:**
 - ▣ The award document consisting of the HUD-1044, including any special conditions; these award provisions refer to either a grant or a cooperative agreement instrument.
- **Contract:**
 - ▣ A legal instrument by which a non-Federal entity purchases property, goods or services (2 CFR §200.22).
- **Federal Financial Report (FFR):**
 - ▣ The Grantee shall submit the Standard Form 425 for each project or program annually.
- **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.

Definitions Overview (Cont'd.)

10

□ Allowable Costs (2 CFR 200.405):

□ *This standard is met if the cost:*

- 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 (unique and reasonable)

Definitions Overview (Cont'd.)

11

- **“Must” or “Shall”**: A mandatory requirement.
- **“Should”**: The best practices or recommended approach.
- **Sub-award (2 CFR 200.92)**: 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.
- **Pass-Through Entity (2 CFR 200.74)**:
 - A non-Federal entity that provides a sub-award to a sub-recipient to carry out part the Federal program.
- **Sub-recipient (2 CFR 200.93)**:
 - Non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal program.

Definitions Overview (Cont'd.)

12

- **Transparency Act Reporting:**
 - Federal Financial Assistance Accountability and Transparency Act of 2006 (FFATA):
 - **Recipient Reporting:** Recipients and other prime awardees of HUD financial assistance are required to report sub-awards in the Federal Sub-award Reporting System (FSRS). Website: <https://www.fsrs.gov>.
- **Prime Awardee Executive Compensation Reporting:**
 - Recipients and other Prime Awardees must report in the government wide website (total compensation and names of the top five executives in the prime awardee).
- **Sub-award Executive Compensation Reporting:**
 - Recipients and other Prime Awardees must report in the government wide website the total compensation and names of the organization.

General Section (Cont.)

13

- **C. Changes to Reporting - Transparency Act Reporting:**
 - Recipients and other prime awardees are required to report sub-awards in the Federal Subaward Reporting System (FSRS) website: <https://www.fsrs.gov>
 - If initial award is \$25,000 or greater or the cumulative award will be \$25,000 or greater.
 - Includes executive compensation information both for the award and subawards.
 - The prime awardee will have until the end of the month plus one additional month after a subaward is obligated to fulfill the reporting requirement.

General Section (Cont.)

14

- E. **Conflict of Interest:**
 - The Conflict of Interest will be used in T&Cs, as defined by 2 CFR §200.112.

Program Requirements (Schedule of Articles)

15

PROGRAM REQUIREMENTS ARTICLES

1. Administrative Costs |
2. Administrative Requirements
3. Advance Payment by Treasury Check or Electronic Funds Transfer
4. Allowable Costs
5. Amendments
6. Amount of Cost Share (Estimated Cost and Payment – Matching)
7. Budget
8. Certifications and Assurances
9. Changes to Award Agreement
10. Closeout
11. Conduct of Work
12. Collection of Data
13. Contact Information Updates
14. Copyrights
15. Direct Costs
16. Disputes
17. Estimated Cost and Payment – Line of Credit Control System (LOCCS)
18. Equipment
19. Flow Down Provisions
20. Grantee Lead Certification Program Requirement
21. Single Audit Reporting Requirements
22. HUD's Right to Audit and Disallow Cost and Recover Funds
23. HUD's Substantial Involvement
24. Incurrence of Cost

25. Indirect (F&A) Cost Rate
26. Inspection and Acceptance
27. Key Personnel
28. Liability Insurance
29. Limitation of Consultant Payments
30. Limitation on Payments to Influence Certain Federal Transactions
31. Lobbying Activities Prohibition
32. Grant Deliverables (If Applicable)
33. Order of Precedence
34. Patent Rights (Small Business Firms and Nonprofit Organizations)
35. Period of Performance and Extensions
36. Pre-award Costs
37. Profit/Fee
38. Program Income
39. Project Management System
40. Publications and News Releases
41. Release of Funds and Environmental Certification
42. Review of Deliverables
43. Sanctions
44. Scope of Services
45. Special Conditions
46. Suspension and Termination (For Cause)

Schedule of Articles Overview

16

Highlight of the Most Current Changes within the Terms and Conditions

9. Changes to Award Agreement

In accordance with 2 CFR Part 200 as applicable grantees/recipients and subgrantees must obtain the prior approval of the awarding agency (see **OLHCHH Policy Guidance 2013-03**) whenever any programmatic changes are anticipated to include the following:

- a. Subrecipient or Contractor receiving funds greater than \$3,500.00 classification must be approved in writing by the Grant Specialist/Grant Officer regarding their classification status;
- b. Any equipment in excess of \$5,000 must obtain prior approval in writing from the GTR or Grant Specialist;
- c. Contact Information must be provided within 30 days (See Article 13);
- d. Any revision of the scope or objectives of the project (e.g., change in target area(s), intervention methods, institutional review board approval to be obtained, interim or final benchmarks of numbers of environmental reviews to be completed, housing units to be treated, number of people to be trained, etc.) regardless of whether there is an associated budget revision requiring prior approval);
- e. Need to extend the period of performance/availability of funds;
- f. Budget revisions that are 10% or more of the cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget. Changes in key personnel as specified in an application or a grant award. In research projects, a change in the project director or principal investigator always requires approval;
- g. Contracting out, sub-granting (if authorized by law) or otherwise obtaining the third party (e.g. vendors) to perform activities that are central to the purposes of the award;
- h. International Travel – All international travel that is required to ensure the goals of the grant MUST have prior approval in writing from the assigned GTR with concurrence from the Grant Officer before the travel takes place.

Schedule of Articles Overview (Cont'd)

17

- **17. Estimated Cost and Payment – Line of Credit Control System (LOCCS):**
 - The Grantee shall be reimbursed for incurred costs shall be reimbursed through eLOCCS under the HUD's Line of Credit Control System for allowable costs incurred for work under this grant in an amount not-to-exceed “Total HUD Amount” on the form **HUD-1044**.
 - eLOCCS is accessed through the HUD internet portal called **Secure Systems** and sometimes referred to as the online systems.

Schedule of Articles Overview (Cont'd)

18

- ***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 Programs you are authorized to access within eLOCCS.

Schedule of Articles Overview (Cont'd)

19

22. HUD's Right to Audit and Disallow Cost and Recover Funds

- The Government reserves the right to **recover and recapture any funds** that were not expended in accordance with the requirements; considered an **ineligible program cost**.

Schedule of Articles Overview (Cont'd)

20

- **Later Disallowances and Adjustments: the closeout of a grant does not affect:**
 - HUD's right to disallow costs and recover funds on the basis of 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 (**§200.333-§200.337**).
 - Property management and disposition requirements (**2 CFR §200.310 – §200.316**).
 - Audit requirements in CFR Part 200, Subpart F – Audit Requirements.

Schedule of Articles Overview (Cont'd)

21

□ 27. Key Personnel:

- Personnel specified as key personnel in the original grant application, HUD 96012 form, Factor 1, Capacity of the Applicant and Relevant Organizational Experience, are considered to be essential to the work being performed.
- ***The Program Manager must commit at least 75% of his/her time to grant award.***
 - **Cannot be job share, must be qualified and preapproved before any billing eligible!!!**

Schedule of Articles Overview (Cont'd)

22

□ 33. Order of Precedence:

□ *In the event of any inconsistency among any provisions of this grant, the following order of precedence shall apply:*

- Statutes;
- Federal Regulations, including 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- The NOFA, including the General Section and the Program Section;
- Grant Agreement (form **HUD-1044**), including Terms and Conditions;
- Grantee's Approved Work Plan.



Schedule of Articles Overview (Cont'd)

23

- **35. Period of Performance and Extensions:**
 - ***The Grantee shall provide all services*** stipulated in this award agreement for the period of months specified on the form HUD-1044, “Assistance Award/Amendment” Continuation Sheet from the effective date stipulated on the form HUD 1044
 - Extensions are not justified because there is money left to spend. Spending all resources is part of the benchmarks to be met in the original 36 month period of performance
 - ***All obligations incurred under the award*** must be liquidated not later than 90 days after the end of the funding period
 - Contracted for vs. liquidated
 - ***The preparation of the final administrative and financial reports*** is to be completed within 90-days after the end of the period of performance.

Timeline of Actions Due

Action	Due Date (Deliverables may be provided earlier) ¹
Management and Work plan, written policies and procedures, benchmarks and revised budget with a breakdown of the match	60 days after effective date of grant/cooperative agreement
Request for Release of Funds and Certification	90 days after effective date
Institutional Review Board approval (if applicable)/Approval of Request for Release of Funds and Certification	120 days after 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-424	30 days after 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 <u>subgrant</u> greater than or equal to \$25,000
Economic Opportunities for Low- and Very Low-Income Persons (Section 3)	January 10 annually
Race and Ethnic Data Reporting	January 10 annually
Annual Audit	Annually base on the Grantee's fiscal year
Deliverables	In accordance with benchmark schedule
90-day letter confirms all elements outlined in the grant or cooperative agreement have been met.	Due prior to the end of the period of performance
Final Report (Grant Award) and Research Paper or Publication (Cooperative Agreements).	90 days after the end of the period of performance

Common Pitfalls!

25

- Responsiveness/Communication
- Timely Amendments- AO, Key Staff, Budget
- Working within period of performance adequately
- Pre Approval of Program Managers
- **BUDGET LIMITATIONS**
- Monitoring
- High Risk Actions

Conclusion on Terms and Conditions

26

