

Chapter 4: POST-AWARD

4-1: Monitoring

A. OVERVIEW

1. Program Offices must perform post-award monitoring for both discretionary and non-discretionary awards to ensure the successful performance and administration of the award. Post-award monitoring extends through the period of performance and closeout. Monitoring includes day-to-day activities, activities performed at specified intervals, such as site visits, and periodic evaluations of recipient performance required by statute or policy.
2. Monitoring provides systematic, structured, timely, and dynamic data to help management make informed decisions about program effectiveness and efficiency. It helps identify fraud risks and design and implement controls to prevent, detect, and respond to fraud, including improper payments.
3. HUD-wide regulations on financial, performance and property monitoring, and reporting requirements are found in the program regulations and 2 CFR part 200. Program Offices must monitor for conformity with program statutory and regulatory requirements and the terms and conditions of the award.
4. Examples of monitoring program guidelines/regulations/policies for some Program Offices may be found at:
 - a. Community and Planning Development
 - b. Fair Housing and Equal Opportunity
 - c. Lead Hazard Control and Healthy Homes
 - d. Public and Indian Housing (ONAP Grants Eval Handbook)

B. OVERSIGHT ROLE AND MONITORING REQUIREMENTS

1. Program Offices must conduct the appropriate post-award monitoring for grants and cooperative agreements regularly. Using a cooperative agreement, instead of a grant, does not relieve HUD from its monitoring responsibilities. Monitoring responsibilities are separate from the Federal collaborative role in a cooperative agreement.
2. HUD, as steward of Federal financial assistance, must monitor recipients for compliance with the program statute, regulations, and terms and conditions of the award. The information obtained through monitoring is used to determine performance and whether additional actions are needed to increase the potential for successful performance or to protect Federal interests.
3. Post-award monitoring should determine if the recipient is:

- a. Making progress in achieving the objectives of the Federal award, consistent with performance goals or milestones in the Federal award, general activities at a level of effort, and/or specific project activities;
- b. Minimizing the time elapsing between the drawdown of funds for advances and the disbursement for program purposes in accordance with cash management requirements;
- c. Providing required matching or cost sharing consistent with its programmatic performance, if required;
- d. Maintaining adequate administrative and financial systems;
- e. Using and accounting for Federal or grant-generated resources, such as program income, or property under the terms and conditions of award;
- f. Communicating developments having a significant impact on timeframes for completing activities and meeting performance goals of the Federal award; and
- g. Complying with other terms and conditions of award – e.g., undertaking proposed activities within allowable costs, meeting public policy objectives, and complying with government-wide and Departmental requirements, such as research integrity, appropriate treatment of human subjects, nondiscrimination, and environmental protection.”

C. RISK ANALYSIS AND MITIGATION THROUGH MONITORING (2 CFR 200.206)

1. Monitoring must be documented by the Program Office. The Program Office must document the adequacy of recipient program and fiscal performance and compliance at least annually during the period of performance.
2. Site visit or desk review results, including findings, must be documented in writing after completion of the review and require development of a corrective action plan by the recipient for any findings of non-compliance.
3. An annual risk analysis and risk mitigation strategy must be developed and implemented by the Program Office. Prior to making an award HUD is required to review the nonpublic segment of the OMB-designated integrity and performance system accessible through SAM (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)). HUD must consider all of the information available through FAPIIS with regard to the applicant and any immediate highest-level owner, predecessor, or subsidiary, identified for that applicant in FAPIIS, if applicable. In evaluating risks posed by applicants, HUD may use a risk-based approach and may consider any items such as the following:

- a. *Financial stability*, Financial stability;
- b. *Management systems and standards*. Quality of management systems and ability to meet the management standards prescribed in this part;
- c. *History of performance*. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;
- d. *Ability to effectively implement requirements*. The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

At minimum, the analysis and strategy should quickly and clearly identify:

- i. The program and/or recipients with the most significant risk exposure to the Department;
- ii. The number of program recipients to be monitored during a fiscal year in order of priority;
- iii. Types of technical assistance and other support that can be provided to address weaknesses;
- iv. Short- and long-term monitoring approaches (e.g., on-site, remote, desk, focused, limited or comprehensive) to be used;
- v. Timeline, including specific tasks and timeframe for monitoring or technical assistance to be conducted; and
- vi. Financial/staff resources, systems, and standards to be used to support the monitoring strategy.
- vii. The recipients' record of executing programs or activities satisfactorily under Federal grants, cooperative agreements, or procurement awards; and integrity and business ethics in accordance with their record in FAPIIS.
- viii. The recipients' ability to effectively implement requirements (i.e., statutory, regulatory, or HUD imposed requirements).

D. RECIPIENT MONITORING

1. Monitoring is a responsibility of HUD's Program Offices. Monitoring is performed by both Headquarters and Field Office staff, depending on the program.
2. The monitoring approach should be determined prior to award and is subject to adjustment after award based on recipient performance and compliance. A monitoring approach includes techniques on how to measure progress towards

performance goals and frequency of reporting. The approach should consider the:

- a. Type of program (e.g., service, research, demonstration);
- b. Governing statutory and regulatory requirements;
- c. Type of award instrument;
- d. Type of recipient(s); and
- e. Risk-based criteria specific to a program or award.

E. PERFORMANCE MEASUREMENT (2 CFR 200.301)

1. HUD must measure the recipient’s performance, as adopted for the program and Federal award specific consideration, to show achievement of program goals and objectives, share lessons learned, improve program outcomes, and foster adoption of promising practices. Note these program goals and objectives should be derived from program planning and design, as described in 2 CFR 200.202.
2. Where appropriate, the Federal award may include specific program goals, indicators, targets, baseline data, data collection, or expected outcomes (such as outputs, or services performance or public impacts of any of these) with an expected timeline for accomplishment. Where applicable, this should also include any performance measures or independent sources of data that may be used to measure progress. HUD will determine how performance progress is measured, which may differ by program. Performance measurement progress must be both measured and reported. See 200.329 for more information on monitoring program performance.
3. The annual assessment should include a review, and signed acknowledgement of the annual progress report. The review should indicate the recipients’ overall progress (acceptable or otherwise) and whether there are known issues. The assessment should also include information obtained by phone, email or other sources.
4. The assessment should focus on reviewing both the administrative and financial aspects of the Federal award. The assessment may include a review of the single audit, compliance with financial requirements, prior approval requests, and matching or cost sharing efforts.
5. Any need for specific award conditions, technical assistance, or enforcement actions resulting from the annual assessment must be noted.
6. HUD should also specify any requirements of award recipients’ participation in a Federally funded evaluation, and any evaluation activities required to be conducted by the Federal award.

F. SUB-RECIPIENT MONITORING

1. In its oversight and governance role of its recipients, HUD has a duty to ensure that the use of Federal funds through any sub-awards meets the intended outcome.
2. Sub-recipient monitoring encompasses the entire lifecycle of sub-award activity. A recipient or subrecipient that sub-awards its funds to another entity (pass-through entity) is responsible for monitoring its sub-recipient's activities and compliance with the Federal statute, regulations, and terms and conditions of the award, whether the award is a grant or a cooperative agreement. Most Federal requirements, including those related to fair housing and civil rights, will apply to subrecipients as well as recipients.
3. Pass-through entities are responsible for making pre-award decisions concerning sub-awards and managing the day-to-day operations of sub-award supported activities. In addition, pass-through entities must monitor sub-recipients to ensure compliance with applicable Federal requirements and the achievement of performance goals.
4. Requirements for pass-through entities are found in in the program regulations and 2 CFR part 200 (e.g., 2 CFR 200.332).
5. The pass-through entity must handle any non-compliance issues by the sub-recipient.
6. Except as otherwise provided in the program regulations or 2 CFR part 200 (e.g., 2 CFR 200.329(c)), a pass-through entity may impose reporting requirements or require prior approval for an activity even if it is not required by HUD or use a different threshold if it would allow the pass-through entity to meet its obligations to HUD.

G. POST-AWARD AMENDMENTS

1. A condition or action that prompts a significant change to an award will require approval from HUD before the grant recipient can implement a modification to an award.
2. Recipients are required to report deviations from budget or project scope or objective, and request prior approvals from HUD for budget and program plan revisions, in accordance with 2 CFR 200.308.
3. The instances where HUD approval is required are referred to as post award amendments.
4. Post award amendment types include:
 - a. Revisions to Budget and Program Plans (2 CFR 200.308)
 - b. Changes in Scope (2 CFR 200.308(c)(1))
 - c. Changes in Key Personnel (2 CFR 200.308(c)(2))
 - d. No-cost Extensions (2 CFR 200.308(e)(2))

- e. Modifications to Period of Performance (2 CFR 200.309)
 - f. Organization Change
5. Program Offices will determine the conditions that will require an award amendment and the specific actions, recipients must take, in the terms and conditions of the grant agreement.

4-2: Post-Award Reporting

A. REQUIREMENTS

1. Recipients must complete post-award reports required by the grant or cooperative agreement. The reports include financial, performance, and other types of required reports. Performance and financial reports are required at least annually and at a maximum of quarterly, as per 2 CFR part 200, Subpart D.
2. Increased frequency of reporting is permitted when specific award conditions, because of a risk assessment, require increased reporting frequency.
3. Program Offices must do the following in relation to recipient post-award reporting:
 - a. Require use of OMB-approved, government-wide or program specific reporting forms and formats and instructions for post-award reporting.
 - b. Identify the post-award reporting requirements in NOFOs applying to awards made.
 - c. Identify the forms or formats for reporting, including standard form number.
 - d. Obtain approval from OMB, as required under PRA, for any reporting requirements differing from standard reporting requirements or instructions.

B. PERFORMANCE AND FINANCIAL REPORTS (2 CFR 200.328 and 200.329)

1. Reporting program performance. HUD must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information.
 - a. As appropriate, HUD must require the recipient to relate financial data and accomplishments to performance goals and objectives of the Federal award.
 - b. In accordance with above mentioned common information collections, and when required by the terms and conditions of the Federal award, recipients must provide cost information to demonstrate cost effective practices (i.e., through unit cost data).

- c. In some instances (e.g., discretionary research awards), this will be limited to the requirement to submit technical performance reports (to be evaluated in accordance with HUD policy).
 - d. Reporting requirements must be clearly articulated such that, where appropriate, performance during the execution of the Federal award has a standard against which non-Federal entity performance can be measured.
- 2. These reports will contain, for each Federal award, brief information on the following unless other data elements are approved by OMB in the agency information collection request:
 - a. A comparison of actual accomplishments to objectives for the period reported including costs per quantifiable accomplishment or trend data and analysis;
 - b. Reasons why performance goals were not met, if appropriate; and,
 - c. Additional information, including explanation of cost overruns or high costs, if appropriate;
 - d. Significant Developments:
 - i. Recipients should immediately notify HUD of developments with a significant impact on the award-supported activities.
 - ii. Notification should be given about problems, delays, or other adverse conditions materially impairing the ability to meet the objectives of the award.
 - iii. This notification will include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.
 - iv. Notification should also be given to HUD for favorable developments, which enable the recipient to meet time schedules and objectives sooner or at less cost than anticipated or which produce more, or different beneficial results than originally planned.
- 2. HUD must solicit only the OMB-approved governmentwide data elements for collection of financial information.
 - a. HUD may extend the due date of any financial report upon receiving a justified request from a recipient. A recipient requesting an extension of the due date for any financial report must obtain approval from the Program Office which may require a regulation waiver submission.
- 3. The Program Offices will follow the requirements of 2 CFR 200.328 and 200.329 to determine the required frequency for the submittal of the reports.

C. SUB-AWARD REPORTING AND REPORTING OF EXECUTIVE COMPENSATION

1. FFATA, as implemented in 2 CFR part 170, requires prime grant recipients (for both non-discretionary and discretionary grants) to report on first-tier sub-awards and executive compensation for the recipient and first-tier sub-recipients.
2. Reporting requirements apply to awards and sub-awards over \$30,000, and where the obligation date and/or the period of performance start date are on or after October 1, 2015. If a first-tier sub-award was funded prior to October 1, but the sub-award amount increases to the threshold of \$30,000, then these reporting requirements apply.
3. The total compensation for the previous year and the names of the five (5) most highly compensated executives must be reported, if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues from Federal procurement contracts and subcontracts or Federal awards subject to the FFATA or Federal awards; and \$25,000,000 or more of annual gross revenues from the Federal government (contracts, subcontracts, financial assistance awards, and sub-awards subject to FFATA).
4. Organizations whose periodic reports are filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986 are not required to report executive compensation under the Transparency Act.
5. If the recipient had a gross income from sources under \$300,000, it is exempt from reporting sub-awards and sub-recipient executive compensation.

4-3: Records Retention

A. PROGRAM OFFICE RESPONSIBILITIES

1. The management and protection of grant information and files is an important function of the grant's life cycle. Various types of grant information and files require maintenance including award-specific files, program information files, and objective review files.
2. Program Offices must follow HUD retention requirements in the Record Retention Handbook 2225.6. At minimum, financial records, supporting documents, statistical records and other recipient records pertaining to an award must be retained for a period of three years from the date of submission of the final expenditure report, or from the date of submission of the quarterly or annual financial report, as applicable, or for the period for which the recipient is required to retain records.
3. All records must be maintained in an accessible format, in accordance with Section 508 of the Rehabilitation Act of 1973.

B. TYPES OF FILES

1. A Program Office must maintain official grant and grant-related records in paper or electronic form, or as a combination of both paper and electronic forms. Program Offices must establish and maintain:
 - a. Award-specific files.
 - b. Program information files.
 - c. Objective merit review files.
2. These records must be organized into files or, for fully electronic records, a filing structure. Electronic records are strongly encouraged for Program Offices. Whenever practicable collect, transmit, and store Federal award-related information in open and machine-readable formats (i.e., standard computer language that can be read automatically by a web browser or computer system).
3. Award Files. A Program or alternatively appropriate Office must create an award file for each grant award. The award file is an official, formal file and must contain a complete record of the award's history.
4. Documentation must be maintained to support decisions in the grant process, including but not limited to decisions related to competition, eligibility, application review results, funding, and post-award monitoring and administration.
5. Program Files. Program information files should, at minimum, include:
 - a. The program statute, regulations, and program guidance (including documents such as policy information notices, policy/program assistance letters, or program assistance letters);
 - b. A copy of the NOFO or renewal application instructions;
 - c. Any justification for limited competition;
 - d. Documentation concerning selection of the award instrument (i.e., use of grants or cooperative agreements);
 - e. OGC opinions;
 - f. GAO and OIG reports and related correspondence and congressional correspondence related to the program or class(es) of recipients under the program; and
 - g. General documentation relating to post-award administration of the program, such as single or program-specific audits, if any.
6. Merit Review Files. Program Offices must maintain records of merit review proceedings. Documentation generated throughout the review process must be handled in a manner protecting the confidentiality of reviewers' identities and

their comments without revealing their assessments or scores or the overall ranking, except on a “need-to-know” basis.

7. The merit review file, or a separate file, must include unsuccessful applications, whether resulting from a NOFO, renewal process, or an unsolicited request for funding.
8. Besides any program-specific requirements, review documentation and the information below and review documentation must be maintained in a manner limiting access to only authorized individuals, including:
 - a. Names and affiliations of review committee members/chair;
 - b. Applications received under the NOFO or renewal, showing those applications that are ineligible for review (and supporting documentation);
 - c. Evidence of compliance with the conflict of interest requirements, including a conflict of interest and confidentiality certification from reviewers;
 - d. Documentation of any appointments authorized as an exception to conflict of interest requirements;
 - e. Actions taken to manage conflict of interest, including documenting a reviewer with a conflict of interest in an application did not participate in the review of that application or other applications in the competition;
 - f. Application assignment list (by reviewer and, if applicable, by panel);
 - g. Review results, including summary statements and the ranking list;
 - h. The final decisions made by the approving official and documentation of out-of-rank-order decisions; and
 - i. Copies of notifications to unsuccessful applicants.
9. Unless exempted from the disclosure requirements of the Freedom of Information Act (FOIA) (5 U.S.C. 552), the Privacy Act (5 U.S.C. 552a), and the HUD Reform Act regulations (24 CFR part 4), certain documents related to the review of grant applications may be subject to proactive disclosure and/or public access pursuant to FOIA.

C. RECORDS MANAGEMENT, STORAGE, AND RETENTION

1. Program Offices must develop award, program information, and objective review files in accordance with records management, storage and retention requirements in the Federal Record Retention Handbook and National Archives and Records Administration (NARA) [Bulletin 2013-02](#) on managing Federal email records electronically. Program Offices must store and retain

certain grant-related documents and information and consult with the HUD's Records Management Officer, when necessary.

2. Program Offices must have a systematic method to store and retrieve electronic files.
3. The Program Office must create and maintain Federal award files allowing oversight entities (e.g., Office of the Inspector General (OIG) and Government Accountability Office (GAO)) access to documents, papers, or other records.
4. Records must be retained if they are the subject of a litigation hold or other directive even when a records schedule would otherwise allow for disposition.
5. Program Offices must ensure recipients comply with laws protecting security and privacy in research and other grant-supported activities, including but not limited to, the Federal Information Security Management Act (FISMA) of 2014. Electronic information systems or manual records containing Federal data must be protected from unauthorized access.

4-4: Closing an Award (2 CFR 200.344)

A. REQUIREMENTS

1. In accordance with 2 CFR 200.344, HUD will close out a Federal award when it determines that the recipient has completed all applicable administrative actions and all required work. If the non-Federal entity fails to complete the requirements, the HUD or the pass-through entity will proceed to close out the Federal award with the information available.
2. Recipients are required to submit, no later than 120 calendar days after the end date of the period of performance, (unless extended and justified by HUD or subject to other timeframes established in HUD regulations), all financial, performance, and other reports as required by the terms and conditions of the award. A subrecipient must submit to the pass-through entity, no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and subrecipient) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award
3. HUD must make every effort to complete close out actions no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes. Closeout actions include HUD actions in the grants management and payment systems.
4. If the non-Federal entity does not submit all reports in accordance with this section and the terms and conditions of the Federal Award, HUD must proceed to close out with the information available within one year of the period of performance end date.

5. If the non-Federal entity does not submit all reports in accordance with this section within one year of the period of performance end date, HUD must report the non-Federal entity's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS). HUD may also pursue other enforcement actions per 2 CFR 200.339.

B. PROCESS

Program Offices must complete the steps listed below to close an award, which incorporate the requirements of 2 CFR part 200, unless a program has regulations governing closeout.

1. The recipient must submit, no later than 120 calendar days after the end date of the period of performance (unless extended by HUD in accordance with 2 CFR 200.308(e)(2) and §200.329(c)(1)), all financial, performance, and other reports required by the terms and conditions of the award.
2. These activities must be completed by the Program Office, if applicable:
 - a. Ensure that the recipient has submitted the required reports.
 - b. Review required final reports for completeness, accuracy, and acceptability.
 - c. Respond to a recipient's request for property or equipment disposition instructions.
 - d. Review the Federal financial information reported covering the end of the project period.
 - e. Make any required funding adjustments and if adjustments are made, notify the recipient of any amount due to the recipient or to HUD
 - f. Deobligate any unexpended funds remaining. Note that funds must be obligated before the final closeout.
 - g. Close the award in the appropriate grant management system.
 - h. In cases where HUD terminates an award early or does not make an award due to past non-performance, the Program Office must submit a report in the Federal Awardee Performance and Integrity Information System (FAPIIS)
 - i. Determine that the recipient has met all other programmatic requirements and notify the recipient of the closeout. Note: While 2 CFR part 200 does not require a closeout agreement (although some programs do), a closeout agreement can be a helpful tool for communication and for documenting requirements.

- j. Appropriately document closeout actions in the official award file and should destroy it ten years after final action is taken on the file. Longer retention is authorized if required for business use.
 - k. Must promptly close the award in the appropriate fiscal or payment management system and ensure that the award is recorded as closed.
3. Unless program regulations specify otherwise, HUD must make every effort to complete closeout activities no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes. Closeout actions include HUD actions in the grants management and payment systems (2 CFR 200.344(g)). As stated in 2 CFR 200.345, the closeout of a Federal award does not affect any of the following:
- The right of the Federal awarding agency or pass-through entity to disallow costs and recover funds based on a later audit or other review;
 - The requirement for the non-Federal entity to return any funds due because of later refunds, corrections, or other transactions including final indirect cost rate adjustments;
 - The ability of HUD to make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments
 - Audit requirements in 2 CFR part 200, subpart F;
 - Property management and disposition requirements in 2 CFR 200.310 through 200.316 of 2 CFR part 200, subpart D; or
 - Records retention requirements in 2 CFR 200.334 through 200.338.
4. **Continuing responsibility after closeout:** The Grantee has the following areas of continuing responsibility after closeout of award:
- 1) Unless program regulations specify otherwise, records and materials must be kept in a safe place and be accessible to HUD, auditors and other government officials for a period of at least 3 years after the date of submission of the final expenditure report in accordance with 2 CFR 200.334 through 200.338.
 - 2) Accountability for property continues as long as the Grantee holds the property, or for the period of time established by the award document. Disposal of property must be in accordance with 2 CFR §200.310 through 200.316.
 - 3) Notification to the GTR and Grant Officer (**Program Office**) if at any time during the three-year period after the period of performance, the Grantee organization is discontinued or changes location. The GTR and Grant Officer (**Program Office**) shall be notified immediately of the new address or the address of the party retaining all records.

- 4) If the Program Office does not receive acceptable final reports within this period and/or determines closeout cannot be completed with the cooperation of the recipient, HUD may elect to complete a unilateral closeout.
- 5) The Program Office must document that any additional requirements after the closeout, such as audits, have been appropriately handled. (2 CFR 200.345)
- 6) OCFO will oversee the process to ensure that grants are being closed out in a timely manner.

B. PROPERTY CONSIDERATIONS (2 CFR part 200, Subpart D)

1. The disposition of property is not required as part of closeout. If a recipient continues to use the property after closeout, as permitted in 2 CFR 200.311, 200.312, and 200.313, this will not affect the Program Office's ability to close the award. (2 CFR 200.344)
2. For the disposition of real property acquired or improved under the award, it must be determined whether:
 - a. The recipient will continue to use the property after closeout;
 - b. The recipient is requesting disposition instructions;
 - c. HUD wants to exercise its right to transfer title;
 - d. Any reimbursement is due to HUD
3. The Program Office must continue to track the recipient's compliance with any accountability and reporting requirements for equipment throughout the term of possession. (2 CFR 200.313) This tracking will ensure the property continues to be used for the specified duration of the award.
4. Recipients who developed intellectual property, patents, or inventions as part of a grant award should identify and report those items. Patented items should be recorded in iEdison.gov as part of the grant closeout.
 - a. The recipient may copyright any work subject to copyright and that was developed under a Federal award. HUD reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.
 - b. The recipient is subject to applicable regulations governing patents and inventions, including government-wide regulations, such as 37 CFR Part 401.

4-5: Terminating an Award (2 CFR 200.340)

- A. It is allowable to terminate agreements in whole or in part to the greatest extent authorized by law post award, if an award no longer effectuates the program goals or agency priorities. (2 CFR § 200.340). The conditions under which HUD may terminate an award is outlined in 2 CFR 200.340:
- B. The Federal award may be terminated in whole or in part, as follows:
 - 1. By HUD or a pass-through entity, if a non-Federal entity fails to comply with the terms and conditions of a Federal award;
 - 2. By HUD or a pass-through entity, to the greatest extent authorized by law, if an award no longer effectuates the program goals or agency priorities;
 - 3. By HUD or a pass-through entity with the consent of the non-Federal entity, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated;
 - 4. By the non-Federal entity upon sending to the Federal awarding agency or pass-through entity written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. Note: If the Federal awarding agency or pass-through entity determines in the case of partial termination that the reduced or modified portion of the Federal award or subaward will not accomplish the purposes for which the Federal award was made, the Federal awarding agency or pass-through entity may terminate the Federal award in its entirety.
 - 5. By the Federal awarding agency or pass-through entity pursuant to termination provisions included in the Federal award.
- C. HUD must clearly and unambiguously specify termination provisions in 2 CFR 200.340 and other applicable regulations or program requirements in the Federal award or in regulations that are incorporated by reference into the Federal award, consistent with this section and 2 CFR 200.211(c)(v).
- D. When a HUD terminates a Federal award, prior to the end of the period of performance, due to the non-Federal entity's material failure to comply with the Federal award terms and conditions, the Federal awarding agency must report the termination to the OMB-designated integrity and performance system accessible through SAM (currently FAPIIS), in accordance with the requirements at 2 CFR 200.340(c).
- E. When HUD or a pass-through entity terminates an award, it must provide a notice of termination to the non-Federal entity that contains the requirements at 2 CFR 200.341. Costs to the non-Federal entity resulting from financial obligations incurred by the non-Federal entity during a suspension or after a termination of a Federal

award or subaward are not allowable unless the Federal awarding agency or pass-through entity expressly authorizes them in the notice of suspension or termination or subsequently, in accordance with 2 CFR 200.343.

4-6: Audits and Reviews (2 CFR 200.501)

A. RECOMMENDATIONS

1. Program Offices should clearly specify in the terms and conditions of award both the audit requirements and the potential consequences of not submitting required reports in a timely manner.
2. Program Offices should inform recipients of the single audit requirements applying to their organization and their responsibilities related to audits of sub-recipients.
3. Program Offices should inform any non-Federal entity, either recipient or sub-recipient expending \$750,000 or more in Federal awards in a fiscal year of the requirement to obtain a single audit meeting the Single Audit Act, and applicable sections of 2 CFR 200, Subpart F.
4. Program Offices should review current and previous audit reports prior to awarding a new or renewal award; at least annually as a regular part of monitoring; and when closing an award.

B. SINGLE AUDIT REPORT SUBMISSION – FEDERAL AUDIT CLEARINGHOUSE (FAC)

1. The Federal Audit Clearinghouse (FAC) is a public database of completed audits and the submission point for the single audit reporting packages. Auditees and auditors are responsible for completing and submitting the package in accordance with 2 CFR 200.512.
2. An award may be closed before submission of a Single Audit. If, after closeout has been completed, a subsequent audit report identifies questioned costs, the Program Office may disallow costs and recover an amount based on sustained audit findings.
3. If the single audit report has not been submitted within nine (9) months of the end of the auditee’s fiscal year, it is considered delinquent (§200.512). For delinquent single audit reports, the Program Office must contact the recipient and instruct it to submit a single audit report covering the delinquent reporting period.

C. FINDINGS FOLLOW UP (2 CFR 200.511)

1. Auditors must report the following as audit findings in accordance with 2 CFR 200.516:

- a. Significant deficiencies and material weaknesses in internal controls over major programs and significant instances of abuse;
 - b. Material non-compliance with Federal statutes, regulations, or the terms and conditions of the award;
 - c. Known questioned costs greater than \$25,000 for a major program;
 - d. Known or likely fraud affecting a Federal award; and
 - e. Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.
2. Auditees (e.g., recipients) are responsible for follow-up and corrective action on audit findings.

D. SINGLE AUDIT MANAGEMENT DECISIONS AND RESOLUTION (2 CFR 200.521)

1. HUD is required to issue a management decision, on an assigned reporting package with audit findings, within six months of the date the FAC accepts the single audit report package. (2 CFR 200.521)
2. Determinations of disallowed costs and/or deficiencies in management systems resulting from audit findings must be based on the applicable statute(s), regulations, cost principles, and other terms and conditions of the award.

E. OTHER TYPES OF AUDITS

1. GAO and the HUD Office of Inspector General (OIG) conducts audits to provide accountability and determines whether Federal funds are being spent efficiently and effectively. Additionally, OIG also conducts evaluations. These GAO and OIG matters usually target an issue in a grant program or grants management function.
2. The GAO and OIG often request official government records and documents associated with their audits or evaluations. Program Offices must provide the information requested in an expeditious manner.
3. A GAO or OIG audit or evaluation may result in recommendations to address concerns. Program Office must ensure:
 - a. The recommendations are consistent with law, regulation, and policy; and/or
 - b. Concerns are resolved in a timely manner.