

Exhibit 15-2  
Housing Trust Fund

Guide for Review of Program Oversight, Financial Management, and Cost Allowability	
<b>Grantee:</b> Click or tap here to enter text.	<b>Subgrantee:</b> Click or tap here to enter text.
<b>Grantee/Subgrantee Staff Consulted:</b> Click or tap here to enter text.	
<b>Name of HUD Reviewer(s):</b> Click or tap here to enter text.	<b>Date of Review:</b> Click or tap to enter a date.

**NOTE:** All questions contain the citation for the source of the requirement (statute, regulation, NOFO, HTF allocation plan or grant agreement). If the requirement is not met (i.e., the answer to the question is “no”), the reviewer must make a finding of noncompliance.

## PURPOSE

In accordance with the requirements of [24 CFR 93.404\(a\)](#), the grantee is responsible for managing the day-to-day operations of its HTF program and is required to develop and follow comprehensive written program policies and procedures for the administration of its HTF program. The regulation at [24 CFR 93.101\(d\)](#) requires the grantee to ensure that its subgrantees comply with the requirements of 24 CFR part 93 and carry out the applicable grantee responsibilities. **Therefore, this Exhibit is designed to assess the grantee/subgrantee’s program oversight, conformity to financial management requirements, as well as costs charged to the HTF program to determine if they comply with [2 CFR part 200](#) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.** When reviewing subgrantee project files during a monitoring, the reviewer must also include a citation to [24 CFR 93.101\(d\)](#) when citing a regulatory violation.

## INSTRUCTIONS

The reviewer must review the following program areas:

- A. Program Progress and Reporting,
- B. Financial Management and Recordkeeping,
- C. Cash Management Practices,
- D. Internal Controls,
- E. Program Income, and
- F. Cost Allowability and Eligibility.

If reviewing for *Bonds, Improper Payments, Period of Performance* and *Audits*, use Exhibit 34-1a. For *Procurement*, use Exhibit 34-3a.

On December 26, 2014, HUD participated in a government-wide rulemaking to adopt [2 CFR part 200](#) for HUD programs. In addition, conforming regulatory changes were made to the HTF regulations on December 7, 2015.

**NOTE:** The HTF regulations at [24 CFR 93.405](#) states the applicability of [2 CFR part 200](#), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, to HTF grantees and their subgrantees, with some exceptions. This Exhibit contains HTF Program specific questions and is designed to be used in conjunction with Chapter 34. To properly monitor for compliance with the requirements at [2 CFR part 200](#), the HUD reviewer must also complete Exhibit 34-1a, *Guide for Review of Financial Management and Audits*, and Exhibit 34-2a, *Guide for Review of Cost Allowability*. Some of the following sections will begin with further instructions to the reviewer regarding the need to refer to the Exhibits in Chapter 34 to address compliance with applicable portions of [2 CFR part 200](#).

Exhibit 15-2  
Housing Trust Fund

TABLE OF CONTENTS

Purpose.....1

Instructions.....1

A. Program Progress and Reporting.....3

B. Financial Management and Recordkeeping .....4

C. Cash Management Practices.....6

D. Internal Controls .....7

E. Program Income .....7

F. Cost Allowability and Eligibility.....8

Exhibit 15-2  
Housing Trust Fund

## A. PROGRAM PROGRESS AND REPORTING

1.

Does the grantee/subgrantee have and follow written policies and procedures to ensure compliance with 24 CFR part 93?  <a href="#">[24 CFR 93.404(a), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

2.

Does the grantee/subgrantee have a system for assessing risk of activities and projects to ensure compliance with 24 CFR part 93?  <a href="#">[24 CFR 93.404(a), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

3.

Does the grantee/subgrantee have a system for monitoring the performance and compliance of entities (i.e., subgrantees, recipients, first-time homebuyers, and contractors) to ensure compliance with 24 CFR part 93?  <a href="#">[24 CFR 93.404(a), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

4.

Does the grantee/subgrantee review the performance and compliance of each contractor and subgrantee at least annually?  <a href="#">[24 CFR 93.404(a), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

Exhibit 15-2  
Housing Trust Fund

5.

<p><i>If HTF performance problems arise with funded entities, does the grantee/subgrantee take action to correct the performance problems (e.g., reduce, recapture, and/or reprogram funds, provide technical assistance)?</i></p> <p><a href="#">[24 CFR 93.404(a), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

6.

<p>Based on the HTF Open Activities Report and HTF Vacant Units Report, is the grantee/subgrantee entering required data in the Integrated Disbursement and Information System (IDIS) in a timely manner (e.g., grantee/subgrantee completing projects in IDIS within 120 days of final draw and entering beneficiary data at project completion or, if the project still has vacant units at 120 days, as it becomes available)?</p> <p><a href="#">[24 CFR 93.402(d)(1), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

## B. FINANCIAL MANAGEMENT AND RECORDKEEPING

Instructions: Section A of Exhibit 34-1a, *Guide for Review of Financial Management and Audits* **must** be used to review Financial Management, *in addition to the following questions.*

### Program Records

7.

<p>Does the grantee/subgrantee maintain sufficient records regarding the forms of HTF assistance used in the program?</p> <p><a href="#">[24 CFR 93.407(a)(1)(i), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

8.

<p>Does the grantee/subgrantee maintain sufficient records regarding the underwriting and subsidy layering guidelines adopted in accordance with <a href="#">24 CFR 93.300</a>?</p> <p><a href="#">[24 CFR 93.407(a)(1)(ii), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

Exhibit 15-2  
Housing Trust Fund

9.

<p><i>If HTF funds are used for housing for first-time homebuyers</i>, does the grantee/subgrantee maintain sufficient records demonstrating the procedures used for establishing 95 percent of the median purchase price for the area in accordance with <a href="#">24 CFR 93.305</a> as set forth in the consolidated plan (e.g., HTF Allocation Plan)?</p> <p><a href="#">[24 CFR 93.407(a)(1)(iii), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

10.

<p><i>If HTF funds are used for acquisition of housing for homeownership</i>, does the grantee/subgrantee maintain sufficient records describing its resale guidelines established in accordance with <a href="#">24 CFR 93.304</a> as set forth in the consolidated plan (e.g., HTF Allocation Plan)?</p> <p><a href="#">[24 CFR 93.407(a)(1)(iv), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

11.

<p>Does the grantee maintain sufficient records documenting compliance with the 24 month commitment deadline at <a href="#">24 CFR 93.400(d)(1)</a>?</p> <p><a href="#">[24 CFR 93.407(a)(1)(v)]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

12.

<p>Does the grantee/subgrantee maintain sufficient records documenting compliance with the 10 percent limitation on administrative and planning costs in accordance with <a href="#">24 CFR 93.202</a>?</p> <p><a href="#">[24 CFR 93.407(a)(1)(vi), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

Exhibit 15-2  
Housing Trust Fund

### Financial Records

13.

Does the grantee/subgrantee maintain sufficient financial records identifying the source and application of funds for each fiscal year?  <a href="#">[24 CFR 93.407(a)(3)(i), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

14.

Does the grantee/subgrantee maintain sufficient financial records regarding the HTF Treasury account and local account required to be established and maintained by <a href="#">24 CFR 93.400</a> , including deposits, disbursements, balances, and supporting documentation and any other information required by the program disbursement and information system (IDIS) established by HUD?  <a href="#">[24 CFR 93.407(a)(3)(ii), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

### C. CASH MANAGEMENT PRACTICES

15.

Is the grantee/subgrantee's local Housing Trust Fund account interest bearing?  <a href="#">[24 CFR 93.400(c)(2), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

16.

Does the grantee/subgrantee maintain sufficient financial records identifying the source and application of program income and repayments?  <a href="#">[24 CFR 93.407(a)(3)(iii), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

Exhibit 15-2  
Housing Trust Fund

## D. INTERNAL CONTROLS

**Instructions:** Section B of Exhibit 34-1a, *Guide for Review of Financial Management and Audits* **must** be used to review Internal Controls, *in addition to the following questions*.

17.

Does the grantee/subgrantee maintain sufficient financial records demonstrating adequate budget controls in compliance with <a href="#">2 CFR part 200</a> , including evidence of periodic account reconciliation?  <a href="#">[24 CFR 93.407(a)(3)(iv), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

## E. PROGRAM INCOME

**Instructions:** Section G of Exhibit 34-1a, *Guide for Review of Financial Management and Audits* **must** be used to review Program Income, *in addition to the following questions*.

18.

Does the grantee/subgrantee have policies and procedures in place to require timely reporting of program income in IDIS?  <b>NOTE:</b> Grantees must report program income in IDIS. Subgrantees must report program income timely to the grantee.  <a href="#">[24 CFR 93.404(a), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

19.

<i>If the grantee/subgrantee receives program income</i> , does it report the program income in IDIS?  <b>NOTE:</b> Grantees must report program income in IDIS. Subgrantees must report program income timely to the grantee.  <a href="#">[24 CFR 93.402(a) and 24 CFR 93.403(a), 24 CFR 93.101(d) for subgrantee]</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b> Click or tap here to enter text.	

Exhibit 15-2  
Housing Trust Fund

20.

<p><i>If both funds in the local HTF account and funds in the United States Treasury account are committed to a project</i>, did the grantee/subgrantee disburse the funds in the local account before requesting HTF funds in the United States Treasury account for the project?</p> <p><a href="#">[24 CFR 93.402(c)(3), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

21.

<p>Upon closeout of the subgrant agreement, did the subgrantee transfer to the grantee any HTF funds on hand and any accounts receivable attributable to the use of HTF funds?</p> <p><b>NOTE:</b> <a href="#">24 CFR 93.404(c)(1)(ix)</a> requires that the written agreement between the grantee and subgrantee must specify that upon closeout of the subgrant agreement, the subgrantee must transfer to the grantee any HTF funds on hand and any accounts receivable attributable to the use of HTF funds. If the subgrantee fails to comply with the requirement, then the grantee failed to have enforce the written agreement and the requirements of <a href="#">24 CFR Part 93</a>.</p> <p><a href="#">[24 CFR 93.404(a), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

## F. COST ALLOWABILITY AND ELIGIBILITY

Instructions: Exhibit 34-2a, *Guide for Review of Cost Allowability* **must** be used to review Cost Allowability, *in addition to the following questions*.

22.

<p>Are the administrative and planning costs charged to the HTF grant (subject to the 10 percent limitation, 10 percent of HTF allocation and 10 percent of program income recorded in IDIS), allowable and allocable?</p> <p><a href="#">[24 CFR 93.202, 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	



Exhibit 15-2  
Housing Trust Fund

23.

<p>Are salaries, wages, and related costs of the grantee/subgrantee staff only for costs of a person who has primary responsibilities for HTF program administration, or a prorated share of the costs of a person whose job includes any HTF program administration assignments?</p> <p><b>NOTE:</b> Examine the personnel roster of staff being paid by the HTF grant and determine if the staff were primarily working on HTF program administration or had any HTF program administration assignments as described in <a href="#">24 CFR 93.202(b)</a>?</p> <p><a href="#">[24 CFR 93.202(b), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

24.

<p><i>If staff and related overhead costs are being charged as project costs,</i> are staff and related overhead costs of the grantee/subgrantee only for costs directly related to carrying out the HTF project or directly related to providing advisory and other relocation services to persons displaced by the project?</p> <p><b>NOTE:</b> Examine the personnel roster of staff being paid by the HTF grant and determine if the staff were directly related to carrying out the HTF project as described in <a href="#">24 CFR 93.202(c)</a>?</p> <p><a href="#">[24 CFR 93.202(c), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	

25.

<p><i>If the grantee/subgrantee disbursed HTF funds to any entity,</i> did the grantee/subgrantee enter into a written agreement with that entity before disbursement?</p> <p><a href="#">[24 CFR 93.404(b), 24 CFR 93.101(d) for subgrantee]</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<p><b>Describe Basis for Conclusion:</b> Click or tap here to enter text.</p>	