CHAPTER 17

COMMUNITY COMPASS TECHNICAL ASSISTANCE
AND CAPACITY BUILDING PROGRAM (TA PROGRAM)

17-1   APPLICABILITY. This Chapter provides guidance for monitoring the Community Compass Technical Assistance and Capacity Building Program (TA Program), which includes all programs linked to its Catalog of Federal Domestic Assistance (CFDA) Number, 14.259. The monitoring exhibits in this chapter should be used for all active awards (e.g., awards showing in the Disaster Recovery Grant Reporting (DRGR) as active).

17-2   PURPOSE. This Chapter provides guidance to HUD reviewers for oversight of cooperative agreements for the TA Program. The purpose of the TA Program is to support the following HUD offices to achieve the highest level of performance and results for its programs and program grantees: Office of Community Planning and Development (CPD), Office of Housing, Office of Public and Indian Housing (PIH), Office of Fair Housing and Equal Opportunity, Office of Policy and Research Development (PD&R), and Office of Field Policy and Management (FPM). The TA Program uses discretionary funds, which are appropriated from the United States Congress, announced via a Notice of Funding Availability (NOFA), and competitively awards using cooperative agreement instruments. TA Program awards/cooperative agreements allow cost reimbursement of allowable TA services/activities; and funds are disbursed through HUD's Line of Credit Control System (LOCCS) via DRGR System. Allowable TA services/activities are provided in the NOFA and listed below. These services/activities are in addition to the overall award/cooperative agreement management activities.

   a. Direct technical assistance and capacity building engagements, including remote, on-site, and on-call assistance
   b. Needs assessment
   c. Self-directed and group learning
   d. Develop and maintain products and tools
   e. Knowledge management
   f. Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) and allowable rulemaking activities
   g. Data analysis, including allowable data lab activities
   h. Administration
   i. Coordination
   j. Regional outreach

   For purposes of this Chapter, the terms "program participant," "TA award recipient," and "awardee" mean the direct recipient of the TA Program award. The terms "TA recipient," "customer" and "HUD grantee" mean the organizations that operate HUD grant programs and receive assistance using TA Program funds.

Funds awarded under the FY 2015 TA Program NOFA and later TA Program NOFAs are subject to the requirements identified in 2 CFR part 200. Therefore, when reviewing the use of those funds with respect to financial management, cost allowability, procurement, and equipment requirements, the HUD reviewer must use Exhibits 17-1, 17-2, 17-3, 34-1, 34-2, 34-3, and 34-4, respectively.

Funds awarded under the FY 2014 TA Program NOFA and earlier TA Program NOFAs are subject to the former uniform administrative requirements, cost principles, and audit requirements that are found in the 2013 versions of 24 CFR part 84 and 24 CFR part 85, 2 CFR 225 and 230, and OMB Circular A-133. Therefore, when reviewing the use of those funds with respect to financial management and cost allowability, procurement, and equipment requirements, the HUD Reviewer must use TA Program Exhibits 17-1, 17-2, 17-4, 17-5, 17-6, and 17-7 respectively.

17-3 <u>PROGRAM REQUIREMENTS</u>. HUD's Technical Assistance Division (TAD), along with the HUD PIH Procurement and Contract Services (PCS) Office, administer TA Program awards. The Government Technical Representative (GTR) and the Government Technical Manager (GTM) are the HUD individuals responsible for the technical and financial oversight and evaluation of the performance of Community Compass TA providers. GTRs and GTMs may serve as HUD monitors of TA awards. Other persons from HUD-delegated organizations may also serve as HUD monitors of TA awards.

A. On-going program management. HUD reviewers apply on-going program management standards to review of the following reports from program participants for TA Program:

- TA service/work plan submissions, original and amendment submissions, in the DRGR system (work plan submission includes scope and TA services; performance period; direct labor hours and costs; other direct costs; and indirect costs)
- Quarterly financial and performance reports in the DRGR system
- TA service/work plan performance reports in the HUD Exchange TA Portal or the DRGR system
- Monthly activity reports due in DRGR system with each payment request/voucher submission

On-going program management may inform risk determinations and on-site and remote monitoring activities. The on-going program management standards within a separate document, which is stored on TAD's central drive, for now, but will be included in DRGR as checklist/review activities, in the future.

B. On-site and remote monitoring. Through on-site and remote monitoring, HUD can determine if the TA Program recipient's performance meets TA Program requirements and HUD can improve the TA Program recipient's performance by providing guidance and making recommendations. The monitoring process should result in mitigation of fraud, waste, abuse, and mismanagement for those recipients

and activities that represent the greatest vulnerability. The specific purposes of risk-based monitoring are included with the *Risk Notice for the TA Program*, and Chapters 1 and 2 of this Handbook, and are highlighted below:

1. Validate the accuracy of information presented in the TA Program recipient's quarterly and monthly financial and performance reports
2. Follow-up on problems identified in the GTR-approved work plan and voucher reviews, or previous audit and monitoring findings that are not resolved as of the date of the monitoring
3. Determine compliance with eligible TA activities
4. Evaluate the reasonableness of costs incurred and charged to the award
5. Ascertain the TA Program recipient's ability to ensure that activities carried out by subrecipients, including contractors and consults, meet compliance requirements
6. Verify the accuracy of the TA Program recipient's records
7. Identify apparent causes of any problem(s) and offer recommendations for corrective actions

17-4 <u>PREPARING FOR ON-SITE AND REMOTE MONITORING</u>. The specific TA Program requirements to be monitored are determined as part of the risk assessment process (see additional guidance provided in Chapter 2 and the *Risk Notice for the TA Program*). Before monitoring, the reviewer should be familiar with both the TA Program requirements and the categories that the recipient has operated, particularly those areas that have been identified as high risk or are the focus of the monitoring. Information that will assist in successful TA Program monitoring include:

- Authorizing appropriation(s)
- Executed cooperative agreement(s)
- Applicable NOFA
- Paper program file for awards issued in and prior to FY 2014
- Regulations for awards issued in and prior FY 2014
    - o 2 CFR parts 84, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations*,
    - o OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations*,
    - o OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, and
    - o OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
- Regulations for awards issued after FY 2014: 2 CFR part 200
- Program guides, which describes the post-award administration and program implementation processes[1]
- Applicable quarterly financial and performance reports in DRGR

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[1] Note that guidance may be instructive but it cannot serve as the basis for a finding.

- Applicable monthly status reports in the HUD Exchange TA Portal
- TA survey results
- TA risk assessments
- On-going program management completed by GTR(s) and GTM(s)
- Approved work plans, including work plans with minor changes not requiring HUD prior approval
- Work Plan Status Report with HUD comments in DRGR
- Drawdown Status Report with Comments in DRGR
- Approved application, comprising both the first submission narrative and the technical submission/administrative and financial submission

17-5   ON-SITE AND REMOTE MONITORING APPROACH; FILE SELECTION AND SAMPLING. The TA Program will use the monitoring preparation, implementation, and follow-up directions in Chapter 2 of this Handbook. In addition, the *Risk Notice for the TA Program* includes applicable steps to assess risk and identify the TA Program recipients and documents that will be selected for monitoring. Each TA award has a base period of performance of 36 months with two 12-month options for extension. It is the goal of the TA Program to monitor each recipient at least once during the award period of performance.

Because it is unlikely that the HUD monitor will be able to monitor all of a TA Program recipient's activities, work plans, and/or operations, or even review all activities in a specific area spanning a recipient's entire award performance period, random sampling is generally expected to form the basis for drawing conclusions about the TA Program recipient's performance. In certain instances, however, non-random sampling will be the more efficient method to use. Non-random sampling may apply when a recipient or activity has only a few categories to review, or any activities with unresolved problems remaining from previous monitoring events, or any new types of activities being undertaken, or years since previously monitored, or activities considered high risk. Note that any sample review or spot-check of the TA Program recipient records that raises questions concerning the accuracy of the data indicates the need for further follow-up.

a. Identify the recipients to be monitored. If all recipients will not be monitored, select recipients using the risk criteria outlined in the *Risk Notice for the TA Program* and listed below.

   i. Award/Overall Management
      1) Number of untimely QPR/performance reports
      2) Percentage of non-staff (subrecipients/contractors/consultant)
      3) Number of programs assisted
      4) Percentage of work plans that include travel
      5) Years since last HUD/OIG monitoring
      6) Number of untimely monthly status reports

   ii. Financial Management
      1) Final indirect cost rate submitted for monitoring period

2) Number of Single Audit/A-133 findings
3) Active Grant Amount (%) compared to total competition funds
4) High labor rate percentage (overall)
5) Number of untimely vouchers
6) Program Income or Match generated

  iii. Services/Satisfaction
1) Number of open awards
2) Number of special conditions/satisfaction issues
3) Number of work plan closeout flags
4) Percentage of direct TA work plans
5) New to TA in the last 4 competitions

b. Identify the specific fiscal years that will be reviewed.
c. Gather a list of HUD-approved work plans or TA activities for each fiscal year.
d. If all work plans or TA activities from each fiscal year award are not reviewed, use the following risk criteria to prioritize the selection process (for each criterion below a higher value response equals greater risk):
  i. Federal funds budgeted to the work plan or TA activity,
  ii. Special appropriations or new funding sources,
  iii. Number of work plan amendments, and
  iv. Expenditure rate for open work plans.

Additional documents may be included in the selection, if the TA Program has reason to believe there is a specific concern or there is a need to gather additional information about the recipient's program management policies and procedures.

17-6 <u>USING THE MONITORING EXHIBITS.</u> This Chapter contains seven (7) Exhibits for use in monitoring the TA Program. The Exhibits should be used to monitor selected awards as dictated by the risk analysis results. The Exhibits are as follows:
- Exhibit 17-1, *Guide for Review of Community Compass TA Overall Management*;
- Exhibit 17-2, *Guide for Review of Community Compass TA Subrecipient Management*;
- Exhibit 17-3, *Guide for Review of Community Compass TA Leveraging Contributions (Distressed Cities TA)*;
- Exhibit 17-4, *Guide for Review of Community Compass TA Financial Management and Audits*;
- Exhibit 17-5, *Guide for Review of Community Compass TA Cost Allowability*;
- Exhibit 17-6, *Guide for Review of Community Compass TA Procurement*; and
- Exhibit 17-7, *Guide for Review of Community Compass TA Equipment and Disposition Requirements*.

The last four Exhibits in this Chapter will only be used for awards made before December 26, 2014 (FY 2014 awards and prior) and, therefore, subject to 24 CFR part 84, 24 CFR part 85, and OMB Circulars.

Exhibits 17-1 and 17-2 in this Chapter are applicable to all awards as they are divided into two sections outlining questions derived from 24 CFR part 84, 24 CFR part 85, OMB Circulars, and questions derived from 2 CFR part 200.

In some instances, the Exhibits in this Chapter generally refer to a controlling document (i.e., cooperative agreements and HUD notices/guidance documents) and do not provide specific citations. This is because rules can vary significantly from one competition to another, causing the cooperative agreements and notices to vary accordingly. Therefore, monitors will need to ensure that program violation citations are appropriately noted, if deficiencies are identified.

17-7 <u>DOCUMENTATION.</u> Recipients are required to maintain records that fully demonstrate compliance with applicable requirements. Monitoring documentation obtained by the HUD monitor becomes part of HUD's official files and also becomes an administrative record to support the need for corrective and remedial actions.

17-8 <u>NONCOMPLIANCE.</u> See guidance in Chapter 1 and Chapter 2 of this CPD Monitoring Handbook.