|  |  |  |  |
| --- | --- | --- | --- |
| **Guide for Review of Program Oversight, Financial Management, and Cost Allowability** | | | |
| **Participating Jurisdiction (PJ):**  Click or tap here to enter text. | | | |
| **Subrecipient(s):** Click or tap here to enter text. | | | |
| **PJ Staff Consulted:**  Click or tap here to enter text. | | | |
| **Name(s) of Reviewer(s)** | Click or tap here to enter text. | **Date** | Click or tap here to enter text. |

**NOTE:** All questions contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance.

**Instructions:** This Exhibit is designed to assess the PJ’s and/or State recipients or subrecipient’s program oversight, conformity to financial management requirements, as well as costs charged to the HOME program to determine if they comply with [2 CFR part 200](https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200) *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards*.

This Exhibit covers the following six subject areas that must be completed by the reviewer:

* A. Program Progress and Reporting;
* B. Financial Management;
* C. Cash Management Practices;
* D. Internal Controls;
* E. Program Income; and
* F. Cost Allowability;

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

On December 26, 2014, HUD participated in a government-wide rulemaking to adopt [2 CFR part 200](https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200) for HUD programs. In addition, conforming regulatory changes were made to the HOME regulations on December 7, 2015.

NOTE: The HOME regulations at [24 CFR 92.505](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec92-505) states the applicability of [2 CFR part 200](https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, to HOME PJs and their subrecipients, with some exceptions. This Exhibit contains HOME 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](https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200), the HUD reviewer *must* also complete Exhibit 34-1, *Guide for Review of Financial Management and Audits*, and Exhibit 34-2, *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](https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200).

Questions:

# Program Progress and Reporting

1.

|  |  |
| --- | --- |
| a. Does the PJ have written policies and procedures, and systems in place including a system for assessing risk of activities and projects?  [24 CFR 92.504(a)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

|  |  |
| --- | --- |
| b. Is the PJ following its written policies, procedures, systems, including its system for assessing risk of activities and projects?  [24 CFR 92.504(a)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

2.

|  |  |
| --- | --- |
| Does the PJ review the performance and compliance of each contractor, subrecipient, and State recipient at least annually?  [24 CFR 92.504(a)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

3.

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| --- | --- |
| *If funded entities are not making adequate progress,* does the PJ take action to correct the lack of progress (e.g., deobligating and reprogramming funds, providing technical assistance)?  [24 CFR 92.504(a)] | Yes  No  N/A |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

4.

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| Based on the HOME Open Activities Report and HOME Vacant Units Report, is the PJ entering required data in the Integrated Disbursement and Information System (IDIS) timely (e.g., PJ 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)?  [24 CFR 92.502(d)(1)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

5.

|  |  |
| --- | --- |
| Does the PJ have policies and procedures to review the performance and compliance of program participants (i.e., subrecipients, state recipients, and contractors) at least annually?  [24 CFR 92.504(a)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

# FINANCIAL MANAGEMENT AND RECORDKEEPING

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

6.

|  |  |
| --- | --- |
| Does the PJ maintain records regarding the Federal and local HOME Investment Trust Fund accounts, including deposits, disbursements, balances, and supporting documentation and any other information required by the program disbursement and information system established by HUD (IDIS)?  [24 CFR 92.508(a)(5)(ii)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

7.

|  |  |
| --- | --- |
| a. Do financial records identify the source and application of funds for each fiscal year?  [24 CFR 92.508(a)(5)(i)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

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| --- | --- |
| b. Do the PJ’s records indicate that all expenditures were for eligible costs?  [24 CFR 92.206 – 92.209; 92.508(a)(3)(ii)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

8.

|  |  |
| --- | --- |
| Does the PJ maintain records that demonstrate adequate budget controls in compliance with [2 CFR part 200](https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200), including evidence of periodic account reconciliation?  [24 CFR 92.508(a)(5)(iv)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

# CASH MANAGEMENT PRACTICES

9.

|  |  |
| --- | --- |
| a. Does the PJ have procedures to ensure that HOME funds drawn down from its U.S. Treasury account are expended for eligible costs within 15 days?  [24 CFR 92.502(c)(2)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

|  |  |
| --- | --- |
| b. Have all HOME funds drawn down from the U.S. Treasury account been expended from the local HOME account for eligible costs within 15 days?  [24 CFR 92.502(c)(2)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

10.

|  |  |
| --- | --- |
| Is the PJ’s local HOME Investment Trust Fund account interest bearing?  [24 CFR 92.500(c)(1)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

11.

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| Did the PJ remit any interest earned on grant advances in its local HOME Investment Trust Fund account after the 15-day period to the U.S. Treasury promptly (at least quarterly)? Please Note: interest amounts of up to $500 per year may be retained by the PJ for administrative expenses.  [24 CFR 92.502(c)(2)] | Yes  No  N/A |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

12.

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| Does the PJ have policies and procedures to ensure that any interest earned on funds drawn from Treasury to the PJ’s local HOME account within the 15-day period is reported as program income in IDIS?  [24 CFR 92.502(c)(2)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

13.

|  |  |
| --- | --- |
| Does the PJ maintain records regarding the source and application of program income, repayments, and recaptured funds?  [24 CFR 92.508(a)(5)(iii)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

1. Internal Controls

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

14.

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| Do the PJ’s records demonstrate adequate budget control including evidence of periodic account reconciliation?  [24 CFR 92.508(a)(5)(iv)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

1. PROGRAM INCOME

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

15.

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| Does the PJ have policies and procedures in place to ensure timely reporting of program income in IDIS?  [24 CFR 92.502(a)] | Yes  No |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

16.

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| --- | --- |
| *If the PJ receives program income*, does it report the program income in IDIS?  [24 CFR 92.502(a)] | Yes  No  N/A |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

17.

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| --- | --- |
| Beginning with the FY 2015 allocation, the specific funds that are committed to a project will be disbursed for that project. If both funds in the local account and funds in the United States Treasury account are committed to a project, did the PJ disburse the funds in the local account before requesting HOME funds in the United States Treasury account for the project?  [24 CFR 92.502(c)(2)] | Yes  No |
| **Describe Basis for Conclusion:**  Click or tap here to enter text. | |

18.

|  |  |
| --- | --- |
| Upon expiration of any agreements between the PJ and State recipients or subrecipients does the PJ have a system for ensuring:   1. the transfer of any funds to be returned to the PJ; and/or 2. the transfer of outstanding loans or accounts receivable?   [24 CFR 92.504(c)(1)(iii); 24 CFR 92.504(c)(2)(vii)] | Yes  No |
| **Describe Basis for Conclusion:**  Click or tap here to enter text. | |

1. cOst allowability and eligibility

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

19.

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| Does a review of planning and administrative costs subject to the  10 percent limitation (10% of HOME allocation and 10% of program income recorded in IDIS) indicate that the costs are allowable and allocable?  [24 CFR 92.207] | Yes  No |
| **Describe Basis for Conclusion:**  Click or tap here to enter text. | |

20.

|  |  |
| --- | --- |
| Does a review of the personnel roster of staff being paid from program resources reveal any obvious instances of personnel being paid from, but not working on, program activities?  [24 CFR 92.207] | Yes  No |
| **Describe Basis for Conclusion:**  Click or tap here to enter text. | |

21.

|  |  |
| --- | --- |
| Before the effective date of the HOME Investment Partnership Agreement, did the PJ incur costs which may be charged to the HOME allocation after the award of the HOME allocation in compliance with section [24 CFR 92.212](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec92-212) (including environmental review requirements) and with statutory and regulatory requirements in effect at the time the costs were charged to the HOME allocation?  [24 CFR 92.212(a)] | Yes  No |
| **Describe Basis for Conclusion:**  Click or tap here to enter text. | |

22.

|  |  |
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| *If the PJ incurred pre-award costs before the effective date of the HOME Investment Partnerships Agreement for Administrative and Planning Costs* – were the costs incurred as of the beginning of the participating jurisdiction’s consolidated program year ([24 CFR 91.10](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec91-10)), or the date of the consolidated plan describing the HOME allocation to which costs will be charged is received by HUD, whichever is later?  [24 CFR 92.212(b)] | Yes  No  N/A |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

23.

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| *If the PJ incurred pre-award costs before the effective date of the HOME Investment Partnerships Agreement for Project Costs* – were the following requirements met?  [24 CFR 92.212(c)] | | |
|  | Were the costs incurred during the current program year in an amount not exceeding 25% of the current HOME allocation amount, to be charged to the following year’s HOME allocation? | Yes  No  N/A |
|  | Did the PJ comply with its citizen participation requirements addressing  [24 CFR 91.105](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec91-105)(b)(2), (4), (5), and (g) (local governments), or [24 CFR 91.115](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec91-115)(b)(2), (4), (5) and (f) (States)? | Yes  No  N/A |
| **Describe Basis for Conclusion:** | | |
| Click or tap here to enter text. | | |

24.

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| *If the PJ incurred pre-award costs before the effective date of the HOME Investment Partnerships Agreement for Project Costs* – and the PJ developed a mini-action plan in lieu of a full action plan?  [24 CFR 92.212(c)] | | |
| Does the plan describe the proposed pre-award projects and costs in accordance with [24 CFR 91.220(c)](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec91-220) and includes, if applicable, [24 CFR 91.220(g)(2)](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec91-220) (local governments) or [24 CFR 91.320(c)](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec91-320) and, if applicable,  [24 CFR 91.320(g)(2)](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec91-320) (States)? | Yes  No  N/A |
| Does the plan state that HOME funding for the project(s) is subject to the future availability of HOME funds? | Yes  No  N/A |
| Does the subsequent action plan (i.e., action plan for the HOME allocation to which the costs will be charged) include the use of HOME funds contained in the mini-action plan? | Yes  No  N/A |
| **Describe Basis for Conclusion:** | | |
| Click or tap here to enter text. | | |

25.

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| --- | --- |
| *If the PJ incurred pre-award costs before the effective date of the HOME Investment Partnerships Agreement for Subrecipient of State recipient costs,* did the PJ authorize the recipient, in writing, to incur pre-award costs in accordance with [24 CFR 92.212](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec92-212)?  [24 CFR 92.212(d)] | Yes  No  N/A |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |

26.

|  |  |
| --- | --- |
| *If the PJ incurred pre-award costs before the effective date of the HOME Investment Partnerships Agreement for Other pre-agreement costs,* were costs in excess of the amount set forth in [24 CFR 92.212(c)](https://www.govinfo.gov/app/details/CFR-2018-title24-vol1/CFR-2018-title24-vol1-sec92-212) approved, in writing, by the HUD Field Office before the costs were incurred.?  [24 CFR 92.212(e)] | Yes  No  N/A |
| **Describe Basis for Conclusion:** | |
| Click or tap here to enter text. | |