|  |  |  |  |
| --- | --- | --- | --- |
| **Guide for Review of RHP Program Administration, Reporting, and Closeout** | | | |
| **Name of Program Participant:** | | | |
| **Grant Number:** | | | |
| **Staff Consulted:** | | | |
| **Name(s) of**  **Reviewer(s)** |  | **Date** |  |

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, *Federal Register* Notice, or grant agreement). If the requirement is not met, HUD must make a **“finding of noncompliance”** with program requirements. All questions that do not contain the citation for the requirement do not address requirements but are included to assist the reviewer in fully understanding the participant's program and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a **“concern”** being raised, but not a **“finding.”**

**Instructions:** This Exhibit covers the overall administration of the Recovery Housing Program (“RHP”) grant(s) as well as performance and financial reporting, including:

* *Caps on Administration and Technical Assistance*
* *Reimbursement of Pre-Agreement/Pre-Award Costs;*
* *Federal Grant Payments;*
* *Fiscal Controls, Accounting Procedures, and Cost Principles;*
* *Program Income and Revolving Funds;*
* *Timeliness, Performance, and Financial Reporting; and*
* *Closeout*

For *Audits*,use Section K of Exhibit 34-1a.

The applicable requirements are found in:

* Section 8071 of the Support for Patients and Communities Act (Public Law 115-271, October 24, 2018), as may be amended (“SUPPORT Act”),
* The *Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program* (85 FR 75361, published on November 25, 2020) (“FY2020 RHP Notice”),
* The *Notice of Waivers and Alternative Requirements for the Pilot Recovery Housing Program* (86 FR 38496, published on July 21, 2021) (“FY2021 RHP Notice”), and
* Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 *et. seq.*) (“the HCD Act”), and its implementing regulations at 24 CFR part 570, unless otherwise provided in the SUPPORT Act or modified by waivers and alternative requirements in the RHP Notices.

Section 8071(g) of the SUPPORT Act defines the term “state” to include the District of Columbia and any state as defined in section 102 of the HCD Act (42 U.S.C. 5302). This Exhibit will generally refer to a “State”, as defined by the HCD Act, as “state RHP grantee” or “state” and separately refer to the “District of Columbia”. Also, this Exhibit will use the term “grantee” to include both states and the District of Columbia.

State RHP grantees have some latitude in establishing certain administrative procedures and standards, because only limited portions of 2 CFR part 200 apply to the use of funds by state RHP grantees. For example, the State RHP grantee may establish its own procurement policies and procedures in compliance with 24 CFR 570.489(g) for itself, as well as for its recipient units of general local governments (UGLGs), subrecipients, and contractors. For states those policies and procedures may, or may not, impose requirements under 2 CFR part 200 beyond those required in the FY2020 RHP Notice and FY2021 RHP Notice. In contrast, the District of Columbia, as a RHP grantee, is subject to RHP requirements, applicable CDBG Entitlement regulations and the requirements of 2 CFR part 200.

The reviewer must assess whether a state’s policies and procedures adequately address the requirements of federal statutes and regulations and whether these policies and procedures are being appropriately followed. Failure to follow the state’s own established policies and procedures can constitute a finding of noncompliance with program requirements*.* Note that, the District of Columbia is subject to CDBG Entitlement regulations, which require Entitlements to comply with uniform administration requirements of 2 CFR part 200.

Some of the following sections will begin with further instructions to the reviewer regarding whether to refer to the Exhibits in Chapter 34, 2 CFR part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, to address compliance with applicable portions of 2 CFR part 200 for both state RHP grantees and the District of Columbia. Due to the different requirements for states and the District of Columbia, certain questions apply only to either state RHP grantees or the District of Columbia. Likewise, referral to Exhibits in Chapter 34 to address compliance with applicable portions of 2 CFR part 200 differs between state RHP grantees and the District of Columbia.

This Exhibit is divided into eight sections of questions: (A) Caps on Administrative and Technical Assistance Activities; (B) Reimbursement of Pre-Agreement/Pre-Award Costs; (C) Federal Grant Payments; (D) Fiscal Controls, Accounting Procedures; (E) Cost Principles; (F) Program Income and Revolving Funds; (G) Timeliness and Reporting; and (H) Closeout.

**Questions:**

A. Caps on Administration AND Technical Assistance ACTIVITIES

1.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Is the amount of RHP funds used to pay for administrative costs limited to up to 5 percent of each RHP grant and up to 5 percent of any program income received?  **NOTE:** Administrative costs include those incurred by a grantee, UGLG, and subrecipient(s).  **NOTE:** Pursuant to Section II.L.xii. of the FY2020 RHP Notice, administrative costs do not include costs associated with providing technical assistance to a nonprofit or UGLG to successfully apply for and implement the RHP program.  [Section 8071 of the SUPPORT Act, and FY2020 RHP Notice 85 FR 75361 Section II.E.] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

2.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Is the amount of RHP funds used to pay for technical assistance limited to up to 3 percent of each RHP grant and up to 3 percent of any program income received?  **NOTE:** Technical assistance is eligible to the extent allowable under 24 CFR 570.201(p) and section 105(a)(19) of the HCD Act. **NOTE:** A grantee may use up to 3 percent of its RHP grant for technical assistance costs in addition to the 5 percent of its RHP grant for administrative costs.  [FY2020 RHP Notice 85 FR 75361 Section II.E.] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

3.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If there is more than one administering agency, did these agencies enter into an interagency agreement or did the grantee otherwise ensure the separate administrative or technical assistance costs are jointly compliant with the expenditure caps? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

B. Reimbursement of Pre-Agreement/PRE-AWARD Costs

4.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| If pre-award/pre-agreement costs are allowed by the grantee, does the grantee include a description in its RHP Action Plan of pre-agreement costs to be reimbursed with RHP funds?  **NOTE:** For a state RHP grantee, the provisions at 24 CFR 570.489(b) are modified to permit a state RHP grantee to charge allowable pre-agreement costs incurred by itself, its recipients, or subrecipients to the RHP grant and require that all pre-agreement costs comply with RHP program requirements, including applicable requirements at 2 CFR part 200 and Environmental Review Procedures stated in 24 CFR part 58. **NOTE:** For the District of Columbia, pre-agreement costs may be incurred by itself or its subrecipients. The costs must comply with the RHP requirements, including applicable requirements at 2 CFR part 200 and Environmental Review Procedures stated in 24 CFR part 58.  [FY2020 RHP Notice 85 FR 75361 Section II.G.] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

5.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| For the District of Columbia: Does the District of Columbia reimburse pre-award costs in an amount not to exceed 25 percent of each RHP grant?  **NOTE:** The District of Columbia and its subrecipients are subject to the provisions of 24 CFR 570.200(h) for pre-award costs, except HUD waives 24 CFR 570.200(h) to require the effective date of the RHP grant agreement to be the date of HUD’s execution of the RHP grant agreement.  [FY2020 RHP Notice 85 FR 75361 Section II.G.i.] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

C. Federal Grant Payments

6.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee (and any recipients and/or subrecipients) follow the grantee’s procedures to minimize the time elapsing between the transfer of funds by the grantee and disbursement for RHP activities?  [24 CFR 570.489(c) (states); 2 CFR 200.305(b)(1) (District of Columbia)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

7.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| [State RHP grantees only] To minimize the time elapsing between the drawdown of Federal funds from the Federal government and their disbursement for RHP program purposes, is the state either following a Treasury-State Agreement, if applicable, or other appropriate procedures, in compliance with 31 CFR part 205?  [24 CFR 570.489(c) (states)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

**For the District of Columbia ONLY:** The District of Columbia must satisfy the requirements relating to federal grant payments by applying the provisions in 2 CFR part 200, pursuant to 24 CFR 570.502(a). To monitor federal grant payments for the District of Columbia **use Exhibit 34-1a** *Guide for Review of Financial Management and Audits*. Additional questions are not provided in this Exhibit.

D. Fiscal Controls, Accounting Procedures

**For State RHP grantees ONLY:** State RHP grantees may satisfy requirements relating to fiscal controls and accounting procedures by either:

i. Using fiscal and administrative requirements applicable to the use of its own funds; or

ii. Adopting new fiscal and administrative requirements; or

iii. Applying the provisions in 2 CFR part 200 to itself and local governments.

If the state applies its own provisions under either of the first two options, then failure to follow the state’s established requirements constitutes a finding of noncompliance with program requirements. If the state applies 2 CFR part 200, use Sections A-J of **Exhibit 34-1a**, *Guide for Review of Financial Management and Audits,* in addition to the following question.

8.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| [State RHP grantees only] Are the state’s fiscal and administrative requirements for expending and accounting:   * sufficiently specific to ensure that RHP funds are used in compliance with all applicable statutory and regulatory provisions and the terms and conditions of the award; * ensure RHP funds are only spent for reasonable and necessary costs; AND * ensure that RHP funds are not used for general expenses required to carry out other responsibilities of state, local governments and subrecipients?   [24 CFR 570.489(d)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

**For the District of Columbia ONLY:**

The District of Columbia may satisfy the requirements relating to fiscal controls, accounting, and cost principles by applying the provisions in 2 CFR part 200, pursuant to 24 CFR 570.502(a). To monitor fiscal controls and accounting procedures for the District of Columbia, **useExhibit 34-1a** *Guide for Review of Financial Management and Audits.* Additional questions are not provided in this Exhibit.

E. COST PRINCIPLES

**For State RHP grantees and the District of Columbia:**

To monitor cost principles and prior approval of costs for both the District of Columbia and State RHP grantees,**use Exhibit 34-2a** *Guide for Review of Cost Allowability.* Separate questions are not provided in this Exhibit. However, pursuant to 24 CFR 570.489(p), the provisions of 2 CFR part 200, Subpart E apply to the State RHP grantee and its recipients. However, there are two differences for the State RHP grantees:

1. HUD approval is required for ONLY the following selected items of cost:

(i) Depreciation methods for fixed assets (2 CFR 200.436),

(ii) Fines, penalties, damages, and other settlements (2 CFR 200.441),

(iii) Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances, and personal living expenses (goods or services for personal use) regardless of whether reported as taxable income to the employees (2 CFR 200.445), and

(iv) Organization costs (2 CFR 200.455).

All other selected items of cost items are allowable without prior approval of HUD.

2. Planning and administration costs are not required to be allocated to a particular RHP grant. Pursuant to 24 CFR 570.489(a)(3)(iv), funds from any state RHP grant may be used to pay planning and program administrative costs associated with any other state RHP grant, as long as administrative costs do not exceed 5 percent of each grant.

F. Program Income and Revolving Funds

9.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Did the grantee comply with the prohibition on the use of program income generated from RHP funds for revolving loan funds?  [FY2020 RHP Notice 85 FR 75361 Section II.N.iv.] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

10.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Do the grantee’s subrecipient agreements contain provisions specifying whether, and under what circumstances, program income must be returned to the grantee or retained by the subrecipient, including (for states only) a UGLG?  **NOTE:** For State RHP grantees distributing funds to a UGLG: pursuant to 24 CFR 570.489(e)(3)(ii)(A), a state RHP grantee must permit the UGLG to retain the program income if the program income will be used to continue the RHP-eligible activity from which it was derived. Additionally, as required by Section II.N.ii.(2) of the FY2020 RHP Notice, a state RHP grantee must require a UGLG to return program income generated from the use of RHP funds to the state if the program income will not be used to continue the RHP-eligible activity from which it was derived.  **NOTE**: The FY2020 RHP Notice **modifies the definition of program income to exclude any income received and retained by a nonprofit operating within the grantee’s jurisdiction whose primary mission includes serving individuals in recovery from substance use disorder**. If a grantee chooses to require the nonprofit to return income generated from the use of RHP funds, the income returned by the nonprofit to the grantee would be defined as program income.  [FY2020 RHP Notice 85 FR 75361 Section II.N. (all grantees); 24 CFR 570.489(e)(3) (states); 24 CFR 570.504(c) (District of Columbia)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

11.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Is the grantee, to the maximum extent feasible, distributing program income before it makes additional withdrawals from the United States Treasury?  [24 CFR 570.489(e)(3)(i) (states); 24 CFR 570.504(b)(2)(ii) (District of Columbia)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

12.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| [State RHP grantees only] Did the state require that subrecipients, including UGLGs, distribute program income, to the maximum extent feasible, before requesting additional grant funds from the state?  [24 CFR 570.489(c), 31 CFR part 205, and 2 CFR 200.305] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

13.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee treat program income it receives as additional RHP funds subject to all applicable requirements governing the use of RHP funds?  **NOTE:** Prior to closeout of a RHP grant, except as described in the FY 2020 RHP Notice Section II.N.ii.(2), a grantee must transfer program income to another open RHP grant or its annual CDBG program. Program income returned to the state must be used for additional RHP-eligible activities pursuant to a grantee’s RHP Action Plan or transferred to the state’s annual CDBG program. Once transferred to the annual program, the waivers and alternative requirements that apply to the RHP grant no longer apply to the use of transferred program income. Rather, those funds will be subject to the grantee’s regular CDBG program rules.  [FY2020 RHP Notice 85 FR 75361 Section II.N. (all grantees); 24 CFR 570.489(e)(3)(i) (states); 24 CFR 570.504(b)(1) (District of Columbia)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

G. Timeliness and REPORTING

HUD has imposed alternative timeliness requirements for RHP grantees, and RHP funds will not be included in determining compliance with the requirements of 24 CFR 570.494 (states) and 24 CFR 570.902 (District of Columbia).

14.

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| Has the grantee expended at least 30 percent of each RHP grant within one year of the date that the RHP funds became available for obligation by the grantee?  NOTE: In accordance with the 2020 RHP Notice and 2021 RHP Notice, the RHP funds become available for obligation upon HUD’s execution of the grant agreement. The date in Box 4. of the fully executed RHP grant agreement reflects the date the funds became available for obligation by the grantee and is the date used to monitor for this requirement.  [FY2020 RHP Notice 85 FR 75361 Section II.J.;86 FR 38496 Section II.C.; RHP grant agreement] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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15.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Has the grantee expended all RHP funds by the end of the period of performance on September 1 of the seventh Federal fiscal year from the fiscal year appropriation?  NOTE: The date of September 1 is established by the RHP Notices. See table below for examples of periods of performance.   |  |  | | --- | --- | | Appropriation | End of Period of Performance | | FY2020 | 9/1/2027 | | FY2021 | 9/1/2028 | | FY2022 | 9/1/2029 | | FY2023 | 9/1/2030 |   [FY2020 RHP Notice 85 FR 75361 Section II.J. and FY2021 RHP Notice 86 FR 38496 Section II.C.] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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16.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Did the grantee provide reasonable notice to citizens and make the full annual performance report, including the SF-425 federal financial report and the Consolidated Annual Performance and Evaluation Report available for citizen comment prior to submission to HUD?  **NOTE:** The performance report must be available for a period not less than **15 days**. The grantee must also make reports accessible to persons with disabilities, upon request.  [24 CFR 91.105(d) (District of Columbia); 24 CFR 91.115(d) (states); and FY2020 RHP Notice 85 FR 75361 Section II.O.iv. (all grantees)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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17.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Was the annual performance report(s) submitted no later than **30 days** following the end of each federal fiscal year, and did the report(s) include a financial report(s), including information on the grantee’s obligations and expenditures, available cash, program income, and other financial information for the use of RHP funds as required by HUD?  **NOTE:** Grantees must use the DRGR system to submit a SF-425 federal financial report.  [FY2020 RHP Notice 85 FR 75361 Section II.O.iii.] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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18.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee’s annual performance report include a comparison of the proposed versus actual outcomes for each outcome measure included in the RHP Action Plan?  [FY2020 RHP Notice 85 FR 75361 Section II.O.i.] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

19.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| If the grantee has not made progress towards outcomes, does the grantee sufficiently explain why progress was not made toward meeting such goals and objectives? Mark “N/A” if the grantee has made progress towards outcomes.  [FY2020 RHP Notice 85 FR 75361 Section II.O.i.] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

H. CLOSEOUT

If the grantee has not passed the period of performance of a RHP grant, *skip* Section H.

20.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Did the grantee submit all required reports, such as financial and performance, and other reports, including accomplishment data, no later than 120 calendar days after the end date of the period of performance for the applicable RHP grant?  **NOTE:** Pursuant to 2 CFR 200.344(a), HUD may approve extensions when requested and justified by the grantee, which would not result in a finding.  **NOTE:** The FY2020 RHP Notice references 2 CFR 200.343 which provides 90 days. Those requirements have since been updated in an OMB update to 2 CFR part 200 and are now in 2 CFR 200.344, which provides 120 days.  [2 CFR 200.344(a) (District of Columbia), 24 CFR 570.489(o) (states), and FY2020 RHP Notice 85 FR 75361 Section II.P.] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

21.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Prior to entering into a closeout agreement with HUD, did the grantee transfer all RHP program income and assets to another open RHP grant or its annual CDBG program?  **NOTE:** If program income is received by a grantee after closeout of all RHP grants, the income must be transferred to the grantee’s annual CDBG award. Once transferred to the annual program, the waivers and alternative requirements that apply to the RHP grant no longer apply to the use of transferred program income. Rather, those funds will be subject to the grantee’s annual CDBG program rules.  [FY2021 RHP Notice 85 FR 75361 Section II.N.ii.(1)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

22.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Do the grantee’s policies and procedures, as well as any interagency or subrecipient agreements, address retention of records by the grantee, local government, and subrecipients (as applicable) following closeout?  **NOTE:** For state RHP grantees: 24 CFR 570.490(d) requires a minimum of three years after closeout of HUD’s grant to the state or the period required by other applicable laws and regulations as described in 24 CFR 570.487 and 570.488, which is distinct from the closeout of the local government’s award by the state. Additionally, to comply with provisions on change of use and program income from real property sales, records on real property would need to be maintained for at least five years after closeout of the local government’s award. Reviewers should verify that the state is properly addressing these two requirements.  **NOTE:** For the District of Columbia,record retention requirements at 2 CFR 200.334 apply except as amended by 2 CFR 570.502(a)(7), which requires a minimum of four years from the date of execution of the closeout agreement Subrecipients must retain records for individual activities for three years after the expiration or termination of the subrecipient agreement or three years after the submission of the annual performance and evaluation report in which the specific activity is reported on for the final time, whichever is longer.  [24 CFR 570.502(a)(7) (District of Columbia); 24 CFR 570.490(d) (states)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |