



OFFICE OF PUBLIC AND INDIAN HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

Special Attention of:

Public Housing Agencies
Public Housing Hub Directors
Public Housing Program Center Directors
Regional and Field Office Directors
Resident Management Corporations

Notice PIH-2021- 36 (HA)

Issued: December 17, 2021

This notice remains in effect until amended, superseded, or rescinded

Cross References:

Notice PIH-2021-36
Notice PIH-2020-24
Notice PIH 2020-07

Subject: CARES Act Supplemental Operating Fund Close Out Procedures

1. Purpose

This Notice provides information on the following topics related to the end of the period of performance of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Public Law 116-136).

2. Changes to the Notice

In the initial publication of this notice on December 17th, 2021, the due date for the SF-425 Submission was on April 30th, 2022. The Department has extended this submission deadline to allow sufficient time to complete the web-based submission portal. The SF-425 is now due on May 31st, 2022. Complete details are in Section 5 of this notice.

3. Background

On March 27, 2020, over \$2 trillion in emergency assistance and health care was made available for individuals, families and businesses affected by the COVID-19 pandemic, through emergency appropriations to support Executive Branch agency operations during the COVID-19 pandemic. The CARES Act provided \$685 million of supplemental Operating Funds to PHAs to prevent, prepare for, and respond to coronavirus, including to maintain normal operations during the period the program was impacted by coronavirus. Notice PIH 2020-07 provided guidance to PHAs on how the funds were allocated, eligible uses of the supplemental funding, financial management requirements, and other program requirements necessary for PHAs to administer the funding. The notice also sets the original deadline for expenditure of funding at December 31, 2020. Due to the ongoing pandemic, the period of availability for the use of CARES Act

Supplemental Public Housing Operating Funds was extended to December 31, 2021 (Notice PIH-2020-24).

For the Public Housing program, expenses incurred beginning on March 27, 2020, can be paid for with CARES Act Supplemental Operating Funds, and Public Housing Operating Funds or Public Housing Capital Funds that were appropriated for FFY 2020 or before. If the PHA used funds other than CARES Act Supplemental Operating Funds to pay expenses incurred on March 27, 2020, or later, they can be reimbursed by the CARES Act funding. Drawdowns may only be made to pay for immediate eligible expenses. Expenses must be for eligible activities under the Operating Fund and the Capital Fund (Subsections (d)(1) and (e)(1) of Section 9 of the United States Housing Act of 1937 (1937 Act)) and other expenses related to preventing, preparing for, and responding to coronavirus as described in PIH Notice 2020-07.

4. Applicability

This Notice applies to PHAs administering the Public Housing program, and only applies to close out procedures for supplemental Operating Funds provided through the CARES Act.

5. CARES Act Close Out

PHAs must incur all eligible CARES Act expenses (as described in PIH-2020-07) by the end of the Period of Performance (POP), December 31st, 2021. Public Housing Authorities should liquidate all obligations incurred under the Federal award not later than 120 calendar days after the end date of the period of performance (2 CFR § 200.344(b)). By May 31st, 2022, PHAs must submit an SF-425 for each CARES Act grant via the Operating Funds Web Portal, reporting on the status of CARES Act Supplemental Operating Subsidy as of December 31, 2021. Any funds reported by the PHA as unobligated will be recaptured by HUD. Unliquidated obligations are obligations that have already been incurred by a PHA that have not yet been paid. PHAs reporting unliquidated obligations on their initial SF-425 submissions are required to submit an additional SF-425 to report on the status of those funds as of December 31st of the following year. PHAs reporting unliquidated obligations on subsequent SF-425s in any year will be required to submit SF-425s the following year, until all funds are reported to have been drawn down, or the funds will cancel on September 30, 2026.

On April 30, 2022, any funds remaining in LOCCS will be locked. To draw down CARES Act funds after April 30, 2022, PHAs will be required to follow the process outlined below to validate that the funds were obligated for eligible activities on or before December 31, 2021.

PHAs must submit a voucher in LOCCS as well as supporting documentation to establish that requested funds meet the requirements specified above. The FOs will review the documentation and approve the voucher upon determining that the requested funds were for obligations for eligible activities incurred on or before December 31, 2021. Where, for any obligation included in the voucher, supporting documentation is insufficient to establish that the obligations have met these requirements, the Field Office will reject the voucher.

Supporting documentation emailed to the Field Office must include:

- Description of the expenditure, and justification of the eligibility of the use.
- Statement as to whether the draw down will reimburse prior expenditures. If so, an identification of the funds used to initially pay the expenditure.
- Invoice, contract, purchase order, cancelled check, or receipt as needed to establish the eligibility of the expense.

The Field Office may request additional documentation to verify the eligibility and timing of PHA expenses.

6. Further Information

All questions from PHAs are to be referred to the appropriate Field Office.

7. Paperwork Reduction Act

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C.3520) and assigned OMB approval numbers 2577-0026, 2577-0029, 2577-0157 and 2577-0246. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB number.

8. Penalty for False Claims and Statements

HUD will seek civil, criminal, or administrative action against individual and entities who either make, present, submit, or cause to be submitted a false, fictitious, or fraudulent statement, representation, or certification. 18 U.S.C. §§ 287, 1001, 1010, 1012, 1014 and 31 U.S.C. §§ 3729, 3802.

/ s /

Dominique Blom
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Office of Public and Indian Housing