

## CHAPTER 4. PROGRAM IMPLEMENTATION AND OPERATION

## 4.1 OVERVIEW

This chapter covers the key administrative steps in starting and operating the CHSP. it includes the following activities:

- o designation of the GTR/GTM, if not already identified
- o execution of the Grant Assistance Award
- o holding a start-up conference
- o development of administrative procedures
- o establishment of record-keeping systems, including applicant/participant case files
- o semi-annual financial and annual program reporting

## 4.2 DESIGNATION OF THE GTR/GTM

## a. General

The CHSP Grant Officer may not serve as the GTR or GTM. The HUD or RHS official who designates the GTRs and GTMs depends on the program area of the CHSP project:

- (1) For multifamily projects, the Director of Multifamily Housing assigns GTRs and GTMS; a GTR should be a current or former GTM or a Multifamily Asset Servicer for the project or a Resident Initiatives Specialist;
- (2) For public housing projects, the Director of Public Housing assigns GTRs and GTMS; the GTR should be a current or former GTM or a public housing management specialist assigned to that project or a Resident Initiatives Specialist;
- (3) For Indian housing, the Director, Office of Native American Programs, assigns GTRs and GTMS; a GTR should be a current or former GTM or a Public and Indian Housing Management Specialist assigned to that project; and
- (4) For RHS projects, the Chief, Rural Housing in the RHS state office assigns GTRs and GTMS. A GTR should be a current or former GTM or a rural housing specialist. In addition, the Grant Officer will designate a HUD GTR to coordinate with the RHS state office in administration of CHSP grants for RHS projects.

A financial analyst or other staff member with strong financial skills is recommended for the GTM responsibility.

## b. Notice of Designation

- (1) The GTR and GTM are designated by memorandum. Appendix 3 provides a sample memorandum format.
- (2) A GTR may redelegate some of his or her responsibilities to a GTM. The GTR must redelegate responsibilities to the GTM in writing.
- (3) Signed copies of the memoranda designating GTRs/GTMs must be provided to:

HUD Headquarters Desk Officer, Room 6122  
Office of Elderly and Assisted Housing  
U.S. Department of HUD  
451 7th St., S.W.  
Washington, D.C. 20410

The RHS Rural Housing Chief follows the same notice of designation procedures listed above. In addition, he or she sends a memorandum to RHS Headquarters at:

Multifamily Housing Processing Division, Room 5343  
South Building  
14th and Independence Avenue, SW  
Washington, DC 20250

#### 4.3 EXECUTION OF THE GRANT ASSISTANCE AWARD

##### a. Funds Reservation

When grantees have been selected, the HUD state or area office will receive a form HUD-185 and a list of the selected grantees. The form HUD-185 allocates the funds available to both the HUD and the RHS selected grantees. Based on the selection list and the HUD-185, the HUD GTR must prepare the Funds Reservation and Contract Authority, Form HUD-718 (Appendix 5) for signature by the GTR Supervisor and the CHSP Grant Officer.

The Grant Officer is responsible for sending the signed Form HUD-718 to the FAD for approval and recording into the appropriate accounting system. The FAD must return a copy of the approved HUD-718 to the HUD GTR, and the HUD GTR must provide a copy of the HUD-718 to the RHS GTR, where appropriate.

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##### b. Preparation of Grant Agreement

A one-time advance payment for start-up activities may be approved by the Grant Officer. This advance must be reasonable and usually is for no more than the first 3 weeks of grant operations. The amount will be stated in the grant document.

HUD GTRs negotiate the grant terms and conditions for selected HUD applicants. RHS Headquarters staff perform these negotiations for selected RHS applicants and send finalized documents to the HUD appropriate GTR. The HUD GTR then:

- (1) completes Form HUD-1044, Grant Assistance Award (Appendix 6) except for signatures,
- (2) completes the Assistance Award Format (Appendix 7),
- (3) sends the completed HUD-1044 and Assistance Award Format to the Grant Officer for review, and
- (4) upon authorization by the Grant Officer, sends three copies of the Grant Award HUD-1044 and Assistance Award Format to the grantee, requesting signature and return of all signed copies.

c. Execution and Distribution of the Agreement

Following signature and return of the Grant Agreement by the grantee, the Grant Officer executes three original copies of the agreement. The executed agreement is distributed as follows:

Original 1: Grantee  
Original 2: Field Accounting Division  
Original 3: Grant Officer Master File (See Chapter 4 for additional information on record keeping),

Copy 1: HUD and/or RHS GTR/GTM files

4.4 START-UP CONFERENCE

a. Timing

GTRs must hold a start-up conference with appropriate individuals of each new grantee. The GTR should contact the grantees and schedule the conference within 30 days of execution of the grant agreement.

b. Attendance

The GTR, the GTM and grantee staff must attend the conference. If grantees are states, local governments, or tribes, project owners/managers should also attend. Attendance is also recommended, but not mandatory, for project Service Coordinators and fiscal staff. GTRs may also want to invite other HUD and/or RHS staff as relevant.

c. Coverage

GTRs convening the meeting should cover the following areas:

- (1) Roles and responsibilities of GTRs/GTMs, other HUD/RHS state office staff, and HUD/RHS Headquarters staff, as they pertain to the administration of the CHSP. (See Paragraphs 4.7, 5.5, 7.4 and 8.5 for information to be included in the discussion.)
- (2) Financial and program record-keeping requirements for CHSP grantees. This includes the contents of all files, required forms (the HUD-90198, SF-269 and HUD-90006) and an explanation of LOCCS operations. (See Paragraphs 4.6 and Chapter 5 for more information.)
- (3) The on-site review (HUD-90003). This should be explained in general terms, stating the requirement and the related annual program and budget process to which the review may be connected. (See Chapter 6 for more information.)
- (4) Program procedures for states, units of general local government and Indian tribes that will administer projects. This includes record-keeping, using LOCCS, reporting, and on-site monitoring.
- (5) For units of government or Indian tribes that have more than one project site, requirements for monitoring the project sites for conformance with the grant agreement and handling all financial and other transactions. (HUD will award an additional one percent of the value of the grant to the grantee to cover some or all of the staff costs involved.)

#### 4.5 INITIAL GRANTEE ADMINISTRATIVE PROCEDURES

In order to meet requirements specified in the grant agreement, grantees must perform several administrative procedures to implement the CHSP program. These are initiated during the start-up period, which is generally the 3 to 6 months following grant execution.

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##### a. Organization and Staffing

The CHSP grantee should perform the following organization and staffing activities:

- (1) Within 30 days of grant execution, develop a list of staff positions and write job descriptions.
- (2) Appoint a Professional Assessment Committee (PAC), as described in Paragraph 2.8, or secure an agreement with a community agency. (If a community agency is used, it must conform to 24 CFR 700.135 or 7 CFR 1944.258 of the Common Rule.)

(3) Hire staff as necessary.

b. Policies and Procedures

The CHSP grantee should establish the following policies and procedures:

- (1) Develop PAC operating procedures, for application/intake, screening and participatory agreement forms, including termination of assistance and the processes for appeals, as described in Paragraphs 2.9 and 2.10.
- (2) Establish record keeping system. Within 30 days of execution of the grant agreement, each grantee must establish record systems and applicant/participant case files that document all of the administrative activities described in this Paragraph. Figure 4-1 describes the contents of both project records and case files.
- (3) Recordkeeping for Grantees with multiple sites. In cases where the CHSP grantee is different from the project owner or has more than one site, grantee files must contain all of the basic grantee information and all of the accounting/timekeeping records.

In all cases, the grantee must maintain both aggregated and site-specific financial records. Individual project site files must contain: grant document and any amendments, copies of all HUD 90198s and SF-269s, all of the participant information and appropriate payroll and accounting information.

In the case of a PHA/IHA with multiple sites, information listed above may be kept at EITHER the administrative offices, if a central source provides all services, or at both the administrative offices and the individual sites, if the services are run independently at each site.

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Figure 4-1  
GRANTEE RECORD-KEEPING

A. Basic Grantee Information

- o Grant application and grant award document and any amendments
- o Copies of HUD Payment Vouchers (HUD-90198) and Financial Status Reports (SF-269)
- o Documentation of all funds obtained and expended
- o Correspondence with HUD or RHS offices
- o Other materials, e.g, staff hiring procedures, PAC resumes and operating procedures and applications and certifications

related to meal service

B. Applicant and Participant Information

- o Application screening and intake forms
- o PAC assessments, service plan, participatory agreements
- o Fee scale computation
- o Documentation of participant monitoring, and meetings with client and family
- o Documentation of any reports of civil rights or adult abuse
- o Date and reason for separation from CHSP/any appeals

C. Accounting/Timekeeping Records

- o General financial information
  - o Personnel information (policies, employee information, payroll)
  - o Documentation of all costs (schedule of costs by category, indirect costs, procurement records)
  - o Subcontractor information (agreements, invoices)
  - o Equipment inventory and depreciation policies
  - o Copies of HUD-1044, HUD-90198 and SF-269s
- (A) Basic Grantee Information. The grantee must maintain copies of all HUD forms and reports and other basic operations information.
- (B) Applicant and Participant Information. The grantee must maintain case files for each program participant. All information related to applicants/participants should be kept confidential and secured. This information should be accessible ONLY to the service coordinator and to grantee program/project management to the extent necessary.
- (C) Accounting/Timekeeping Records. The grantee must maintain all appropriate accounting and staff timekeeping records.

If a CHSP grantee is also the project owner and has only one site, the grantee's files should contain all of the information in Figure 4-1. The CHSP Grantee Review Form, HUD-90003 (Appendix 10), contains a checklist of both participant information and financial records for CHSP grantees. Also, the grantee should make project records available to HUD state or area office staff and others, as appropriate, upon request for the purpose of making audits, examinations, excerpts, transcripts and copies, according to 24 CFR Parts 84 and 85.

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c. Preparation for Meals Programs

Within 30 days of execution of the CHSP grant award, the grantee should:

- (1) Apply for approval as a retail food store under Section 0 of the Food Stamp Act of 1977, implemented through 7 CFR Part 271.
  - (A) Application forms can be obtained from and must be returned to State Food and Nutrition Service offices. (See sample form at Appendix 11.)
  - (B) Evidence of this application shall be placed in the project files.
  - (C) If approved, eligible owners or grantees shall accept food stamps for partial or full payment of the meals provided. Coupons can then be redeemed at any bank.

Group homes and independent living projects for non-elderly disabled cannot become retail food centers. Project staff may be authorized, however, to use food stamps to purchase food outside the home for the residents.

- (2) Request agricultural commodities for use in meal services from the USDA, under 7 CFR Part 250.
  - Each state has a separate application form that must be obtained from and returned to the appropriate state USDA office.
  - Evidence of this request should be placed in the grantee files.
  - Once approved, the project can obtain food from a local distribution center. This food may be used in the meals program, or distributed to residents as appropriate.

d. Establish LOCCS Account

Grantees must use the Line of Credit Control System (LOCCS) to draw down CHSP grant funds. This process is described in detail in Chapter 5. Grantees complete the necessary forms and GTRs process the forms to enable the grantees to establish accounts and access the system.

To be able to use the LOCCS system, each grantee must complete the necessary forms and submit them to the GTR:

- (1) SF-1199A, Direct Deposit Sign-up Form (Appendix 8)

- (2) Form HUD-27054, LOCCS/Voice Response Access Authorization Security Form (Appendix 9)

Grantees will be sent both of these forms with the grant notification letter.

e. Initiate Services

To initiate supportive services, the grantee should perform the following steps:

- (1) Screen applicants and obtain PAC assessments;
- (2) Develop supportive service plans and establish fees for participants accepted into the program; negotiate service plan with proposed participant;
- (3) At completion of negotiations, require each accepted participant to sign a participatory agreement regarding the use of congregate services and the payment of service fees;
- (4) Execute subgrants or subcontracts with service providers, as appropriate;
- (5) Start in-house services; and
- (6) Require service coordinator to implement service plans.

4.6 INITIAL HUD/RHS ADMINISTRATIVE PROCEDURES

a. HUD/RHS Recordkeeping Systems

For the CHSP, the Grant Officer and the HUD or RHS GTR are required to keep separate files. The Grant Officer's file for a CHSP grant is the official record for legal and administrative purposes and contains the originals of all documents. The GTR's file is the working file for each grant and contains copies of the forms in the Grant Officer's files as well as additional project information and copies of correspondence with the grantee. Figure 4-2 illustrates the contents of the Grant Officer and GTR files.

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Figure 4-2  
HUD/RHS RECORDKEEPING

Grant Officer Files -- originals of:

1. Executed grant agreement
2. GTR/GTM designation memoranda
3. HUD-90198
4. SF-269, "Financial Status Report"
5. HUD-90006 "CHSP Annual Reporting Form"
6. Grant amendments
7. Grant extensions
8. Other documentation

GTR Files:



1. Grant application and any amendments
2. Grant document and any amendments
3. Sequential copies of all HUD-90198s approved for payment and SF-269s
4. Project site-specific information (where grantee has multiple sites)
5. Correspondence from grantee and communications of area/state offices with Headquarters.

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b. LOCCS Access Forms

HUD/RHS GTRs are responsible for review and processing of forms so that grantees can establish LOCCS accounts and access the system.

- (1) The GTR reviews the Direct Deposit Form (SF-1199A) completed by the grantee for accuracy. The GTR should especially check for:
  - the presence of the grantee's grant and tax identification numbers (block C) and
  - the name of the authorized payee in Section 1 of the SF-1199A.
- (2) Within 48 hours of receipt, the GTR should send the SF-1199A to HUD Headquarters: U.S. Department of HUD, P.O. Box 44816, Washington, D.C. 20026.

HUD GTRs must also complete and submit the form that authorizes HUD staff to access the system. To get a password and a user ID:

- (1) The GTR/GTM or other designated LOCCS user in the HUD state or area office should complete the Form HUD-27054-A, "LOCCS Access Authorization Security Form for HUD Staff" (Appendix 11). The form must be signed by: the user (GTR/GTM), the authorizing official (Director of Housing/Director of Multifamily Housing) and the state or area office personnel officer.
- (2) The personal officer should validate the following:
  - SF-85P, Limited Background Investigation
  - SF-87, set of fingerprints
- (3) The GTR should send the completed forms to:

Office of Information Policies and Systems, Room

3184

U.S. Department of HUD  
451 7th St., S.W.  
Washington D.C. 20410  
ATTN: LOCCS Security Officer

#### 4.7 REQUESTS FOR REIMBURSEMENT (Form HUD-90198)

GTRs should emphasize to grantees that the CHSP is a reimbursement program, although the grantee may receive a one-time advance payment for start-up activities as described in Paragraph 4.4 above. The vehicle for disbursement of grant funds to the CHSP grantee is the LOCCS/VRS CHSP Payment Voucher (form HUD-90198).

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The HUD-90198 must be used by all grantees as an official file document of requests of payments. The HUD-90198 will indicate the type and amount of funds requested and the period in which the funds are wanted. (A copy of this form and instructions for completing it can be found in Appendix 12. Grantees may photocopy blank voucher forms as needed, or get originals from State or area office stock.)

##### a. Due Dates and Submission

The time period covered by the reimbursement is quarterly or monthly and will be stated in the grant agreement. All requests for reimbursement must be submitted on the HUD-90198 within 30 days of the end of the reporting period.

Grantees request the drawdown of grant funds over the telephone using the Line of Credit Control System/Voice Response System (LOCCS/VRS). (Instructions to grantees and GTRs on the use of LOCCS/VRS are presented in Chapter 5.) The CHSP grantee must send an original HUD-90198 to the GTR/GTM within five days after each disbursement request and keep a copy of the voucher on file.

##### b. Responsibilities for Grantees with Multiple Project Sites

If the grantee has more than one project, or the grantee is not the owner of the project, it is the grantee's responsibility to establish a submission timetable for all project sites within the grant to assure that the project owner or manager submits a project-specific HUD-90198 to the grantee. Once the grantee has received the necessary HUD-90198s from the project(s), it will have all information for one aggregated submission to the GTR, which should be made on a quarterly or monthly schedule. The HUD-90198 submitted to the GTR must represent sufficient funding for all sites for the time period covered.

#### 4.8 FINANCIAL STATUS REPORT (SF-269)

The SF-269 is used to account for all disbursements and accrued bills under the CHSP during the reporting period. It is the chief tool that the GTR has to ensure that the information contained on the CHSP Payment Voucher (HUD-90198) is accurate and reasonable within the terms of the budget and the grant

agreement. The grantee is required to submit the Financial Status Report, SF-269, on a semi-annual basis (Appendix 13).

a. Reporting Periods

Grantees must submit the original SF-269 and one copy to the HUD state or area office no later than 30 days after the end of each reporting period. The semi-annual reporting periods under CHSP are: October 1-March 31 and April 1-September 30.

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b. Responsibilities of Grantees with Multiple Project Sites

Grantees with more than one project site are responsible for collecting site-specific SF-269 reports from each site and preparing an aggregated report. Once the grantee has received the necessary SF-269 from the site(s), it will have all necessary information for one aggregated submission to HUD.

The SF-269 submitted to HUD must reflect sufficient funding for all sites for the time period covered, and must be signed by the appropriate grantee official. The appropriate official is the CHSP director, executive director of the PHA/IHA or the project administrator of other projects.

c. HUD/RHS Review

The GTR/GTM must review the SF-269 within 10 workdays after receipt. Grantees should be notified immediately of any deficiencies found that require correction or additional documentation.

The GTR reviews the SF-269, as required by 24 CFR 84, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations" and 24 CFR 85 "Administrative Requirements for Grants and Cooperative Agreements to States, Local Governments and Federally Recognized Indian Tribes".

The GTR makes certain that:

- (1) The SF-269 is based upon the approved budget and covers all bills paid and costs accrued during the reporting period.
- (2) Match and participant fees are reported in each SF-269. (If they are not present, the GTR may request supporting documentation or further explanation if necessary.)

After completing the review, the GTR distributes copies within 10 days of receipt, as follows:

- o Original to the Grant Officer.
- o Copy to the GTR's grantee file.

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LOCCS REMINDER: LOCCS/VRS will automatically generate reminder letters to the grantee 45 days prior to the appropriate due date of the semi-annual report.

If a grantee is delinquent in submitting the SF-269, reimbursement under LOCCS may be delayed or suspended.

#### 4.9 GRANTEE/OWNER ANNUAL REPORT (Form HUD-90006)

The Grantee/Owner Annual Report, Form HUD-90006, contains a summary of programmatic and budgetary information for grantee operations during the preceding 12 months, and it is part of the annual program and budget review process. It provides performance information for the just-ended federal fiscal year to be used in an Annual Report to Congress.

##### a. Due Dates and Submission

The annual report is due with the financial report on October 30 of each year. The information reported must be for the preceding federal fiscal year, October 1 through September 30. The grantee submits the original and one copy to the GTR.

A copy of the HUD-90006 and instructions for completing it can be found in Appendix 14 of this handbook.

##### b. Responsibilities for Grantees with Multiple Project Sites

Grantees with multiple sites must have each owner complete a form for each project and send it to the grantee, who then submits the aggregated data to HUD/RHS.

##### c. HUD/RHS GTR Review

The GTR reviews the report and obtains corrections from grantees if necessary. The GTR may discuss any problems with the Headquarters Desk Officer.

After completing the review, the GTR:

- o Maintains reports for the annual program/budget review process; and
- o Sends copies to the Headquarters program office by November 30 of each year.

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Originals of each annual report submitted must be provided to the Grant Officer.

LOCCS REMINDER: LOCCS/VRS will automatically generate reminder letters to the grantee 105 days prior to the appropriate due date of the annual report. If the HUD-9006 is not submitted in a timely manner, the next year's budget amounts cannot be entered into the system.

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