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| --- | --- | --- | --- |
| **Guide for Review of HPRP Financial Management** | | | |
| **Name of Grantee:** | | | |
| **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, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully 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 is designed to assess an HPRP grantee’s financial management system as well as the eligibility of HPRP expenditures. While the bases for the requirements in this Exhibit are rooted in 24 CFR 84 and 24 CFR 85, not all of the requirements of, and allowable items under, these regulations apply to the HPRP program. Specifically, all expenditures for the HPRP program must be limited to those that require disbursement to third parties. The HUD reviewer should follow the sampling instructions in Section 8-3.C in the introductory text to this Chapter and randomly select a sample of the grantee’s financial transactions, assessing the supporting documentation to complete responses for the following questions.

**Questions:**

1.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee have written procedures covering the recording of transactions, an accounting manual and a chart of accounts? (If so, the reviewer may want to attach a copy to this Exhibit, if feasible.)  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, and 24 CFR Part 85.20] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

2.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee have written procedures covering the authority for approving financial transactions?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, and 24 CFR Part 85.20] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

3.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| If the grantee has written procedures, does it provide guidelines for controlling expenditures, such as purchasing requirements and travel authorizations?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, and 24 CFR Part 85.20] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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4.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee have written procedures regarding the maintenance of financial records?  [HPRP Notice - Section VII. Other Federal Requirements, (G) Uniform Administrative Requirements, and 24 CFR Part 85.20, 85.42] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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5.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Are the grantee’s fiscal records and valuables secured in a limited-access area?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, and 24 CFR Part 85.20] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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6.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| If the grantee has an interest-bearing account, is there evidence that, if the account earned interest on grant advances, all but $100 for eligible administrative costs were remitted to HUD at least quarterly?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, and 24 CFR 85.21(h)(2)(i)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

7.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee identify expenditures in its accounting records to eligible activities identified in the grantee’s Substantial Amendment for HPRP and the Integrated Disbursement and Information System (IDIS) activity information?  [HPRP Notice - Section IV. Requirements for Funding (A) Eligible Activities, (B) Ineligible and Prohibited Activities, Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, and 24 CFR Part 85.20] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

8.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Do the financial records indicate that the grantee has effective internal control over, and accountability of, all grant funds, property and other assets?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, and 24 CFR Part 85.20] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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9.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Does a review of the sample transactions indicate that grant expenditures were eligible costs?  [HPRP Notice - Section IV. Requirements for Funding (A) Eligible Activities, (B) Ineligible and Prohibited Activities] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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10.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Are the financial transactions drawn for this review supported by adequate source documentation, (e.g. invoices, contracts, purchase orders, remittance advice)?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, and 24 CFR Part 85.20] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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11.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Are there internal controls, such as segregation of duties, that effectively reduce the opportunity for an individual to perpetrate or conceal errors or irregularities in financial transactions and in the course of normal duties? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

12.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Do charges to the HPRP program for salaries and wages based on supporting documentation appear allowable?  [HPRP Notice - Section IV. Requirements for Funding (A) Eligible Activities, Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, 24 CFR 85.22, and OMB Circular A-87, Attachment B(8)(h)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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| --- | --- | --- | --- | --- | --- | --- | --- |
| b. For employees working solely on the HPRP program, are charges for their salaries and wages supported by periodic certifications that the employees worked solely on that program for the period covered by the certification?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, 24 CFR 85.22, and OMB Circular A-87, Attachment B(8)(h)(3)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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| --- | --- | --- | --- | --- | --- | --- | --- |
| c. Were the certifications prepared at least semi-annually and signed by the employee or a supervisory official having first-hand knowledge of the work performed by the employee?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, 24 CFR 85.22, and OMB Circular A-87, Attachment B(8)(h)(3)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

13.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Are payments for employee salaries supported by timesheets indicating actual times, not percentages, and in accordance with the applicable regulations?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, 24 CFR 85.22, and OMB Circular A-87, Attachment B(8)(h)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

14.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If salaries are being paid from more than one source, do the fiscal records clearly define payments among the funding sources?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, and 24 CFR 85.20] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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15.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Do the grantee financial records indicate that no cash payments were provided directly to the program participants?  [HPRP Notice - Section IV. Requirements for Funding (A) Eligible Activities (1) Financial Assistance and (B) Ineligible and Prohibited Activities] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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16.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Does a random selection of costs reflect that no disbursement of any grant funds were expended for ineligible HPRP activities?  [HPRP Notice - Section IV. Requirements for Funding (A) Eligible Activities and (B) Ineligible and Prohibited Activities] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

17.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the IDIS withdrawal information match the information from the grantee’s draw-down voucher requests?  [HPRP Notice - Section V. Post-Award Process Requirements (B) Method of Payment] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

18.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Are OMB Circular A-133 Single Audits required for any grantees or subgrantees?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, 24 CFR 85.26] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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| --- | --- | --- | --- | --- | --- | --- | --- |
| b. If the answer to “a” above is “yes,” does the grantee have a system or methodology to ensure that such audits are conducted?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, 24 CFR 85.26] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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| --- | --- | --- | --- | --- | --- | --- | --- |
| c. If A-133 audits are required for any subgrantees, does the grantee have documentation that the audits have been reviewed for compliance with OMB Circular A-133 and that appropriate follow-up actions have been taken, if necessary?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, 24 CFR 85.26] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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19.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Does the grantee have the appropriate written procedures and financial management systems in place?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, 24 CFR 85.20, 85.21] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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| --- | --- | --- | --- | --- | --- | --- | --- |
| b. If the grantee requests funds in advance, does the grantee minimize the time elapsed between the transfer of funds and their disbursement by the grantee or subgrantee?  [24 CFR 85.21] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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| --- | --- | --- | --- | --- | --- | --- | --- |
| c. If the grantee has elected to use a working capital advance, has it demonstrated that it cannot meet the criteria for advance payments described in 24 CFR 85.21, and has HUD determined that reimbursement is not feasible because the grantee lacks sufficient capital?  [24 CFR 85.21] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| d. Is the grantee meeting all other requirements of 24 CFR Part 85.20 and 85.21?  [HPRP Notice - Section VII. Other Federal Requirements (G) Uniform Administrative Requirements, 24 CFR 85.20; 24 CFR 85.21] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |