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## CHAPTER 2. Grant Application Processing

2-1 OBJECTIVE. The objective of this chapter is to describe the actions to be taken in processing grant applications by the receiving local HUD Offices. The grant application processing covers activities from receipt of applications through the review and scoring of applications reviewed.

### Section 1. Grant Application Receipt

2-2 ASSIGNMENT OF THE GRANT ADMINISTRATOR. Each local HUD Office shall designate a Grant Administrator for each grant program. The Grant Administrator will serve as the immediate contact to the Regional Office with direct grant program oversight for the duration of the review process. The Grant Administrator is a control point in the process and thus does not review applications. The Grant Administrator shall:

- A. Serve as liaison between the local HUD Office and the Regional Office (and/or Headquarters as may be appropriate in certain instances).
- B. Coordinate and manage the grant application review process.
- C. Work with data entry person entering data in the SMIRPH/MIRS data module. The data module will assist in the scoring, ranking and documentation for the program.
- D. Provide a hard copy rank order list of applications for the Regional Office based on the application's average score.
- E. Validate and certify the original master log listing of all applications and provide full accountability of all applications received, the corrected deficiencies log, and any rejected applications and the basis for rejection.
- F. Validate the original scoring sheets completed by reviewers as to completeness and correctness.

2-3 RECEIVING APPLICATIONS. Applications shall be received by the local HUD Office by the date and time specified in the Notice of Funding Availability (NOFA) and/or application kit for the application to be eligible for funding. The steps to be followed in processing applications received are:

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- A. Date/time stamp each grant application the same day they are received.
  - B. Enter all submissions in a master log (See sample in Appendix 1), that includes: housing authority identification number; name of the applicant; date and time application was received; and name of staff person logging in each application. Log in late applications as they are received on the master log as well. Provide a copy of the completed log to the Regional coordinator within 3 working days of the deadline for receipt of applications.
  - C. Applications may be delivered in person. When a receipt is requested, provide a written note with the date and time of receipt stating what was received, from whom, and by whom.

2-4 ACKNOWLEDGING RECEIPT OF APPLICATIONS. The receiving local HUD Office shall acknowledge receipt of all applications received in response to a NOFA. A copy of the acknowledgement shall be retained in the files. The response shall be by letter and include the following:

- A. A brief statement acknowledging receipt.
- B. The date the application was received.
- C. The time the application was received.
- D. If the application was late or the applicant was ineligible, a statement that the application will not be considered further (application not returned to applicant). Eligibility of applicants and co-applicants are further determined in the screening of applications.
- E. A signature of the Field Office Manager, or Director, Public Housing Division/Management Division/Office of Indian Programs or his or her designee.

2-5 DATA ENTRY OF APPLICATIONS RECEIVED. Following receipt of applications and completing the log sheets, the information identifying the applications shall be entered into the SMIRPH/MIRS data module to establish application project numbers and permit tracking application processing by use of the data module (ineligible applicants not included). Where applicant ineligibility is determined after initial data entry, the data records for the ineligible applicant should be deleted.

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## Section 2. Screening Applications

2-6 REVIEW FOR DEFICIENCIES. The screening process begins with a review of each application in its entirety for deficiencies with respect to completeness, internal consistency and correct computations. Detailed screening instructions and a checklist are to be provided by each Headquarters program division based on the NOFA issued. Screening should be performed by a single reviewer as assigned in the local HUD Office. If more than one reviewer is involved, each reviewer should place their signature on the checklist indicating their review. In such a case, the reviewers should initial the items on the checklist they reviewed.

- A. If an application has no deficiencies, the application will be held for rating in accordance with the reading/rating instructions.
- B. If the reviewer is not certain whether the cure for a deficiency will substantially revise an application or change a fundamental feature of the program, the reviewer must consult with the Grant Administrator. The Grant Administrator, in turn, may consult with the Regional office and/or Headquarters program division for confirmations as deemed appropriate and to share information of how the screening instructions are being interpreted.
- C. If a deficiency is found that is not curable, the local HUD Office should not consider the application further and should hold the application pending completion of the entire process before issuing a rejection letter. The screening instructions will normally contain guidance on what is not curable.
- D. The Grant Administrator is responsible for monitoring the screening process and, at the very least, making spot checks to see that screening checklists are properly completed and verification of all deficiencies identified.

2-7 NOTIFICATION TO APPLICANTS OF CURABLE DEFICIENCIES. A deficiency is curable if it relates to the completeness, internal consistency, and/or correct computations of information contained in the grant application in response to instructions outlined in the application kit. In addition, the deficiency is curable only if it will not result in a substantial revision of the application or change a fundamental feature of the program (additional guidance may be contained in the screening instructions). Once all deficiencies are determined to be curable, the local HUD Office shall:

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- A. Notify the applicant in writing of the curable deficiency(ies) identified in the application. The letter shall state the date and time (as permitted in the NOFA, normally 14 calendar days from the date of the HUD letter and referred to as the cure period) for the applicant to respond to the deficiency(ies) to the local HUD Office. It is suggested that the letter recommend the earliest response feasible by the applicant to permit time for a second response if the first response was not adequate.
  - B. Follow-up the letter with a call to the applicant to alert them on the matter. It is helpful to note the name and title of the person you spoke with, as well as the date and time the conversation took place. If the applicant submits inadequate corrections prior to the end of the cure period, the applicant should be advised, requesting complete and corrected materials. The materials must be received by the end of the original cure period. No extension of the cure period is permitted unless subsequently announced in the Federal Register.
  - C. Upon receipt of responses to deficiency letters, log the information on the Corrected Deficiencies Log sheet, provided in Appendix 1.

2-8 RESCREENING OF DEFICIENCY CORRECTIONS. Once an applicant responds to a deficiency notice, the response must be rescreened to ensure that the revised application is complete, consistent, and contains correct computations. If a deficiency is not adequately cured, the application shall not be scored. Attach a copy of the HUD deficiency letter and the corrected deficiencies to the application. It is suggested practice that the person doing the rescreening annotate the HUD deficiency letter--at each deficiency item--to show the deficiency was corrected and the corrected material filed in the appropriate place(s) in all copies of the applications. Application processing for threshold and/or scoring shall not begin until the screening process has been completed. In the course of reviewing responses to deficiencies, a reviewer must ensure that an applicant has not substantially revised its application or changed fundamental features of the program to cure deficiencies.

A. Examples of unacceptable changes would be:

- 1. Changing the applicant;
- 2. Changing information other than to cure deficiencies or related changes necessitated by the curing of the deficiencies to

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maintain internal consistency; and

3. Substituting another property, if applicable.
- B. If there is substantive change to the application beyond that needed to cure deficiencies, the application shall not be processed further and shall be considered ineligible.

### Section 3. Threshold Review

2-9 REVIEW FOR THRESHOLD FACTORS. A program may have threshold factors that must be met before an application is scored (Youth Sports and HOPE 1 Implementation have thresholds). In such case, the applications passing screening are then reviewed for compliance with threshold criteria in accordance with instructions issued by the Headquarters program divisions (screening must be completed first since a curable deficiency could possibly affect the outcome).

### Section 4. Evaluate Applications

2-10 ASSIGNING REVIEWERS. The local HUD Office Grant Administrator shall coordinate the scoring of applications during a common review period, if at all feasible. The Grant Administrator shall:

- A. Identify reviewers for applications. Reviewers should be selected, to the extent possible, from public/Indian housing staff in the local HUD Office but may include other program staff and/or Regional Office staff. Where reviews are conducted by Headquarters, reviewers shall be identified by Headquarters.
- B. Ensure that each application is independently evaluated and scored by two (2) reviewers. In no case shall a reviewer score an application where he or she may have had any relationship with the applicant that involved any financial interest.
- C. Reviewers should be assigned to read no more than about ten applications, depending on size, and a review panel of about ten persons is appropriate for a Grant Administrator to oversee. Where the number of applications significantly exceeds this guideline, it would be appropriate to divide the workload into two or more review panels. A grant panel leader would need to be assigned to each additional review panel to assist the Grant Administrator. Grant panel leaders will be responsible for confirming reviewer assignments; collecting/verifying scoring sheets are complete and scoring data are entered and added

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correctly; helping resolve total reviewer scores for one application 20 or more points apart; tracking applications through the review process; and other duties as needed to process applications. They will provide technical assistance and facilitate discussion with their assigned group of reviewers. The Grant Administrator will perform all such responsibilities where additional panel leaders are not needed.

2-11 TRAINING REVIEWERS. Prior to review and evaluation, the Grant Administrator shall provide training to reviewers. The Headquarters program division shall provide the lesson plan and instructor activities. Training shall include a review of the application screening process, eligibility of applicants, threshold review where applicable, eligible/ineligible costs, and selection criteria. The training format (lecture/discussion) is left to the discretion of the Grant Administrator.

2-12 READING AND SCORING APPLICATIONS. The Headquarters program division shall provide reading/rating instructions and score sheets. Reviewers are responsible for reviewing and scoring applications according to the NOFA and related notices and instructions.

- A. Only applications that have successfully passed screening are reviewed. The Grant Administrator should be available during the review process to answer questions, discuss issues, etc., and arrange periodic meetings with reviewers as needed. The Grant Administrator will provide reviewers the assigned applications, score sheets, and a Reviewers Assignment Sheet listing all applications assigned to them. Reviewers shall check to ensure that they have received all the applications listed on the assignment sheet and sign the sheet documenting the receipt of all applications listed.
- B. Where the reviewers have total scores for an application that are 20 or more points apart, the reviewers must review the reasons for the difference to assure there is a common understanding of the merits of the application and work to reach scores less than 20 points apart. Where this is not achieved, a third reviewer shall be assigned to score the application and the two closest scores used (or either of two identical scores and the third). The third score sheet shall be marked void and retained as a matter of record only.

2-13 DATA ENTRY OF APPLICATIONS SCORED. Following the completion of scoring and validation of score sheets by the Grant Administrator, the

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score sheet information shall be entered into the SMIRPH/MIRS data module.

#### Section 5. Regional Office Monitoring

2-14 REGIONAL OFFICE RESPONSIBILITIES. The Regional Office shall designate a coordinator for each grant program as the point of contact for the local HUD Office Grant Administrators, to monitor the entire application review process, and serve as liaison to the Headquarters grant program division. The Regional coordinator may be the Regional RIC or other qualified HUD staff. The local HUD Offices shall be advised who the Regional coordinator is for each grant program. The monitoring shall include, as a minimum, appropriate steps to assure the local HUD Offices are processing the applications in accordance with the procedures of this Handbook and that the processing adheres to the any schedule established for the particular program funding round.

#### 2-15 OPTIONAL REVIEW PROCEDURE.

NOTE: This optional procedure does not apply to Offices of Indian Programs.

- A. The basic procedures presume each receiving local HUD Office screens and scores applications by some number of reviewers under the supervision of the Grant Administrator. The SMIRPH/MIRS data module is designed on this basis and this approach provides for optimal controls at each review site.
- B. In order to match workload and resources in any particular region, once the number of applications to be reviewed is known, a common review site or a limited number of sites may be used at the discretion of the Regional Office with Headquarters concurrence of the Program Office. In order to maintain adequate controls in the process, certain minimum requirements must be met. The application original is retained by the receiving local HUD Offices and other required copies are used for review/scoring.
- C. For each review/scoring site, the reviewers are to receive training as would be done by the Grant Administrator at the local HUD Office.
- D. For each optional review site, a grant panel leader, that is not a reviewer/scorer, must oversee the process to ensure procedures are properly followed, to validate score sheets, and to resolve issues

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in coordination with the Grant Administrator.

- E. Each application is to be reviewed by two reviewers at the same site in order to help resolve questions/issues about a particular application on the spot between reviewers and the grant panel leader/Grant Administrator. This would include helping resolve situations where reviewers have a difference in the total score of 20 or more points/assigning a third reviewer as needed, disagreement on the eligibility of some proposed costs, etc.
- F. Overnight mail should be used as needed to avoid delays in the processing schedule.
- G. A backup copy of original materials, i.e., score sheets, at the reviewing site(s) must be made to guard against loss of shipped originals.
- H. All database entry/validation is performed at the local HUD Office where applications were received in all cases.

#### 2-16 UNSUCCESSFUL APPLICATION FILES.

- A. Late and otherwise unsuccessful application files shall be retained in the receiving office for one year after the grant award date for successful applicants (only one copy of the application needs to be retained).
- B. After one year, the unsuccessful application files may be retired to the Federal Records Center anytime that volume warrants. Such files may be destroyed 5 years and 30 days after date of grant award to successful applicants.