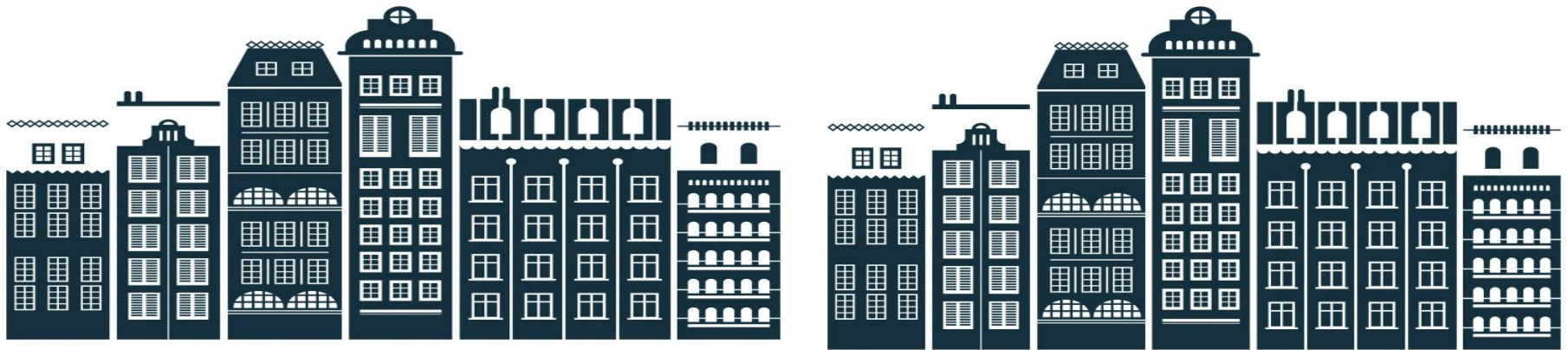


U.S. Department of Housing and Urban Development (HUD)
Office of Lead Hazard Control and Healthy Homes (OLHCHH)

2017 Program Manager School

Understanding Your Grant Terms and Conditions

Created by:
Jerry Freese
Victoria Jackson



Indianapolis, IN

Objectives

2

- Learn Important Facts about the Terms and Conditions
- Clearly Define the Terms and Conditions Terminology
- Identify the Reporting Deliverables within the Grant Agreement
- Understand How to Find Other Major Program Requirements
- Learn How to Utilize the Terms and Conditions Search Tool



Program Manager School 2017

HUD 1044 Terms and Conditions Agreement

3

Section 16. Description

This instrument sets forth the agreement between the parties as to all terms and conditions and provisions herein. By signing this award document, the Grantee certifies that it is in compliance with all administrative and financial provisions of this award. This grant instrument consists of the following, some of which are incorporated by reference:

1. Cover Page, HUD 1044
2. Schedule of Articles / 2016 Terms and Conditions
3. Statement of Work/Work Plan/Benchmark Standards
4. Lead Hazard Control Program Policy Guidance Issuances
5. Grantee's financial and technical proposal
6. Mutually agreed and negotiated proposal changes
7. Abstract of grant activities
8. TITLE 2: GRANTS AND AGREEMENTS - PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS [<http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1>]
9. Notice of Grant Opportunity announced in GRANTS.GOV (FR-6000-N-12) – Posted date: Monday, March 14, 2016



Important Facts about Terms and Conditions

4

- Grantee Official Compliance of the Grant Agreement
- Grant Agreement Major Categories
 - Preface
 - General
 - Program Requirement Articles
- Current Year of Grant Terms and Conditions
- Grantees With Two Grants Terms and Conditions



Program Manager School 2017

Import Facts about Terms and Conditions (Part 2)

ATTACHMENT: LIST OF ACTIONS DUE

Action	Due Date (Deliverables may be provided earlier) ¹
Management and Work plan, written policies and procedures, benchmarks and revised budget with a breakdown of the match	60 days after effective date of grant/cooperative agreement
Request for Release of Funds and Certification	90 days after effective date
Institutional Review Board approval (if applicable)/Approval of Request for Release of Funds and Certification	120 days after effective date
Grant work/deliverables	As per benchmarks following Institutional Review Board approval/Approval of Request for Release of Funds and Certification
Quarterly Progress Reports with a separate attached document illustrating match status	30 days after quarter ends, i.e.: January 30, April 30, July 30, October 30
FFATA Subaward Reporting System	By the end of the month following the month in which the Grantee awards a subgrant greater than or equal to \$25,000
Economic Opportunities for Low- and Very Low-Income Persons (Section 3)	January 10 annually
Race and Ethnic Data Reporting	January 10 annually
Annual Audit	Annually base on the Grantee's fiscal year
Deliverables	In accordance with benchmark schedule
Final Report	90 days after the end of the period of performance



Final Report	90 days after the end of the period of performance
Deliverables	In accordance with benchmark schedule

Preface and General Section

6

**U.S. Department of Housing and Urban Development
Office of Lead Hazard Control and Healthy Homes
Terms and Conditions
FY 2016 Grants and Cooperative Agreements**

TABLE OF CONTENTS

PREFACE

GENERAL

- A. Overview of Award Implementation
- B. Definitions
- C. Transparency Act Reporting
- D. English Language
- E. Conflict of Interest

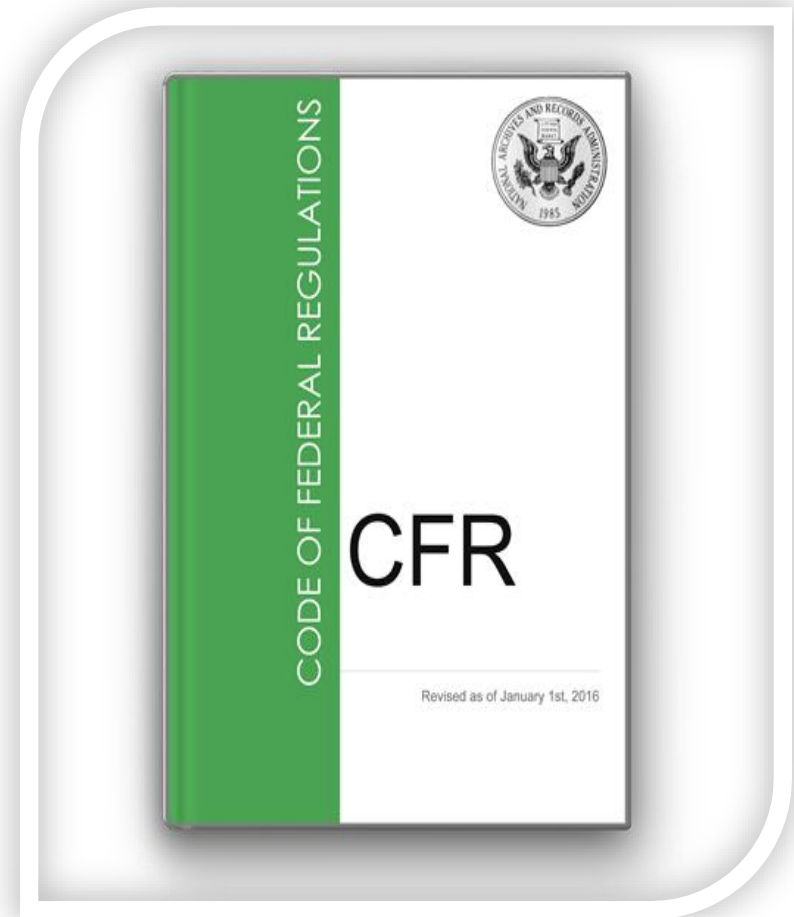


Program Manager School 2017

Preface Highlights

7

- The establishment of Code of Federal Regulations:
 - http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- Non-Federal Entity Procurement Standards- Please Refer to Handout.
- The “uniform crosswalk” available at the following link
 - <http://www.whitehouse.gov/sites/default/files/omb/fedreg/2013/uniform-gu>



General Section Overview

8

- **A. Overview of Award Implementation:**
 - Grantee must complete and submit a revised:
 - Management and work plan,
 - Benchmark Standard and Budget (**60 calendar days of the award**)
 - Approved Request for Release of Funds and Certification
 - **See OLHCHH Policy Guidance 2008-03 on office website.**



General Section (Cont.)

9

- **D. English Language :**
 - The English language will be used in the 2016 Terms and Conditions as defined in 2 CFR §200.11.

- **E. Conflict of Interest:**
 - The Conflict of Interest will be used in T&Cs, as defined by 2 CFR §200.112.



Definitions Overview

10

- **“Grant Award” “Cooperative Agreement” or “Federal Award”:**
 - The award document consisting of the HUD-1044, including any special conditions; these award provisions refer to either a grant or a cooperative agreement instrument.
- **Contract:**
 - A legal instrument by which a non-Federal entity purchases property, goods or services (2 CFR §200.22).
- **Federal Financial Report (FFR):**
 - The Grantee shall submit the Standard Form 425 for each project or program annually.
- **Disallowable Costs:**
 - Those charges to an award that HUD determines to be unallowable, in accordance with the applicable Federal cost principles or other terms and conditions contained in the award.

Definitions Overview (Cont'd.)

11

- Allowable Costs (2 CFR 200.405):
 - *This standard is met if the cost:*
 - (1) Incurred specifically for the Federal award.
 - (2) Benefits both the Federal Award and other work of the Grantee and can be distributed in proportions that may be approximated using reasonable methods
 - (3) Necessary to the overall operation of the Grantee is assignable in part to the Federal award in accordance with the principles in 2 CFR Part 200, subpart E – Cost Principles.
- Direct Costs(2 CFR 200.413):
 - Those costs that can be identified specifically with a particular final cost objective, such as a Federal award.
 - Examples of Direct Cost:
 - Compensation of Employees
 - Costs of Materials
 - Equipment (If its not shared.)
- Indirect Costs (Facilities & Administrative (F&A) Costs):
 - Costs incurred for a common or joint purpose (2 CFR §200.56).

Definitions Overview (Cont'd.)

12

- **“Must” or “Shall”**: A mandatory requirement.
- **“Should”**: The best practices or recommended approach.
- **Sub-award (2 CFR 200.92)**: An award provided by a pass-through entity to a sub-recipient for the sub-recipient to carry out part of a Federal award received by the pass-through entity.
- **Pass-Through Entity (2 CFR 200.74)**:
 - A non-Federal entity that provides a sub-award to a sub-recipient to carry out part the Federal program.
- **Sub-recipient (2 CFR 200.93)**:
 - Non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal program.

Definitions Overview (Cont'd.)

13

□ Transparency Act Reporting:

- Federal Financial Assistance Accountability and Transparency Act of 2006 (FFATA):

- **Recipient Reporting:** Recipients and other prime awardees of HUD financial assistance are required to report sub-awards in the Federal Sub-award Reporting System (FSRS). Website: <https://www.fsrs.gov>.

□ Prime Awardee Executive Compensation Reporting:

- Recipients and other Prime Awardees must also report in the government wide website (total compensation and names of the top five executives in the prime awardee).

□ Sub-award Executive Compensation Reporting:

- Recipients and other Prime Awardees must also report in the government wide website the total compensation and names of the organization.

Program Requirements (Schedule of Articles)

14

PROGRAM REQUIREMENTS ARTICLES

1. Administrative Costs |
2. Administrative Requirements
3. Advance Payment by Treasury Check or Electronic Funds Transfer
4. Allowable Costs
5. Amendments
6. Amount of Cost Share (Estimated Cost and Payment – Matching)
7. Budget
8. Certifications and Assurances
9. Changes to Award Agreement
10. Closeout
11. Conduct of Work
12. Collection of Data
13. Contact Information Updates
14. Copyrights
15. Direct Costs
16. Disputes
17. Estimated Cost and Payment – Line of Credit Control System (LOCCS)
18. Equipment
19. Flow Down Provisions
20. Grantee Lead Certification Program Requirement
21. Single Audit Reporting Requirements
22. HUD's Right to Audit and Disallow Cost and Recover Funds
23. HUD's Substantial Involvement
24. Incurrence of Cost

25. Indirect (F&A) Cost Rate
26. Inspection and Acceptance
27. Key Personnel
28. Liability Insurance
29. Limitation of Consultant Payments
30. Limitation on Payments to Influence Certain Federal Transactions
31. Lobbying Activities Prohibition
32. Grant Deliverables (If Applicable)
33. Order of Precedence
34. Patent Rights (Small Business Firms and Nonprofit Organizations)
35. Period of Performance and Extensions
36. Pre-award Costs
37. Profit/Fee
38. Program Income
39. Project Management System
40. Publications and News Releases
41. Release of Funds and Environmental Certification
42. Review of Deliverables
43. Sanctions
44. Scope of Services
45. Special Conditions
46. Suspension and Termination (For Cause)



Schedule of Articles Overview

15

- **2. Changes to Award Agreement:**
 - Advance payments by the Treasury electronic funds transfer are authorized under this grant.
 - HUD may provide to the Grantee a one-time cash advance that shall not exceed 10 percent of the grant amount requirements of the Grantee in carrying out the startup activities **(Applied at the start of the grant).**
 - **“Payment” (2 CFR §200.305):** the non-Federal entity must disburse funds available from program income.
- **6. Amount of Cost Share:**
 - The estimated cost for the performance of this grant is the “Total Instrument Amount.”



Schedule of Articles Overview (Cont'd)

16

□ 17. Estimated Cost and Payment – Line of Credit Control System (LOCCS) :

- The Grantee shall be reimbursed for allowable costs incurred in the performance of work under this grant in an amount not-to-exceed “Total HUD Amount” on the form **HUD-1044**.
- Incurred costs shall be reimbursed through eLOCCS under the HUD's Line of Credit Control System.
- eLOCCS is accessed through the HUD internet portal called **Secure Systems** and sometimes referred to as the online systems.
- ***In order to use eLOCCS, you must:***
 - Register in Secure Systems to access the eLOCCS “application.”
 - Submit a HUD-27054 LOCCS Access Authorization form, which will specify the Business Partner(s) and HUD Programs you are authorized to access within eLOCCS.

Schedule of Articles Overview (Cont'd)

17

22. HUD's Right to Audit and Disallow Cost and Recover Funds

- The Government reserves the right to **recover and recapture any funds** that were not expended in accordance with the requirements; considered an **ineligible program cost**.
- **Later Disallowances and Adjustments: the closeout of a grant does not affect:**
 - HUD's right to disallow costs and recover funds on the basis of a later audit or other review (**2 CFR §200.344**).
 - The Grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustment. (**2 CFR §200.344**).
 - Audit requirements in 2 CFR Part 200, Subpart D – Post Federal Award Requirements of this part (**§200.333-§200.337**).
 - Property management and disposition requirements (**2 CFR §200.310 – §200.316**).
 - Audit requirements in CFR Part 200, Subpart F – Audit Requirements.

Schedule of Articles Overview (Cont'd)

18

- **24. Incurring Costs:**
 - The Grantee is allowed to incur costs for activities **beginning on the effective date on the form HUD-1044.**
- **27. Key Personnel:**
 - Personnel specified as key personnel in the original grant application, Factor 1, Capacity of the Applicant and Relevant Organizational Experience, are considered to be essential to the work being performed.
 - ***The Program Manager must commit at least 75% of his/her time to grant award. MUST BE APPROVED BY GTR PRIOR TO PLACEMENT!!!!***
- **32. Grant Deliverables:**
 - The Grantee shall complete and submit a detailed management and work plan, benchmarks (with Benchmark Standards-Form HUD 96008), budget. and the Grantee's policy and procedures **(60 calendar days after award).**

Schedule of Articles Overview (Cont'd)

19

□ 33. Order of Precedence:

- *In the event of any inconsistency among any provisions of this grant, the following order of precedence shall apply:*
 - Statutes;
 - Federal Regulations, including 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
 - The NOFA, including the General Section and the Program Section;
 - Grant Agreement (form **HUD-1044**), including Terms and Conditions;
 - Grantee's Approved Work Plan.



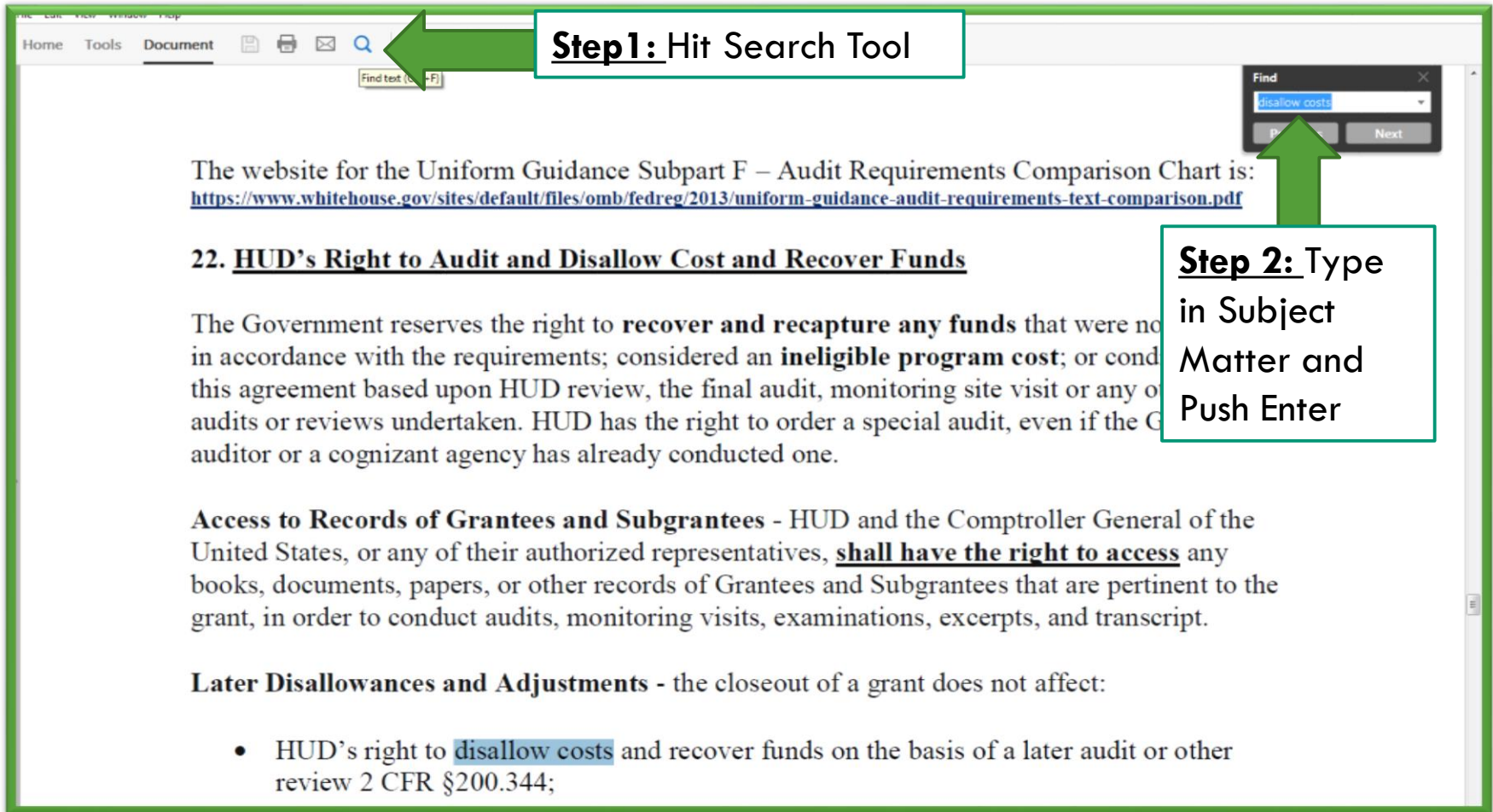
Schedule of Articles Overview (Cont'd)

20

- **35. Period of Performance and Extensions:**
 - ***The Grantee shall provide all services*** stipulated in this award agreement for the period of months specified on the form HUD-1044, “Assistance Award/Amendment” Continuation Sheet from the effective date stipulated on the form HUD 1044.
 - ***Grantees are to comply with the requirement of 2 CFR §200.309 and §200.343***, as applicable, in charging costs to the grant.
 - ***All obligations incurred under the award*** must be liquidated not later than 90 days after the end of the funding period.
 - ***The preparation of the final administrative and financial reports*** is to be completed within 90-days after the end of the period of performance.

T&C Search Tool Steps

21



The screenshot shows a PDF document with a search tool overlay. A green arrow points from a box labeled "Step 1: Hit Search Tool" to the search icon in the document's toolbar. Another green arrow points from a box labeled "Step 2: Type in Subject Matter and Push Enter" to the search input field, which contains the text "disallow costs".

The website for the Uniform Guidance Subpart F – Audit Requirements Comparison Chart is:
<https://www.whitehouse.gov/sites/default/files/omb/fedreg/2013/uniform-guidance-audit-requirements-text-comparison.pdf>

22. HUD's Right to Audit and Disallow Cost and Recover Funds

The Government reserves the right to **recover and recapture any funds** that were not in accordance with the requirements; considered an **ineligible program cost**; or considered an **ineligible program cost** based upon HUD review, the final audit, monitoring site visit or any other audits or reviews undertaken. HUD has the right to order a special audit, even if the Government auditor or a cognizant agency has already conducted one.

Access to Records of Grantees and Subgrantees - HUD and the Comptroller General of the United States, or any of their authorized representatives, **shall have the right to access** any books, documents, papers, or other records of Grantees and Subgrantees that are pertinent to the grant, in order to conduct audits, monitoring visits, examinations, excerpts, and transcript.

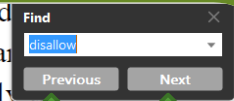
Later Disallowances and Adjustments - the closeout of a grant does not affect:

- HUD's right to **disallow costs** and recover funds on the basis of a later audit or other review 2 CFR §200.344;

T&C Search Tool Steps

22

employees for the time devoted and identified specifically to the performance of those award
Cost of materials acquired, consumed, or expended specifically for the purpose of those award
Equipment and other approved capital expenditures; and travel expenses incurred specifically
carry out the award. Any direct cost of a minor amount may be treated as an indirect cost for
reasons of practicality where such accounting treatment for that item of cost is consistently
applied to all cost objectives. A cost may not be assigned to a Federal award as a direct cost if
any other cost incurred for the same purpose in like circumstances has been allocated to that
Federal award as an indirect cost. Refer to the Notice of Funding Availability (NOFA) for
specific information regarding what constitutes Direct Costs for your and any applicable
programmatic requirements you must adhere to.



Step 3 and 4:
Push Next and
Previous to find
all sections of
the subject
matter.

**Subject
Matter**

“**Disallowable Costs**” means those charges to an award that HUD determines to be unallowable
in accordance with the applicable Federal cost principles or other terms and conditions contained
in the award.

“**Government Technical Representative**” (GTR) means the HUD Official who is responsible
for the technical administration of the grant, the evaluation of performance under the grant the
acceptance of technical reports or projects, and other such specific responsibilities as may be
stipulated in the grant.

stipulated in the grant
acceptance of technical reports or projects and other such specific responsibilities as may be
for the technical administration of the grant the evaluation of performance under the grant the
“Government Technical Representative” (GTR) means the HUD Official who is responsible

Conclusion on Terms and Conditions

23

