



Federal Financial Regulations, Notices & Circular Updates

Presented by:

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Holiday Inn, Livonia, MI

2015 Homeless
Summit



U.S.
Department of
Housing &
Urban
Development



Office of
Community
Planning &
Development

October 28, 2015

Agenda At-A-Glance

1. Completing HUD Forms:

- HUD Form 1199 & HUD Form 27054
- LOCCS: recertify, reset passwords, ▲ in AO or address

2. The Super Circular at 2 CFR 200:

- Uniform Administrative Regulations*
- Cost Principles
- Audit Requirements – Increased threshold,
CoC = CFDA #14.267

(* Includes General Provisions, Pre- and Post-Award Requirements)



Updating Banking Information

- Complete HUD Form 1199A.
- Must use original form.
- AO must sign and date form.
- Bank Official must sign/date
- If for all grants, just use EIN; or if for specific grant, insert Grant Number & Employer Tax I.D. in Section F on the Form.
- Only for CPD grants (CoC) – do not include PIH grant awards.
- Mail the original form and a voided check to HUD CPD-Detroit Field Office.
- Please allow 7-10 business days for processing.

Standard Form 1199A (EO)
(Rev. June 1987)
Prescribed by Treasury
Department
Treasury Dept. Cir. 1076

OMB No. 1510-0007

DIRECT DEPOSIT SIGN-UP FORM

DIRECTIONS

- To sign up for Direct Deposit, the payee is to read the back of this form and fill in the information requested in Sections 1 and 2. Then take or mail this form to the financial institution. The financial institution will verify the information in Sections 1 and 2, and will complete Section 3. The completed form will be returned to the Government agency identified below.
- A separate form must be completed for each type of payment to be sent by Direct Deposit.
- The claim number and type of payment are printed on Government checks. (See the sample check on the back of this form.) This information is also stated on beneficiary/annuitant award letters and other documents from the Government agency.
- Payees must keep the Government agency informed of any address changes in order to receive important information about benefits and to remain qualified for payments.

SECTION 1 (TO BE COMPLETED BY PAYEE)			
A. NAME OF PAYEE (last, first, middle initial)		D. TYPE OF DEPOSITOR ACCOUNT <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS	
ADDRESS (street, route, P.O. Box, APO/FPO)		E. DEPOSITOR ACCOUNT NUMBER	
CITY	STATE	ZIP CODE	
TELEPHONE NUMBER		F. TYPE OF PAYMENT (Check only one)	
AREA CODE		<input type="checkbox"/> Social Security <input type="checkbox"/> Fed. Salary/Mil. Civilian Pay <input type="checkbox"/> Supplemental Security Income <input type="checkbox"/> Mil. Active <input type="checkbox"/> Railroad Retirement <input type="checkbox"/> Mil. Retiree <input type="checkbox"/> Civil Service Retirement (OPM) <input type="checkbox"/> Mil. Survivor <input type="checkbox"/> VA Compensation or Pension <input type="checkbox"/> Other (specify)	
B. NAME OF PERSON(S) ENTITLED TO PAYMENT		G. THIS BOX FOR ALLOTMENT OF PAYMENT ONLY (if applicable)	
C. CLAIM OR PAYROLL ID NUMBER		TYPE	
Prefix		AMOUNT	
PAYEE/JOINT PAYEE CERTIFICATION		JOINT ACCOUNT HOLDERS' CERTIFICATION (optional)	
I certify that I am entitled to the payment identified above, and that I have read and understood the back of this form. In signing this form, I authorize my payment to be sent to the financial institution named below to be deposited to the designated account.		I certify that I have read and understood the back of this form, including the SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS.	
SIGNATURE	DATE	SIGNATURE	DATE
SIGNATURE	DATE	SIGNATURE	DATE
SECTION 2 (TO BE COMPLETED BY PAYEE OR FINANCIAL INSTITUTION)			
GOVERNMENT AGENCY NAME		GOVERNMENT AGENCY ADDRESS	
SECTION 3 (TO BE COMPLETED BY FINANCIAL INSTITUTION)			
NAME AND ADDRESS OF FINANCIAL INSTITUTION		ROUTING NUMBER	CHECK DIGIT
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
		DEPOSITOR ACCOUNT TITLE	
FINANCIAL INSTITUTION CERTIFICATION			
I confirm the identity of the above-named payee(s) and the account number and title. As representative of the above-named financial institution, I certify that the financial institution agrees to receive and deposit the payment identified above in accordance with 31 CFR Parts 240, 200, and 210.			
PRINT OR TYPE REPRESENTATIVE'S NAME	SIGNATURE OF REPRESENTATIVE	TELEPHONE NUMBER	DATE
Financial institutions should refer to the GREEN BOOK for further instructions.			Reset
THE FINANCIAL INSTITUTION SHOULD MAIL THE COMPLETED FORM TO THE GOVERNMENT AGENCY IDENTIFIED ABOVE.			

NIN 7540-01-08-0204 GOVERNMENT AGENCY COPY 1199-207
Designed using Perform Pro, VHS/DOR, Ver 97

Gaining LOCCS Access to Draw CoC Funds

- **Sections 1-4:** Requestor completes top half.
- **Section 5:** **Area** = SNAP; **Name** = CoC
- **Section 6:** Requestor signature and date
- **Section 7:** Approving Official (AO) must complete section with signature/date.
- **Section 8:** Notary sign/date/seal/stamp
- **Section 9: LEAVE BLANK: HUD Use Only!**
- **MAIL original Form to Field Office.**
- **DO NOT SCAN to HUD - Federal Violation**

OTHER IMPORTANT INFORMATION:

- Always have **2 persons** retain access.
- **Recertification:** Required every 6 months.
- **Official Address** changes use this form.
- Do **not** include HUD awards for other HUD Divisions! We cannot grant access.
- Forward **original** Form(s) to Detroit FO.
- **AO must terminate all inactive users.**

LOCCS Voice Response System Access Authorization Form

U.S. Department of Housing and Urban Development

OMB Approval No. 2535-0102 (exp. 11/30/2016)

See Instructions, Public Burden, and Privacy Act statements on back before completing this form.

This form is to be approved by the recipient's (or grantee's) chief executive officer. For new users, reinitiate users, and reseed user ID, retain a copy and send a notarized original to your HUD Program Office for review.		The Program Office will forward the original form to: U.S. Dept. of Housing and Urban Development Chief Financial Officer, FTM Attention: User Support Branch PO Box 23774 Washington, DC 20026-3774		For overnight delivery send to: U.S. Dept. of Housing and Urban Development Chief Financial Officer, FTM Attention: User Support Branch 451 7th Street SW, Room 3114 Washington, DC 20410	
1. Type of Function (mark one) <input type="checkbox"/> New User <input type="checkbox"/> Reinitiate User <input type="checkbox"/> Reinitiate User <input type="checkbox"/> Reseed Password for Active Users		2. Add New Program Area or Tax ID <input type="checkbox"/> Change Tax ID <input type="checkbox"/> Change Address <input type="checkbox"/> Reseed User ID <input type="checkbox"/> Name Change		3a. User ID (please leave blank) (CFO USE ONLY)	
3. Authorized User's Name (last, first, mi) Print or Type		Title (mandatory)		3b. Social Security Number (SSN) (mandatory)	
Complete Mailing Address			E-Mail Address		
4. Recipient Organization for which Authority is being Requested					
Tax ID		Organization's Name			
Tax ID		Organization's Name			
Tax ID		Organization's Name			
5a. LOCCS Program Area		5b. Program Name		5c. Q = Query Only D = Project Drawdown	
6. Authorized User's Signature		Date (mm/dd/yyyy)			
I authorize the person identified above to access LOCCS via the Voice Response System.					
7. Approving Official's Name (last, first, mi) Print or Type		Office Telephone Number (include area code)		8. Notary (must be different from user and approving official) (last, first, mi, date, and date notarized) (mm/dd/yyyy)	
Title		Social Security Number (mandatory)			
Complete Mailing Address		E-Mail Address			
Approving Official's Signature		Date (mm/dd/yyyy)			
9. HUD Program Office Point of Contact's Name (last, first, mi) Print or Type				Office Telephone Number (include area code)	
Title				E-Mail Address	
HUD Program Office Point of Contact's Signature				Date (mm/dd/yyyy)	
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 3005, 3010, 1012; 31 U.S.C. 3729, 3802)					
Previous editions are obsolete.		Page 1 of 1		Form HUD-27054 (11/02/13)	

The upgrade in LOCCS access from VRS to Secure Systems

In August 2014, HUD updated from a phone system, the Voice Response System (VRS) to an electronic Secure System managed by a Contractor, REAC.

- HUD does not manage the Secure System – REAC does.
- Problems with recertifying, your AO must contact REAC;
- Need to reset your password, the User can call:

REAC HELP DESK 888-245-4860 (Real Estate Assessment Center)

- Do NOT mention eLOCCS when detailing your issue(s) to REAC.
- Please have your Employer Tax ID or SS# available.
- There may be a long wait time, as the REAC Help Desk assists CoC's and P&IH's nationwide. Please be patient and nice.
- AO = Approving Official

New Rules debut for CoC Program & Financial Regulations

**New CoC Program
Regulations
are found at:**

24 CFR 578

(SHP + S+C = CoC)

**New Financial
Regulations are
found in the OMB
SuperCircular at:**

2 CFR 200

NEW OMB Guidance

The OMB Super Circular 2 CFR 200

What's included in the OMB Super Circular?

Sub-Part A: Acronyms & Definitions

Sub-Part B: General Provisions*

Sub-Part C: Pre-Federal Award Requirements*

Sub-Part D: Post-Federal Award Requirements*

Sub-Part E: Cost Principles

Sub-Part F: Audit Requirements

***Sub-Parts B-D = Uniform Administrative Requirements**

Goals of the Super Circular (2 CFR 200)

To provide guidance that would:

- Unify, streamline, and consolidate all OMB Circulars
- Strengthen the oversight of federal awards to reduce waste, fraud and abuse
- Improve performance and outcomes of award funds
- Eliminate duplicate and conflicting guidance between OMB Circulars
- Ease the administrative burden on non-Federal entities that receive federal awards

Consolidated, Streamlined & Updated 8 OMB Circulars & Guides

Replaces 8 OMB Circulars :

Amends Part 84 & 85*

CFDA Guidance
A-89

Nonprofit Organizations
A-110, A-122, A-133
and A-50

State/Local
Government
Part 84 and Part 85*
A-133 and A-50

Part 84/85 - Procurement

Administrative
Requirements
A-102, A-110

Cost Principles For Nonprofits,
State and Local Gov'ts
A-122 and A-87



Former OMB Circulars

A-21 - Cost Principles for Institutions of Higher Education (IHE)

A-87 - Cost Principles for State, Local and Indian Tribal Governments

A-89 - Catalog of Federal Domestic Assistance (CFDA)

**A-102 - Grants & Cooperative Agreements with State & Local Governments
(Administrative Rules)**

**A-110 - Uniform Administrative Requirements for Grants & Other Agreements
with Institution of Higher Education, Hospitals & Non-Profit
Organizations**

A-122 - Cost Principles for Non-Profit Organizations

A-133 - Audits of State, Local Governments and Non-Profit Organizations

A-50 - Supplemental Guide related to A-133 Single Audits

What is Sub-Part B?

General Provisions (2 CFR 200.100)

- **Terminology** is defined throughout the guide:
 - “**Must**” = Required, Mandatory
 - “**Should**” = Best Practices, Strongly Encouraged
- **Exceptions** (200.102)
 - All requests for **exceptions and waivers** **must be in writing**, and are allowed on a case-by-case basis, if not prohibited by federal statute, regulation or law.
 - Under **no circumstances** will the Single Audit (A-133) requirement be waived.
- **Conflict of Interest** (200.112)
 - HUD has established conflict of interest policies for Grantees.
 - **All Pass-thru and Sub-Recipient Agreements must now include Conflict of Interest clauses within the written agreement; and identify the relationship.**
 - For parent, affiliate or subsidiary organizations, written policies must include **organizational conflict of interest** statements. (200.318(a)(2)).
 - Disclose, in writing, any and all criminal law activity involving fraud, bribery, or gratuity violations potentially affecting the federal award. (200.113)

What is Sub-Part C?

Pre-Federal Awards (200.200)

Sub-Part C prescribes the instructions and other pre-award information to be used in the funding announcement and application process

Pre-Award Costs

All pre-award spending is incurred at the non-Federal entity's own risk, since the terms and conditions of the Federal award are not yet known.
(200.209 & 200.458)

What is Sub-Part C?

Pre-Award Requirements (200.200)

Pre-award regulations, require:

- Verification of the correct name of Grantee (TIN, DUNS #) on Grant Agreement. Must match System for Award Management (SAM) database (200.210). (www.sam.gov)
- A risk analysis must be conducted for all Sub-recipients/Pass-thru Entities prior to being awarded federal funds.
- Verification must be performed by Grantee to ensure Debarred/Suspended or otherwise excluded Contractors, Sub-Recipients, Pass-thru Entities **are not** selected to participate in federal programs/activities/projects (200.212).
- **ALL** non-federal entities track Suspension & Debarment Contractors thru SAM database prior to each award. See 2 CFR Part 180)
 - **A file copy is required for all SAM verifications:**
 - At the beginning of the procurement process
 - After the contract decision is awarded, and
 - Before you execute the actual contract, award or sub-award

What is Sub-Part D? Post-Federal Awards (200.300)

**This section has the
most direct affect on
programs managed
and administered by
HUD-Detroit Office of
Community Planning
& Development
200.209/200.458**

What is Sub-Part D? Post-Federal Awards (200.300)



OMB SuperCircular: Requirements, Principles & Regulations 2 CFR 200

What is Sub-Part D?

Post-Award Requirements (200.300)

Post-award requirements, include the following topics:

- **Performance Measures**
- **Financial Management**
- **Internal Controls**
- **Cost Matching & Sharing**
- **Budget & Program Revisions**
- **Property Standards**
- **Procurement Standards**
- **Performance Reporting**
- **Financial Management Reporting**
- **Monitoring & Reporting Requirements**
- **Sub-Recipient Monitoring & Management***
- **Record Access & Retention**
- **Closeouts, Adjustments & Post-Responsibility**
- **Non-compliance Remedies**

***Major changes to program**

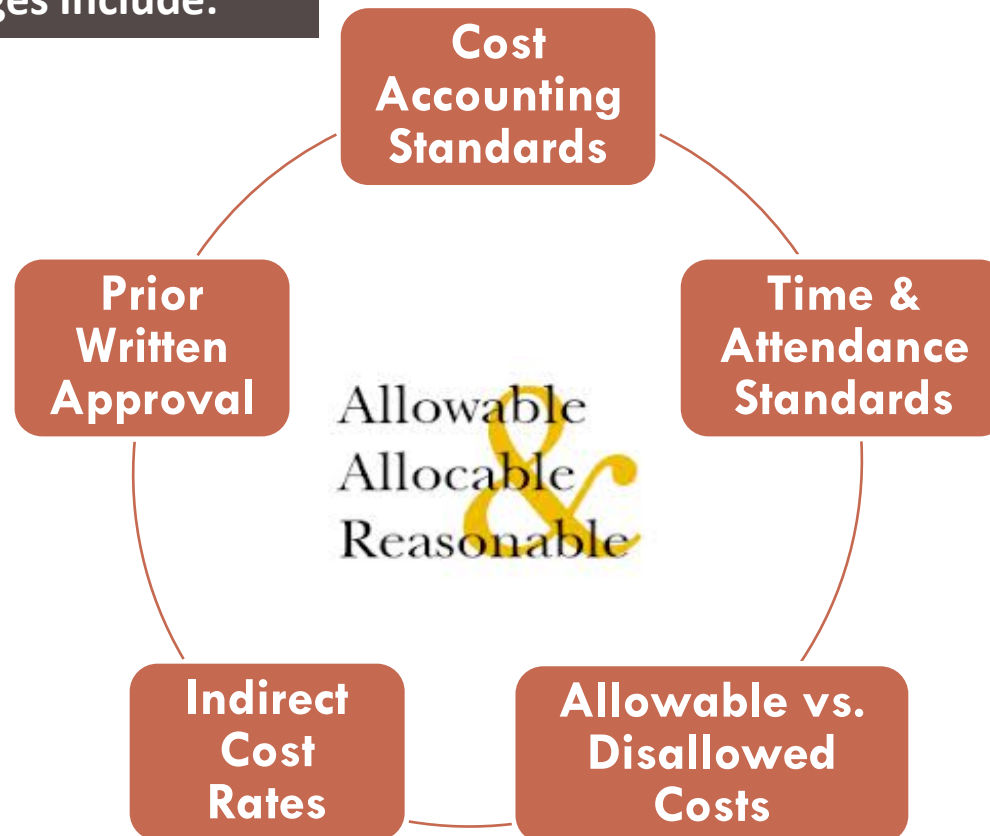
What is Sub-Part E? Cost Principles (200.400)

Sub-Part E prescribes
instructions on how
costs determination;
It replaces former
OMB Circular A-87
and
OMB Circular A-122

What is covered in Sub-Part E? Cost Principles (200.400)

Replaces OMB Circulars A-87 & A-122:

Overall Changes Include:



What is Sub-Part E?

Cost Principles (200.400)

Definition of the 3 cost principles used together:

Allowable

- Costs must be reasonable and chargeable to the grant
- Be documented to support eligibility
- Comply with GAAP Rules
- Costs must be consistent with federal and organizational policies

Allocable

- Must benefit the award
- Be incurred for the award, specifically
- Cannot be shifted to other costs to overcome shortfalls

Reasonable

- Costs must be ordinary & necessary
- Cost must conform to limits
- Market analysis must be done
- Costs must benefit the public you serve and must be calculated and comparable with the marketplace
- Document! Keep working documents.

Allowable
Allocable
Reasonable

Indirect Cost Rate & Cost Allocation Plans Cost Principles - Subpart E (200.400)

Direct vs. Indirect Costs:

§200.413 Direct Costs are those costs that can be identified, specifically, with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities.

§200.414 Indirect Costs are those costs or expenses that are not directly traceable to a department, product, activity, customer, etc. *Indirect costs* usually includes administration, personnel and security costs. Indirect costs can be fixed or variable.

Indirect Cost Rate & Cost Allocation Plans Cost Principles - Subpart E (200.414 (f))

For some Grantees, there is a 10% de minimis Indirect Cost Rate now available under 200.414.(f). These funds may be allowed a one-time extension of the negotiated rate without further review for up to four (4) years.

- Grantee's that have NEVER received a negotiated indirect cost rate, MAY be able to recoup certain additional costs by using the new 10% de minimus Indirect Cost Rate.
 - Those with a negotiated Indirect Cost Rates may be able to reduce the administrative burden by requesting an extension.
 - Not all grants can use the de minimis rate; training grants and grants that require restricted Indirect Cost Rates cannot use the de minimis rate.
- All requests must comply to the cost principles and be documented.
 - The Indirect Cost Rate needs Cognizant Agency approval, if your organization receives more than \$35 million in direct federal awards in a single year.
 - Cognizant Agency approval is required and is defined as the federal agency with the largest dollar value of direct federal awards in that FY year. (which can vary from year-to-year)

Cost Principles - Subpart E (200.400)

Time & Attendance Standards/Reporting

Charges to Federal Awards for salaries and wages must be based on records that accurately reflect the work performed. As such,

- Time & Attendance records or timesheets are required for all Grantee's to support staff charges. (See 200.430((3), (8)(i-v)
- Timesheets must be based on payroll; approved by an Official.
- Timesheets must be prepared monthly; coincide with pay period.
- Timesheets must be maintained for each employee; federal award.
- Reports must reflect accurate time distribution of each activity for each employee, in whole or in part.
- Both the Employee and Supervisor must sign/date each timesheet.
- Each employee must have periodic certifications (2x year) on file.

What is Sub-Part F?

Audit Requirements (200.500)

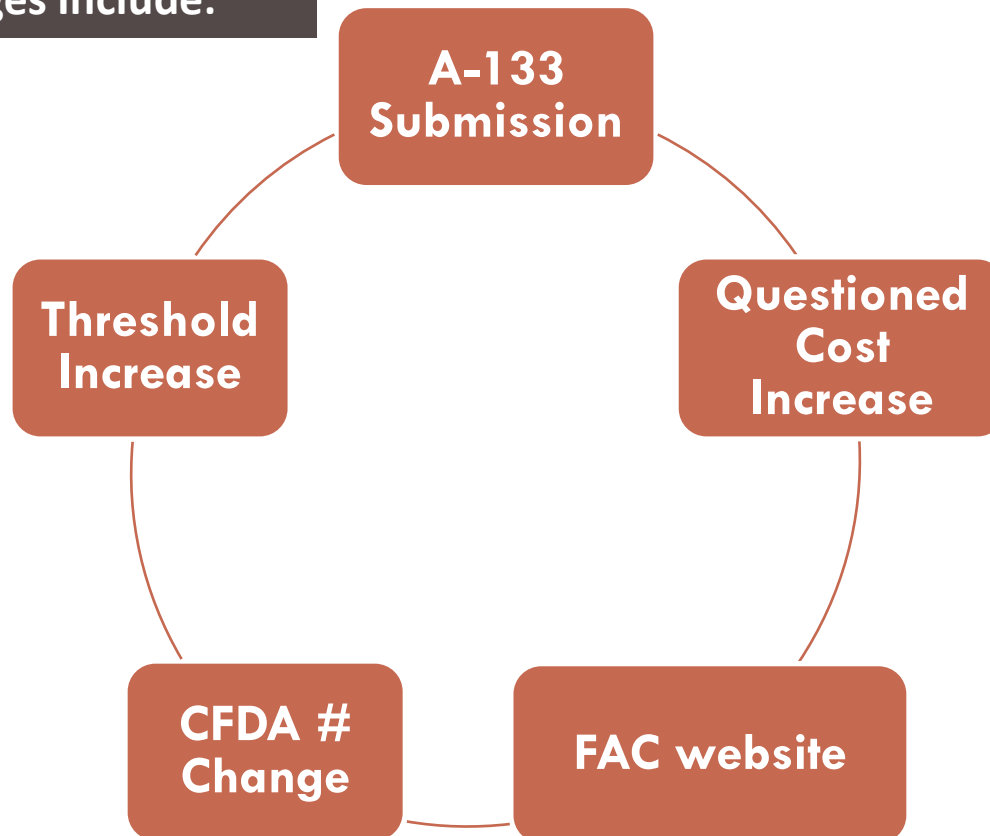
**Sub-Part F prescribes
guidance on aspects
of the Single Audit or
A-133 report.**

**It replaces former
OMB Circular A-133
and
OMB Circular A-50
(Supplement)**

What is covered in Sub-Part F? Single Audit Requirements (200.500)

Replaces OMB Circulars A-133 & A-50

Overall Changes Include:



What is covered in Sub-Part F?

Single Audit Requirements – 2 CFR 200.500

- **Single Audit Reports must be submitted and made publicly available on the Federal Audit Clearinghouse (FAC) website annually. At this time, the FAC will be down until 12/31/2015. Please submit electronic copies to the Detroit Field Office.**
- **Administrative requirements and cost principle requirements are still applicable for any federal award (2 CFR 200.100 to 400).**
- **Summary schedule of prior audit findings/corrective action plans must be submitted and cleared timely. Failure to timely respond to an audit finding may result in a finding from o HUD-Detroit Field Office.**
- **An electronic copy of the Single Audit report must be sent to the HUD Detroit Field Office, if there are findings within the audit report.**
- **An official letter will be sent to Grantee from HUD Detroit Field Office with a management decision determination once the audit finding has been satisfied.**

What is covered in Sub-part F? Single Audits (A-133) - New Rules

OMB Regulations at 2 CFR 200.500 updates include:

- CFDA Number **changed** to 14.267 (CoC) [from 14.235 (SHP) and 14.238 (S+C)].
- Audit reports are required to be submitted **annually** to the Federal Audit Clearinghouse (FAC) nine months following the end of your fiscal year.
- Single Audits are required, if you expend \$750,000 or more in federal funds across all federal programs. No exceptions; no waivers will be permitted.
- Questioned costs increased from \$10,000 to \$25,000.
- Either a single audit or program audit is **required** annually, if threshold is met.
- If an entity falls below the \$750,000 revised threshold, it may still be subject to federal audits **and** must make records available for review when requested by appropriate Federal officials.

Wrap-Up & Open Forum Q&A ...

Any Questions...?



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