



SHP Start-up Conference 2013

Financial Controls and Billing

April 2, 2013

Goals of the Training

- Improve Compliance with HUD Regulations
- Improve Efficiency of Reimbursements from UNITY
- Decrease Monitoring Concerns and Findings
- Efficiently spend SHP funds to end homelessness



Training Agenda

- **Welcome and Introductions**
- **Financial Systems and Regulations**
- **UNITY Contract and Compliance**
- **UNITY Reimbursement Process**
- **Checkpoints**
- **Monitoring**
- **HEARTH Changes**
- **Conclusion**



UNITY CoC Programs

72 projects funded through HUD's CoC program (formerly SHP and S+C)

26 Permanent Supportive Housing - PSH

24 Transitional Housing - TH

14 Supportive Services Only – SSO

4 Supportive Services Only – Outreach SSO-O

2 Homeless Management Information System - HMIS

Of these, 56 projects are subgranted from UNITY to project sponsors.



UNITY CoC Outcomes 2012

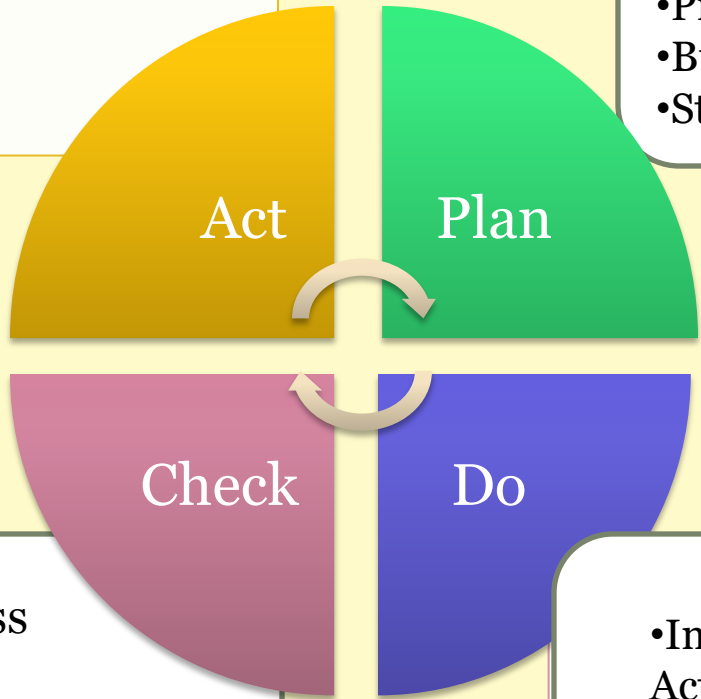
Strategic Planning Outcome	2012 Goal	2012 Achieved
Create new permanent housing beds for chronically homeless persons.	100 beds	100 beds
Increase % of homeless persons staying in PH for over 6 months to 80% or more.	80%	87%
Increase % of homeless persons moving from TH to permanent housing to at least 65%.	73%	87%
Increase the % of homeless persons employed at exit to at least 20%.	35%	40%
Decrease # of homeless households with children.	200	191



CoC Project Improvement Cycle

- Decide on changes needed to improve process and outcomes.

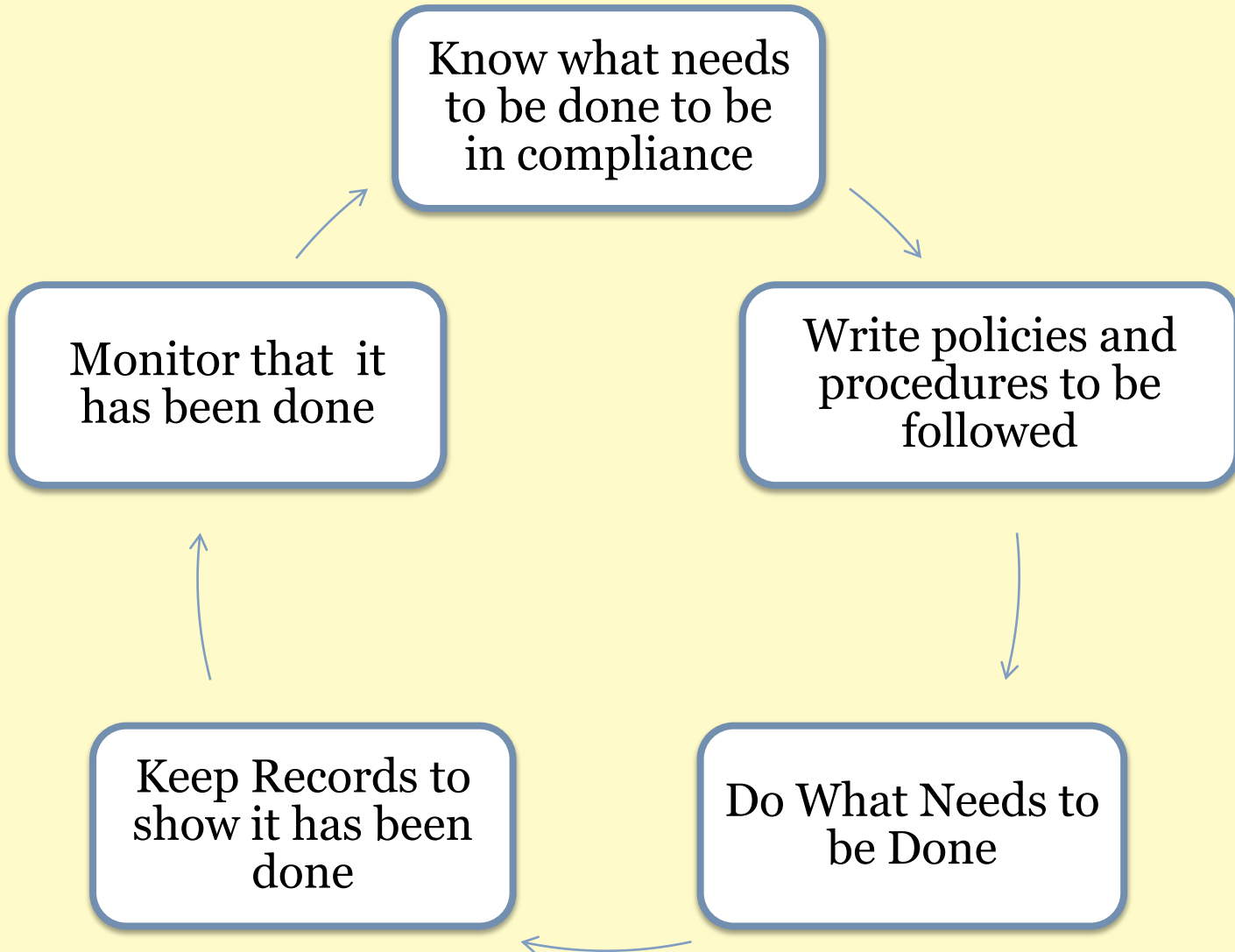
- HUD Renewal Application
- UNITY Contract
- Project Goals
- Budget
- Statement of Work



- Assess progress towards goals
- Quarterly Reports
- Monitoring

- Implement Program Activities
- Monthly Reimbursement Requisitions

Financial System Overview



Financial Guidelines

GAAP Generally Accepted Accounting Principles

- IRS Returns
- Audits

OMB Office of Management of the Budget

- 2 CFR - Cost Principles (formerly A-122 and A-110 circulars)
- A-133 – Audit Standards

HUD U.S. Dept of Housing and Urban Development

- 24 CFR HUD Administrative Requirements
- HEARTH Act
- HUD CoC Program Interim Rule

2 CFR (OMB Circular A-122)


- **Establishes Cost Principles**
 - Allowable
 - Is it in the budget?
 - Reasonable
 - How does the cost compare to other providers of the product or service?
 - Allocable
 - Can the cost be traced to eligible project activities and eligible program beneficiaries?
- **Direct Costs**
- **Indirect Costs**
- **Appendix B - 52 categories of costs.**

Documenting Allocability

- Staff time
- Program Managers
- Administrative Staff
- Utilities
- Mileage
- Other?

A-133

- Establishes Audit Standards for Organizations Reaching a federal funding threshold of \$500,000.



•Financial
Disclosure
Statement
•Copy of Audit

Submit to
UNITY

HUD Financial Regulations

- HUD Administrative Requirements - 24 CFR Part 84
- HEARTH Act
- CoC Program Interim Rule
- HUD Deskguide – updated online at www.hudhre.info

UNITY Contract

Review of Contractual Agreement



Contract: Attachment A

Conditions of Funding

- Continuum-Wide Minimum Performance Requirements

Objective Measurements Used in Ranking Sub-Grantee Agencies for New or Continued Funding

- Efficient spending of funds
- Timely billing
- Timely submission of financial documents requested



*See
Performance
Ranking for
2012 Scoring
Guidelines*

Contract: Attachments

Attachment B: Statement of Work

- Quarterly Benchmarks
- Standard Provisions: Financial

Attachment C: Fraud Prevention Policy

Attachment D: Conflict of Interest Policy

Attachment E: Disclosure Report

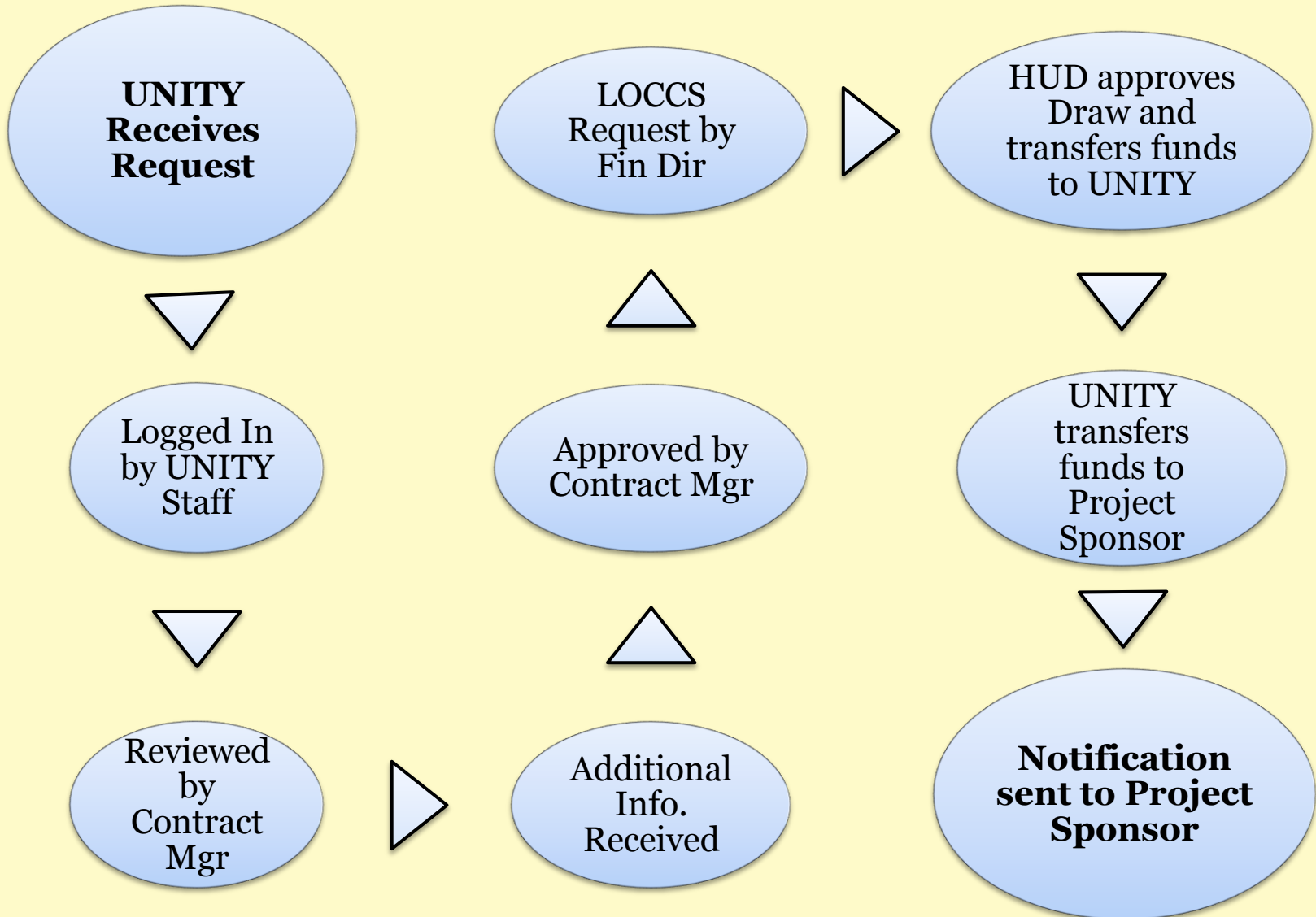
Attachment F: Key Staff Listing

Attachment G: Education Policy

Attachment H: Program Income Disclosure

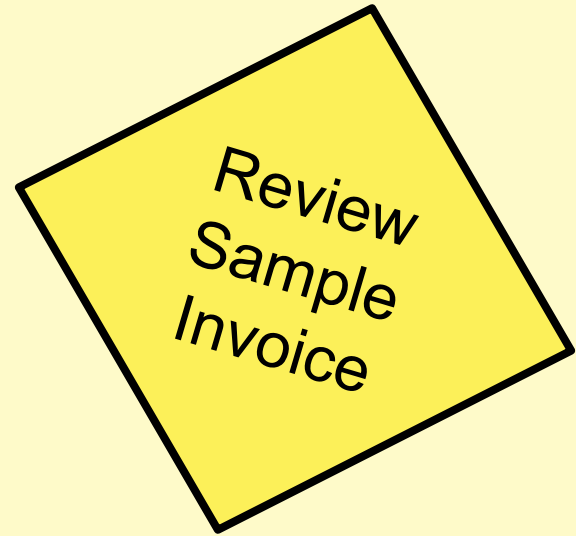
Attachment I: Federal Funding Inquiry

UNITY Reimbursement Process



Reimbursement Requisition Form

- Purpose
 - Allowable expenses
 - Track progress towards budget
- Definition of Reimbursement
- Expense vs. Accrual



- Allowable
- Reasonable
- Allocable

Reimbursement Requisition: *Common Mistakes*

- Negative Balance
- Negative Expense for the month
- Incorrect totals
- Incorrect balance carried over from prior month
- Costs do not match listing of transactions



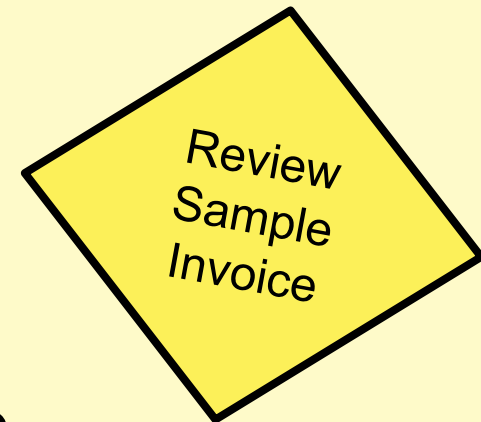
Listing of Transactions

Purpose:

- Document that expenses were PAID.
- Traces expenses to GL and bank statements.

Let your Invoice Flow!

- List transactions in the same order as the Reimbursement Requisition
- Use new column to explain difference between amount requested and amount paid



Listing of Transactions: *Common Mistakes*

- Amounts do not match invoice
- Amounts do not match back-up documentation
- Dates do not match back-up documentation
- Dates are for different time period than invoice

Required Back-up Documentation: Supportive Services

Receipts

Invoices

Copies of Checks Written

Client Supplies

- maintain log of beneficiaries available at monitoring

Transportation

-log with odometer, location, program, client(s)

Payroll

- Timesheet/Work Activity Record Required by HUD
- Fringe Payroll Costs Paid
 - Payroll taxes, insurance, workers comp, unemployment

- Allowable
- Reasonable
- Allocable

Required Back-Up Documentation: Operating Costs

- Copies of Checks
- Utility Bill
- Invoices
- Receipts



*Cost Allocation
Plan at Contract
Renewal or
Upon Request*

Required Back-Up Documentation: Leasing

1st Month (and at any change):

- Copy of Lease indicating whether utilities are included
- Utility allowance sheet
- Rent Reasonableness
- Assessor's Report (to prove ownership)
- Housing Assistance Payment Agreement
- Copy of Check

Subsequent Month(s):

- Check Request Form
- Copy of Check

- Allowable
- Reasonable
- Allocable

Client Eligibility

Reminder:

Costs are allowable only for eligible clients.

- Allowable
- Reasonable
- Allocable

Supplemental Invoices

- Do not include prior month expenses in the current month's invoice.
- Expenses from a prior period should be submitted with a supplemental invoice.
- *THIS SHOULD BE RARE.*
- Be consistent with reimbursement request time periods.
 - Examples: payroll, utilities
 - Why would this be important?

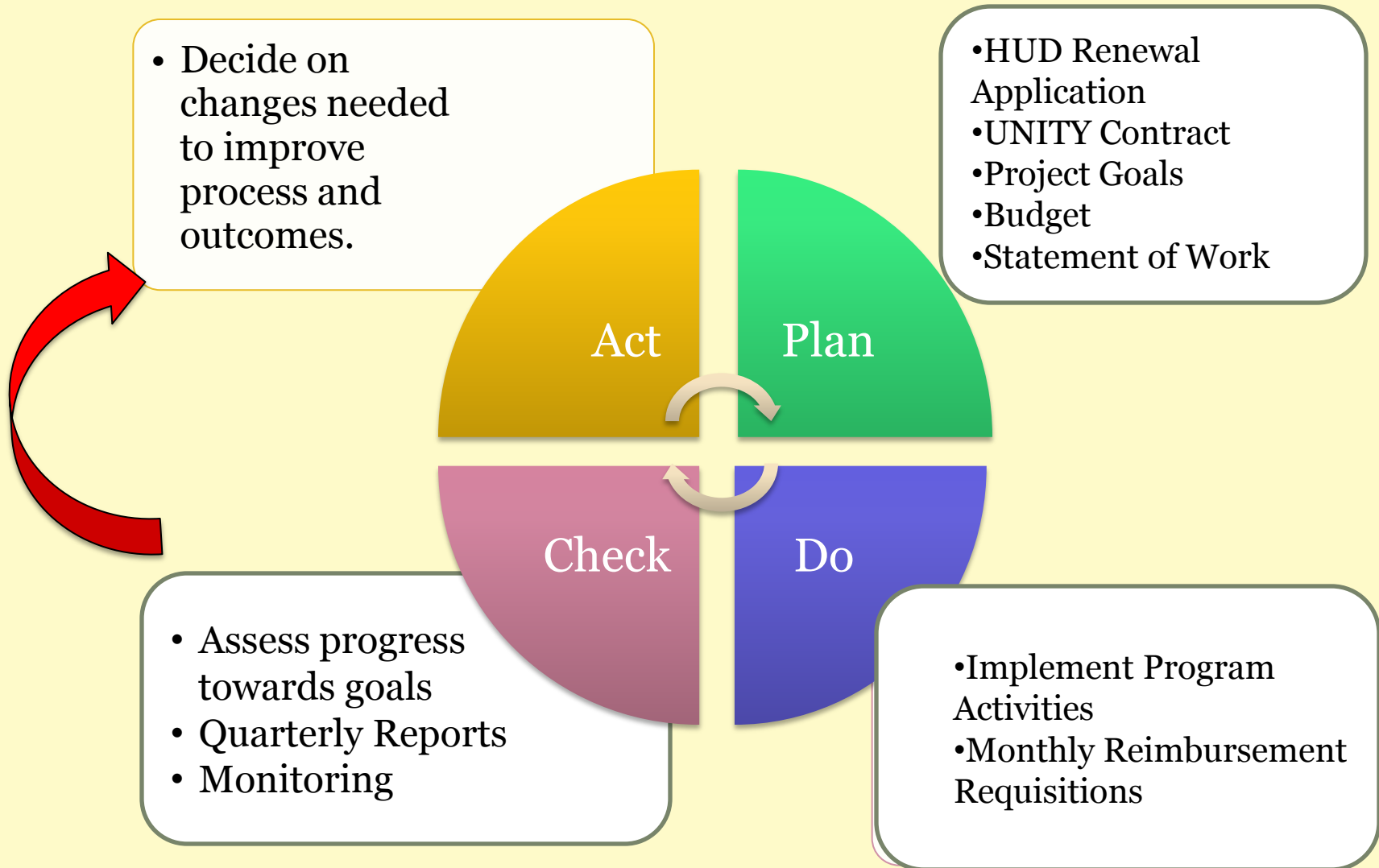
Last Invoice at Program Year End

- Additional Documentation **MUST BE SUBMITTED** for Invoices Submitted After the end of the Operating Year
 - Cancelled Checks or Check Images
 - Certification of Expenses (*see sample*)

Match Reporting Form

- **Changes in Match Under HEARTH**
 - CoC Interim Rule 578.73
- **Non-cash Match Accepted**
 - Requires MOU at beginning of program year

Checkpoints: Project Improvement Cycle



Budget Revisions

- Budget revisions should be submitted to the UNITY contract manager at least 30 days before the end of the project period.
- Budget revisions should be requested no more than once during a program year.

See Sample
Budget Revision
Request Form

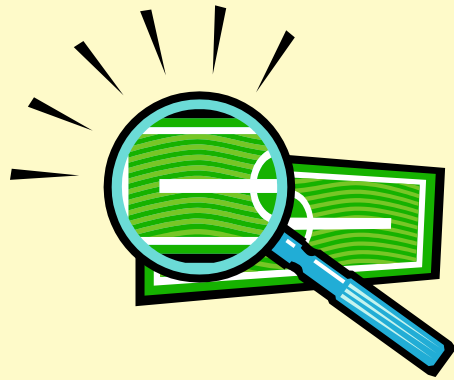
Submit to UNITY:

- 1) Budget Revision Request Form for approval from UNITY.
- 2) Explain changes requested.
- 3) Any documentation requested from UNITY regarding revision.

Budget Revisions

Type of Revision	UNITY	HUD	Timeframe
Budget Categories Remain the same.	UNITY approval.	Advise Only notification sent to HUD.	Within 30 days.
Budget categories change less than 10%	UNITY Approval prior to submission to HUD.	Advise Only notification sent to HUD with LOCCS change.	LOCCS change may take 3 months.
Budget categories change more than 10%	UNITY can give conditional approval pending HUD decision.	Budget amendment request submitted to HUD.	HUD approval may take 6 months or more.

Monitoring



- Part of Improvement Cycle - Plan-Do-Check-Act
- UNITY Monitoring
 - See sample monitoring checklist
- Self-monitoring
 - Create a checklist from organization policies
 - What policies does your organization have to ensure compliance?
 - Who should check?

HEARTH Changes

- HUD Desk Guide
 - Section D
- Changes in Line Items
 - Supportive Services
 - Operating

Additional Resources

- **HUD Homelessness Resource Exchange Website**
 - www.hudhre.info/coc/
- **HUD Listserv**
 - <http://www.hudhre.info/index.cfm?do=viewJoin>
- **HUD Online SHP Deskguide**
 - <http://www.hudhre.info/index.cfm?do=viewShpDeskguide>
- **HUD CoC Program Interim Rule**
 - <https://onecpd.info/resources/documents/CoCProgramInterimRule.pdf>
- **HEARTH Act**
 - www.hudhre.info/hearth

Ending Homeless Together!

UNITY

OF GREATER NEW ORLEANS

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