



# **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.**

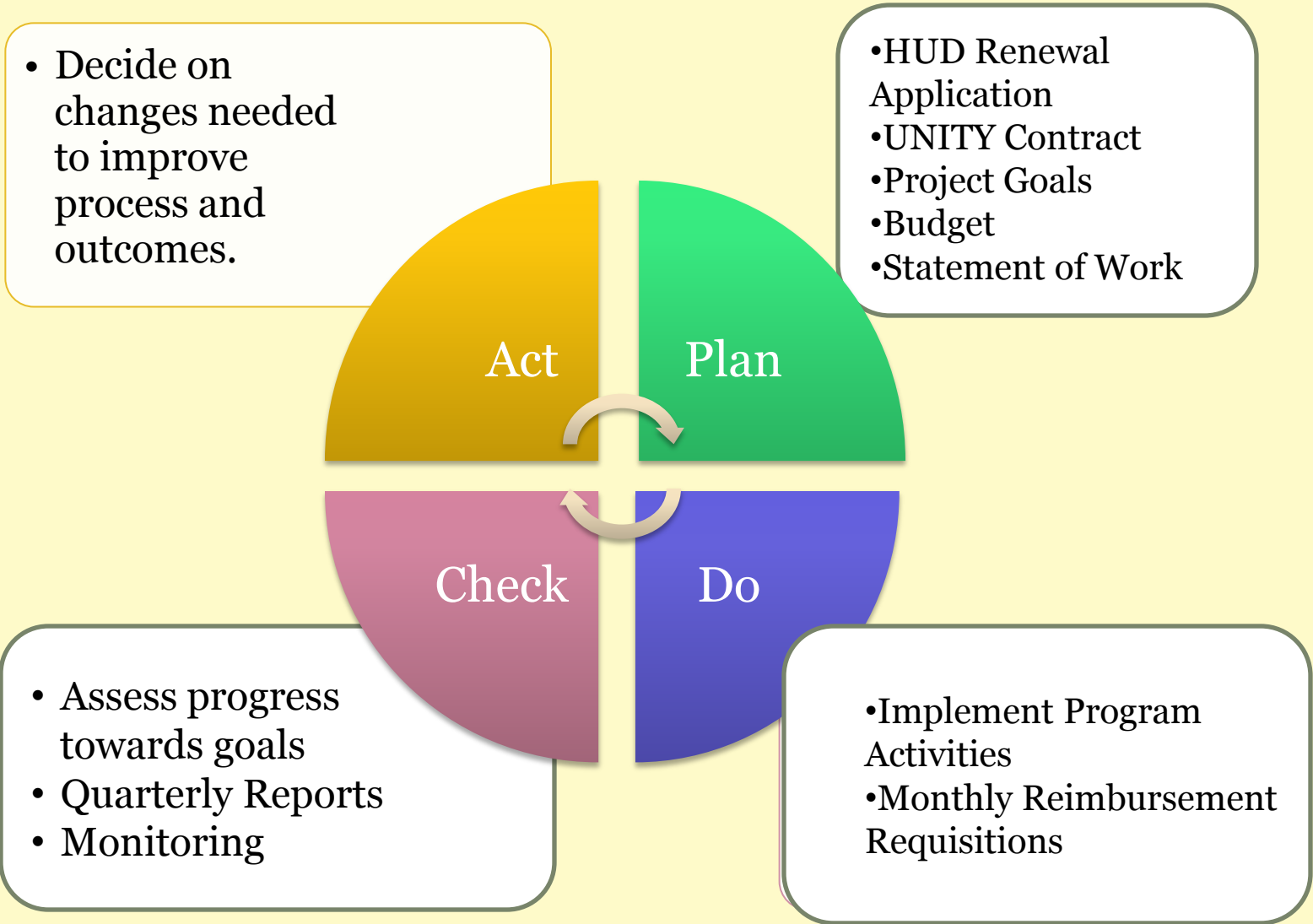


# UNITY CoC Outcomes 2012

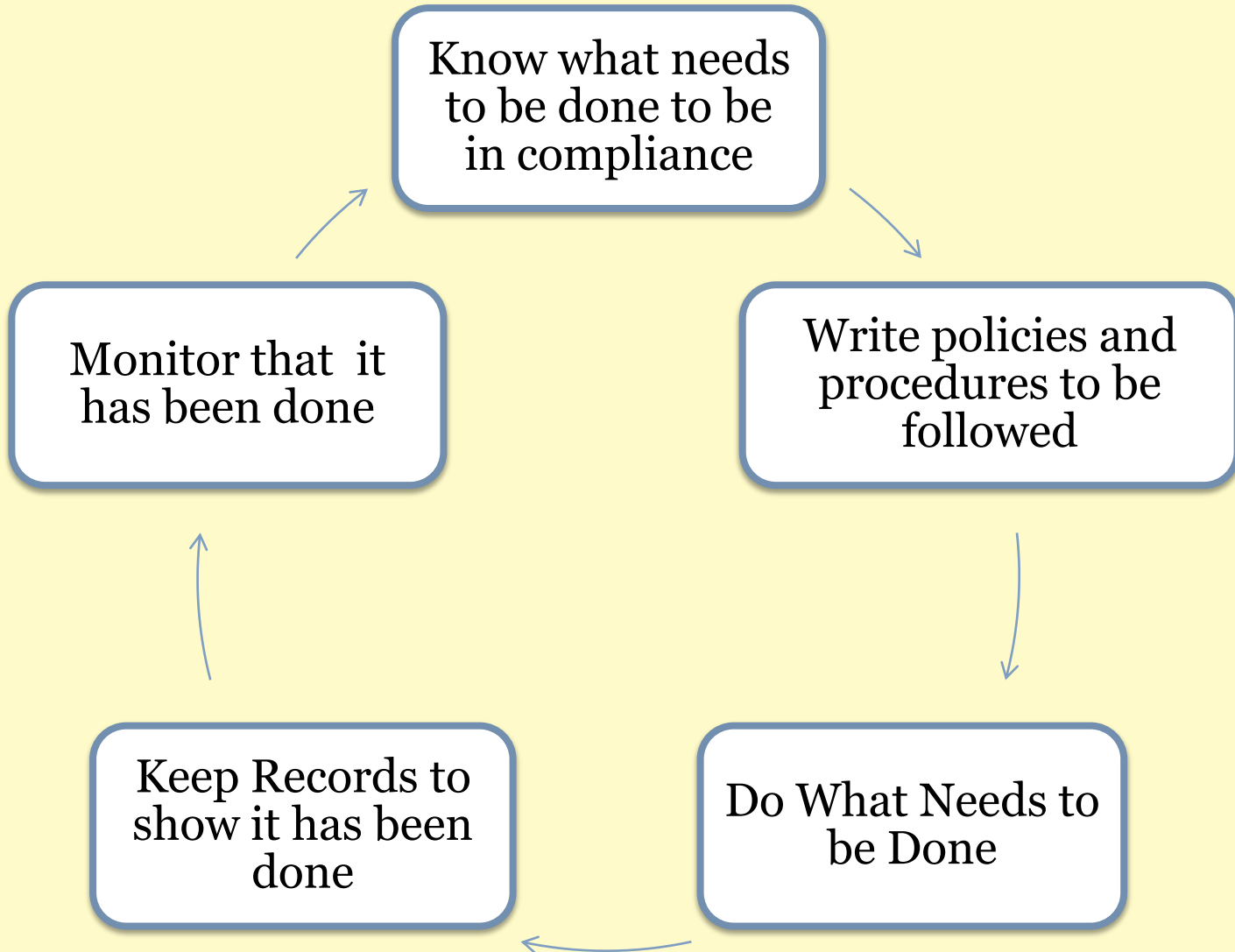
Strategic Planning Outcome	2012 Goal	2012 Achieved
Create new permanent housing beds for chronically homeless persons.	100 beds	100 beds
Increase % of homeless persons staying in PH for over 6 months to 80% or more.	80%	87%
Increase % of homeless persons moving from TH to permanent housing to at least 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



# 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](http://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**

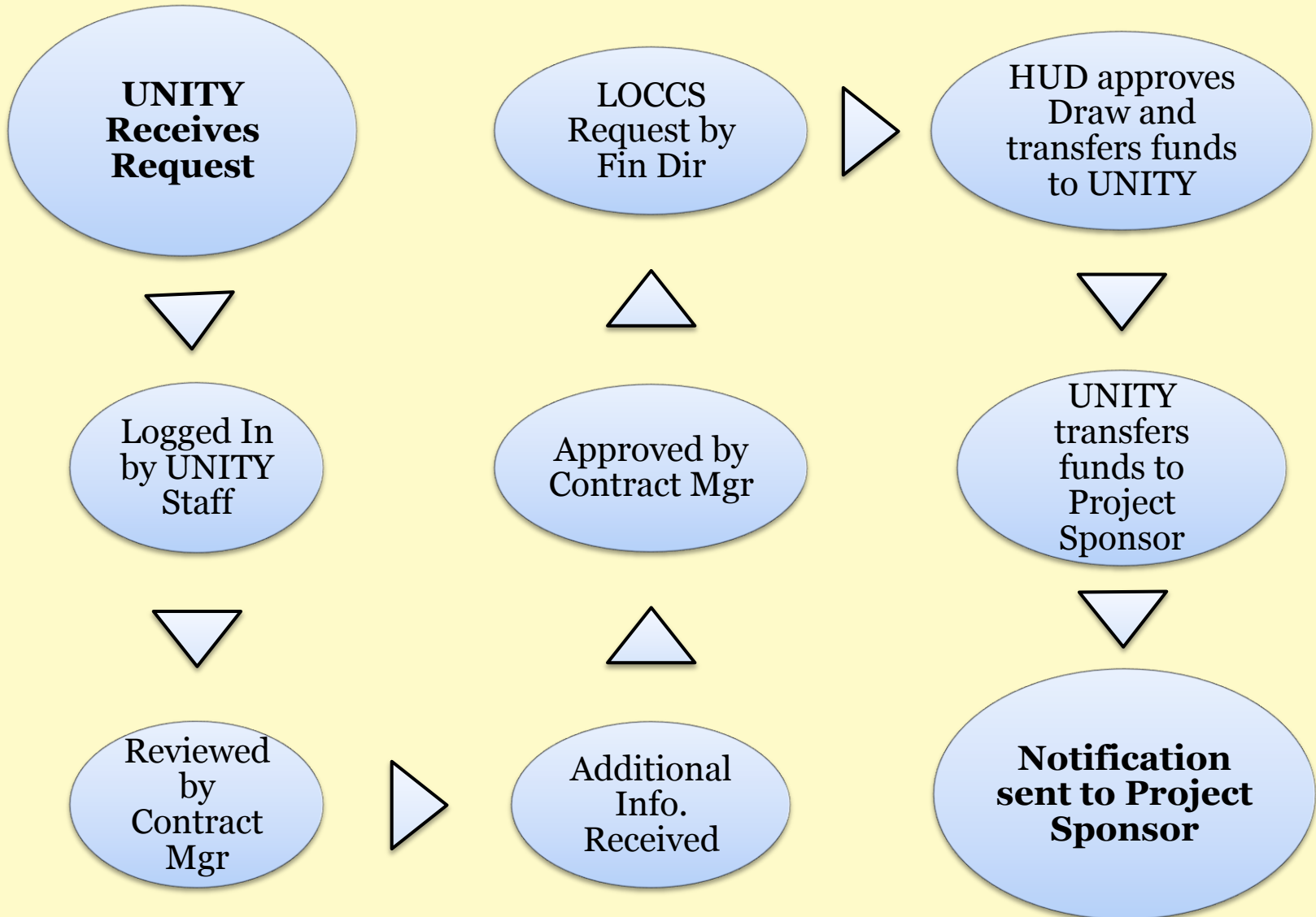
## **Attachment F: Key Staff Listing**

## **Attachment G: Education Policy**

## **Attachment H: Program Income Disclosure**

## **Attachment I: Federal Funding Inquiry**

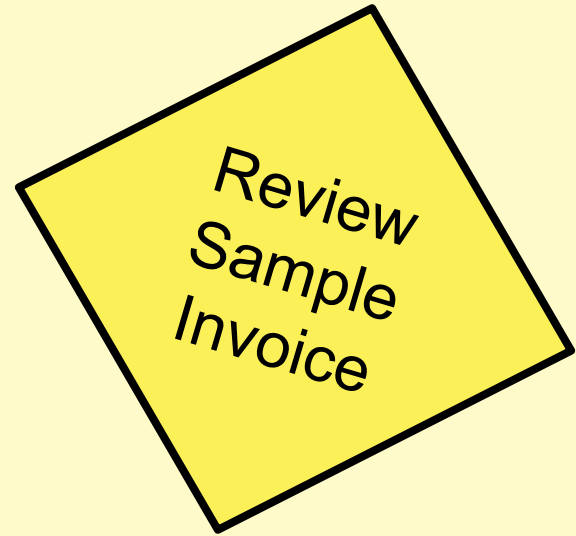
# UNITY Reimbursement Process





# 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



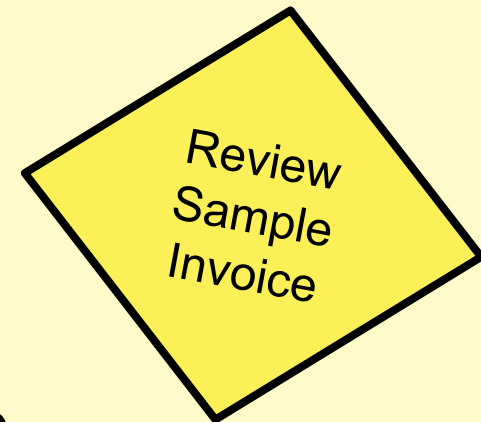
# Listing of Transactions

## 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

## 1<sup>st</sup> 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?

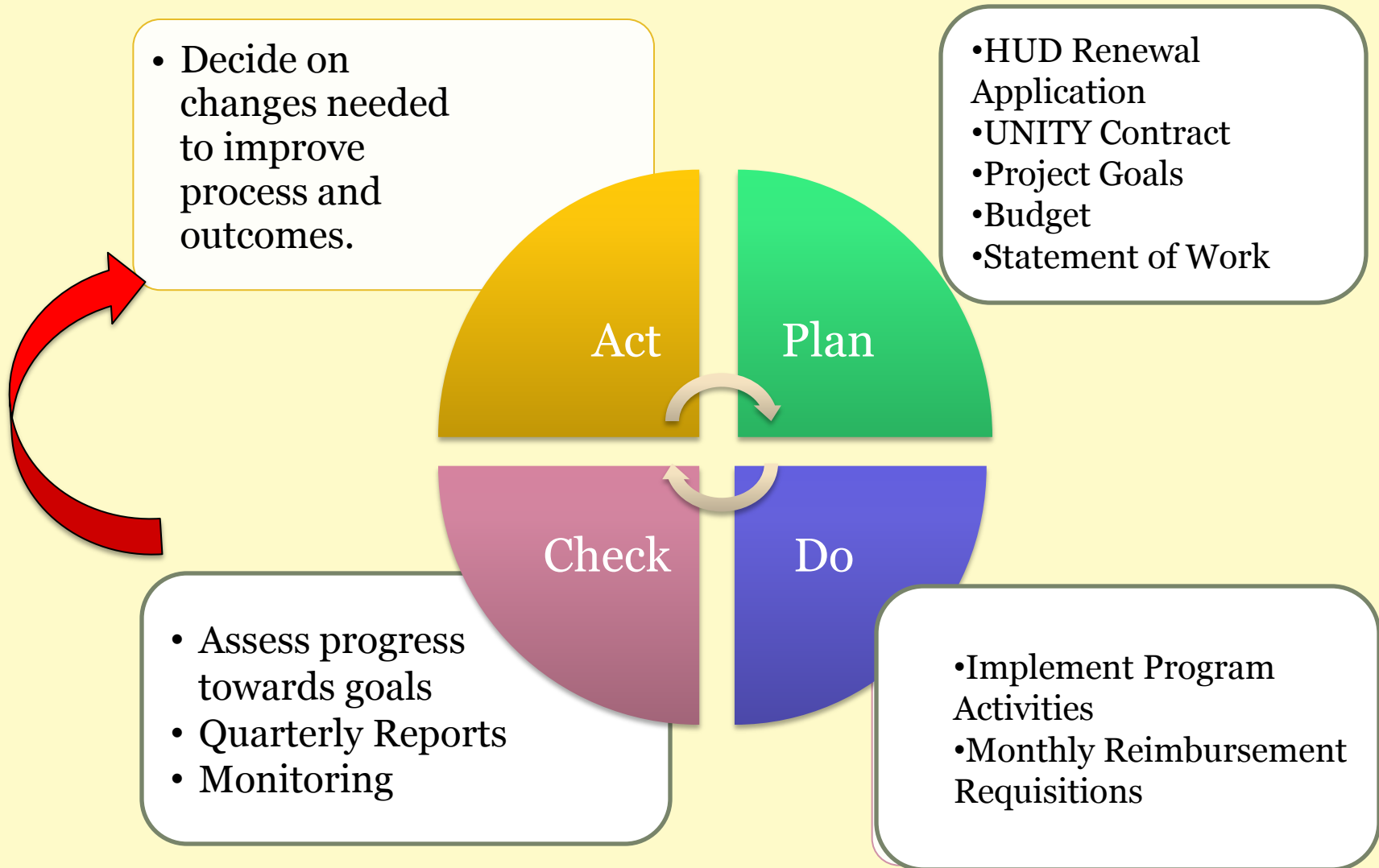
# Last Invoice at Program Year End

- 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/](http://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](http://www.hudhre.info/hearth)

# *Ending Homeless Together!*

**UNITY**

OF GREATER NEW ORLEANS

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