

## **ATTACHMENTS**

### **Section III**

1. Sample IHBG Allocation Estimate
2. HUD IHBG Award Letter
3. HUD IHBG Instructions letter
  - a. Funding Approval Agreement form HUD –52734-B
  - b. Assurance Compliance with 24 CFR 50.3(h)
  - c. Certification Regarding Lobbying
  - d. GuideForm Inform Indian Housing Certification

### **Section IV**

1. Sample list of specific items of costs and their allowability

### **Section V**

1. Form HUD-52737: IHBG Indian Housing Plan/Annual Performance Report (IHP/APR)  
select pages:
  - a. IHP - Estimated Sources of Funding
  - b. IHP – Estimated Uses of Funding
  - c. APR - Actual Sources of Funding
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### **Section X**

1. PIH 2019-07: Determining and Using Program Income Under NAHASDA
2. Exercise on Program Income

### **Section XII**

1. 2 CFR PART 200, APPENDIX XI Compliance Supplement June 2016 for IHBG, CFDA 14.867
2. Sample Unmodified Independent Auditor’s Report
3. Sample Auditor’s Report Sample Schedule of Expenditures of Federal Financial Awards
4. Sample RFP for audit procurement

### **Section XIII**

1. Form SF-425 Federal Financial Report
2. ONAP Guidance No. 2014-07, July 21, 2014, Federal Financial Report

### **Sample Financial Management Policy**

**SECTION III: NAHASDA IHBG FUNDS**  
**ATTACHMENTS**

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2. HUD IHBG Instructions letter
  - a. Funding Approval Agreement form HUD –52734-B
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**U.S. Department of Housing and Urban Development**  
Region X – Anchorage Field Office  
**Office of the Field Office Director**  
3000 C Street, Suite 401  
Anchorage, AK 99503-3914  
<http://www.hud.gov/local/anc>

Dear :

**SUBJECT: Federal Fiscal Year 201 Indian Housing Block Grant**

We wish to congratulate you upon receiving a U.S. Department of Housing and Urban Development FY 201 Indian Housing Block Grant in the amount of \$ . The enclosed package outlines the additional steps that are necessary to complete the grant award process. This grant is designed to assist in your efforts to address a range of housing and community development needs in your local community.

HUD's mission is to provide adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination. It is only through the cooperative efforts and continued partnerships from organizations such as yours that HUD's mission can be accomplished. We appreciate your efforts and encourage you to continue pursuing new and innovative ways of addressing your local housing and community development needs. In addition, we encourage and welcome you to share any ideas that you may have about how HUD can further enhance these partnerships and increase its level of customer service.

If you have any questions or would like to discuss any of HUD's housing and community development initiatives, please don't hesitate to contact me at (907) .

Sincerely,

Enclosures



**U.S. Department of Housing and Urban Development**  
Region X- Anchorage Field Office  
**Alaska Office of Native American Programs**  
3000 C Street, Suite 401  
Anchorage, AK 99503-3914  
<http://www.hud.gov/local/anc>

Dear :

Subject: Federal Fiscal Year 201 Indian Housing Block Grant  
Native American Housing Assistance and Self-Determination Act of 1996  
Grant No.

The Alaska Office of Native American Programs (AONAP) is pleased to inform you that the Indian Housing Plan you submitted on June 3, 201 , for the Indian Housing Block Grant (IHBG) program has been found to be in compliance with the requirement of Section 102 of NAHASDA.

The final funding allocation is \$                      You will be able to access the funds for the IHBG program through the Line of Credit Control System (LOCCS) after you have completed and returned the following enclosed documents to this office:

- The Funding Approval/Agreement, form HUD-52734-B. Please sign all three originals and return two originals to AONAP.
- Assurance of Compliance with 24 CFR 50(h) - If you, as the recipient, decline to assume environmental review responsibilities under 24 CFR Part 58, sign and return the enclosed form.
- Certification Regarding Lobbying and the Certification for Indian Preference. Please complete and sign both certifications and return to AONAP.

Please note the reference in the Grant Agreement for an environmental review as specified and required in paragraphs 24 CFR §1000, sections 18 through 24 of the Final Rule. Funding assistance may not be obligated or used for any activities requiring a Release of Funds by HUD until such Release is issued in writing.

As the recipient under NAHASDA, you will assume the responsibilities and obligations required to effectively carry out the new block grant program. The administrative requirements for implementation of the IHBG are listed in the Final Rule at 24 CFR §1000.26. Additionally, Notice PIH 2006-40 provides guidance on the Line of Credit Control System (LOCCS), the requisition of funds, security procedures and reporting requirements.

We look forward to working with you to achieve the goals and objectives set forth in your Indian Housing Plan. If we may be of further assistance to you in the successful implementation of this grant under NAHASDA, please contact \_\_\_\_\_ at (907) \_\_\_\_\_ or email at \_\_\_\_\_

Administrator

Enclosures

**GUIDEFORM**  
**ASSURANCE OF COMPLIANCE WITH 24 CFR §50.3(h)**

The undersigned agrees to assist the Department of Housing and Urban Development (HUD) to comply with the requirements of 24 CFR §50 - Protection and Enhancement of Environmental Quality with respect to the projects or activities included in Program

Grant Number \_\_\_\_\_ . As part of this assistance, the Indian Tribe, or Tribally Designated Housing Entity on its behalf, shall:

- (1) Supply HUD with all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR §50;
- (2) Carry out mitigating measures required by HUD or select an alternative property; and
- (3) Not acquire, rehabilitate, convert, lease, repair or construct property, nor commit local funds for these program activities with respect to any eligible property, until HUD approval of the property is received.

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Name & Title (type or print)

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Signature & Date

## CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an office or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form -LLL, "Disclosure Form to Report (Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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Name & Title (type or print)

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Signature & Date

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

## GUIDEFORM INDIAN PREFERENCE CERTIFICATION

To the greatest extent feasible, recipients shall give preference in the award of contracts for projects funded under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) to Indian organizations and Indian-owned economic enterprises.

The undersigned certifies, to the best of his or her knowledge and belief, that the policies and procedures adopted by the

\_\_\_\_\_  
(Tribe or Tribally Designated Housing Entity) (type or print)

will provide preference in procurement activities consistent with the requirements of section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 405e(b)). (An Indian preference policy that was previously approved by HUD for a recipient will meet the requirements of Section 7(b)).

\_\_\_\_\_  
Name & Title (type or print)

\_\_\_\_\_  
Signature & Date

Note: If the recipient has not adopted policies and procedures and therefore cannot execute this certification, the procedures set forth in 24 CFR 1000.52(a)(2) or (3) must be followed.



# Funding Approval/Agreement

Native American Housing Assistance and Self-Determination Act of 1996 (Public Law 104-330)  
 Title I - Indian Housing Block Grant  
 Title VI - Federal Guarantees For Financing Tribal Housing Activities

U.S. Department of Housing and Urban Development  
 Office of Native American Programs

DUNS #

1. Name of Recipient <b>TRIBAL HOUSING AUTHORITY</b>		3. Recipient's 9-digit Tax Identification No.	4. Reserved
2. Recipient's Complete Address		5. Program/Grant Number	6. Amount Approved IHBG \$ _____ Title VI Loan Guarantee

This Grant Agreement between the Department of Housing and Urban Development (HUD) and the above named Recipient is made pursuant to the authority of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4101 et seq.). The Recipient's submissions for NAHASDA assistance, the NAHASDA statute (as now in effect and as may be amended by Congress), the HUD regulations at 24 CFR Part 1000 (as now in effect and as may be amended from time to time), and this Funding Approval, including any special conditions, constitute the Agreement. Subject to the provisions of this Grant Agreement, HUD will make the funding assistance specified here available to the Recipient upon execution of the Agreement by the parties. The Indian Tribe has agreed to assume all of the responsibilities for environmental review, decision making, and actions as specified and required in regulations issued by the Secretary consistent with and pursuant to Section 105 of NAHASDA. (If the Indian Tribe did not agree to assume these responsibilities, these responsibilities are retained by HUD). The Recipient further acknowledges its responsibility for adherence to the Agreement by entities to which it makes funding assistance hereunder available.

<b>U.S. Department of Housing and Urban Development</b>		<b>Recipient</b>	
Name		Name <b>NAME OF PRESIDENT</b>	
Signature		Signature	
Title <b>Administrator</b>	Date (mm/dd/yyyy)	Title <b>President</b>	Date (mm/dd/yyyy)

7. Special conditions (check applicable box) a. <input checked="" type="checkbox"/> Not applicable b. See attachment(s)	8a. Date HUD Received Submission (mm/dd/yyyy) <b>06/03/20</b>	9. (check one) a. <input checked="" type="checkbox"/> Orig. Funding aprvl. b. <input type="checkbox"/> Amendment c. Amendment Number	10. Amount of Indian Housing Block Grant
	8b. Date Recipient Notified (mm/dd/yyyy)		a. Funds Reserved for this Recipient \$ _____
	8c. Date of Start of Program Year (mm/dd/yyyy) <b>10/01/201</b>		b. Funds Now Being Approved \$ _____ c. Reservation to be Cancelled (a minus b)

11. (This section is to be completed only if a Tribally Designated Housing Entity (TDHE) is the recipient of the loan guarantee but is not the IHBG recipient)  
 11a. Name & Address of TDHE

### Loan Guarantee Acceptance Provisions for Tribally Designated Housing Entities (TDHE)

The Tribally Designated Housing Entity hereby accepts the Grant Agreement executed by the Department of Housing and Urban Development (HUD) on the above date with respect to the above program grant number(s) as Recipient designated to receive loan guarantee assistance, and agrees to comply with the terms and conditions of the Agreement, applicable regulations, and other requirements of HUD now or hereafter in effect, pertaining to the assistance provided to it.

11b. Authorized Representative Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Signature \_\_\_\_\_  
 Date (mm/dd/yyyy) \_\_\_\_\_

### HUD Accounting Use Only (show all dates as mm/dd/yyyy)

TAC			Program	Y	A	Reg.	Area	Document No.	Project No.	Category	Amount	Effective Date
1	5	3										
1	7	6										

Date Entered In PAS	Date Entered LOCCS	Batch Number	Transaction Code	Entered by	Verified by
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## **SECTION IV: ALLOWABLE COSTS – ATTACHMENTS**

1. See Sample Financial Management Policy, Appendix 3- Allowable Costs Policy and Procedures to Implement the Requirements of §200.302(b)(7),
2. Sample list of Specific Items of Costs and their Allowability

	TYPE OF COST	ALLOWABLE OR UNALLOWABLE	PRIOR WRITTEN APPROVAL REQUIRED (PWAR)	ADDITIONAL COMMENTS
200.421	ADVERTISING	ALLOWABLE		<b>ADVERTISEMENT: ALLOWABLE. ONLY</b> for recruitment of staff or trainees, procurement of goods and services, disposal of scrap of surplus materials, and other specific purposes necessary to meet the requirements of the grant-supported project or activity.
200.421	PUBLIC RELATIONS	ALLOWABLE		<b>PUBLIC RELATIONS: ALLOWABLE. ONLY</b> for costs specifically required by the award, or for costs of communicating with the public and the press about specific activities or accomplishments under the grant-supported project or other appropriate matters of public concern. Such costs may be treated as either direct costs or F&A costs, if they benefit more than one sponsored agreement or if they benefit the grant and other work of the institution.
200.422	ADVISORY COUNCILS	ALLOWABLE		<b>ALLOWABLE: ONLY</b> if costs incurred by advisory councils or committees are authorized by statute, the Federal awarding agency or as an indirect cost where allocable to Federal awards.
200.423	ALCOHOLIC BEVERAGES	UNALLOWABLE		
200.425	AUDIT SERVICES	ALLOWABLE		<b>NEW ADDITION:</b> CFR 200 specifically outlines what is <b>UNALLOWABLE.</b>
200.426	BAD DEBTS	UNALLOWABLE		<b>UNALLOWED</b> - Bad debt and related collection and legal costs.
200.427	BONDING COSTS	ALLOWABLE		Clarifies that bonding costs are allowable as an indirect cost.
200.428	COLLECTION OF IMPROPER PAYMENTS	ALLOWABLE		In practice, this is not new, but CFR 200 specifically clarifies that this cost is allowable.
200.430	COMPENSATION-PERSONAL SERVICES: Salaries and wages	ALLOWABLE		Salaries and wages for personnel are allowable costs to the extent that the amount is reasonable in relation to the work performed.
200.431	COMPENSATION-FRINGE BENEFITS	ALLOWABLE - with UNALLOWABLE COMPONENT		Allowable as part of the overall compensation to employees in proportion to the amount of time or effort in relation to the work performed.  <b>UNALLOWABLE:</b> That portion of automobile costs furnished by the entity that relates to personal use by employees (including transportation to and from work) as fringe benefits or Indirect (F&A) costs regardless of whether the cost is reported as taxable income to employees.
200.432	CONFERENCES: Meetings, retreat, seminar, symposium	ALLOWABLE		NEW. Now includes cost of IDENTIFYING (but not providing) locally dependent care resources are allowable.
200.433	CONTINGENCY PROVISIONS	UNALLOWABLE with exceptions		<b>ALLOWABLE. ONLY</b> if they are necessary and reasonable for proper and efficient accomplishment of project or program objectives, and be verifiable in the financial records.
200.434	CONTRIBUTION AND DONATIONS	ALLOWABLE		<b>NOT ALLOWED. Donated property to the non-Federal entity is not an allowable cost. ALLOWABLE. ONLY</b> depreciation of donated assets as long as the donated property is not counted towards cost sharing or matching requirements, and donated services which directly benefit a

	TYPE OF COST	ALLOWABLE OR UNALLOWABLE	PRIOR WRITTEN APPROVAL REQUIRED (PWAR)	ADDITIONAL COMMENTS
200.434	CONTRIBUTION AND DONATIONS	UNALLOWABLE		<b>UNALLOWABLE:</b> Costs of contribution and donations, including cash, property, and services from the non-Federal entity to other entities, are Unallowable.
200.435	DEFENSE AND PROSECUTION OF CRIMINAL AND CIVIL PROCEEDINGS, CLAIMS, APPEALS, AND PATENT INFRINGEMENTS	ALLOWABLE		<b>ALLOWABLE. ONLY</b> if they are necessary and reasonable and authorized cost of the program, and the non-Federal entity does not incur legal costs to defend itself for illegal, violations and noncompliance and against whistleblowers.
200.436	DEPRECIATION	ALLOWABLE	<b>Requires HUD prior approval if Depreciation method is changed from SL</b>	Depreciation method for fixed assets shall not be changed without approval of HUD or, if charged through a cost allocation plan. See 1000.26(b)(1)(i).
200.437	EMPLOYEE HEALTH AND WELFARE COSTS	ALLOWABLE		Changed from Employee morale, health, and welfare costs. Cost incurred must follow DOCUMENTED POLICY
200.438	ENTERTAINMENT COSTS. This includes the cost of amusements, social activities, and related incidental costs.	UNALLOWABLE with exceptions		<b>[ALLOWABLE. ONLY</b> where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval of the Federal awarding agency.]
200.439	EQUIPMENT AND OTHER CAPITAL EXPENDITURES	ALLOWABLE		Charges allowable for General Purpose Use, Special Purpose Use, and Capital Improvements, with the prior written approval of HUD. For example, purchasing of office building.
200.441	<b>FINES, PENALTIES, DAMAGES AND OTHER SETTLEMENTS</b>	<b>UNALLOWABLE</b>		
200.442	FUNDRAISING and	ALLOWABLE UNDER CERTAIN CONDITIONS		<b>ALLOWABLE. ONLY</b> if fundraising costs are for the purposes of meeting program objectives.
	INVESTMENT MANAGEMENT COSTS	ALLOWABLE		For example; Tribe/TDHE cost of invested IHBG grant funds.
200.443	GAINS AND LOSSES ON DISPOSITION OF DEPRECIABLE ASSETS	ALLOWABLE		The amount of the gain or loss recognized is the difference between the amount realized on the property and the undepreciated basis of the property.
200.444	GENERAL COST OF GOVERNMENT	ALLOWABLE		<b>ALLOWABLE. ONLY</b> for Indian tribes and Councils Of Governments (COGs) (see section 200.64 Local Governments), the portion of salaries and expenses directly attributable to managing and operating Federal programs by the chief executive and his or her staff is allowable. <b>(NEW)</b> Up to 50% of these costs can be included in the indirect cost calculation without documentation.
200.445	GOODS AND SERVICES FOR PERSONAL USE	UNALLOWABLE		

	TYPE OF COST	ALLOWABLE OR UNALLOWABLE	PRIOR WRITTEN APPROVAL REQUIRED (PWAR)	ADDITIONAL COMMENTS
200.445	GOODS AND SERVICES FOR PERSONAL USE - COST OF HOUSING	ALLOWABLE	Requires HUD prior approval	ALLOWABLE. ONLY for costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses are only allowable as direct costs regardless of whether reported as taxable income to the employees. In addition, to be allowable direct costs must be approved in advance by a Federal awarding agency.
200.446	IDLE FACILITIES AND IDLE CAPACITY	ALLOWABLE		ALLOWABLE. ONLY if idle facilities are necessary to meet workload, necessary when purchased, but idle now due to program changes, or idle capacity is normal cost of doing business.
200.447	INSURANCE AND INDEMNITY	ALLOWABLE		Insurance is usually treated as an F&A cost. Some insurance, such as insurance against defects, are unallowable.
200.448	INTELLECTUAL PROPERTY	ALLOWABLE		This item of cost combines Patent costs and Royalties and other costs for use of patents from the existing Cost Principles.
200.449	INTEREST	ALLOWABLE		Allows financing costs associated with Intangible Assets such as patents and computer software after January 1, 2016.
200.450	LOBBYING	UNALLOWABLE		
200.451	LOSSES ON OTHER AWARDS OR CONTRACTS	UNALLOWABLE		NEW; not previously addressed in A-87. Any excess of costs over income under any other award or contract of any nature is unallowable.
200.452	MAINTENANCE AND REPAIR COSTS	ALLOWABLE		EMPHASIS: These costs are only allowable to the extent not paid through rental or other agreements.
200.453	MATERIALS AND SUPPLIES COSTS	ALLOWABLE		EXPANDED to Include costs of computing devices; definition @ 200.94; May be charged direct.
200.454	MEMBERSHIPS, DUES, SUBSCRIPTIONS	ALLOWABLE		ADDITION FOR EMPHASIS: (e) Cost of membership in organizations whose primary purpose is lobbying are unallowable. See also section 200.450 Lobbying.
200.456	PARTICIPANT SUPPORT COSTS	ALLOWABLE		Direct costs for stipends, subsistence allowances, travel, registration fees, for conferences and training projects. (NOT EMPLOYEES)
200.457	PLANT AND SECURITIES COSTS	ALLOWABLE		Necessary and reasonable expenses incurred for protection and security of facilities and personnel.
200.458	PRE-AWARD COSTS	ALLOWABLE		Costs incurred prior to the effective date of the Federal award, in anticipation of the award, and such costs are necessary for efficient and timely performance of the scope of work.
200.459	PROFESSIONAL SERVICE COSTS.	ALLOWABLE		Costs of professional services and consultants.
200.460	PROPOSAL COSTS	ALLOWABLE		Costs of preparing bids, proposals, or applications for federal awards.
200.461	PUBLICATION AND PRINTING COSTS	ALLOWABLE		Costs of electronic and print media, including distribution, promotion, and general handling.

	TYPE OF COST	ALLOWABLE OR UNALLOWABLE	PRIOR WRITTEN APPROVAL REQUIRED (PWAR)	ADDITIONAL COMMENTS
200.462	REARRANGEMENT AND RECONVERSION COSTS	ALLOWABLE		<b>EMPHASIS ON WHEN THE COST IS INDIRECT AND DIRECT:</b> (a) Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable as indirect costs. (b) Special arrangements and alterations costs incurred specifically for a Federal award are allowable as a direct cost with the prior approval of the Federal awarding agency or pass-through entity.
200.463	RECRUITMENT COSTS	ALLOWABLE		<b>NEW, no specific section in A-87.</b> This is not a new cost. Clarifies that costs must meet test of reasonableness, otherwise, not allowable
200.464	RELOCATION COSTS OF EMPLOYEES	ALLOWABLE		<b>NEW, no specific section in A-87.</b> This is not a new cost. Limits cost of employee's vacant home up to 6 months.
200.465	RENTAL COSTS OF REAL PROPERTY AND EQUIPMENT	ALLOWABLE		<b>Allowable, SUBJECT TO LIMITATIONS.</b> NOTE: The rental of any property owned by any individuals or entities affiliated with the non-Federal entity, to include commercial or residential real estate, for purposes such as home office workspace is UNALLOWABLE.
200.467	SELLING AND MARKETING COSTS	ALLOWABLE		<b>ALLOWABLE. ONLY</b> with prior approval by the Federal awarding agency when necessary for the performance of the Federal award. For example, selling and marketing of affordable homes for sale and rentals owned and operated by the Tribe/TDHE.
200.470	TAXES (including Value Added Tax)	ALLOWABLE		Such costs include taxes that an organization is required to pay as they relate to employment, services, travel, rental, and PILOT. Prior written approval is required in use of foreign government tax refund for approved activities.
200.471	TERMINATION COSTS	Generally UNALLOWABLE with exception		These are costs incurred for termination of the Federal award.
200.472	TRAINING AND EDUCATION COSTS	ALLOWABLE		The cost of training and education provided to employee development is allowable.
200.473	TRANSPORTATION COSTS	ALLOWABLE		<b>NEW, no specific section in A-87.</b> Not a new cost. <b>ALLOWABLE.</b> Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered, are allowable.
200.474	TRAVEL COSTS	ALLOWABLE		<b>Now allowable: temporary dependent care costs that result directly from travel to conferences and meet specified standards. <u>Travel costs for dependents are unallowable, except</u></b> for travel of duration of six months or more with prior approval of the Federal awarding agency. See also section 200.432 Conferences.
200.475	TRUSTEES	ALLOWABLE		<b>NEW; not previously included in A-87.</b> Travel and subsistence costs of trustees (or directors) at IHEs and nonprofit organizations are allowable. See also 200.474 Travel Costs.

**EXAMPLE OF ALLOWABILITY OF SPECIFIC ITEMS OF COST FOR NAHASDA PROGRAM AS ATTACHMENT TO THE ALLOWABILITY PROCEDURES**

	TYPE OF COST	ALLOWABLE OR UNALLOWABLE	PRIOR WRITTEN APPROVAL REQUIRED (PWAR)	ADDITIONAL COMMENTS
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(iii) Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses (goods or services for personal use) regardless of whether reported as taxable income to the employees (2 CFR 200.445) requires HUD approval.

Applies only to ICDBG 1003.501(b)(1):

(iv): Organizational costs (200.455) requires HUD prior approval.

**SECTION V: BUDGETING**  
**ATTACHMENTS**

1. Form HUD-52737: IHBG Indian Housing Plan/Annual Performance Report (IHP/APR) select pages:
  - a. IHP - Estimated Sources of Funding
  - b. IHP – Estimated Uses of Funding
  - c. APR - Actual Sources of Funding
  - d. APR – Actual Uses of Funding



**(2) Estimated Sources of Funding** (NAHASDA § 102(b)(2)(C)(i)) (Complete the **non-shaded** portions of the chart below to describe your estimated or anticipated sources of funding for the 12-month program year. **APR Actual Sources of Funding -- Please complete the shaded portions of the chart below to describe your actual funds received. Only report on funds actually received and under a grant agreement or other binding commitment during the 12-month program year.**)

Attachment Page 22

SOURCE	IHP					APR					
	(A) Estimated amount on hand at beginning of program year	(B) Estimated amount to be received during 12-month program year	(C) Estimated total sources of funds (A + B)	(D) Estimated funds to be expended during 12-month program year	(E) Estimated unexpended funds remaining at end of program year (C minus D)	(F) Actual amount on hand at beginning of program year	(G) Actual amount received during 12-month program year	(H) Actual total sources of funding (F + G)	(I) Actual funds expended during 12-month program year	(J) Actual unexpended funds remaining at end of 12-month program year (H minus I)	(K) Actual unexpended funds obligated but not expended at end of 12-month program year
1. IHBG Funds	100,000	400,000	500,000	300,000	200,000						
2. IHBG Program Income	0	0	0	0	0						
3. Title VI	0	0	0	0	0						
4. Title VI Program Income	0	0	0	0	0						
5. 1937 Act Operating Reserves											
6. Carry Over 1937 Act Funds											
<b>LEVERAGED FUNDS</b>											
7. ICDBG Funds	50,000	0	50,000	50,000	0						
8. Other Federal Funds											
9. LIHTC											
10. Non-Federal Funds			25,000	25,000	0						
<b>TOTAL</b>	<b>150,000</b>	<b>400,000</b>	<b>575,000</b>	<b>375,000</b>	<b>200,000</b>						

- Notes:**
- a. For the IHP, fill in columns A, B, C, D, and E (non-shaded columns). **For the APR, fill in columns F, G, H, I, J, and K (shaded columns).**
  - b. Total of Column D should match the total of Column N from the **Uses Table** on the following page.
  - c. **Total of Column I should match the Total of Column Q from the Uses Table on the following page.**
  - d. For the IHP, describe any estimated leverage in Line 4 below (Estimated Sources or Uses of Funding). **For the APR, describe actual leverage in Line 5 below (APR).**

**(3) Uses of Funding** (NAHASDA § 102(b)(2)(C)(ii)) (Note that the budget should not exceed the total funds on hand and insert as many rows as needed to include all the programs identified in Section 3. **Actual expenditures in the APR section are for the 12-month program year.**)

PROGRAM NAME (tie to program names in Section 3 above)	Unique Identifier	IHP			APR		
		(L) Prior and current year IHBG (only) funds to be expended in 12-month program year	(M) Total all other funds to be expended in 12-month program year	(N) Total funds to be expended in 12-month program year (L + M)	(O) Total IHBG (only) funds expended in 12-month program year	(P) Total all other funds expended in 12-month program year	(Q) Total funds expended in 12-month program year (O+P)
DEVELOPMENT- HOME REHAB PROGRAM	200	50,000	0	50,000			
DEVELOPMENT - SFH CONSTRUCTION	210	0	0	0			
DEVELOPMENT - ADDITION TO TRIBAL OFFICE	220	70,000	75,000	145,000			
HOUSING SERVICES - EMERGENCY ASSISTANCE	300	20,000	0	20,000			
HOUSING SERVICES - YOUTH ACTIVITY	310	15,000	0	15,000			
HOMEBUYER DOWN PAYMENT ASSISTANCE	500	25,000	0	25,000			
Planning and Administration		120,000	0	120,000			
Loan repayment – describe in 4 and 5 below.							
<b>TOTAL</b>		<b>300,000</b>	<b>75,000</b>	<b>375,000</b>			

Attachment Page 23

**Notes:**

- a. Total of Column L cannot exceed the IHBG funds from Column C, Row 1 from the Sources Table on the previous page.
- b. Total of Column M cannot exceed the total from Column D, Rows 2-10 from the Sources Table on the previous page.
- c. **Total of Column O cannot exceed total IHBG funds received in Column H, Row 1 from the Sources Table on the previous page.**
- d. **Total of Column P cannot exceed total of Column H, Rows 2-10 of the Sources Table on the previous page.**
- e. **Total of Column Q should equal total of Column I of the Sources Table on the previous page.**

**(1) Estimated Sources of Funding** (NAHASDA § 102(b)(2)(C)(i)) (Complete the **non-shaded** portions of the chart below to describe your estimated or anticipated sources of funding for the 12-month program year. **APR Actual Sources of Funding -- Please complete the shaded portions of the chart below to describe your actual funds received. Only report on funds actually received and under a grant agreement or other binding commitment during the 12-month program year.**)

Attachment Page 24

SOURCE	IHP					APR					
	(A) Estimated amount on hand at beginning of program year	(B) Estimated amount to be received during 12-month program year	(C) Estimated total sources of funds (A + B)	(D) Estimated funds to be expended during 12-month program year	(E) Estimated unexpended funds remaining at end of program year (C minus D)	(F) Actual amount on hand at beginning of program year	(G) Actual amount received during 12-month program year	(H) Actual total sources of funding (F + G)	(I) Actual funds expended during 12-month program year	(J) Actual unexpended funds remaining at end of 12-month program year (H minus I)	(K) Actual unexpended funds obligated but not expended at end of 12-month program year
1. IHBG Funds	100,000	400,000	500,000	300,000	200,000	160,000	400,000	560,000	360,000	200,000	200,000
2. IHBG Program Income	0	0	0	0	0						
3. Title VI	0	0	0	0	0						
4. Title VI Program Income	0	0	0	0	0						
5. 1937 Act Operating Reserves											
6. Carry Over 1937 Act Funds											
<b>LEVERAGED FUNDS</b>											
7. ICDBG Funds	50,000	0	50,000	50,000	0	50,000	0	50,000	50,000	0	0
8. Other Federal Funds											
9. LIHTC											
10. Non-Federal Funds			25,000	25,000	0	0	25,000	25,000	25,000	0	0
<b>TOTAL</b>	<b>150,000</b>	<b>400,000</b>	<b>575,000</b>	<b>375,000</b>	<b>200,000</b>	<b>210,000</b>	<b>425,000</b>	<b>635,000</b>	<b>435,000</b>	<b>200,000</b>	<b>200,000</b>

- Notes:**
- a. For the IHP, fill in columns A, B, C, D, and E (non-shaded columns). **For the APR, fill in columns F, G, H, I, J, and K (shaded columns).**
  - b. Total of Column D should match the total of Column N from the **Uses Table** on the following page.
  - c. **Total of Column I should match the Total of Column Q from the Uses Table on the following page.**
  - d. For the IHP, describe any estimated leverage in Line 4 below (Estimated Sources or Uses of Funding). **For the APR, describe actual leverage in Line 5 below (APR).**

**(2) Uses of Funding** (NAHASDA § 102(b)(2)(C)(ii)) (Note that the budget should not exceed the total funds on hand and insert as many rows as needed to include all the programs identified in Section 3. **Actual expenditures in the APR section are for the 12-month program year.**)

PROGRAM NAME (tie to program names in Section 3 above)	Unique Identifier	IHP			APR		
		(L) Prior and current year IHBG (only) funds to be expended in 12-month program year	(M) Total all other funds to be expended in 12-month program year	(N) Total funds to be expended in 12-month program year (L + M)	(O) Total IHBG (only) funds expended in 12-month program year	(P) Total all other funds expended in 12-month program year	(Q) Total funds expended in 12-month program year (O+P)
DEVELOPMENT- HOME REHAB PROGRAM	200	50,000	0	50,000	50,000	0	50,000
DEVELOPMENT - SFH CONSTRUCTION	210	0	0	0	0	0	0
DEVELOPMENT - ADDITION TO TRIBAL OFFICE	220	70,000	75,000	145,000	70,000	75,000	145,000
HOUSING SERVICES - EMERGENCY ASSISTANCE	300	20,000	0	20,000	20,000	0	20,000
HOUSING SERVICES - YOUTH ACTIVITY	310	15,000	0	15,000	15,000	0	15,000
HOMEBUYER DOWN PAYMENT ASSISTANCE	500	25,000	0	25,000	25,000	0	25,000
Planning and Administration		120,000	0	120,000	120,000	0	120,000
Loan repayment – describe in 4 and 5 below.							
<b>TOTAL</b>		<b>300,000</b>	<b>75,000</b>	<b>375,000</b>	<b>300,000</b>	<b>75,000</b>	<b>375,000</b>

**Notes:**

- a. Total of Column L cannot exceed the IHBG funds from Column C, Row 1 from the Sources Table on the previous page.
- b. Total of Column M cannot exceed the total from Column D, Rows 2-10 from the Sources Table on the previous page.
- c. Total of Column O cannot exceed total IHBG funds received in Column H, Row 1 from the Sources Table on the previous page.
- d. Total of Column P cannot exceed total of Column H, Rows 2-10 of the Sources Table on the previous page.
- e. Total of Column Q should equal total of Column I of the Sources Table on the previous page.

**SECTION X: PROGRAM INCOME**  
**ATTACHMENTS**

1. PIH 2019-07 - Determining and Using Program Income Under NAHASDA



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

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Special Attention of:  
Administrators, Offices  
of Native American Programs;  
Tribes; Tribally Designated  
Housing Entities (TDHEs); Indian  
Housing Authorities

**NOTICE PIH 2019-07**  
Issued: April 17, 2019

This Notice is in effect until amended,  
suspended or rescinded.

**Cross References:**

Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) (NAHASDA)  
24 CFR Part 1000, "Native American Housing Activities"  
2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"

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**SUBJECT: Determining and Using Program Income Under NAHASDA**

**1. PURPOSE**

This notice replaces PIH Notice 2000-18 and provides guidance for determining and using program income generated by the use or disbursement of Indian Housing Block Grant (IHBG) funds.

**2. BACKGROUND**

On January 3, 2013, the following regulatory changes became effective which directly affect the retention and use of program income.

- A new definition of *housing related activities* was added to 24 CFR 1000.10. In 2002, section 104 of NAHASDA was amended to provide that program income must be used for housing related activities. The definition of housing related activities in 24 CFR 1000.10 clarifies what activities can be carried out using program income. Other conforming changes were made throughout 24 CFR Part 1000;
- The IHBG administrative requirements, as described at 24 CFR 1000.26(a)(3), were revised to clarify that a recipient is not required to expend retained program income first before drawing down or expending IHBG grant funds;
- A new regulatory section, 24 CFR 1000.64, was added that addresses the permissible uses of program income.

This notice provides additional guidance to IHBG recipients on program income requirements.

### 3. DEFINITIONS

**Program Income:** Any income realized (generated) from the disbursement or use of IHBG funds. It must be income received by the recipient or its sub-recipient or received by a contractor on behalf of the recipient or sub-recipient. Costs incident to the generation of program income paid for with the income generated may be deducted from gross income when determining program income.

**Housing Related Activities:** For purposes of program income, means any facility, community building, infrastructure, business, program or activity, including any community development or economic development activity that is determined by the recipient to be beneficial to the provision of housing in an Indian area and meets at least one of the criteria identified in 24 CFR 1000.10, *Housing related activities* (2)(i)-(iii).

**Affordable Housing:** This is housing that complies with the requirements for affordable housing under Title II of NAHASDA.

**Eligible Affordable Housing Activities:** These are activities identified in Section 202 of NAHASDA and are generally limited to the provision of assistance to low-income families.

**Low-Income Families:** These are families whose income does not exceed 80 percent of the median income for the area or the national median income, whichever is greater.

**Non-Low Income Families:** These are families whose incomes exceed 80 percent of the median income for the area or the national median income, whichever is greater.

### 4. USE OF PROGRAM INCOME

The IHBG regulations at 24 CFR 1000.64 require recipients to use program income to carry out housing or housing related activities. In addition, so long as program income is spent on housing related activities, the use of program income is not subject to other Federal requirements. Recipients must ensure compliance with all other administrative requirements related to the IHBG program, including recording, reporting, financial management, and other requirements discussed in this notice.

IHBG funds must not be used for ineligible purposes with the intention of reimbursing those costs later using program or non-program income. Additionally, program income **may not** be used to pay for the costs of prosecuting claims against the Federal government, including appeals of final Federal agency decisions. Such costs are not housing related activities.

The IHBG regulations at 24 CFR 1000.26(a)(3) provide an exception to the general requirement in 2 CFR 200.305(b)(5) (Payment) that grantees must spend their retained program income before drawing down additional grant funds. IHBG recipients are not required to expend retained program income before drawing IHBG funds from the Line of Credit Control System (LOCCS) or

expending IHBG funds. A recipient may retain any program income provided the program income will be used to carry out housing or housing related activities in accordance with Section 104(a)(1) of NAHASDA.

## **5. INTEREST EARNED ON INVESTMENTS USING IHBG FUNDS**

Pursuant to Section 204(b) of NAHASDA and 24 CFR 1000.58(a), recipients that are approved to do so may invest IHBG funds, but only “for the purposes of carrying out affordable housing activities.” Therefore, interest earned on IHBG investments is not subject to the general rules governing program income. Notably, interest earned from the investment of IHBG funds must be used to carry out “affordable housing activities,” as that term is defined in Section 202 of NAHASDA, as opposed to “housing-related activities,” as that term is defined in used in Section 104 of NAHASDA or 24 CFR 1000.10. Interest earned from the investment of IHBG funds remains subject to all Federal requirements applicable to the IHBG program.

Recipients are reminded that any interest earned on IHBG funds invested in violation of IHBG program requirements, including the 5-year maximum investment period, is unlawfully earned and must be remitted to HUD for return to the US Treasury.

## **6. HOUSING RELATED ACTIVITIES**

In addition to the direct provision of housing, program income may be used for housing related activities as defined at 24 CFR 1000.10, *Housing related activities*. Housing related activities, for the purposes of program income, include facilities, community buildings, infrastructure, businesses, programs or activities, including any community development or economic development activities that the recipient has determined will be beneficial to the provision of housing in a tribal area and that would meet at least one of the following conditions:

- Help a tribe or TDHE to reduce the cost of constructing Indian housing;
- Make housing more affordable, energy efficient, accessible or practicable in a tribal area; or
- Otherwise advance the purposes of NAHASDA.

## **7. EXAMPLES OF HOUSING RELATED ACTIVITIES**

The following are some examples of housing related activities that may be carried out using IHBG program income:

- Assisting families to obtain housing.
- Development or support of a tribally-owned housing manufacturing business if this business would reduce the cost of constructing Indian housing and/or make housing more affordable, energy efficient, accessible or practicable in the Indian area to be served. Conversely, a tribally-owned business that does not have any direct tie to the provision of housing such as a restaurant, convenience store or gaming establishment may not be funded with program income.



- Construction of a community center that will house various services and/or resources aimed at advancing the economic conditions of affordable housing residents, such as career counseling, training and/or job placement. This activity would otherwise advance the purposes of NAHASDA related to self-sufficiency.
- Retrofitting of a community center ---accessible architectural features such as ramps, walkways, entrances, parking, signage, grab bars, bathroom and kitchen fixtures, and environmental controls; retrofitting existing residences to replace inaccessible features with accessible ones; and reasonable modifications suited to the functional needs of individuals with disabilities.
- New construction, rehabilitation, acquisition, or subsidized rental or purchase of housing intended to decrease the isolation and increase the integration of individuals with disabilities.
- Off-site infrastructure related to housing development.
- Providing housing services to resident families, including crime prevention and safety for residents.

## **8. REPORTING PROGRAM INCOME**

It is the responsibility of the recipient to ensure proper recording of the receipt and use of program income (see Section 102(b)(2)(C) of NAHASDA and 2 CFR 200.302(b)(3) and 2 CFR 200.327). To satisfy these requirements, the receipt and expenditure of program income must be identified in both the IHP/APR as well as on the Federal Financial Report (FFR) SF-425 regardless of whether the program income will be or has been used for housing related activities. Instructions related to how program income should be reported are contained in the following ONAP program guidance documents: “Federal Financial Report – Standard Form 425: Instructions and Guidance for the IHBG Program” (No. 2014-07) and “Guidance for Completing the Indian Housing Plan/Annual Performance Report (form HUD-52737)” (No. 2018-02a).

To ensure proper recording of program income, a recipient may use either a separate program income “fund” or use separate expense accounts for tracking purposes. In addition, accumulated program income, should be reported as a “restricted asset” on the financial statements.

## **9. ADDITIONAL INFORMATION**

- Appendix A contains questions and answers that further explain various aspects of the generation and use of program income under NAHASDA.
- Appendix B contains a detailed description of the program income calculation.
- Appendix C contains the Schedule of Maximum Allowable Dwelling Construction and Equipment Costs Per Unit as of October 1, 1997.

- Appendix D contains a listing of Allowable Expense Levels (AEL) and 46 percent of AEL by Tribe.

For further information, please contact your Area Office of Native American Programs.

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R. Hunter Kurtz  
Principal Deputy Assistant Secretary for Public and  
Indian Housing

Attachments

**SECTION XII: AUDIT REQUIREMENTS**  
**ATTACHMENTS**

1. 2 CFR PART 200, APPENDIX XI Compliance Supplement June 2016 for IHBG, CFDA 14.867
2. Sample Unmodified Independent Auditor's Report
3. Sample Auditor's Report on Compliance for Each Major Program and on Report on Internal Control over Compliance in Accordance with OMB Circular A-133
4. Sample Schedule of Expenditures of Federal Financial Awards (SEFA)
5. Sample RFP auditor procurement

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### CFDA 14.867 INDIAN HOUSING BLOCK GRANTS

#### I. PROGRAM OBJECTIVES

The primary objectives of the Indian Housing Block Grants (IHBG) program are (1) to assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments on Indian reservations and in other Indian areas for occupancy by low-income Indian families; (2) to coordinate activities to provide housing for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members; and (3) to plan for and integrate infrastructure resources for Indian tribes with housing development for Indian tribes (24 CFR section 1000.4).

#### II. PROGRAM PROCEDURES

The IHBG program is formula driven, based on factors that reflect the need of the Indian tribes and the Indian areas of the tribes for assistance for affordable housing activities. To access funds, Indian tribal governments (or tribally designated housing entities (TDHEs)) must submit an Indian Housing Plan (IHP) to the Department of Housing and Urban Development (HUD), and HUD must find that the IHP meets the requirements of Section 102 of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). IHBG funds awarded to a recipient may only be used for affordable housing activities that are consistent with its IHP (24 CFR section 1000.6).

#### Source of Governing Requirements

This program is authorized by NAHASDA, codified at 25 USC 4101 through 4212. Implementing regulations are in 24 CFR part 1000.

#### Availability of Other Program Information

Additional information about the IHBG program is available at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/ih/grants/ihbg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/ih/grants/ihbg).

#### III. COMPLIANCE REQUIREMENTS

**In developing the audit procedures to test compliance with the requirements for this Federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements apply, and then determine which of the applicable requirements is likely to have a direct and material effect on the Federal program at the auditee. For each such requirement, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit.**

A. Activities Allowed or Unallowed	B. Allowable Costs/Cost Principles	C. Cash Management	E. Eligibility	F. Equipment and Real Property Management	G. Matching, Level of Effort, Earmarking	H. Period of Performance	I. Procurement and Suspension and Debarment	J. Program Income	L. Reporting	M. Subrecipient Monitoring	N. Special Tests and Provisions
Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y

**A. Activities Allowed or Unallowed**

1. The following activities to develop, operate, maintain, or support affordable housing for rental or homeownership, or to provide housing services with respect to affordable housing are allowable:
  - a. *Indian Housing Assistance* – The provision of modernization or operating assistance for housing previously developed or operated pursuant to a contract between the Secretary and an Indian housing authority, including such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing (25 USC 4132(1) and 4133(b)).
  - b. *Development* – The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include real property acquisition, site improvement, development and rehabilitation of utilities, necessary infrastructure, and utility services, conversion, demolition, financing, administration and planning, improvement to achieve greater energy efficiency, mold remediation, and other related activities (25 USC 4132(2)).
  - c. *Housing Services* – The provision of housing-related services for affordable housing, such as housing counseling in connection with rental or home-ownership assistance, establishment and support of resident organizations and resident management corporations, energy auditing, activities related to the provision of self-sufficiency and other services, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in other housing activities assisted pursuant to this section (25 USC 4132(3)).
  - d. *Housing Management Services* – The provision of management services for affordable housing, including preparation of work specifications; loan processing, inspections; tenant selection; management of tenant-based rental assistance; the costs of operation and maintenance of units developed with funds provided under NAHASDA; and management of affordable housing projects (25 USC 4132(4)).
  - e. *Crime Prevention and Safety Activities* – The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime (25 USC 4132(5)).

- f. *Model Activities* – Housing activities under model programs that are designed to carry out the purposes of NAHASDA and are specifically approved by the Secretary of Housing and Urban Development as appropriate for such purpose (25 USC 4132(6)).
  - g. *Reserve Accounts* - The deposit of amounts, including grant amounts, in a reserve account only for the purpose of accumulating amounts for administration and planning relating to affordable housing activities. These amounts may be invested. Interest earned on reserves is not program income and may not be included in calculating the maximum amount of reserves. The maximum amount of reserves, whether in one or more accounts, that a recipient may have available at any one time is calculated by determining the 5-year average of administration and planning amounts, not including reserve amounts, expended in a tribal program year and establishing one-fourth of that amount for the total eligible reserve (25 USC 4132(9); 24 CFR section 1000.239).
2. Unless the conditions specified in 25 USC 4111(d) (regarding tax exemption for real and personal property taxes and user fees) are met, grant funds may not be used for affordable housing activities for rental or lease-purchase dwelling units developed
- a. under the United States Housing Act of 1937 (42 USC 1437 *et seq.*), or
  - b. with amounts provided under 25 USC Chapter 43 that are owned by the recipient for the tribe.

## **E. Eligibility**

### **1. Eligibility for Individuals**

Each recipient shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant funds (25 USC 4133(d)). The following families are eligible for affordable housing activities (25 USC 4131(b)):

- a. Low-income Indian families on a reservation or Indian area (Section 201(b)(1) of NAHASDA (25 USC 4131(b)(1))).
- b. A non-low-income family may receive housing assistance if HUD approves that housing assistance due to a need that cannot reasonably be met without the assistance (Section 201(b)(2) of NAHASDA (25 USC 4131(b)(2))). A family that was low-income at the times described in 24 CFR section 1000.147 but subsequently becomes a non-low-income family due to an increase in income may continue to participate in the program in accordance with the recipient's admission and occupancy policies. This includes a family member or household member who takes ownership of a homeownership unit. Non-low-income families cannot

receive the same benefits that are provided to low-income families, as benefits are limited by 24 CFR section 1000.110(d) and must be based on the recipient's admission and occupancy policies (24 CFR section 1000.110).

- c. A family may receive housing assistance on a reservation or Indian area if the family's housing needs cannot be reasonably met without such assistance, and the recipient determines that the presence of that family on the reservation or Indian area is essential to the well-being of Indian families. Assistance for essential families does not require HUD approval, but only requires that the recipient determine that the presence of that family on the reservation or Indian area is essential to the well-being of Indian families and the family's housing needs cannot be reasonably met without such assistance (Section 201(b)(3) of NAHASDA (25 USC 4131(b)(3))).
- d. A law enforcement officer on an Indian reservation or other Indian area may receive housing assistance, if:
  - (1) The officer is employed on a full-time basis by the Federal Government or a State, county, or other unit of local government, or lawfully recognized tribal government;
  - (2) In implementing such full-time employment, the officer is sworn to uphold, and make arrests for violations of Federal, State, county, or tribal law; and
  - (3) The recipient determines that the presence of the law enforcement officer on the Indian reservation or other Indian area may deter crime (Section 201(b)(4) of NAHASDA (25 USC 2531(b)(4))).

**2. Eligibility for Group of Individuals or Area of Service Delivery – Not Applicable**

**3. Eligibility for Subrecipients – Not Applicable**

**G. Matching, Level of Effort, Earmarking**

**1. Matching – Not Applicable**

**2. Level of Effort – Not Applicable**

**3. Earmarking**

- a. Up to 10 percent of an annual grant may be used to provide housing assistance to families whose adjusted income (defined at 25 USC 4103(1)) falls within 80 to 100 percent of the median income (defined at 24 CFR section 1000.10 as the greater of the median income in the county in

which the Indian area is located or the median income of the United States). HUD approval is required to exceed this 10 percent cap or to provide assistance to families with incomes in excess of 100 percent of the median income (24 CFR section 1000.110(c)).

- b. A recipient receiving more than \$500,000 may use up to 20 percent of its annual expenditures of grant funds or up to 20 percent of its annual grant amount, whichever is greater, for eligible administration and planning expenses described in 24 CFR section 1000.236. A recipient receiving \$500,000 or less may use up to 30 percent of its annual expenditures of grant funds or up to 30 percent of its annual grant amount, whichever is greater, for eligible administration and planning expenses. When a recipient is receiving grant funds on behalf of one or more grant beneficiaries, the recipient may use (1) up to 30 percent of the annual expenditure of grant funds or up to 30 percent of the annual grant amount, whichever is greater, of each grant beneficiary whose allocation is \$500,000 or less; and (2) up to 20 percent of the annual expenditure of grant funds or up to 20 percent of the annual grant amount, whichever is greater, of each grant beneficiary whose allocation is greater than \$500,000. HUD approval must be obtained to exceed these percentages (24 CFR section 1000.238).

## **H. Period of Performance**

Grant funds received prior to FY 2012 may be used until expended. For IHBG grant funds received in FY 2012 and subsequent fiscal years, all funds must be expended by September 30 of the 9<sup>th</sup> year of the appropriation; for example FY 12 funds must be expended by September 30, 2021 (Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, 125 Stat. 681, November 18, 2011 and subsequent appropriations).

## **I. Procurement and Suspension and Debarment**

For the IHBG program, funds used are subject to section 7(b) of the Indian Self-Determination and Education Assistance Act (25 USC 450e(b)) or, if applicable, tribal preference in contracting under 25 USC 4111(k), which means that a recipient is to apply employment and contract preference laws (including regulations and tribal ordinances) that it has adopted; or, in absence of such laws, to the greatest extent feasible, a recipient is to give preference in the award of contracts to Indian organizations and Indian-owned economic enterprises (24 CFR section 1000.52).

A recipient is not required to comply with the procurement requirements under 2 CFR sections 200.318 through 200.326 or the Indian preference requirements with respect to any procurement of goods and services using IHBG funds with a value of less than \$5,000 (25 USC 4133(g)).



## **J. Program Income**

1. Program income may be used for any housing or housing-related activity and is not subject to other Federal requirements (24 CFR section 1000.64).
2. If the amount of program income received in a single year by a recipient and all of its subrecipients, which would otherwise be considered program income, does not exceed \$25,000, such funds may be retained but will not be considered to be or be treated as program income (24 CFR section 1000.62).
3. Recipients are not required to expend retained program income before drawing down or expending IHBG funds (24 CFR section 1000.26(a)(5)).

## **L. Reporting**

### **1. Financial Reporting**

- a. SF-270, *Request for Advance or Reimbursement* – Not Applicable
- b. SF-271, *Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. SF-425, *Federal Financial Report* – Applicable

### **2. Performance Reporting**

- a. HUD-52737, *Indian Housing Plan/Annual Performance Report (OMB No. 2577-0218)* – Recipients may complete the Annual Performance Report component of the form using either a Word or Excel version that is submitted by paper or electronically as an email attachment to the Area Office of Native American Programs (ONAP) within 90 days of the end of the recipient's program year.

*HUD-52737 Key Line Items* – The following line items contain critical information:

- (1) Section 3, Line 1.9 – Planned and Actual Outputs for 12-Month Program Year.
- (2) Section 5, Line 1 – Sources of Funds – columns G and K.
- (3) Section 5, Line 2 – Uses of Funds – columns O through Q.
- (4) Section 11, Line 1 – Inspections of Units, Columns C through F
- (5) Section 14, Lines 1 and 2 – Jobs Supported by NAHASDA.

- b. HUD- 60002, *Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons (OMB No. 2529-0043)* – Each recipient that administers covered public and Indian housing assistance, regardless of the amount expended, and each recipient that administers covered housing and community development assistance in excess of \$200,000 in a program year, must submit HUD 60002 information using the automated Section 3 Performance Evaluation and Registry (SPEARS) System (24 CFR sections 135.3(a)(1) and 135.90).

Information on the automated system is available at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/section3/section3/spears](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3/spears). The system was launched on August 24, 2015. The due date for submission of 2013 and 2014 reports was extended to December 15, 2015. SPEARS pre-populates Form HUD 60002 with recipient name and address along with disbursement data for program funding covered by Section 3. Users have the flexibility of selecting the 12-month reporting period, typically to coincide with their respective fiscal cycle.

*Key Line Items* – The following line items contain critical information:

- (1) Number of new hires that meet the definition of a Section 3 resident
- (2) Total dollar amount of construction contracts awarded during the reporting period
- (3) Dollar amount of construction contracts awarded to Section 3 businesses during the reporting period
- (4) Number of Section 3 businesses receiving the construction contracts
- (5) Total dollar amount of non-construction contracts awarded during the reporting period
- (6) Dollar amount of non-construction contracts awarded to Section 3 businesses during the reporting period
- (7) Number of Section 3 businesses receiving the non-construction contracts

**3. Special Reporting – Not Applicable**

## **N. Special Tests and Provisions**

### **1. Wage Rate Requirements**

**Compliance Requirement** - NAHASDA imposes the Wage Rate Requirements on contracts and agreements for assistance, sale, or lease for payments to laborers and mechanics employed in the development of affordable housing. NAHASDA provides that the Wage Rate Requirements and HUD-determined rates shall not apply to a contract or agreement if the contract or agreement is otherwise covered by a law or regulation adopted by an Indian tribe that provides for the payment of not less than prevailing wages as determined by the tribe. This requires the Indian tribe to pass a tribal law or regulation and ensure that the law requires the payment of not less than those wage rates the tribe determines to be prevailing (Section 104(b) of NAHASDA (25 USC 4114(b)); 24 CFR section 1000.16)).

See Wage Rate Requirements Cross-Cutting Section (page 4-20.001-1).

### **2. Environmental Review**

**Compliance Requirement** – Program regulations provide that a tribe may assume responsibilities for environmental review and decision making under the requirements of 24 CFR part 58 or it may allow HUD to retain these responsibilities. The tribe is the responsible entity, whether or not a TDHE is authorized to receive IHBG grant amounts on behalf of the tribe (24 CFR section 58.2(a)(7)(ii)). If HUD retains the responsibilities, HUD will do reviews under the provisions of 24 CFR part 50 (24 CFR section 1000.20). A HUD environmental review must be completed for any activities not excluded before a recipient may acquire, rehabilitate, convert, lease, repair or construct property, or commit HUD or local funds (24 CFR section 1000.20(a)).

If the tribe assumes these responsibilities, the following applies: an environmental assessment must be prepared for an activity unless the tribe determined that the activity met a criterion specified in the regulations that would exempt or exclude it from Request for Release of Funds (RROF) and environmental certification requirements (24 CFR sections 58.34 and 58.35). Exempt activities do not require an environmental review; activities that are potential exclusions require an environmental review to determine if an exclusion is applicable. If not applicable, an assessment must be done. No funds may be committed for a grant activity or project before the completion of the environmental review and approval of the request for release of funds and related certification required by 25 USC 4115(b), except as authorized by 24 CFR part 58, such as for the costs of environmental reviews and other planning and administrative expenses (24 CFR section 1000.20(b)(3)).

**Audit Objectives** – Determine whether (1) the required environmental reviews have been performed and (2) program funds were not obligated or expended prior to completion of the environmental review process.

### **Suggested Audit Procedures**

Select a sample of projects for which expenditures were made and, if the tribe assumed environmental responsibilities, verify that:

- a. Environmental certifications were supported by an environmental assessment.
- b. For any project where an environmental assessment was not performed, a written determination was made that the assessment was not required and documentation exists to support such determination consistent with the criteria contained in 24 CFR sections 58.34 and 58.35.
- c. Funds were not obligated or expended prior to the environmental assessment or a determination that an assessment was not required.

### **3. Investment of IHBG Funds**

**Compliance Requirement** – A recipient may invest IHBG funds for purposes of carrying out IHBG activities in investment securities if approved by HUD (25 USC 4134). Under IHBG, investments may be for a period not to exceed 5 years and only in those accounts or instruments identified in 24 CFR section 1000.58(c). A recipient may invest its IHBG annual grant in an amount equal to the annual formula grant amount less any formula grant amounts allocated for the operating subsidy element of the Formula Current Assisted Stock component of the formula.

**Audit Objective** – Determine whether the investment of IHBG funds by the recipient meets the requirements of 24 CFR section 1000.58.

### **Suggested Audit Procedures**

If IHBG funds have been invested during the audit period:

- a. Ascertain that prior written HUD approval had been obtained, and any conditions or restrictions on the approval.
- b. Verify that the funds were invested only in those allowable accounts or instruments and within any conditions or restriction on the approval.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Anywhere Town

We have audited the accompanying basic financial statements of the Tribe/TDHE (the Authority), a component unit of the Indian Tribe, as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tribe/TDHE Housing as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accept in the United States of America.

### Emphasis of Matter

The Tribe/TDHE Housing adopted the provisions of the GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, for the year ended December 31, 2015. Our opinion is not modified with respect to these matters.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis as listed in the table of contents, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on Management's Discussion and Analysis, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Indian Housing Authority's basic financial statements. The supplementary and other information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular States, *Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary and other information, as listed in the table of contents, and the schedule of expenditures of federal awards, are the responsibility of the management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary and other information, as listed in the table of contents, and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2016, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Signature  
Name, Firm  
Location  
March 20, 2016

AUDITOR NAME

AUDITOR ADDRESS

Report on Compliance for Each Major Program and on Report on Internal Control over Compliance in Accordance with OMB Circular A-133

Independent Auditor's Report

Board of Commissioners

Ladies and Gentlemen:

Compliance

We have audited the compliance of Tribe/TDHE with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. Cook Inlet Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the entity's management.

Auditor's Responsibility

Our responsibility is to express an Opinion on the Tribe/TDHE's compliance with the applicable compliance requirements based on our compliance audit.

We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the compliance audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. A compliance audit includes examining, on a test basis, evidence about the Tribe/TDHE's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our compliance audit provides a reasonable basis for our opinion. Our compliance audit does not provide a legal determination on Tribe/TDHE's compliance with those requirements.

Board of Commissioners

Opinion

In our opinion, Tribe/TDHE complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Internal Control over Compliance

The management of Tribe/TDHE is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our compliance audit, we considered Tribe/TDHE's internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our compliance auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cook Inlet Housing Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Restricted Use

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Town, State

Date



**TRIBE/TDHE HOUSING  
(A Component Unit of the Indian Tribe)  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015**

**SECTION I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?            Yes            No
- Significant deficiency(ies) identified?            Yes            None reported

Noncompliance material to financial statements noted?            Yes            No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?            Yes            No
- Significant deficiency(ies) identified?            Yes            None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?            Yes            None reported

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.867	Indian Housing Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?            Yes            No

**SECTION II - Financial Statement Findings**

No matters were reported.

**SECTION III - Federal Award Findings and Questioned Costs**

No matters were reported.

**TRIBE/TDHE HOUSING**  
**(A Component Unit of the Indian Tribe)**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2015**

<u>Federal Grantor/Pass-through Program Title or Cluster</u>	<u>Federal CFDA Number</u>	<u>Grant or Program Number</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Housing &amp; Urban Development</b>				
Office of Native American Programs				
Indian Housing Block Grants Cluster				
Indian Housing Block Grant	14.867	551H0201230	\$ 1,254,000	\$ 1,029,100
Indian CDBG Program Cluster				
Indian Community Development Block Grant Program	14.862	61199999999	500,000	8,000
Total Awards			----- \$ 1,754,000	----- \$ 1,037,100 -----

# REQUEST FOR PROPOSALS FOR AUDIT SERVICES

Pursuant to the procurement requirements of the U.S. Department of Housing and Urban Development, the Southwest Tribal Housing Authority is soliciting proposals from qualified firms and individuals for the provision of audit services. Interested parties must submit written proposals to:

Mr. John Smith, Finance Director  
Southwest Tribal Housing Authority PO  
Box 999  
Westhaven, AZ 91234

Proposals must be received, in person or by mail, on or before 4:00 PM, Monday, July 16, 2017. Proposal received after this deadline will only be considered if insufficient qualified proposals are received prior to the deadline.

Any questions regarding this solicitation must be submitted in writing to Mr. John Smith at the above address prior on or before Monday, July 2, 2017. Responses to these questions will be issued to all firms on the mailing list of this solicitation.

## **BACKGROUND**

The Southwest Tribal Housing Authority is a public entity charged with the task of administering federal housing programs for the Southwest Tribe. A five-member Board of Commissioners governs the Authority, under the overall oversight of the Southwest Tribal Council.

Primary income sources are the administrative fees and rents earned through the management of approximately 625 housing units, and the grant monies received through the Indian Housing Block Grant Program administered by the HUD Office of Native American Programs. Total estimated annual grants and revenues are approximately \$900,000. Cash and investments as of the publication of this RFP were approximately \$1.6 million.

## **SCOPE OF SERVICES**

The audit services to be provided are for the year ending December 31, 2017, with an option for up to two additional years. Services to be provided are according to the sample Agreement that is attached and is a part of this Request for Proposals. All audit services are to be completed no later than 90 days following acceptance of the proposal, with a final report presented by the auditor to the Board of Commissioners at the following month's Board meeting.

The Scope of Services of the audit shall be in conformity with the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" Section 2 CFR 200.514. It is anticipated that the auditor will need to recommend adjusting entries to present financial information according to GAAP.

It is expected that the report to the BOC shall be in a manner that will enable the Commissioners to fully understand the financial condition of the STHA as represented in the financial statements, and shall fully understand the reasons for all audit findings, if

any, and the actions to be taken by STHA to resolve them.

## **CONTENT OF THE PROPOSALS**

To adequately select the firm or individual who will best serve the needs of the Housing Authority, it will be necessary to review the experience of the respondents as it closely relates to those needs, and to review the expertise and qualifications of the individual(s) who will be providing the services. To meet these objectives, the quotation must contain a resume of all individuals who would be providing the services, with special attention to the experience related to Public or Indian Housing Authorities, Indian Tribes, or similar organizations. A sample list of these firms must be provided.

The firm must be represented by a Certified Public Accountant, licensed in the State of Arizona. A copy of such license and credentials must be submitted with the proposal. The proposal must also include the proposed price of the audit, including all travel and related cost. The cost of the audit may be a factor when reviewing the firms under final consideration. A copy of the most recent Peer Review Report must also be provided.

## **SELECTION PROCESS**

According to Federal regulations and Authority policies, Indian Preference in the selection of firms shall apply. An Indian firm (ownership of 51% or more by a member of a federally-recognized Tribe) will be granted fifteen points of a total possible one hundred points. The following is a summary of the ranking criteria to be used:

<u>Points</u>	<u>Criteria</u>
25 points	Firm's general overall experience with housing authorities that administer Federal Native American programs, including, but not limited to, the Indian Housing Block Grant program.
25 points	Specific qualifications, availability and experience of key personnel who will be performing the audit, specifically with respect to performing similar work.
25 points	Results of peer and external quality control reviews.
10 points	Overall quality and responsiveness of the proposal.
15 points	Indian preference

The Housing Authority reserves the right to interview the candidates prior to the final selection. A recommendation by the Finance Director will be made to the Board of Commissioners, who will then make the final selection. The successful firm or individual will be notified shortly thereafter so that the audit process can begin as soon as possible.

## **SPECIAL REQUIREMENTS**

Firms submitting proposals should be aware that the Southwest Tribal Housing Authority is subject to all requirements associated with the Indian Housing Block Grant Program as administered by the U.S. Department of Housing and Urban Development. These include the requirements specified in 2 CFR 200 Subpart F related to fiscal audits, and other requirements specified in 24 CFR 1000.

## **SECTION XIII: REPORTING REQUIREMENTS AND MONITORING ATTACHMENTS**

1. Form SF-425 Federal Financial Report
2. ONAP Guidance No. 2014-07, July 21, 2014, Federal Financial Report – Standard Form 425 Instructions and Guidance for the IHBG Program.

## FEDERAL FINANCIAL REPORT-WORKSHEET

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)	Page <b>1</b>	of  pages
<b>ONAP</b>		<b>For 55IT or 55IH Grant</b>	

3. Recipient Organization (Name and complete address including Zip code)

4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type <input type="checkbox"/> Quarterly ( <b>always</b> ) <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input type="checkbox"/> Accrual
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8. Project/Grant Period From: (Month, Day, Year) <b>Program years</b> <b>10/01 - 01/01 - 04/01</b>	To: (Month, Day, Year) <b>Program years</b> <b>9/30 - 12/31 - 3/31</b>	9. Reporting Period End Date (Month, Day, Year) <b>12/31 - 03/31 - 06/30 - 9/30</b>
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10. **Transactions** Cumulative

(Use lines a-c for single or multiple grant reporting)

<b>Federal Cash (To report multiple grants, also use FFR Attachment):</b>	
a.1 Cash Receipts - <b>LOCCS draws received during period</b>	\$0.00
a.2 Cash Receipts - <b>Positive/negative cash on hand (Grant Payable/Grant Receivable) from prior FY end</b>	\$0.00
a. Cash Receipts (a.1 plus/minus a.2)	\$0.00
b. Cash Disbursements <b>IHBG expenditures per accounting records cumulative for year</b>	\$0.00
c. Cash on Hand (line a minus b) <b>Should be equivalent to grant receivable (if negative) or grant payable if positive</b>	\$0.00

(Use lines d-o for single grant reporting)

<b>Federal Expenditures and Unobligated Balance:</b>	
d.1 Total Federal funds authorized <b>LOCCS balance at prior FY end</b>	\$0.00
d.2 Total Federal funds authorized <b>New grant (once) received</b>	\$0.00
d.3 Total Federal funds authorized <b>Positive/negative cash on hand (Grant Payable/Grant Receivable) from prior FY end</b>	\$0.00
d. Total Federal funds authorized <b>(d.1 plus d.2 plus/minus d.3)</b>	\$0.00
e. Federal share of expenditures <b>IHBG expenditures per accounting records cumulative for year</b>	\$0.00
f. Federal share of unliquidated obligations <b>(Not expenditures, but future committed funds via awarded contracts, force account labor, etc.)</b>	\$0.00
g. Total Federal share (sum of lines e and f)	\$0.00
h. Unobligated balance of Federal funds (line d minus g)	\$0.00

**Recipient Share:**

i. Total recipient share required <b>(Tribal fund match for project / non-program income) generally N/A</b>	\$0.00
j. Recipient share of expenditures	\$0.00
k. Remaining recipient share to be provided (line i minus j)	\$0.00

**Program Income:**

l.1 Total Federal program income earned - <b>Carryforward prior FY end unexpended balance</b>	\$0.00
l.2 Total Federal program income earned - <b>Current years cumulative program income</b>	\$0.00
l. Total Federal program income earned (l.1 plus l.2)	\$0.00
m. Program income expended in accordance with the deduction alternative <b>N/A</b>	\$0.00
n. Program income expended in accordance with the addition alternative	\$0.00
o. Unexpended program income (line l minus line m or line n)	\$0.00

11. Indirect Expense (Optional)	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
g. Totals:							

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation: ..... **Cash on Hand / Details of Invested IHBG funds (use attachment) / P&A Reserves / PI**

13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official	c. Telephone (Area code, number and extension)
	d. Email address
b. Signature of Authorized Certifying Official	e. Date Report Submitted (Month, Day, Year)

14. Agency use only:

Standard Form 425  
OMB Approval Number: 0348-0061  
Expiration Date: 10/31/2011

**Paperwork Burden Statement**  
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.

# RECIPIENT GUIDANCE

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**PROGRAM:** Indian Housing Block Grant

**FOR:** Tribal Government Leaders and Tribally Designated Housing Entities  
*TRIBA*

**FROM:** Rodger J. Boyd, Deputy Assistant Secretary for Native American Programs

**TOPIC:** Federal Financial Report – Standard Form 425  
Instructions and Guidance for the IHBG Program

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**PURPOSE:** The purpose of this guidance is to update tribes and tribally designated housing entities (TDHE) on the requirements of the Federal Financial Report (FFR) as it applies to the Indian Housing Block Grant (IHBG) program. For the IHBG program, this guidance replaces Program Guidance 2012-01 and 2014-04.

**BACKGROUND:** The FFR applies to all Federal grants including the IHBG program. Each recipient of Federal financial assistance must account for the funds received and disbursed. Reports must be signed and submitted to the Area Office of Native American Programs (Area ONAP).

On April 28, 2011, ONAP issued PIH Notice 2011-23, implementing the new Indian Housing Plan/Annual Performance Report (IHP/APR) Form and related changes to the IHP and APR business process which initiated a shift from grant-specific to program year reporting. As a result of this change, all IHBGs were consolidated under a single grant number with funding budgeted and reported on a 12-month, program-year basis. This guidance provides instruction on how the FFR (SF 425) should be completed.

**DUE DATES:** Each recipient is required to submit one FFR per quarter for each 12-month program year. The 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarterly reports must be submitted no later than 30 days after the end of the calendar quarter. The 4<sup>th</sup> quarterly report is due 90 days after the end of the 4<sup>th</sup> quarter. The 4<sup>th</sup> quarterly report is the final report for the recipient's 12-month program year. The quarterly reports are due as indicated in the chart below and are based on the recipient's specific program year.

<b>Program Year</b>	<b>Q1 Due Date</b>	<b>Q2 Due Date</b>	<b>Q3 Due Date</b>	<b>Q4 Due Date</b>
Oct 1 – Sept 30	Jan 30	April 30	July 30	Dec 29
Jan 1 – Dec 31	April 30	July 30	Oct 30	Mar 31
Apr 1 – March 31	July 30	Oct 30	Jan 30	Jun 29
July 1 – June 30	Oct 30	Jan 30	April 30	Sept 29

**DEFINITION OF TERMS:** The FFR and its instructions contain several technical terms. The definitions are provided below in alphabetical order.

- *Accrual Accounting:* An accounting method that records revenue and expenses when incurred, regardless of when cash is exchanged. In general, economic events are recognized by matching revenues to expenses (the matching principle) at the time when the transaction occurs, rather than when payment is made (or received). This method allows the current cash inflows/outflows to be combined with future expected cash inflows/outflows to give a more accurate picture of a recipient’s current financial condition.
- *Cash Basis Accounting:* An accounting method where income (or revenue) is recognized only when payment is received and expenses are recognized only when payment is made. Basically, when cash is received for the sale of property, it is recorded in the accounting records as revenue at the time. This is in contrast with accrual accounting, where the sale would be recorded in the books of account when a contract is executed rather than when cash is actually received.
- *Cash Disbursements:* Payment for goods or services in cash, check or electronic payment.
- *Cash on Hand:* Cash in actual possession; also called cash-in-hand or cash-on-hand.
- *Cash Receipt:* A printed or electronic document recording each time cash is received for a good or service.
- *Federal Share of Un-liquidated Obligations:* The amount of Federal funds legally committed that have not been expensed such as an account payable for items ordered or received but for which the supplier has not been paid. See below for definition of obligation.
- *Fund Accounting:* A system used by nonprofit and government organizations, including tribal governments and TDHEs. The accounting records take the form of a collection of funds, each fund having a distinct purpose, ranging from operating expenses to funding the various activities of the organization.
- *Obligation:* Any legally-binding agreement to pay a particular sum of money for contract labor, supplies, materials or services. Please refer to PIH Notice 2000-26 (TDHEs) for a description of the different types of funding obligations.
- *Program Income Earned:* Represents income earned by the recipient that is directly generated by a supported activity or earned as a result of the award.



- *Total Federal Funds Authorized:* Represents the total amount of Federal funds awarded for approved activities or projects.

**INSTRUCTIONS FOR COMPLETING THE FFR:** Generally, procedures for grant programs require recipients to request periodic disbursements concurrent with incurring eligible costs. HUD’s disbursement policy permits grant recipients to request funds to meet immediate cash needs for reimbursement of eligible costs incurred/paid with other funding sources. Grant disbursements are expected to be expended within three (3) business days of receipt. The primary focus of the FFR for the IHBG program is to:

- Record and track the revenue and expenditure of IHBG funds;
- Capture anticipated obligations of IHBG funds (paid expenses that will be reimbursed with IHBG funds); and
- Report on investments, program income and planning and administration reserve amounts.

Recipients are expected to follow the instructions and guidance closely to ensure data accuracy, consistency, and reliability. All FFRs submitted to the Area ONAP are based on single grant reporting; therefore, only the SF-425 is used. The SF-425A is used for multiple grant reporting and is not applicable to any of ONAP’s programs at this time.

The SF 425 form is available for downloading from the following website:  
[http://www.whitehouse.gov/sites/default/files/omb/assets/grants\\_forms/SF-425.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/grants_forms/SF-425.pdf)

**LINE-BY-LINE INSTRUCTIONS AND GUIDANCE:** The following table outlines the instructions for reporting IHBG program revenue and expenditures:

Form Line Item	ONAP Guidance
1	Enter “Department of Housing and Urban Development ONAP”.
2	Enter the grant number assigned by the Federal agency.
3	Enter the name and complete address of the recipient organization including zip code.
4(a)	Enter the recipient organization’s Data Universal Numbering System (DUNS) number.
4(b)	Enter the recipient organization’s Employer Identification Number (EIN).
5	This is optional. The recipient may enter an account number or other identifier they assign, not HUD, or leave blank.
6	Mark appropriate box.
7	Mark appropriate box Cash or Accrual. Financial data should be presented using the same basis of accounting as the APR and the Schedule of Expenditures of Federal Awards (SEFA). (i.e. financial statements prepared by the recipient in preparation for completion of the A-133 audit process). To ensure that the grant accrual methodology remains reasonable and appropriate, HUD will review the approach each quarter based on receipt of FFR (SF-425) data. It is critical that the methodology of the accrual process is consistently applied.

Form Line Item	ONAP Guidance
8	Indicate the period established in the award. The “From” date will be the first day of the recipient’s current 12-month program year and the “To” date will be the last day of that 12-month program year. For a recipient with a program year that begins in October, the “From” date will be October 1 of that year and the “To” date will be September 30 of the following year (e.g., October 1, 2012, to September 30, 2013). There will be four quarterly FFRs submitted for each 12-month program year and then the reporting process will start over.
9	Enter the ending date of the reporting period. Use the following reporting period end dates: 3/31, 6/30, 9/30 or 12/31.
10a	Enter the cumulative amount of actual cash received for the 12-month program year from the Federal agency as of the reporting period end date. This is the amount of all LOCCS draw-downs received for the subject grant from the “From” date until the end of this reporting period. This should include any <u>undisbursed</u> cash on hand at the end of the prior program year. (See definition of <i>Cash Disbursements</i> above).
10b	Enter the cumulative amount of Federal fund disbursements (such as cash or checks) as of the reporting period end date. Disbursements are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses charged to the award, and the amount of cash advances and payments made to sub-recipients and contractors and the amount of expenses paid from other funds that will be reimbursed by IHBG funds as of the reporting period end date.
10c	Enter the amount of Line 10a minus Line 10b. This amount represents immediate cash needs. Excess cash on hand, for more than three business days, requires an explanation on Line 12, Remarks, explaining why the draw down was made prematurely or other reasons for the excess cash.
10d	Enter the total Federal funds authorized as of the reporting period end date. This will be the IHBG grant amount for the 12-month program year. For ease of reporting, recipients should include the balance in LOCCS for the “55 Project” at the beginning of its program year and any undisbursed IHBG cash on hand from the previous program year. Recipients must add any grant amounts awarded during the program year.
10e	Enter the amount of Federal fund expenditures. This amount will equal or exceed the amount reported on Line 10b. For reports prepared on a cash basis, expenditures are: the sum of cash disbursements for direct charges for property and services; the amount of indirect expense charged; the value of third-party in-kind contributions applied; and the amount of cash advance payments and payments made to sub-recipients. Expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense incurred; the value of in-kind contributions applied; and the net increase or decrease in the amounts owed by the recipient for (1) goods and other property received; (2) services performed by employees, contractors, sub-recipients, and other payees; and (3) programs for which no current services or performance are required.

Form Line Item	ONAP Guidance
10f	Enter the Federal portion of unliquidated obligations. Unliquidated obligations on a cash basis are obligations incurred, but not yet paid including amounts due to sub-recipients and contractors. On an accrual basis, they are obligations incurred, but for which expenditures have not been recorded. Do not include any amount in Line 10f that has been reported in Line 10e. Do not include any amount in Line 10f for a future commitment of funds (such as a long-term contract) for which an obligation or expense has not been incurred.
10g	Enter the sum of Lines 10e and 10f.
10h	Enter the amount of Line 10d minus Line 10g.
10i	A recipient share is not required under the IHBG program.
10j	Enter recipient funds (e.g., tribal funds, revolving loans, non-program income, rental receipts, etc.) expended for program activities.
10k	Enter sum 10j minus 10i.
10l	Enter the cumulative amount of Federal program income earned during the reporting period, including interest earned on IHBG investments. Include any program income on hand from the previous reporting period (Line 10.o.). See instructions for Line 12, Remarks, for additional reporting requirements related to program income.
10m	Leave blank. IHBG recipients are not required to use earned income to reduce the grant amount.
10n	Enter the cumulative amount of program income expenditures for the reporting period.
10o	Enter the amount of Line 10l minus Line 10n. This amount equals the program income that has been earned but not expended, as of the reporting period end date.
11	This information is optional for the IHBG program.
12	<p>The remarks should clarify or explain information contained in the report. Additional pages may be attached. Explanations should be provided for the following:</p> <p><b>Cash on Hand:</b> Explain any IHBG cash on hand that exceeds cash needs of 3 business days including: (1) funds drawn down for investment purposes; and (2) funds drawn down to establish or replenish a reserve for planning and administration.</p> <p><b>Invested IHBG Funds:</b> Include: (a) the amount(s) drawn down; (b) the draw down date(s); (c) the date(s) that the funds were invested in an approved investment instrument; and d) the current balance for all IHBG investments.</p> <p><b>Planning and Administration Reserves:</b> This must include: (a) the amount(s) drawn down; (b) the draw down date(s); (c) the date(s) that the funds were placed in a separate account established for this purpose; (d) amount of interest earned; and (e) current balance of the Planning and Administration Reserve Account(s).</p> <p><b>Amounts Entered on Line 10l:</b> Explain amounts entered on 10l that include, but are not limited to, the amount of interest earned on the investment of IHBG funds.</p>
13a	Enter the name and title of the authorized certifying official.
13b	The authorized certifying official must sign here.
13c	Enter the telephone number (including area code and extension) of the individual listed in Line 13a.
13d	Enter the email address of the individual listed in Line 13a.

Form Line Item	ONAP Guidance
13e	Enter the date the FFR is submitted to the Federal agency using the month, day, and year format.

**SOURCE DOCUMENTATION RETENTION:** Recipients of Federal funds must maintain relevant and reliable accounting systems to ensure that the information provided in the FFR is consistent and fairly presented. Furthermore, recipients are required to maintain all source documents and accumulated transactional documents for expenses included in the FFR.

**SANCTIONS:** In the event that HUD determines that a recipient has failed to comply with its financial accounting, documentation and reporting responsibilities, HUD is authorized to initiate sanctions against the recipient, as stipulated at 24 CFR Part 1000, Subpart F. These sanctions include the suspension, limitation, and/or termination of the recipient’s HUD-funded grants.

*Note:* The Office of Management and Budget (OMB) published new regulations on Guidance for Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which will supersede previous OMB Circulars. HUD is implementing regulations in accordance with the guidance, and expects the new audit and financial regulations will become effective December 26, 2014, or later. FY 2014 grantees will be required to comply with the HUD implementing regulations when they become effective, but should not use them before the effective date.

**ADDITIONAL GUIDANCE:** Contact your Area ONAP if you have any questions.