



NAHASDA Intermediate
May 19, 2021
Day 1 Part 2



LUNCH
1:00 To 2:00 EST

When Must a Family be Low-Income

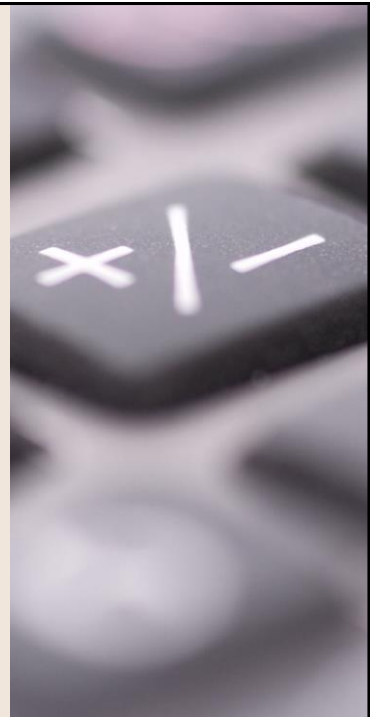
AT THE TIME SERVICES ARE PROVIDED:

- Rental Housing Program * Lease signed with family
- Homeownership Program * Mortgage signed with family
- Rehab Program * Agreement signed with family
- Rental Assistance Program * Agreement signed with landlord



Non-Low-Income Indian Families

- ❖ Refer to the Appendix Guidance and review for non-low-income. If under 10% no HUD approval required
- ❖ If over 10%, HUD approval required
- ❖ If assistance provided to family over 100% of median income, HUD approval required in Advance...
- ❖ Must show housing need that cannot be reasonably met without IHBG assistance
- ❖ Refer to Assisting Non-Low Income PIH Notice 2014-02



Summary of Requirements for serving Non-Low-Income Indian Families

APPLICABILITY	HUD APPROVAL REQUIRED	RENT/HOMEBUYER PAYMENT DIFFERENTIAL REQUIRED BY HUD	COUNTS AGAINST 10% AUTHORITY
Essential Family	No	No	No
Law Enforcement	No	No	No
Continued Occupancy	No	Determined by Tribe/TDHE Occupancy Policy	No
Non-Low-Income Families (10% Authority) Between 80-100% of Median Income	No	Yes	Yes
Secretary Approved: Exceeding 10% Authority To serve Indian Families At 80-100% of Median Income	Yes	Yes	By Definition these Families Exceed the 10% CAP
Secretary Approved: Indian Family over 100% of Median Income	Yes	Yes	No

SEC. 205. LOW-INCOME REQUIREMENT AND INCOME TARGETING.

(2) except for housing assisted under section 202 of the United States Housing Act of 1937 (as in effect before the date of the effectiveness of this Act), each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership, or for such other period that the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this Act, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if such action--

(A) recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid termination of low-income affordability in the case of foreclosure or transfer in lieu of foreclosure; and

(B) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.

SEC. 205. LOW-INCOME REQUIREMENT AND INCOME TARGETING.

(b) EXCEPTION- Notwithstanding subsection (a), housing assisted pursuant to section 201(b)(2) shall be considered affordable housing for purposes of this Act.

(c) APPLICABILITY- The provisions of paragraph (2) of subsection (a) *regarding binding commitments* for the remaining useful life of property shall not apply to a *family* or *household* member who subsequently takes ownership of a homeownership unit.

*Sec 206 Certification of Compliance with Subsidy Layering Requirements –No longer Applies.



SEC. 207. LEASE REQUIREMENTS AND TENANT SELECTION

(a) LEASES- Except to the extent otherwise provided by or inconsistent with tribal law, in renting dwelling units in affordable housing assisted with grant amounts provided under this Act, the owner or manager of the housing shall utilize leases that—

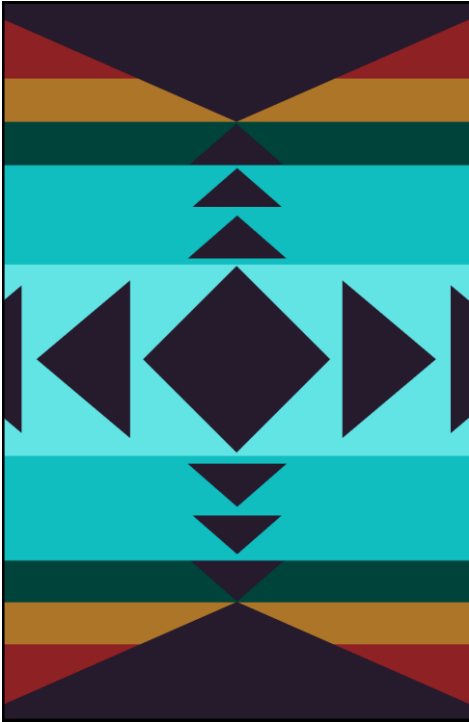
(1) do not contain unreasonable terms and conditions;

(2) require the owner or manager to maintain the housing in compliance with applicable housing codes and quality standards;

(3) require the owner or manager to give adequate written notice of termination of the lease, which shall be the period of time required under State, tribal, or local law;

(4) specify that, with respect to any notice of eviction or termination, notwithstanding any State, tribal, or local law, a resident shall be informed of the opportunity, prior to any hearing or trial, to examine any relevant documents, records, or regulations directly related to the eviction or termination;





SEC. 207. LEASE REQUIREMENTS AND TENANT SELECTION

- (5) require that the owner or manager may not terminate the tenancy, during the term of the lease, except for serious or repeated violation of the terms or conditions of the lease, violation of applicable Federal, State, tribal, or local law, or for other good cause; and
- (6) provide that the owner or manager may terminate the tenancy of a resident for any activity, engaged in by the resident, any member of the household of the resident, or any guest or other person under the control of the resident, that—
- (A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the owner or manager of the housing;
- (B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or
- (C) is criminal activity (including drug-related criminal activity) on or off the premises.

SEC. 207. LEASE REQUIREMENTS AND TENANT SELECTION

(b) TENANT AND HOMEBUYER SELECTION- The owner or manager of affordable rental housing assisted with grant amounts provided under this Act shall adopt and utilize written tenant and homebuyer selection policies and criteria that—

- (1) are consistent with the purpose of providing housing for low-income families;
- (2) are reasonably related to program eligibility and the ability of the applicant to perform the obligations of the lease; and
- (3) provide for—
- (A) the selection of tenants and homebuyers from a written waiting list in accordance with the policies and goals set forth in the Indian housing plan for the tribe that is the grant beneficiary of such grant amounts; and
- (B) the prompt notification in writing to any rejected applicant of that rejection and the grounds for that rejection.



SEC. 208. AVAILABILITY OF RECORDS

(a) PROVISION OF INFORMATION- Notwithstanding any other provision of law, except as provided in subsection (b), the National Crime Information Center, police departments, and other law enforcement agencies shall, upon request, provide information to Indian tribes or tribally designated housing entities regarding the criminal conviction records of applicants for employment, and of adult applicants for, or tenants of, housing assisted with grant amounts provided to such tribe or entity under this Act for purposes of applicant screening, lease enforcement, and eviction.

(b) EXCEPTION- A law enforcement agency described in subsection (a) shall provide information under this paragraph relating to any criminal conviction of a juvenile only to the extent that the release of such information is authorized under the law of the applicable State, tribe, or locality.

SEC. 208. AVAILABILITY OF RECORDS

(c) CONFIDENTIALITY- An Indian tribe or tribally designated housing entity receiving information under this section may use such information only for the purposes provided in this section and such information may not be disclosed to any person who is not an officer, employee, or authorized representative of the tribe or entity or the owner of housing assisted under this Act, and who has a job related need to have access to the information for the purposes under this section. For judicial eviction proceedings, disclosures may be made to the extent necessary. The Secretary shall, by regulation, establish procedures necessary to ensure that information provided under this section to any tribe or entity is used, and confidentiality is maintained, as required under this section.

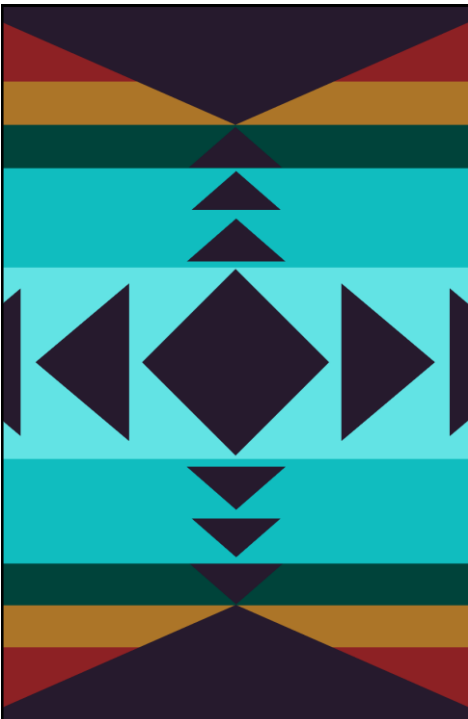
SEC. 209. NONCOMPLIANCE WITH AFFORDABLE HOUSING REQUIREMENT

If a recipient uses grant amounts to provide affordable housing under this title, and at any time during the useful life of the housing the recipient does not comply with the requirement under section 205(a)(2), the Secretary shall take appropriate action under section 401(a).



SEC. 210. CONTINUED USE OF AMOUNTS FOR AFFORDABLE HOUSING

Any funds for programs for low-income housing under the United States Housing Act of 1937 that, on the date of the applicability of this Act to an Indian tribe, are owned by, or in the possession or under the control of, the Indian housing authority for the tribe, including all reserves not otherwise obligated, shall be considered assistance under this Act and subject to the provisions of this Act relating to use of such assistance.



TITLE III--ALLOCATION OF GRANT AMOUNTS

Sec. 301. Annual allocation.

HUD allocates IHBG grant to Tribes in accordance with established formula each fiscal year

Sec. 302. Allocation formula.



TITLE IV--COMPLIANCE, AUDITS, AND REPORTS

- Sec. 401. Remedies for noncompliance.
- Sec. 402. Replacement of recipient.
- Sec. 403. Monitoring of compliance.
- Sec. 404. Performance reports.
- Sec. 405. Review and audit by Secretary.
- Sec. 406. GAO audits.
- Sec. 407. Reports to Congress.
- Sec. 408. Public availability of information.





TITLE V--TERMINATION OF ASSISTANCE FOR INDIAN TRIBES UNDER INCORPORATED PROGRAMS

- Sec. 501. Repeal of provisions relating to Indian housing assistance under United States Housing Act of 1937.
- Sec. 502. Termination of Indian housing assistance under United States Housing Act of 1937.
- Sec. 503. Termination of new commitments for rental assistance.
- Sec. 504. Termination of Youthbuild program assistance.
- Sec. 505. Termination of HOME program assistance.
- Sec. 506. Termination of housing assistance for the homeless.
- Sec. 507. Savings provision.
- Sec. 508. Effective date.
- **Sec. 509. Effect on HOME Investment Partnerships Act.**



TITLE VI- FEDERAL GUARANTEES FOR FINANCING FOR TRIBAL HOUSING ACTIVITIES

- Sec. 601. Authority and requirements.
- Sec. 602. Security and repayment.
- Sec. 603. Payment of interest.
- Sec. 604. Training and information.
- Sec. 605. Limitations on amount of guarantees.
- Sec. 606. Effective date.
- **Sec. 606. Demonstration program for guaranteed loans to finance tribal community and economic development activities.**



TITLE VII--OTHER HOUSING ASSISTANCE FOR NATIVE AMERICANS

- Sec. 701. Loan guarantees for Indian housing.
- Sec. 702. 50-year leasehold interest in trust or restricted lands for housing purposes.
- Sec. 703. Training and technical assistance.
- Sec. 704. Public and Assisted Housing Drug Elimination Act of 1990.
- Sec. 705. Effective date.

1000.2 What are the guiding principles in the implementation of NAHASDA?



1000.2 What are the guiding principles in the implementation of NAHASDA?

a) The Secretary shall use the following Congressional findings set forth in section 2 of NAHASDA as the guiding principles in the implementation of NAHASDA:

(1) The Federal government has a responsibility to promote the general welfare of the Nation:

(i) By using Federal resources to aid families and individuals seeking affordable homes in safe and healthy environments and, in particular, assisting responsible, deserving citizens who cannot provide fully for themselves because of temporary circumstances or factors beyond their control;

(ii) By working to ensure a thriving national economy and a strong private housing market; and

(iii) By developing effective partnerships among the Federal government, state, tribal, and local governments, and private entities that allow government to accept responsibility for fostering the development of a healthy marketplace and allow families to prosper without government involvement in their day-to-day activities.

(2) There exists a unique relationship between the Government of the United States and the governments of Indian tribes and a unique Federal responsibility to Indian people.

(3) The Constitution of the United States invests the Congress with plenary power over the field of Indian affairs, and through treaties, statutes, and historical relations with Indian tribes, the United States has undertaken a unique trust responsibility to protect and support Indian tribes and Indian people.

1000.2 What are the guiding principles in the implementation of NAHASDA?

4) The Congress, through treaties, statutes, and the general course of dealing with Indian tribes, has assumed a trust responsibility for the protection and preservation of Indian tribes and for working with Indian tribes and their members to improve their housing conditions and socioeconomic status so that they are able to take greater responsibility for their own economic condition.

(5) Providing affordable homes in safe and healthy environments is an essential element in the special role of the United States in helping Indian tribes and their members to improve their housing conditions and socioeconomic status.

(6) The need for affordable homes in safe and healthy environments on Indian reservations, in Indian communities, and in Native Alaskan villages is acute and the federal government shall work not only to provide housing assistance, but also, to the extent practicable, to assist in the development of private housing finance mechanisms on Indian lands to achieve the goals of economic self-sufficiency and self-determination for Indian tribes and their members.

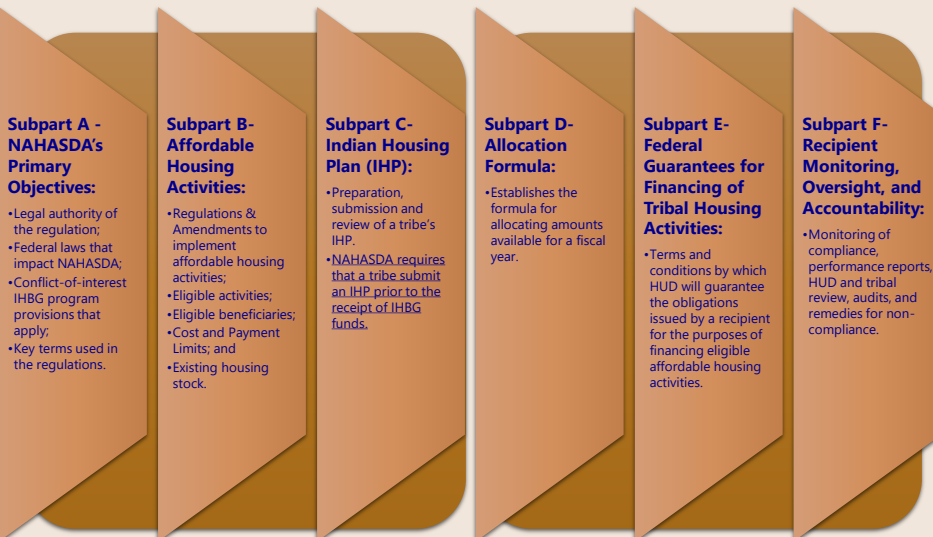
(7) Federal assistance to meet these responsibilities shall be provided in a manner that recognizes the right of Indian self-determination and tribal self-governance by making such assistance available directly to the Indian tribes or tribally designated entities under authorities similar to those accorded Indian tribes in Public Law 93-638 (25 U.S.C. 450 et seq.).

(b) Nothing in this section shall be construed as releasing the United States government from any responsibility arising under its trust responsibilities towards Indians or any treaty or treaties with an Indian tribe or nation.

NAHASDA REGULATIONS-24 CFR Part 1000



24 CFR Part 1000 – Native American Housing Activities 6 Subparts of Regulation



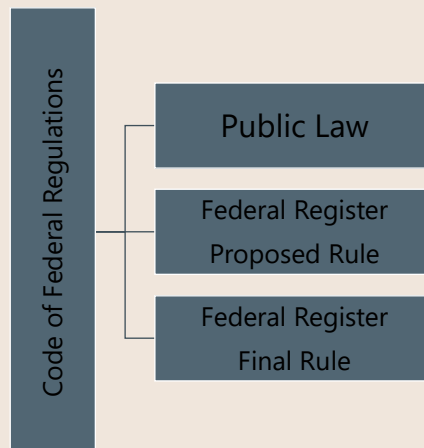
ELECTRONIC CODE OF FEDERAL REGULATIONS e-CFR data is current as of March 13, 2020, Title 24 → Subtitle B → Chapter IX → Part 1000 Title 24: Housing and Urban Development

Replaces 24 CFR 950 Final Published 3/12/98

Amended:

3/17/98
1/20/99
9/28/01
6/24/03
6/17/04
1/27/05
4/20/07
10/18/07
4/1/08
1/2/13

Federal regulations result from the public law to the proposed rule, the final rule, and codification in the CFR



CFR Numbering System

The CFR has a uniform numbering system.

- ❖ Most of the 50 titles conform to the system
- ❖ The section is the basic unit of the CFR
- ❖ Cite the CFR by title and section: 12 CFR 303.1
- ❖ Text is divided into descending levels of units

Six Levels of Paragraphs

Paragraph	Designations	Cite Paragraph as
Level 1	(a), (b), (c), etc.	§ 303.1(a)
Level 2	(1), (2), (3), etc.	§ 303.1(a)(1)
Level 3	(i), (ii), (iii), etc.	§ 303.1(a)(1)(i)
Level 4	(A), (B), (C), etc.	§ 303.1(a)(1)(i)(A)
Level 5	(1), (2), (3), etc.	§ 303.1(a)(1)(i)(A)(1)
Level 6	(i), (ii), (iii), etc.	§ 303.1(a)(1)(i)(A)(1)(i)

2 CFR 200 UNIFORM ADMINISTRATIVE REQUIREMENTS



Uniform Administrative Act (2 CFR Part 200)

To ensure the accountability of all federal funding, the Office of Management and Budget (OMB) establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities.

The regulations implementing NAHASDA (24 CFR § 1000) include a variety of general administrative requirements that must be followed by recipients of the Indian Housing Block Grant funds. Prior to December 26, 2014, the NAHASDA regulations addressing administrative requirements at 24 CFR §1000.26 cited two former OMB regulatory documents: OMB Circular A-87 (cost principles), and OMB Circular A-102 (Uniform Administrative Requirements codified for HUD programs in 24 CFR § 85).



Uniform Administrative Act (2 CFR Part 200)

The OMB has streamlined the Federal government's guidance from eight existing OMB circulars (which includes A-87, A-102, and A-133) into one consolidated set of guidance in the code of Federal regulations (2 CFR §200) and is titled the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the 'Uniform Guidance').

This consolidation is aimed at eliminating duplicative or almost duplicative language in order to clarify where policy is substantively different across types of entities, and where it is not.

OMB issued the final rule on December 26, 2013. The final rule became effective for grantees on December 26, 2014. When a recipient accepts IHBG funds, it agrees to comply with these administrative requirements.



Uniform Administrative Act (2 CFR Part 200)

Subpart A – Acronyms and Definitions

Subpart B – General Provisions

Subpart C – *Pre-Federal Award Requirements & Formula Allocation*

Subpart D – *Post-Federal Award Requirements*

Subpart E – Cost Principles

Subpart F – Audit Requirements



2 CFR 200 Subpart B: General Provisions

The Office of Management & Budget (OMB) previously issued Circular notices for uniform requirements which were then Codified and made effective December 26, 2014. Please see ONAP Program Guidance 2014-12, Consolidation of OMB Circulars.

The purpose of this Subpart is to establish uniform administrative requirements, cost principles and audit requirements for Federal awards to non-Federal entities by Federal awarding agencies;

This Subpart provides basis for systematic and periodic collection and uniform submission by Federal agencies of information on all Federal financial assistance programs to OMB.

This Subpart prescribes the manner in which GSA, OMB and Federal agencies that administer Federal financial assistance programs are to carry out their statutory responsibilities under the Federal Program Information Act.

It also requires the following:

2 CFR 200 Subpart B: General Provisions

§200.112 Conflict of interest.

The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

§200.113 Mandatory disclosures.

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award including the term and condition outlined in Appendix XII—Award Term and Condition for Recipient Integrity and Performance Matters **are required to report certain civil, criminal, or administrative proceedings to SAM. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment.** (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

[80 FR 43308, July 22, 2015]

EXCEPTION – Per 24 CFR 1000.26 (a) (1), 200.113 applies, except that, in lieu of the remedies described in § 200.338, HUD shall be authorized to seek remedies under subpart F.

What is SAM

System for Award Management (SAM)
The System for Award Management (SAM) is a Federal Government owned and operated free web site that consolidates the capabilities in Central Contractor Registration (CCR)/Fed Reg, Online Representations and Certifications Applications (ORCA) and the Excluded Parties List System (EPLS).

I don't know what happened, but this eagle is about to ask to speak to a manager.



2CFR 200 Subpart C: Pre-Federal Award Requirements and Contents of Federal Awards

- In accordance with the Federal Grant and Cooperative Agreement Act, Federal award agencies must identify the appropriate instrument for the federal award to the nonfederal entity - For NAHASDA, HUD uses a Grant Agreement to award IHBG funds to Tribes/TDHEs.
- Suspension and Debarment - Nonfederal entities are subject to non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689 and 2 CFR Part 180.
- These regulations restrict awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

2 CFR 200 Subpart D: Post Federal Reward Requirements

The non-Federal entity is responsible for complying with all requirements of the Federal award. These include:

§200.302 Financial management.

Investment, Cash Management, Accounting System

§200.303 Internal controls.

§200.313 Equipment, Property Inventory, Control & Disposition System

§200.333 Retention requirements for records, (3 Years)

The financial management system of each non-Federal entity must provide for the following:

§200.334 Requests for transfer of records

§200.335 Methods for collection, transmission and storage of information

§200.336 Access to records

§200.337 Restrictions on public access to records

Uniform Guidance Sessions

The methods of Procurement are listed in the Super Circular at 2 CFR Part 200.320

HUD has an excellent 9-part series titled "OMB NEW UNIFORM Guidance Sessions" Available to watch using YouTube.

I would recommend it as the uniform guidance is a major piece of the puzzle in assuring your procurement is done properly.

https://www.hud.gov/program_offices/public_indian_housing/ih/regs/resources

2 CFR PART 200 UNIFORM GUIDANCE WEBCAST SERIES AND RESOURCES

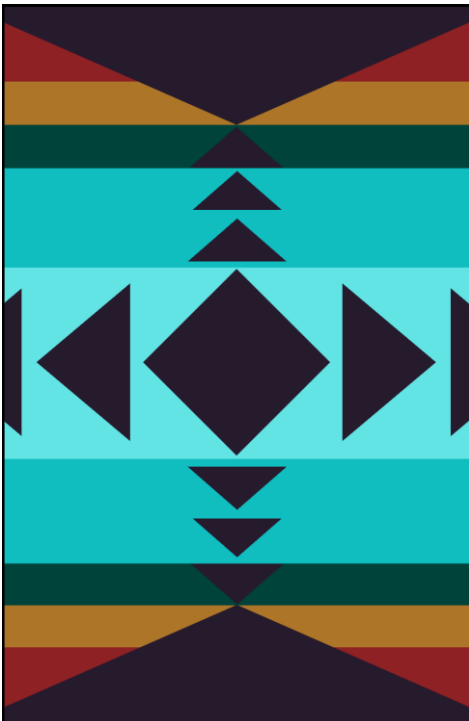
REMEMBER:

When reading the uniform guidance, They are very precise in using the terms "should and must" **Should** means best practices or recommended approaches and **Must** means it is required.

Uniform Administrative Act (2 CFR Part 200)



- Management systems
- Procurement
- Reporting & recordkeeping
- Conflict of interest
- Audit
- Allowable, unallowable costs



2 CFR 200.303 - Internal Controls.

- (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

Allowability of Cost Table 6 Page Appendix Document

NAHASDA PROGRAM: 2 CFR Part 200 Subpart E Cost Principles – ALLOWABILITY OF COSTS

UG 2 CFR 200	COST TYPE	DESCRIPTION
421	Advertising	ALLOWABLE if costs are incurred for recruitment of staff or trainees, procurement of goods and services, and other specific purposes necessary to meet the requirements of the NAHASDA-supported project or activity.
421	Public relations	ALLOWABLE if (1) costs are incurred for communicating with the public and press pertaining to specific accomplishments which result from performance of the NAHASDA program or (2) costs of conducting communication and liaison necessary to keep the public informed on matters of public concern such as notices of awards, financial matters, etc. costs.
422	Advisory councils	ALLOWABLE: Advisory councils or committees, such as Finance Committees or Investment Committees, costs are allowable.
423	Alcoholic beverages	UNALLOWABLE.
425	Audit services	ALLOWABLE. Periodic financial reviews are also allowable See §1000.546.
426	Bad debts	UNALLOWABLE - Bad debt and related collection and legal costs.
427	Bonding costs	ALLOWABLE, when HUD requires bonding to protect its interest.
428	Collection of improper payments	ALLOWABLE, to recover payments incorrectly made to employees, tenants or contractors.
430	Compensation: Salary and wages	ALLOWABLE costs to the extent that the amount is reasonable in relation to the work performed. ALLOWABLE if person providing consultant services in an employer-employee type of relationship does NOT receive more than a reasonable rate of compensation for personal services paid with IHBCG funds. Compensation CANNOT exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule. See §1000.26(b)(2).
431	Compensation: Fringe benefits	ALLOWABLE, however NOT ALLOWABLE: (1) Automobile costs for personal use are unallowable, regardless of whether the cost is reported as taxable income to employees.
432	Conferences	ALLOWABLE (1) Costs for meetings, retreats, seminars, and symposiums are allowable, which may include rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences. (2) Cost of IDENTIFYING (but not providing) locally dependent care resources.

Page 1 | 6

2 CFR 200 Procurement

- .317 – States
- .318 – Procurement Standards
- .319 – Competition
- .320 – Methods of Procurement to Be Followed
- .321 – Contracting with small and minority firms, women's business enterprise and labor surplus area firms.
- .323 – Contract Cost and Price
- .324 – Awarding Agency Review
- .325 – Bonding (1000.26(a)(11) provides acceptable methods when inconsistencies exist)
- .326 – Contract Provisions

General Statement

- **EXCEPTION** – Per 24 CFR 1000.26 (a) (10), §200.317 “Procurement by states” does not apply
- **(i) De minimis procurement. A recipient shall not be required to comply with 2 CFR 200.318 through 200.326 with respect to any procurement, using a grant provided under NAHASDA, of goods and services with a value of less than \$5,000.**
- **EXCEPTION** – Per 24 CFR 1000.26 (a) (11), Sections § 200.318 through 200.326 apply, as modified in this paragraph:
 - i. **Utilizing Federal supply sources in procurement.** In accordance with Section 101(j) of NAHASDA, recipients may use Federal supply sources made available by the General Services Administration pursuant to 40 U.S.C. 501.

200.317-326 PROCUREMENT STANDARDS

§200.318 General procurement standards

- (a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.
- (b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. **The standards of conduct must provide for disciplinary actions to be applied for violations** of such standards by officers, employees, or agents of the non-Federal entity.



200.317-326 PROCUREMENT STANDARDS

§200.320 Methods of procurement to be followed.

The non-Federal entity must use one of the following methods of procurement.

- (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

EXCEPTION per 24 CFR 1000.26 (a) 11 (i) De minimus procurement. A recipient shall not be required to comply with 2 CFR 200.318 through 200.326 with respect to any procurement, using a grant provided under NAHASDA, of goods and services with a value of less than \$5,000.

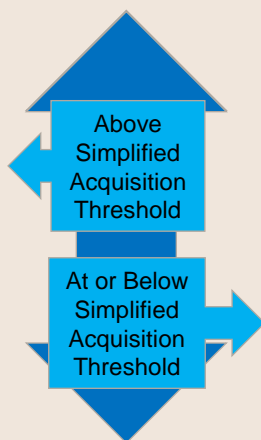
Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

200.317-326 PROCUREMENT STANDARDS

Methods Of Procurement:

- Micro-purchases – if price is considered reasonable, no competitive solicitation required if price does not exceed:
 - \$2,000 for procurement subject to Davis-Bacon Act
 - \$10,000 for all other procurement using federal funds (or less if stated in Policy 11/26/2019)
- Small purchases – not more than Simplified Acquisition Threshold, currently \$250,000
- Sealed bids (formal advertising)
- Competitive proposals (Request For Proposals) RFP
- Non-competitive proposals: **Single Sole/Source** Emergency or Only 1 bid received. **change – must request in writing if** seeking permission from Awarding Agency/HUD Approval

§ 200.323: Contract cost and price



- Cost or Price Analysis is **REQUIRED** (**cost includes contract amount plus change orders**).
- Cost or Price Analysis is **NOT REQUIRED** (however price must be reasonable, and estimate is necessary to determine if procurement falls into this category).



Key Program Elements

Formula

Eligible
Families

Eligible
Activities

Program
Administration

Financial
Management

Reporting and
Recordkeeping



Formula Purpose and Background

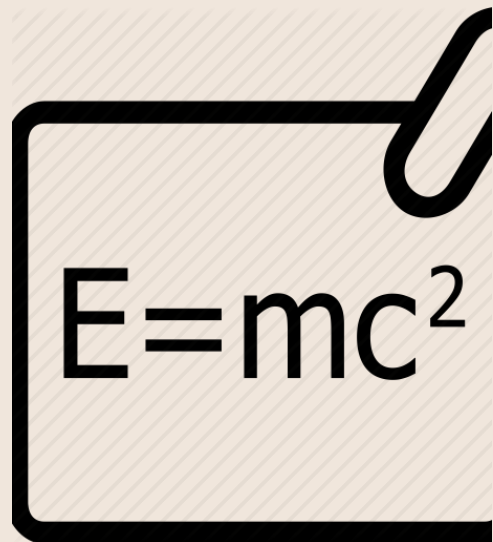
- Allocates IHBG funds
- Developed as part of Negotiated Rulemaking
- Intent: Make equitable distribution of annual appropriation
- Allocation is basis of your annual budget

Sec. 302. Allocation Formula



IHBG Formula

The IHBG formula is used to allocate grant funding to Indian tribes and TDHEs. Tribes and TDHEs play an important role in reviewing, reporting, and verifying information. Formula data allows ONAP to allocate IHBG funds equitably and fairly to eligible recipients.



Statutory & Regulatory Requirements



Statutory requirements for the formula allocation are found in Title III of the NAHASDA Act of 1996



Regulatory requirements that implement the formula are found in Subpart D, Allocation Formula, §§ 1000.301-1000.340

Formula Purpose and Background

Allocates IHBG funds

Developed as part of Negotiated Rulemaking

Intent: Make equitable distribution of annual appropriation

Allocation is basis of your annual budget

Key Dates

Formula Response Form (FRF):

- Sent each year around June 1
- Includes data to be used in formula and the estimated allocation amount for the coming FY
- Corrections due 60 days after date of FRF
- Census challenge deadlines for following FY specified in FRF
- Corrections must be submitted to the IHBG Formula Customer Service Center on FRF Appendices A-D

Final Allocations: Completed after the budget is appropriated



Final Allocations

Final allocations can vary from estimate based on many reasons: different final allocation amount than what was used in the estimate, tribe's data changed, other tribe's data changed.



IHBG is distributed through a formula. This formula is calculated annually, depending upon the annual IHBG appropriation from Congress.

The first annual IHBG formula run produces estimated allocations that are sent to both tribes and TDHEs and is completed on June 1. Final allocations are completed after appropriations are announced and prior year carry-over is determined.

The date of the final formula run varies each year depending on when the President signs the appropriations into law.

- ❖ The formula contains four key components:
 - (1) Current Assisted Stock (CAS)
 - (2) Need
 - (3) 1996 Minimum
 - (4) *NEW* -Undisbursed IHBG Funds Factor (UDFF)[§1000.310 and 342]



Undisbursed IHBG Funds Factor (UDFF)

Undisbursed IHBG Funds: Applies to Tribes/TDHEs with:

- 1) Amount of initial allocation of => \$5M
- 2) With funds in eLOCCS. Does not apply to Tribes/TDHEs with approved investments.
- 3) Undisbursed amount = Amount in excess of the sum of the prior 3 years initial allocation calculations or its 1996 Minimum.



Component 1: FCAS

1. **FCAS is Housing developed under the 1937 Act (before NAHASDA) called Current Assisted Stock (CAS):**
 - Low Rent
 - Mutual Help
 - Turnkey III
 - Section 8
2. **1937 units in the development pipeline (after NAHASDA)**
3. **Section 8 – expired but still managed like Sec 8 program**



FCAS

Two elements of FCAS in formula

- Operating subsidy
- Modernization allocation

FCAS adjusted by

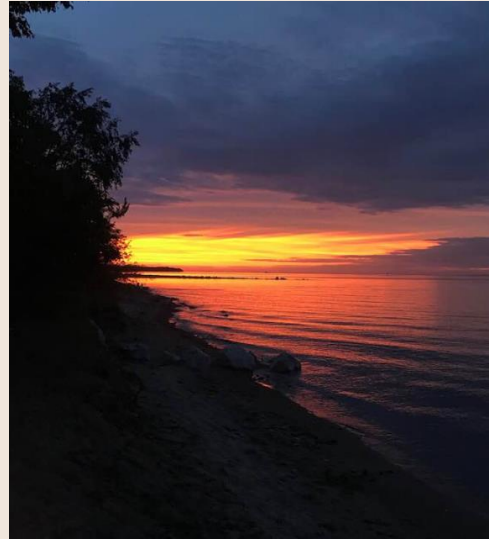
- FY96 national averages for Operating subsidy and Modernization allocation
- Local costs and inflation adjustments

Demolished Units 1000.318(e)

A unit that is demolished pursuant to a planned demolition may be considered eligible as a FCAS unit if, the unit is rebuilt within one year.

If the unit cannot be rebuilt within one year because of relative administrative capacities and other challenges faced by the recipient, a one-time, one-year extension may be requested.

Requests must be submitted in writing and include a justification for the request.



Units Not Eligible as FCAS

Units built over the number specified in the original ACC for Projects with DOFA after October 1, 1997.

Units not used as low-income housing dwelling units include:

Conveyance eligible, conveyed, or demolished units.

Units constructed with NAHASDA funds.
Units being used for VASH Program.

Vacant units, unless being made available for occupancy .
Units used for non-dwelling purposes

Section 302(b)(1)(A)

Section 302(b)(1)(A) makes it clear that units should not remain under subsidy forever.



Reviewing FCAS Data

Review the Formula Response Form.

Report any corrections to unit counts, unit types, and actual/expected Date of Full Availability (DOFA) for occupancy.

Submitted corrections will be reviewed and HUD will inform the tribe of the corrected unit counts.



Component 2: Need

After determining the FCAS allocation, remaining funds are allocated by need component

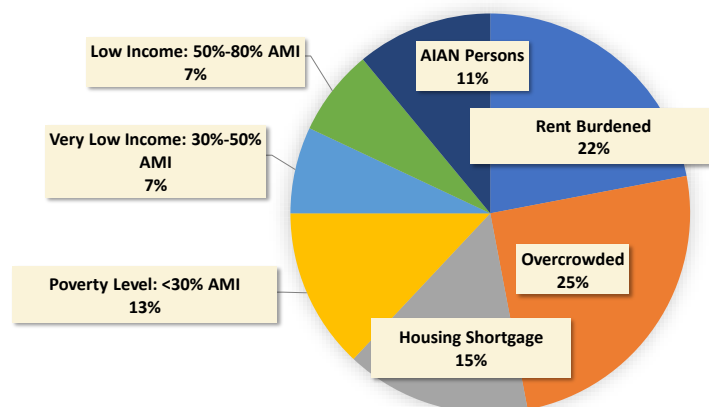
The need component consists of Seven criteria

Based on Decennial Census and American Community Survey (ACS) 5-year data

Adjusted for local Development Cost



Need Component Weights [\$1000.324]



Formula Area

Geographic area providing substantial housing services

Formula area and Indian area are different!



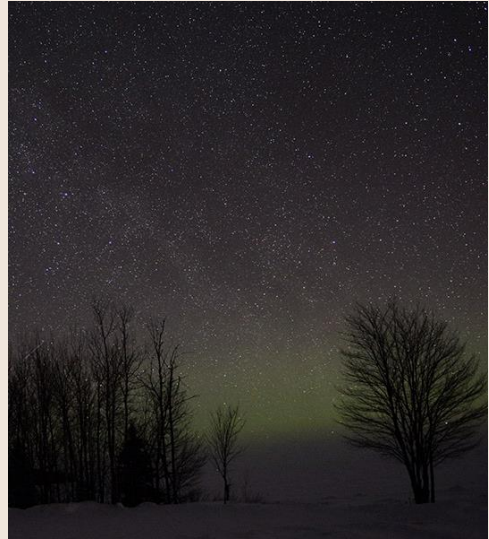
What if a formula area is served by more than one Indian tribe?

- (a) If an Indian tribe's formula area overlaps with the formula area of one or more other Indian tribes, the funds allocated to that Indian tribe for the geographic area in which the formula areas overlap will be divided based on:
- (1) The Indian tribe's proportional share of the population in the overlapping geographic area; and
 - (2) The Indian tribe's commitment to serve that proportional share of the population in such geographic area.



What if a formula area is served by more than one Indian tribe?

- (3) In cases where a State recognized Indian tribe's formula area overlaps with a Federally recognized Indian tribe, the Federally recognized Indian tribe receives the allocation for the overlapping area.
- (b) Tribal membership in the geographic area (not to include dually enrolled tribal members) will be based on data that all Indian tribes involved agree to use. Suggested data sources include tribal enrollment lists, the U.S. Census, Indian Health Service User Data, and Bureau of Indian Affairs data.
- (c) If the Indian tribes involved cannot agree on what data source to use, HUD will make the decision on what data will be used to divide the funds between the Indian tribes by August 1.



Population Cap

Control to maintain fairness

Only if AIAN persons > 2x enrollment

Challenge process available

Component 3: 1996 Hold Harmless

A tribe's IHBG funding is never reduced below its FY 1996 funding level.

This is the amount the tribe's IHA received in FY 1996 for operating and modernization subsidy.

IHBG funding is adjusted to the amount received in FY 1996. This is a statutory requirement.

Component 4: Undisbursed IHBG Funds Factor ([§1000.342])



New formula factor



Provides adjustments for tribes with

Initial allocation of \$5 million or more
Have undisbursed IHBG funds greater than the sum of their prior 3 years' initial allocation



Initial allocation will be reduced, and any amounts recovered will be redistributed

Formula Response Form & Other Funding

The CARES Act appropriated \$8 billion for tribal governments to cover expenditures incurred with respect to the COVID-19 pandemic. Congress directed Treasury Secretary Steven Mnuchin to disburse these funds within 30 days.

The act specified that the amount paid to each tribe "shall be the amount the Secretary [of the Treasury] shall determine ... that is based on increased expenditures of each such Tribal government . . . and determined in such manner as the Secretary determines appropriate." [2]

The Treasury Department decided that 60% of the \$8 billion would be distributed immediately based on population, while the remaining 40% would be distributed later based on employment and expenditures data.

The department sought enrollment data from all 574 federally recognized tribes. In response, the Shawnee Tribe certified that it had 3,021 enrolled members. But the department did not use the tribe-supplied enrollment numbers to distribute the 60% portion of the funds.

Rather, it relied on population data used in connection with the Indian Housing Block Grant program. This data estimates a tribe's population in a geographical formula area based on the number of individuals who consider themselves American Indian or Alaska Native on census forms.

Formula Response Form & Other Funding



Formula Response Form & Other Funding

Because the IHBG data does not reflect actual enrollment, federal regulations recognize that a tribe's IHBG population sometimes exceeds its actual enrollment numbers.

The opposite happened with the Shawnee Tribe; the IHBG data reported that the tribe had a formula area population of zero. So, although the tribe had over \$6.6 million in expenditures in 2019, and although it incurred significant expenses in responding to the pandemic, it received just \$100,000 — the minimum payment for tribes with a population of fewer than 37 members.

Twenty-four other tribes also had formula area populations of zero, including the Miccosukee Tribe, which has 605 enrolled members.

The Shawnee Tribe filed suit, contending that it was arbitrary and capricious for the department to use population as a proxy for increased expenditures, to select the IHBG population data rather than other available data, and to refuse to adjust what the tribe deemed errors in the IHBG data.

So, you might want to put this form under more eyes within the Tribe to ensure the information is correct.



IHBG Formula Customer Service Center

- Calculates formula allocations
- Provides TA to recipients on formula
- Receives and process corrections and challenges
- 1-800-410-8808



Let's Take 15
Minutes....



Key Program Elements

Eligible Families

Mandated NAHASDA Eligibility Requirements

Gross income must be within HUD defined income limits (special exceptions apply)



Must be a Native American family (special exception applies)



81

Who is Eligible? Section 201 (b)

"...shall be limited to **low-income Indian families** on Indian reservations and other **Indian areas**."

"The term 'low-income family' means a **family** whose **income** does not exceed **80 percent** of the **median income** for the area, as determined by the Secretary with adjustments for smaller and larger families..."



What is "Median" Income?

MEDIAN INCOME-

... means, with respect to an area that is an Indian area, the **greater** of--

(A) the median income for the Indian area, which the Secretary shall determine; **OR**

(B) the median income for the United States.

2020 HUD National Adjusted Median Income Limits

	2020 MFI		78,500					
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	\$ 43,960	\$ 50,240	\$ 56,520	\$ 62,800	\$ 67,824	\$ 72,848	\$ 77,872	\$ 82,896
100%	\$ 54,950	\$ 62,800	\$ 70,650	\$ 78,500	\$ 84,780	\$ 91,060	\$ 97,340	\$103,620

What is a "Family"?

- The term 'family' includes a family with or without children, an elderly family, a near-elderly family, a disabled family, and a single person.



85

Types of Eligible Families

- Low-Income
- Non-Low-Income
- Essential
- Law Enforcement Officers

Low-Income Indian Families

Primary beneficiary of NAHASDA

Family's annual income may not exceed 80 percent of median income of the greater of:

- The county/borough area or
- United States

Adjustments for family size



When Must a Family be Low-Income

- At the time services are provided
 - Rental Housing Program – Lease signed with family
 - Homeownership Program – Mortgage signed with family
 - Rehab Program – Agreement signed with family
 - Rental Assistance Program – Agreement signed with landlord

Non-Low-Income Indian Families

- Family's annual income **EXCEEDS** 80 percent of median income, either:
 - County/Borough area or
 - United States
- Adjustments for family size apply



Non-Low-Income Indian Families

- ❖ One of the national objectives of NAHASDA is to assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for occupancy by low-income families on Indian reservations and in other Indian areas. Generally, assistance under NAHASDA is limited to low-income Indian families on Indian reservations and other Indian areas. Section 201(b) provides some exceptions to this requirement.
- ❖ Assisting Non-Low Income families Guidance is PIH Notice 2014-02



Non-Low-Income Indian Families

Ten Percent Non-Low-Income

- ❖ Recipients may use up to 10 percent of the amount planned for the tribal program year for families with incomes that fall between 80 percent and 100 percent of the median income without HUD approval if the recipient determines that the need for housing for such families cannot be met without such IHBG assistance. This exception to the low-income requirement is called the “10 percent authority”.
- ❖ Non-low-income families assisted under this provision may receive the same **type** of benefits as low-income families; however, the dollar amount of benefits and assistance will be altered. Non-low-income families will pay more or receive less assistance for benefits such as rent or down payment assistance or other benefit.



Essential Family

- ❖ Essential families may receive assistance if the family's housing need cannot be met without IHBG assistance, and the Recipient determines that the non-low-income family's presence is essential to the well-being of the Indian families living on the reservation or in the Indian area.



Essential Family

- ❖ A non-low-income family may receive IHBG assistance if the recipient determines that the presence of the family is essential to the well-being of Indian families and the need for housing for such family cannot be met without such IHBG assistance. Families assisted under this provision can receive the same amount of benefits as low-income families, as provided in 24 CFR § 1000.110(e), and they do not count as non-low-income families for the purposes of the 10 percent authority even though HUD approval is not required.

Essential Family

- ❖ To be considered an essential family, an IHBG recipient must first determine a family is essential to the well-being of the Indian families residing in the Indian area and determine that the need for housing the family cannot be reasonably met without IHBG assistance. The criteria and rationale for determining if a family is essential should be clearly described in the recipient's policy, and documentation must be maintained that clearly supports the determination. The recipient must make a determination about each essential family and document its determination even in cases when HUD approval is not required.





Law Enforcement Officers

❖ Section 201(b)(4) of NAHASDA specifically addresses the provision of housing or housing assistance for a law enforcement officer on an Indian reservation or Indian area. The officer must be employed full-time by the Federal, state, county, tribal, or other unit of local government and sworn to uphold and make arrests for violations of Federal, state, county, or tribal law. In addition, the program must determine that the presence of the law enforcement officer may deter crime.

96

Law Enforcement Officers



❖ Law enforcement officers assisted under this provision can receive the same amount of benefits as low-income families and they do not count toward the 10 percent authority.



97

Continued Occupancy

- ❖ If a rental or homeownership family was low-income at the time it entered the program (as described in 24 CFR § 1000.147), and subsequently becomes non-low-income, it may continue to participate in the program if the recipient's admission and occupancy policies authorize such families to continue to receive assistance (including a determination that there is a need for housing for each family that cannot reasonably be met without such assistance). This includes a family member or household member who subsequently takes ownership of a homeownership unit, by inheriting a homeownership unit.

98

Continued Occupancy



- ❖ Whether a family can receive the same benefit as low-income families is also subject to the recipient's admission and occupancy policies, which may include the limitation on receiving the same level of benefits as low-income families by applying the "Calculating Benefits for Non-Low-Income Families" Such families do not count toward the 10 percent authority for the non-low-income persons that may be served.

Secretary Approved Non-Low-Income Families

HUD approval is required if the IHBG recipient plans to:

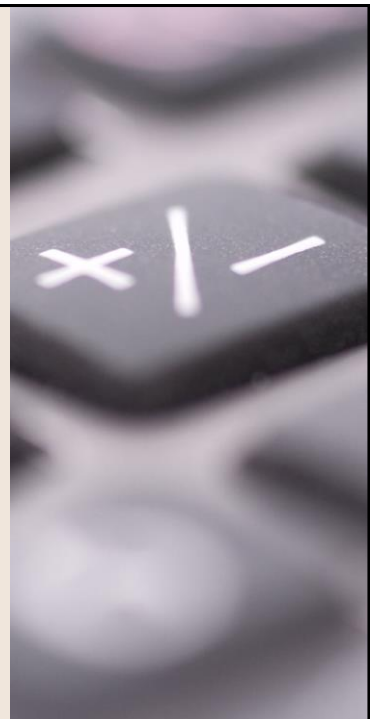
- (1) use more than 10 percent of the amount planned for the tribal program year for assistance to non-low-income families
- (2) provide housing for families with income over 100 percent of the median income. The standard for HUD approval is that the family's housing needs cannot be met without IHBG assistance. The request for approval must be submitted as outlined in 24 CFR § 1000.108.

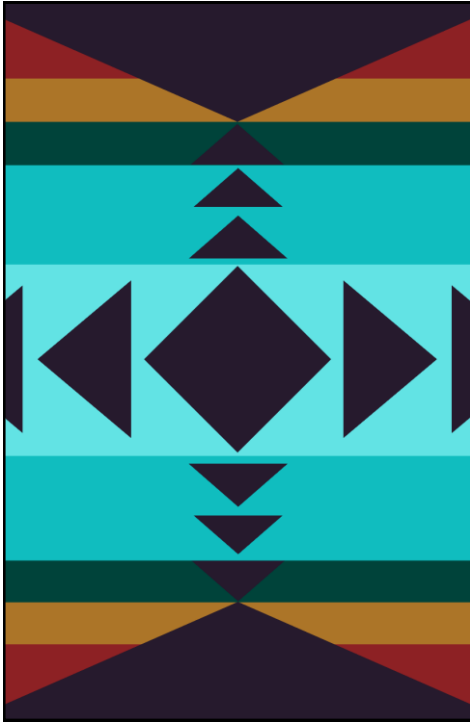
In cases under (1) above, such assistance is not prohibited by the 10 percent authority cap. It is irrelevant to cases in (2) involving families with incomes over 100% of median income. These non-low-income families will be required to pay more or receive less assistance for benefits such as rent or down payment assistance.



Non-Low-Income Indian Families

- ❖ Refer to the Appendix Guidance and review for non-low-income. If under 10 % no HUD approval required
- ❖ If over 10%, HUD approval required
- ❖ If assistance provided to family over 100% of median income, HUD approval required in Advance...
- ❖ Must show housing need that cannot be reasonably met without IHBG assistance
- ❖ Refer to Assisting Non-Low Income PIH Notice 2014-02





10 Percent Authority

The following method may be used by a recipient to track assistance provided within the 10 percent authority amount planned for the tribal program year. Note that recipients should include the calculation methods they plan to use in their respective occupancy policies.

Program Year Period: 10/1/2022 through 9/30/2023

Program Year Planned

Expenditures: \$356,000

(from Line 1, Column D

of the Sources of

Funding Table from IHP)

10% Authority Amount: \$35,600

Tracking Percent Authority

Example 1: The recipient is assisting a non-low-income Indian family with rental assistance. The tribe has decided to use the monthly Fair Market Rent (FMR) of \$698 as the rental value for assistance.

$\$698 \text{ FMR value} \times 12 \text{ months} = \$8,376$ of NAHASDA assistance.

Example 2: The recipient is assisting a non-low-income Indian family with homeownership assistance. The monthly value of the homebuyer unit is \$850.

$\$850 \text{ value} \times 12 \text{ months} = \$10,200$ of NAHASDA assistance.

Example 3: The recipient is assisting a non-low-income Indian family with down payment assistance. Amount of assistance being provided to non-low-income Indian family is \$7,400.

Participant	Amount of Assistance Provided	Balance of 10% Authority
10% of planned PY Expenditures		\$35,600
Rental Assistance- Example 1	\$8,376	\$27,224
Homeownership Assistance – Example 2	\$10,200	\$17,024
Down payment Assistance – Example 3	\$7,400	\$9,624

Non-Low-Income Indian Families RENTAL AND HOMEBUYER PAYMENTS:

The rent payment or homebuyer payment to be paid by a non-low-income Indian family cannot be less than:

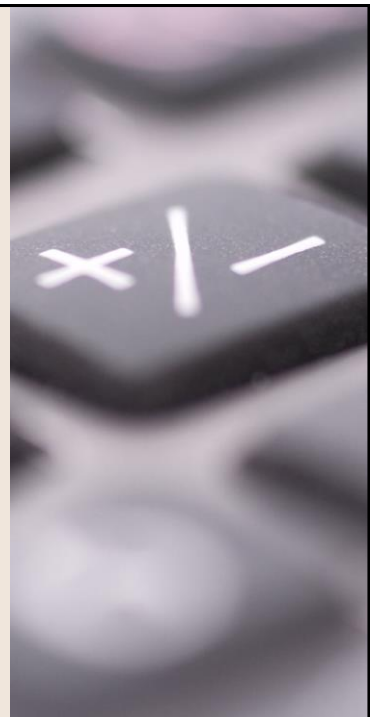
[Income of the non-low-income family at 80 percent of median income limit] X [Rental or homebuyer payment of the family at 80 percent of median income] but need not exceed the fair market rent or value of the unit.

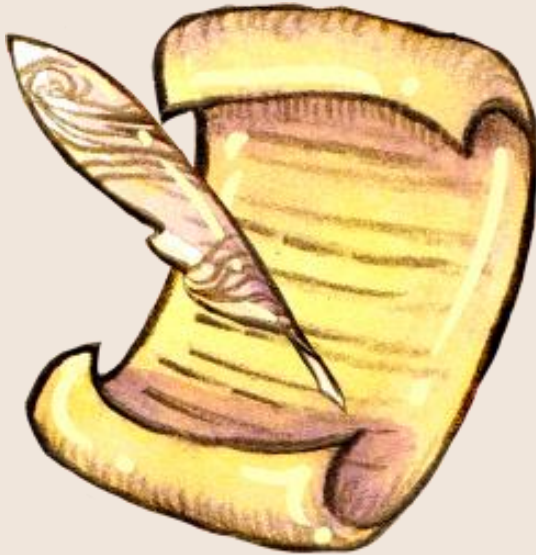
The "income of family at 80 percent of median income" referred to above, means the dollar amount representing 80 percent of the HUD median income limits adjusted by family size.



Non-Low-Income Indian Families

- ❖ Must have a housing need that cannot otherwise be met without IHBG assistance
 - ❖ When family resides in inadequate housing
 - ❖ When family resides in temporary housing or is homeless
 - ❖ When family pays more than 50 percent of income for housing (including utilities)





DOCUMENTING NEED

- ❖ Documentation demonstrating need must be maintained by recipients at all times while families are receiving assistance.
- ❖ Recipients must carefully document their determination of housing need for non-low-income families and the reasons the housing need cannot reasonably be met without IHBG assistance must also be documented. Because housing need and the inability to secure housing without IHBG assistance can occur due to a variety of different circumstances, the type of documentation required will vary depending on the situation.

105



Moderate Income Checklist

I. Determination of Need	
<input type="checkbox"/>	A. Inadequate Housing
	Lacks Energy Efficiency
	Over Crowded
	Poor Plumbing
	Electrical Deficiencies
	Inadequate Drain field
	Structurally Unsound
	Pest Infested
	Fire Hazard
	Inadequate Heating and/or Cooling
	No Heating
	Inadequate Cooling
	Lack of Water Pressure
	No Insulation
	Single Wide Trailer
	Not Code Compliant
	No Child Safety Measures
	Incomplete Kitchen
	Incomplete Bathroom



Moderate Income Checklist

<input type="checkbox"/>	B. Temporary Housing
	Living with Relatives
	Motels/Hotels
	Transitional Shelter
<input type="checkbox"/>	C. Homeless
<input type="checkbox"/>	D. Cost Burden (Housing costs exceed 50% of AGI including utilities)
<input type="checkbox"/>	E. Inaccessibility to Financing
II. Determination that Housing Need cannot Reasonably Be Met	
	Rental Housing not available in area
	Affordability
	Income & Assets Insufficient
	Housing Stock Insufficient
	Conventional Mortgages not available on trust land
	State Housing Finance Programs not available
	Section 8 waiting list is too long
	Inadequate Housing Stock in Area
	Family Desires Residence on Reservation or in Village



Moderate Income Checklist

III. Documentation	
	Property Inspection
	Code Violation Letters
	Family Size and Unit Size
	Statement from a Temporary Housing Landlord
	Affidavit from Family
	Payroll Stubs
	Rent Receipt
	Rejection Letters
	Denial Letters

Steps for Calculating Annual Income

Adopt Income
Definition(s)

NAHASDA
Inclusions

Federal
Exclusions

Verify Income

Adopt Income Definition



ADOPT INCOME DEFINITION

SECTION 8	CENSUS	IRS
Earned income age 18 + Unearned income less than age 18	Income age 15+	Income all ages depending on amount and type
Requires special asset computation	Asset's calculation included	Asset's calculation included
Child support counted as income	Child support counted as income	Child support excluded as income
Inheritance counts as asset	Inheritance doesn't count	Inheritance doesn't count

Annual Income – Definitions

Section 8
Definition
(24CFR Part 5)

Census
Definition

IRS Definition
(IRS Form
1040 AGI)

- Policy must state which definition(s) you are using; often stated as “will use definition most advantageous to the family”.



NAHASDA Inclusions

113



Adjusted Gross Income

- Adjusted income is derived by subtracting any of the deductions (or allowances) that apply to the household from the household's annual (gross) income.
- Household's eligibility for deductions depends, in part, on the type of household.
- Not all households are eligible for all deductions

114

Adjusted Gross Income

Used to calculate monthly house payment



Type of Households

TYPE OF DEDUCTION PERMITTED	ELDERLY OR DISABLED	FAMILY
Elderly or disabled household	✓	
Dependent	✓	✓
Child Care	✓	✓
Medical Expenses	✓	
Disability Assistance Expenses	✓	✓

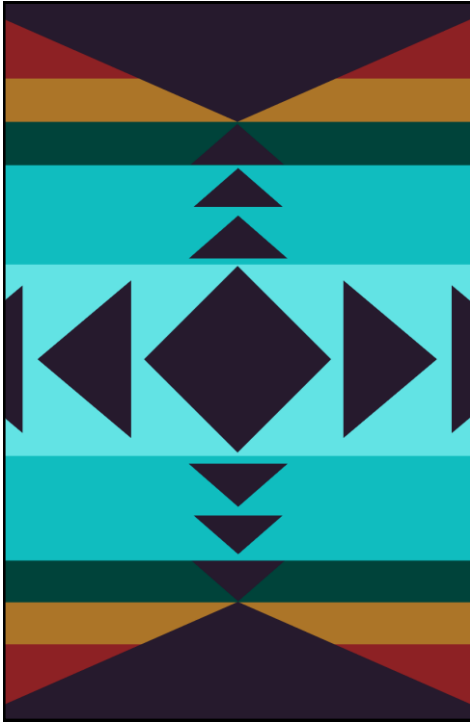
Do not Qualify as Dependents

The head of the family, the spouse, and the co-head may never qualify as dependents.

A foster child, an unborn child, a child who has not yet joined the family or a live-in attendant may never be counted as a dependent.



Federal Exclusions



Statutory Deductions

\$480.00 FOR:

- Children under 18
- Persons of disabilities over 18
- Full-time students over 18

\$400 for elderly or disabled family

Medical and attendant expenses over 3% of income

Other: childcare, earned income of minors, travel expenses, and tribally determined deductions

Statutory Deductions cont.

Childcare expenses that enable family members to work or go to school

Earned income of minors under 18

Travel expenses, not to exceed \$25 per family per week

Other exclusions provided in the local housing policies

These exclusions are applicable regardless of which method of calculating annual income is used.





Verify Income

121

PROCESSING APPLICATIONS

Before the selection process can occur, admissions and occupancy staff should interview the applicant family and obtain current information about the applicant family's circumstances in order to prepare for the verification process.

Confirm and update all information provided on the application.

Explain program requirements, verification process, and penalties for providing false information.

Obtain current family income and household composition information and other data needed to certify eligibility and compute the applicant's rent or homebuyer payment.



VERIFICATION OF INFORMATION

In accordance with 24 CFR §1000.128, housing staff must verify that a family is income-eligible based on the family's anticipated annual income. Verifications must be retained in the resident's file as it will be reviewed during compliance monitoring.

Recipients are required to verify information relating to eligibility, assets, income, and deductions from income, admission preferences, and compliance with applicant selection criteria.

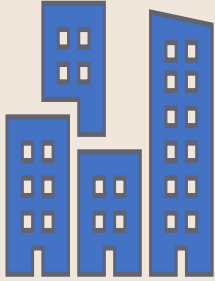
Because Recipients have flexibility in designing its programs, there may be program specific items that need to be verified.. Whatever the situation, each program must be governed by policies and procedures applicable to that assistance.

6.3 TYPES OF VERIFICATION



- To assure that the data upon which a determination of eligibility is to be based are full, true, and complete, the information submitted by each tenant is to be verified before any action or change can take effect. Complete and accurate verification records are to be maintained in the tenant's folder. Although there are three types of verifications that the Recipient can pursue, every attempt should be made to use third-party verification. If third-party verification is unsuccessful, the tenant file should be documented describing the efforts and result. All three methods are further explained.

Third-Party Verification



Housing staff sends directly to the source and the documentation is returned directly to the housing office.

Third-party verifications should be obtained whenever possible. This type of verification comes directly from the income or information source. A third-party verification form should never be hand carried by the applicant to be filled out. The applicant will usually sign the top portion of the verification form confirming his or her permission to release the information. The form is then sent by the housing staff to the entity verifying the information and that entity returns the form directly to the housing office.

The completed verification form can be sent via e-mail, fax, or regular mail. **NOTE:** It is important that the method of return delivery clearly indicate that it is being provided directly from the information source. If an employer faxes a completed employment verification form to the housing office, then the fax number, date, and name of sender should appear on the top of the fax. If it is sent via e-mail, then the cover e-mail should be included with the completed verification form in the file to show the source of the income and the date and time it was received. Original verifications that are returned via regular mail should have housing's received stamp showing the date it was returned.

Sometimes the third-party verification form is not filled out by the entity completing the form. When this occurs, clarifications can be obtained via telephone follow up. The clarification must be on a separate form or memo as housing staff should **never** write in the areas of a verification form that are to be completed by the third party. The clarification record should indicate the name of the person contacted and the company, the date and time of the follow-up contact, the questions that were asked, and the information received. The housing staff person who made the follow-up call must also sign and date the clarification form.

Possible third-party verification sources can be obtained from, but not limited to, the following:



- Credit bureau
- Internal Revenue Services for income verification
- Federal matching programs for Social Security, income, public assistance
- Social Services/TANF for income
- Employer(s)
- Financial institutions
- Bureau of Indian Affairs
 - Credit and trust income
 - Certificate of Indian Blood
- Educational institutions
- Employment verification
- GA benefit verification
- Child support verification
- VA benefits verification

Second-Party Verification

Second-Party Verification is to be used when third-party verification has proven unsuccessful. The admissions and occupancy policy must address when circumstances warrant second party verification. As an example, a Recipient may require three attempts prior to relying on second party verification. In any event documentation must be included in the file demonstrating that all efforts were made and the decision to resort to second-party verification. The following represents examples of second party documents:

Check stubs

Social Security award letters provided by the applicant

Copies of tax returns provided by the applicant



First-Party Verification

First-Party Verification is the least reliable method for verifying household information. You may use documents submitted by the applicant when:

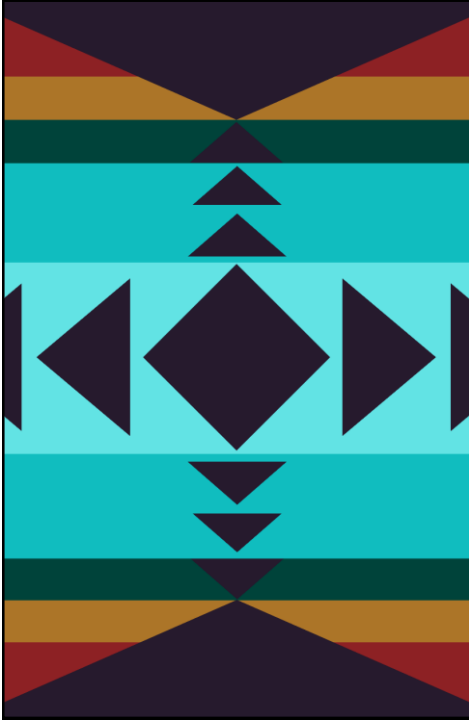
Information does not require third-party verification, e.g., birth certificates and Social Security cards.

Third-party verification is impossible or delayed for a considerable period.

You may wish to accept an applicant's notarized statement or signed affidavit if:

- Such certifications are authorized, e.g., alien certification or asset disposal.
- Other preferred methods can't be obtained.
- Where family income is derived solely from cash transactions or through barter.
- To document lack of any income.

A copy of these documents should be kept in the applicant's file (later to be resident's file). The resident file should also include a memorandum issued by the appropriate housing employee when third-party verification is not available.



TIMING OF INCOME CERTIFICATIONS

All households that receive assistance must be income eligible at the time assistance is provided. This declaration of income eligibility is called the certification. Verification of income is the process by which certification of income eligibility is established. The Recipient has the option to establish a time limit for which verification is valid. For example, some programs allow a 60-day period before the verification process must begin again. The "date of assistance" may vary depending on the activity. For example, in the homebuyer activity, it is close of escrow; however, for housing rehabilitation, it would be at the time a promissory note is executed.

Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. The certification, the formal determination of income eligibility, must be made shortly before a household receives assistance. Because eligibility determination involves verification of income, waiting too long can delay assistance. Conducting income certifications too early in the process, however, might mean that certifications become outdated and must be redone. As an example, a Recipient may allow verification within 60 days.

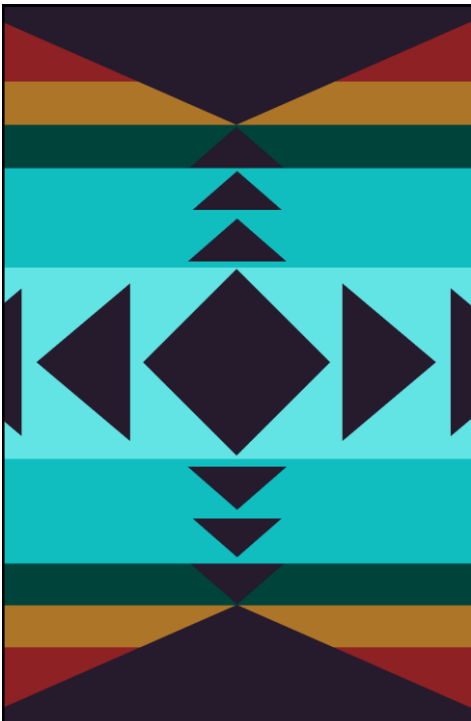




NAHASDA: Eligible Affordable Housing Activities

Areas of Eligible Affordable Housing Activities are:

- 1) Indian Housing Assistance
- 2) Development
- 3) Housing Services
- 4) Housing Management Services
- 5) Crime Prevention & Safety Activities
- 6) Model Activities



NAHASDA: Eligible Affordable Housing Activities

1) **Indian Housing Assistance:**

- The provision of modernization, or operating assistance, for housing previously developed or operated in accordance with a contract between the Secretary of HUD and an IHA or TDHE.

NAHASDA: Eligible Affordable Housing Activities

2) **Development:**

The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include:

- Real property acquisition
- Site improvement
- Development of utilities & utility services
- Conversion
- Demolition
- Financing
- Administration & Planning
- Other related activities



NAHASDA: Eligible Affordable Housing Activities

3) **Housing Services:**

- Housing Counseling in connection with rental or homeownership assistance
- Establishment & Support of resident organizations & resident management corporations
- Energy Auditing
- Activities related to Self-Sufficiency & other services
- Services related to assisting owners, tenants, contractors, & other entities, participating or seeking to participate in other housing activities assisted





NAHASDA: Eligible Affordable Housing Activities

4) Housing Management Services:

- Preparation of work specifications
- Loan processing
- Inspections
- Tenant selection
- Management of tenant-based rental assistance
- Management of affordable housing projects



NAHASDA: Eligible Affordable Housing Activities

5) Crime Prevention & Safety Activities:

- safety, security & law enforcement measures including activities appropriate to protect residents of affordable housing from crime.

5) Model Activities:

- Housing activities under model programs that are designed to carry out the purposes of NAHASDA



Administrative and Planning

❖ • A & P limited as follows:

20% of annual grant allocation or Program Year expenditures, whichever is greater, for recipients receiving more than \$500,000

30% of grant allocation or Program Year expenditures, whichever is greater, for recipients receiving \$500,000 or less

❖ • HUD may approve higher percentage.

Administrative and Planning

Funds may be used for:
Salaries and Benefits
IHP Preparation
Annual Performance Report Preparation
Monitoring
Admin Costs Related to Activities



Affordable Housing Activities and Administrative Expenses Program Guidance 2010-03

❖ **Guidance:** The document is intended to provide assistance to tribes and tribally designated housing entities (TDHE) when determining eligible affordable housing activities and eligible administrative expenses using Indian Housing Block Grant (IHBG) funds. Please note that this is not a complete list of eligible activities under NAHASDA.





What is Financial Management?



- ❖ Helps housing business to run smoothly
- ❖ Includes:
 - ❖ Effective cost management
 - ❖ Internal controls
 - ❖ Recordkeeping
 - ❖ Auditing

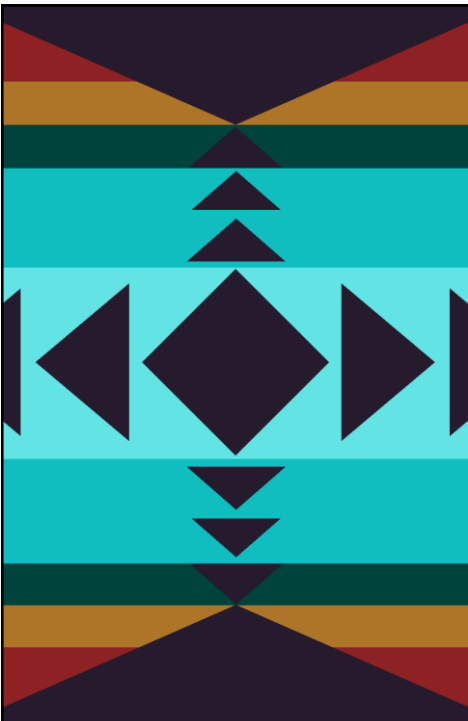
142



Benefits of A Sound Financial Management System

- Long term financial planning;
- Accurately organize grant activities;
- Effective and efficient use of the NAHASDA funds;
- Achieve program objectives and fulfill commitments of the IHP;
- Demonstrates accountability to the Tribe and HUD; and
- Gain confidence of HUD and potential funders.

143

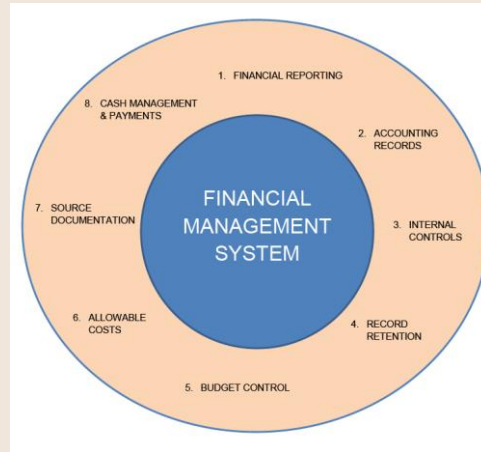


Overview Of Financial Management System

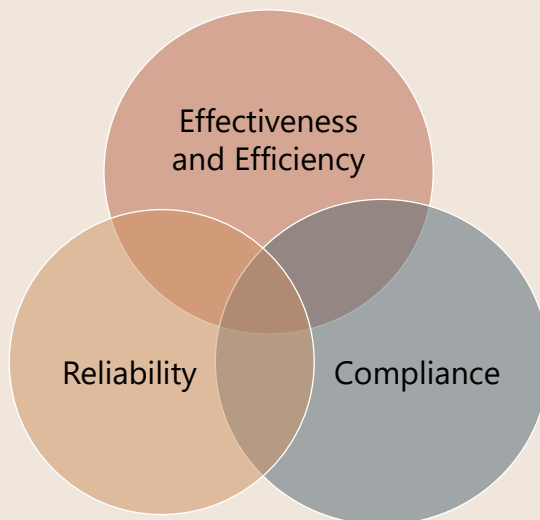
One size does not fit all – tailor to staffing and organizational structure

Refer to 2 CFR 200 Post Federal Award 200.300-309 for financial management system standards

Refer to NAHASDA 1000.26 Administrative Requirements for NAHASDA specific requirements



Internal Controls Objectives





Reporting Requirements

- ❖ 2 CFR 200.302(b)(3)
- ❖ The financial management systems must provide...accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§200.327 (Financial Reporting) and 200.328 (Monitoring and Reporting Program Performance).

148



Recordkeeping Requirements

- ❖ 200.302(3): Maintain records that identify adequately the source and application of funds for IHBG funded activities.
- ❖ NAHASDA Part 1000.552 requires financial and programmatic records to be retained for 3 years from the end of the grantees program year or settlement date of any litigation, claim, or audit that was started before the expiration of the three-year period.

-



Recordkeeping Requirements

- ❖ Adopt a policy that includes:
 - ❖ Retention requirements for records (200.333)
 - ❖ How long you keep the records (1000.552)
- ❖ Method to transfer certain records to the federal agency, if required (200.334);
- ❖ Methods for collection, transmission and storage of information (200.336);
- ❖ Access to records; (200.337) – for HUD, the Inspector General's, the Comptroller General of the United States.
- ❖ Restrictions on public access to records (200.337) – for example, Personnel files.

Recordkeeping Requirements

❖ Accounting Records to Keep (examples)

- Bank Reconciliation Files
- Journal Entry Files
- Financial Statement Files
- Vendor Files
- Personnel Files –
 - File 1- Application and other general information
 - File 2 - Confidential information (health, grievances)
 - File 3 - Payroll information



Recordkeeping Requirements

❖ Program Records to Keep (examples)

- • IHPs
- • Agreements
- • Policies
- • APR
- • Organizational docs
- • Tenant files





Recordkeeping Requirements

- ❖ Procurement Files to Keep (examples)
 - • Statement of work and/or work write-up
 - • Independent cost estimate
- ❖ Evidence of publication of solicitation with Indian Preference
 - • Solicitation mailing list
 - • Technical Evaluation Plan (RFP – competitive proposals only)
 - • Solicitation, amendments and approvals
 - • Bids or Proposals

153



QUESTIONS

55

See you at 11:00
AM EST



If you should need anything Else!

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