

## **ARRA Grant Accounting, Reporting and Internal Control Plan**

### **MaineHousing: Homeless Prevention and Rapid Re-Housing Program (HPRP)**

- Identify the grant program title, CFDA # DUNS number, and total award

Duns number for MaineHousing 086877115

**Homeless Prevention and Rapid Re-Housing Program (HPRP)-** CFDA # 14.257;  
total award \$6,575,089

- Please provide current chart of accounts for this program (Fund, Appropriation, Units) and chart of account elements set up for the new ARRA activity.

Cash

Accounts Receivable from Federal Government

Due to Administrative Fund

Allocated Revenue

Grant Income

Grant Expense

Administrative Fees

Operating Expenses

Allocated Salaries and General Operating Expenses

Note: The ARRA programs will be accounted for in a separate and stand alone fund group and they will not be comingled with other existing programs. Each ARRA program will be accounted for separately within the fund group in individual series.

- Please identify the key program and finance personnel involved with this program and their roles/responsibilities.

Program Contact: Nancy Fritz, Director of Homeless Initiatives

Nancy is responsible for supervising and directing all activities and programs in the Homeless Initiatives department.

Finance Contacts:

Karen Champagne, Financial Reporting Manager

Karen is responsible for MaineHousing's financial statement preparation and internal reporting functions.

Darren Brown, Controller

Darren oversees all accounting and financial reporting activities and authorizes disbursement of funds.

- Identify risks, areas of concern, and or lack of information that could potentially result in noncompliance with state and federal program, accounting, or reporting requirements. A formal risk assessment should be developed. Please provide a copy of your risk assessment.

At this time MaineHousing does not possess final documentation from HUD regarding program specifics or reporting requirements. MaineHousing expects HUD to follow current reporting requirements currently in place within HUD's Homeless Management Information System (HMIS). To ensure accurate reporting in HMIS, MaineHousing is the current State of Maine coordinator for all HMIS data compliance within the State and receives data from all program providers. MaineHousing will continue to follow existing reporting requirements dictated by HUD when using the HMIS system.

MaineHousing also anticipates that HPRP funding under ARRA will be drawn from HUD's Integrated Disbursement and Information System (IDIS), which is the current system used to draw HPRP funds. HUD has notified MaineHousing that preliminary requirements on IDIS reporting of ARRA funds will be provided by July 2009.

- Direct charging via payment interface, PRC or GAX to ARRA funds 020 and 021 is preferred. However, we recognize that journal entries may be necessary. Please identify what types of journals your agency may be processing to record ARRA activity and the basis that will be used to calculate journal entries. Please contact your agency financial reporting liaison at OSC for instructions on what to submit for supporting documentation with your ARRA journals.

Not applicable. MaineHousing is a quasi-state agency and does not submit journals or utilize the Advantage system.

- Is this grant entitled to retro ARRA funding? How will this be handled by your agency?

MaineHousing is entitled to receive ARRA funding for pre-award administrative costs related to HPRP programs. This includes costs that are directly related to preparing the application submission to HUD, starting with the publication of HUD's notice and ending with the submission of the substantial amendment to the consolidated plan. Staff costs for preparing the amendment are included as well as publication costs related to the public comment process and participation in HUD-sponsored HPRP training. MaineHousing anticipates recouping costs of newspaper advertising related to public comment and costs associated with participation in HUD-sponsored HPRP training.

- Identify what internal control measures you will be taking beyond standard practice to ensure proper implementation, accounting and reporting of ARRA funding.

The statewide Homeless Management Information System, administered by MaineHousing, will be configured to allow subgrantees to report all client level data related to HPRP funds directly into HMIS and to have that data separate from all other HMIS data.

The current internal control measures will continue to be utilized to monitor the use of the new funds. To ensure any new reporting requirements are completed, MaineHousing has designated the Financial Reporting Manager as the financial contact, the Director of Homeless Initiatives as the program contact and the Communications Special Projects Coordinator as the agency wide contact. In addition, one of the MaineHousing legal staff has been assigned to work with the Homeless Initiatives Department to ensure that MaineHousing is meeting all requirements of HPRP as outlined by HUD. These appointments will enhance MaineHousing's internal and external communication to make certain all reporting requirements are completed.

- How do you plan on communicating ARRA policies and procedures to all parties involved?

MaineHousing currently meets with state wide homeless services program directors and State government leaders. MaineHousing will continue to meet with all interested parties for HPRP funding. MaineHousing is currently awaiting more documentation on the ARRA HPRP funding before proceeding.

MaineHousing has created [www.mainehousing.org/ARRAHome.aspx](http://www.mainehousing.org/ARRAHome.aspx) to communicate to all external parties the use of all ARRA funds. MaineHousing is posting all ARRA related documents, contracts, communications and tracking on the MaineHousing ARRA website.

- Please identify the applicable state and federal reporting requirements for this grant.

Grantees must use the Integrated Disbursement and Information System (IDIS) to draw down HPRP funding and report on grant expenditures.

Grantees must report client-level data in HMIS. HUD expects to publish the required data elements that will be collected in HMIS for HPRP in the revised HMIS Data and Technical Standards. HUD has said it expects to publish these standards in May 09.

Grantees must submit quarterly performance reports to HUD. An Initial Performance Report, due October 10, 2009, must cover the period between the grant agreement execution date and September 20, 2009. The initial report will include, at minimum,

the total amount of Recovery Act funds received from HUD; the subgrantees and total amounts awarded to each; the amounts of HPRP funds allocated for the four eligible HPRP activity categories; the amount expended for each of the categories; the estimated number of unduplicated individuals and families served; and the estimated numbers of new jobs created and retained. Subsequent quarterly reports will include similar information and will be due within 10 days of the end of each quarter.

An annual performance report will be due to HUD within 60 days of the end of each federal fiscal year with the first Annual performance Report due November 30, 2010.

#### Annual Audit Report Requirements:

The HPRP program is subject to an annual A-133 audit to ensure compliance with federal requirements.

MaineHousing is required to have an independent annual audit of its financial statements conducted and completed within ninety days after its calendar year-end.

- Does this grant have any ARRA accelerated reporting requirements? If so, how do you intend to meet this deadline?

At this time, MaineHousing is not aware of any accelerating reporting requirements.

- Identify any additional state and federal compliance regulations and requirements applicable to this ARRA funding for this grant program. If this is a new grant, please provide information on state and federal compliance regulations and requirements.

To adhere to the new federal standard of transparency, weekly updates relative to all ARRA activities are submitted to the Communications Special Project Coordinate who prepares weekly reports to the Maine Department of Finance and Administration. These weekly reports are posted on the MaineHousing and State of Maine ARRA related websites.

Organizations providing rental assistance with HPRP funds will be required to conduct initial and any appropriate follow-up inspections of housing units into which a program participant will be moving. HUD has provided a list of minimum habitability standards.

Grantee and subgrantees must comply with all applicable fair housing and civil rights requirements.

Lead-based paint requirements will apply to housing occupied by families receiving assistance through HPRP.

Organizations that are faith-based or religious are eligible, on the same basis as any other organization, to participate in HPRP.

HUD guidance also includes provisions relative to Lobbying and Disclosure Requirements, Drug-Free Workplace Requirements, and Procurement of Recovered Materials.

- Has your agency reviewed all contracts to internal and external parties to ensure that they are appropriately classified as a vendor or a subrecipient and that the contract contains sufficient detail of the responsibilities of each organization to ensure timely and accurate reporting on the use of ARRA funds, compliance with grant award requirements and State regulations, and proper reporting of the expenditure of federal dollars on the Federal Status Reports and the Schedule of Expenditures of Federal Awards.

MaineHousing has not yet issued contracts related to HPRP ARRA funds. When contracts are prepared, MaineHousing's Legal Department reviews and approves all contracts in relation to the appropriate federal program.

- Have you considered relationships with other grant programs and how they will impact your ARRA funding and accounting? Please identify those programs and the relationship and how you will be addressing the flow of transaction activity.

Our department currently administers contracts with about 30 agencies for state and federal funding for homeless shelter operating support. It is likely that some of these same agencies may be subgrantees for HPRP funds. We are in the process of developing procedures that will ensure that all HPRP funds are accounted for separately.

MaineHousing houses and administers the dedicated statewide Homeless Management Information System. Currently, all organizations that receive federal McKinney-Vento funds must put client level data into HMIS. Also, a number of other organizations voluntarily contribute data to HMIS. MaineHousing will be configuring the HMIS in such a way that all client-level data related to HPRP funding will be segregated from all other client-level data, so that HPRP client-level reporting can occur.

- Please provide documentation on the procedures your agency will be implementing to ensure compliance with program, accounting and reporting regulations and requirements.

Program:

Documentation on procedures to administer the HPRP program are currently under development pending continuing information from HUD related to the structure of the program.

Accounting:

The accounting unit receives requests from the Homeless Initiatives Team to disburse and drawdown ARRA funds. All computer program and online services in use are password protected and reside on secure hardware.

All requests to drawdown ARRA funds from HUD's Integrated Disbursement and Information System (IDIS) is in written format and is submitted to the Controller by the Program Officer responsible for the funds and approved by the Homeless Initiatives Department Director. All requests detail the name of the payee, the amount of funds by type to be drawn, and the appropriate HUD IDIS identifying number. The written request is approved by the Controller and forwarded to the Federal Programs Accountant for the draw down process to be completed. The Federal Programs Accountant enters IDIS and utilizes the IDIS identifying number to verify the amount to be drawn to the report received from the Homeless Initiatives Department. The Federal Programs Accountant completes the draw down and forwards to the Assistant Controller who then enters IDIS, reviews the written request and approves the draw down.

The disbursement of funds is conducted through the routine Accounts Payable process. The Homeless Initiatives Program Officer forwards to the Accounts Payable Accountant a written payment request, signed by the Homeless Initiatives Department Director, detailing the payments to be made. This request corresponds to the request to the Federal Programs Accountant to draw down funds from IDIS. This process includes the review of the invoice by the Federal Programs Accountant, the Assistant Controller and the Controller prior to input into the Accounts Payable system to be paid. Once a payment is completed, the Financial Reporting Manager agrees the weekly detail list of paid items to the physical check or electronic payment. All physical checks are signed and all electronic payments are approved by either the Mortgage Program Accountant, the Financial Reporting Manager or the Assistant Controller; none of which have the authority to issue an electronic payment.

The Accounting Department monitors all receipts and disbursements by completing monthly bank account reconciliations and also monitors daily bank activity online as needed. Outstanding checks are listed and monitored by months outstanding. The Accounting Department is actively using and encouraging the use of electronic payment when a recipient is willing to accept direct deposit of funds to reduce exposure to lost payments, outstanding checks, and general misuse of payments.

All accounting is completed in accordance with General Accepted Accounting Principles (GAAP). Journal entries which debit Grant Expense and Accounts Receivable from Federal Government and credit Grant Income and Due to Administrative Fund reflect the physical receipt and distribution of ARRA funds.

Karen J. Champagne, Financial Reporting Manager

April 24, 2009

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Preparer(s) Signature and Title

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Date