

CARES Act: Module V and VI

Expediting Projects and Reporting and Closeout of
IHBG-CARES and ICDBG-CARES Grants

Virtual Training
August 1, 2024



The U.S. Department of Housing and Urban Development (HUD) and the Office of Native American Programs offer this training through a cooperative agreement with FirstPic, Inc.



This material is based upon work supported by funding under an award with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. Neither the United States Government, nor any of its employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately-owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the U.S. Government or any agency thereof. Opinions expressed in this document are those of the authors and do not necessarily reflect the official position of, or a position that is endorsed by, HUD or by any HUD program.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

- The CARES Act, signed into law on March 27, 2020, provides funding to assist Tribes and TDHEs with:
 - Activities, Projects, or Programs to **Prevent** COVID-19.
 - Activities, Projects, or Programs to **Prepare for** COVID-19.
 - Activities, Projects, or Programs to **Respond to** COVID-19.
- The allowable activities included those that addressed short-, medium-, and long-term vulnerabilities to Tribal Communities resulting from the pandemic.



IHBG-CARES Funds Usage

- In accordance with the CARES Act, these funds are permissible for maintaining regular operations and funding eligible IHBG activities during the period when a recipient's IHBG program is impacted by COVID-19.
- HUD expects and encourages recipients to expend funds expeditiously due to the ongoing COVID-19 National Emergency. However, the impacts of COVID-19 on a recipient's IHBG program may range from immediate or short-term to medium- and long-term in nature.
- Therefore, to meet this requirement, HUD will authorize recipients to use IHBG-CARES grant funds to sustain normal operations both presently and after the COVID-19 National Emergency. This allowance is contingent on the IHBG-CARES recipient demonstrating that COVID-19 continues to affect its program.

CARES Act Closeout Training

As activities approved under the CARES Act are completed, it is necessary to address the grant closeout. This course is designed to assist all Tribes/TDHEs receiving funding under the CARES Act in properly fulfilling the grant requirements and reporting to HUD.

It will cover the following topics:

- IHBG-CARES Act Closeout Process and Reporting.
- ICDBG-CARES Act Closeout Process and Reporting.
- Program Income Property and Equipment Inventory Form.
- Differences between IHBG-CARES and ICDBG-CARES Closeout Processes.

IHBG-CARES

Prioritizing and Finalizing Projects



PRIORITIZE PROJECTS

Program Deadlines

- Give priority to the earliest deadlines.
- Revise projects to include those with shorter timeframes.
For example, replace rehab projects with equipment procurement.

Community Need

- Give priority to projects with the greatest need.
For example, consider elderly rehab over playground improvements.

USE WAIVERS TO EXPEDITE PROJECTS

Income Verification Requirements

- Alternative requirements are established to allow recipients to deviate from their written admission and occupancy policies, specifically allowing them to verify income less frequently than stated.
- Allows for carrying out intake and other tasks remotely.

Assistance to Non-Low Income and Non-Native Families

- Alternative requirements are established based on the understanding that otherwise ineligible families are being assisted in order prevent the spread of COVID-19.
- Recipients can temporarily house any individuals, regardless of Indian status or income level in tribally owned units or privately owned units.
- Other eligible activities include providing masks, medical testing kits, food preparation, and cleaning/decontamination.

WAIVERS - OTHER

Useful Life.

Affordability and useful determination not required at this time for specific items.

Applies to clean-up units or use as temporary housing during COVID-19 outbreak.

Total Development Cost (TDC) Limits.

Waived the requirements relating to limitations on cost or design standards and TDC with respect to dwelling and non-dwelling units.

Recipient may exceed the current TDC maximum by 20 percent without HUD review or approval, and exceed 20 percent with HUD approval.

Purpose must be to prevent, prepare for, and respond to COVID-19.

Investment of IHBG-CARES Act funds prohibited.



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

OFFICE OF PUBLIC AND INDIAN HOUSING

SPECIAL ATTENTION OF:

Office Directors of Public Housing;
Regional Directors; Public Housing
Agencies; Offices of Native American
Programs; Indian Tribes, and
Tribally Designated Housing Entities.

NOTICE PIH 2021-14 (HA)

Issued: May 4, 2021

Expires: This notice remains in effect
until amended, superseded or rescinded.

Supersedes: Notices PIH 2020-33; PIH 2020-13;
PIH 2020-05

Cross References: Notice PIH-2018-18;
Notice PIH-2019-11; Notice PIH-2011-64;
82 FR 5458 (January 18, 2017); 83 FR
35490 (July 26, 2018); Notice PIH-2020-22;
Notice PIH-2020-20

SUBJECT: COVID-19 Statutory and Regulatory Waivers and Alternative Requirements for the Public Housing, Housing Choice Voucher (including Mainstream and Mod Rehab), Indian Housing Block Grant and Indian Community Development Block Grant programs, Suspension of Public Housing Assessment System and Section Eight Management Assessment Program, Revision 3

1. PURPOSE

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) provides the U.S. Department of Housing and Urban Development (HUD) with broad authority to waive or establish alternative requirements for numerous statutory and regulatory requirements for the Public Housing program, Housing Choice Voucher (HCV) program, Indian Housing Block Grant (IHBG) program, and Indian Community Development Block Grant (ICDBG) program.

In Notice PIH 2020-05, published on April 10, 2020, HUD exercised its authority under the CARES Act to establish waivers and administrative flexibilities to provide relief to Public Housing Agencies (PHAs), Indian tribes, and Tribally Designated Housing Entities (TDHEs) in response to the COVID-19 pandemic. PIH subsequently published Notices PIH 2020-13 and 2020-33, which restated all previously established waivers and alternative requirements from preceding notices, provided additional waivers and alternative requirements, extended the periods of availability for previously established waivers and alternative requirements, and issued technical amendments to several of the previously established waivers and alternative requirements. Additionally, HUD published Notices PIH 2020-20 and PIH 2020-22, which provided waivers and alternative requirements specific to the Section 8 Moderate

WAIVERS - EXPIRATION

The waivers and alternative requirements issued under the IHBG and ICDBG programs are generally available until funds are expended, unless otherwise noted under specific waivers.

Waivers can only be used if funds are used to prevent, prepare for, and respond to COVID-19.

IHBG-CARES

Compliance Process



OVERVIEW

Other federal requirements cited in NAHASDA apply.

Apply to recipients and may also apply to other entities (subrecipients, contractors, developers, etc.)



PROCUREMENT REQUIREMENTS

2 CFR Part 200.318-326: OMB Uniform Administrative Requirements, Cost Principles & Audit Requirements for Federal Awards.

Written policies and procedures regarding:

- Competition
- Methods of procurement to be followed
- Contract cost and price
- Awarding agency review
- Bonding (*2 CFR 200.325 and 24 CFR 1000.26(a)(11) provide acceptable methods when inconsistencies exist*)
- Contract provisions
- Conflict of interest

ENVIRONMENTAL REVIEW

Applicable requirements include:

- National Environmental Policy Act of 1969 (NEPA).
- Related authorities in 24 CFR parts 50 and 58.

Level of review is based on the type of activity.

Funds cannot be expended or obligated prior to completion of determination.

FLOOD INSURANCE

If FEMA identified special flood hazard area, requires either

- Participation in National Flood Insurance Program, or
- Private flood insurance

Many reservations have not been mapped by FEMA.

LEAD-BASED PAINT

Lead regulation - 24 CFR part 35

- Took effect 9/15/2000

For more information:

- https://www.hud.gov/program_offices/healthy_homes/healthyhomes/lead

 [Press Room](#) [Program Offices](#) [Resources](#) [Find Shelter](#) [State Info](#) [Contact Us](#) [Información en Español](#)



U.S. Department of
Housing and Urban Development

[About Us](#)

[What We Do](#)

Search



[Español](#)

[Home](#) / [Program Offices](#) / [Office of Lead Hazard Control and Healthy Homes](#) / [Healthy Homes for Healthy Families](#) / [About Lead-based Paint](#)

ABOUT LEAD-BASED PAINT

Lead is a highly toxic metal that may cause a range of health problems, especially in young children. When lead is absorbed into the body, it can cause damage to the brain and other vital organs, like the kidneys, nerves, and blood.

Lead may also cause behavioral problems, learning disabilities, seizures, and in extreme cases, death. Some symptoms of lead poisoning may include headaches, stomachaches, nausea, tiredness, and irritability. Children who are lead poisoned may show no symptoms.



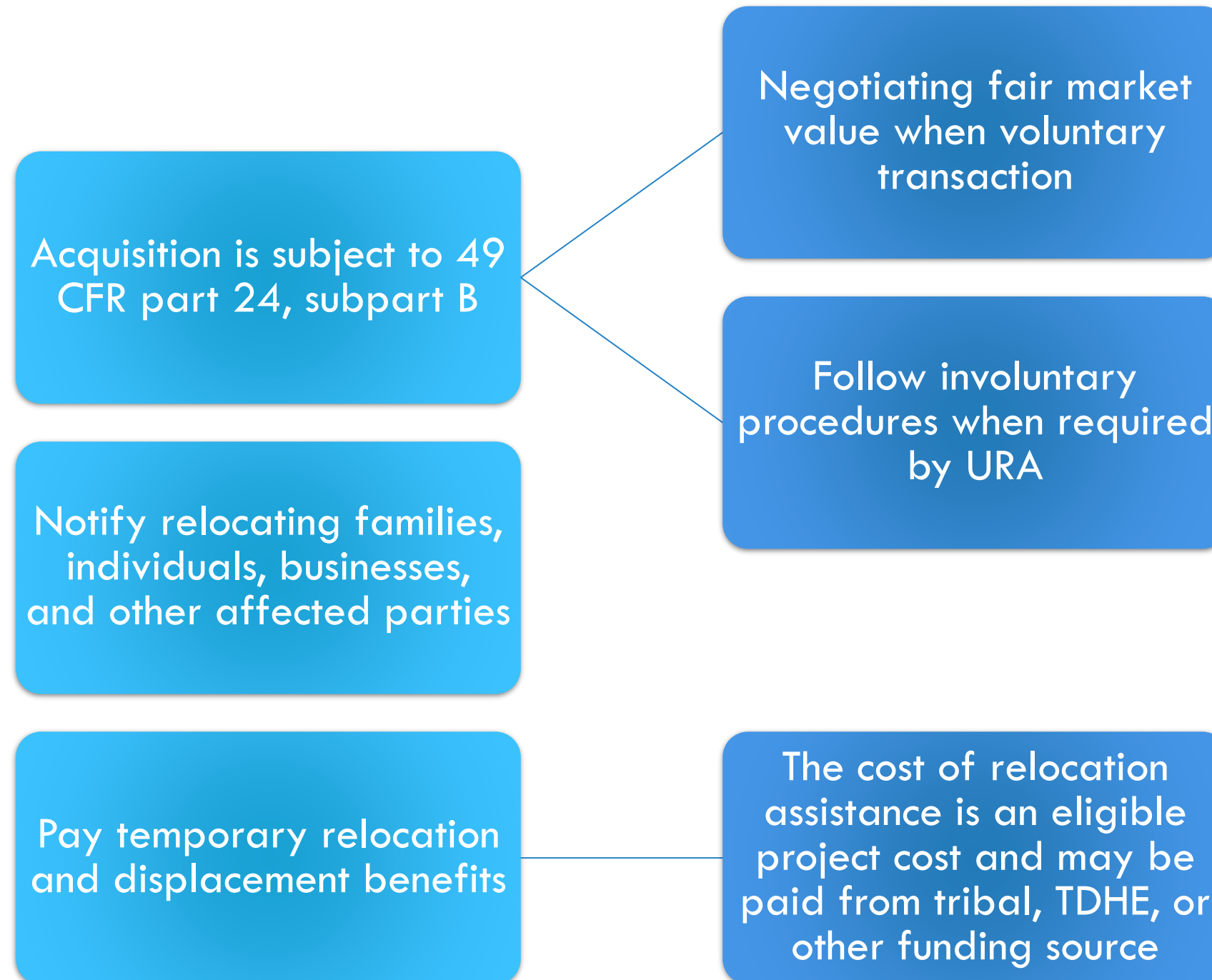
Just In

- [Policy Guidance 2017-04, OLHCHH Grant Procurement Standards](#)
- [Resources/Tools for Home Inspectors](#)

Want More Information?

- [Get the Lead Brochure](#)

RELOCATION AND ACQUISITION



NON-DISCRIMINATION REQUIREMENTS 24 CFR 1000.112

Age Discrimination Act

Section 504 of the Rehabilitation Act

- Qualified disabled persons have access to programs and activities
- 504 applies to all NAHASDA-related activities

Indian Civil Rights Act

LABOR REQUIREMENTS

Davis-Bacon labor standards are applicable to NAHASDA programs (§1000.16)

- Tribe may adopt prevailing wage rates.
- Prevailing wage rates as determined by DOL must be paid for laborers and mechanics for all construction and rehab.
- Does not apply to contracts less than \$2,000.

Contracts over \$150k are subject to Contract Work Hours and Safety Standards Act

Copeland Act (40 USC 276c) - allowable paycheck deductions

Fair Labor Standards Act of 1938 - minimum wage and overtime requirements

NATIVE PREFERENCE

Grants are subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act.

Training and employment opportunities given to Indians (§1000.50) and preference in award of contracts (§1000.52).

Certify policies and procedures or tribal code/regulations are in place.

Preference clauses must be incorporated into contracts.

Program Guidance 2013-07 Indian and Tribal Preferences in Employment and Contracting in IHBG acknowledges tribal regulations for Indian preference in procurement.

IHBG-CARES

Streamlined Grant Closeout Process Checklist

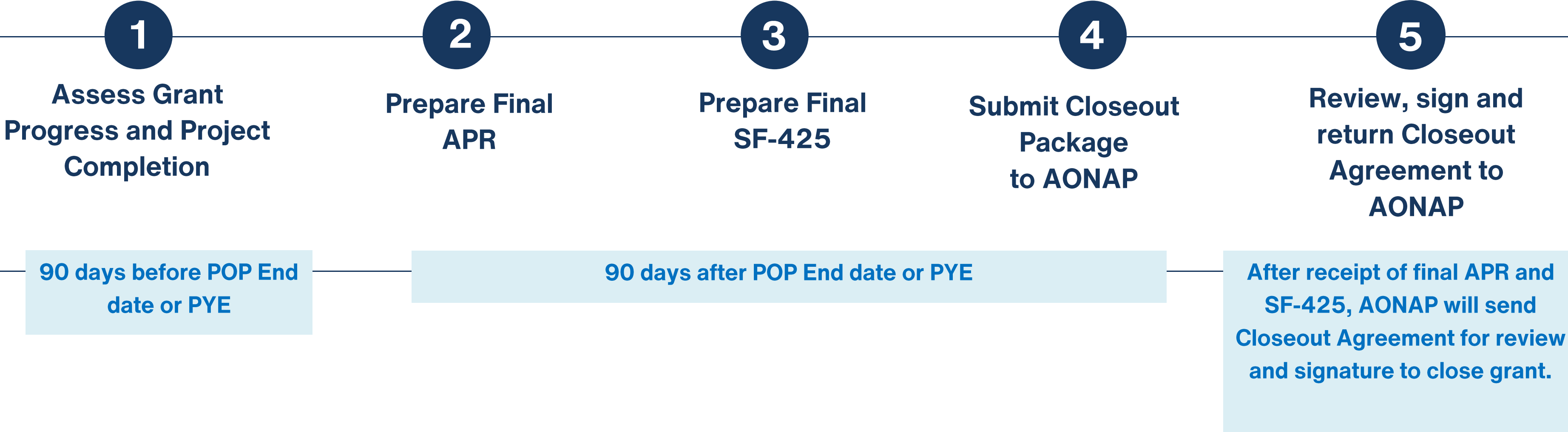


IHBG-CARES Act Reporting Guidelines

- **Quarterly SF 425 Submission:**
 - **Mandatory for All Recipients:** Regardless of the amount of CARES funds received, all recipients are required to submit the Quarterly SF 425.



Closeout Checklist for IHBG-CARES



Note: This Checklist also applied to IHBG-ARP Closeout. See the ONAP Grantee IHBG-CARES/ARP Grant Closeout Checklist.

1. Assess Grant Progress and Program Completion

Consider if the grant is ready for closeout:

- **Are grant funds fully drawn down?**
 - If not, are you on track to have all funds used by the program end date?
- **If the project is complete and there are unused funds, notify your Area ONAP.**
 - ONAP will make the appropriate adjustment to funding to close out the grant.
- **Do you have any program income generated by the program?**
 - Funds should either be spent as part of the CARES program or carried forward as IHBG program income.
 - Any funds generated in future periods will be treated as Program Income for IHBG and treated in accordance with PIH 2022-28.

Note: the original POP End date for IHBG-CARES was 9.30.2024, and 9.30.2025 for IHBG-ARP grants.



2. Submit Final APR

- Due within 90 days of program period of performance end date
- Confirm all funds spent on allowable activities in the IHP
- If there were changes to the original IHP, verify amendments and approvals were obtained as required for:
 - Activities added
 - Activities deleted
 - Proposed budget amendments exceeding 20% of the award
 - Request for extension of Program period of performance



2. Submit Final APR

- Ensure the grant balance in eLOCCS is zero.
- Verify any equipment and property Program Income.
- Include any required explanations for activities.
- Verify that the amount shown on the APR ties to the SF 425.
- Verify that the amount shown is supported by your financial records.



3. Submit Final SF-425

- Due within 90 days of the program period of performance end date.
- Confirm all funds spent are recorded.
- Verify all funds spent are properly supported in your financial records.
- Verify the amount of funds remaining is zero.
 - If grant funds are still available, work with ONAP to determine how this should be addressed
 - Are there additional drawdowns to be made?
 - Should the award amount be amended to address leftover funds?
 - Any equipment and property program income to verify?



4. Submit Final Closeout Package to AONAP

- Submit Final Closeout Package to your Area ONAP Office within 90 days of the end of the program period.
- Include the following:
 - Final APR
 - Final SF-425, and
 - If you have funds on hand, specify how those will be addressed (see steps 1-3)
 - If the project is complete but funds remain that cannot be used for eligible activities, notify your Area ONAP Office for assistance.
 - A grant agreement showing the remaining funds as a negative amount will be included with the Area ONAP's Initiation of Closeout Letter
 - This returns the remaining funds in LOCCS to HUD so you can close out the grant.



5. Final Closeout letter and program closed

Once the final APR and SF 425 are processed by ONAP, you will receive an IHBG-CARES Closeout Agreement for your review and signature.

The agreement requirements are:

- Tribe/TDHE certifies that all funds were expended in accordance with the terms and conditions of the award.
- Use of real property assisted with the IHBG-CARES grant will be in accordance with 24 CFR 1000.
- Record retention will be in accordance with 2 CFR 200.334 or the Tribe/TDHE record retention policy, whichever is longer.
- If deficiencies are noted, ONAP will reach out to the Tribe/TDHE to resolve outstanding issues.



5. Waivers

The IHBG-CARES agreement also states:

- PIH Notice 2021-14: IHBG-CARES Implementation Notice provided waivers of Useful Life and Low-Income requirement while units were used for emergency purposes.

However, after emergency use, useful life requirements apply in accordance with [24 CFR 1000.141-147](#) unless the units are disposed of or sold, in accordance with [24 CFR 1000.134 \(c\)](#).



IHBG CARES Closeout Checklist Recap

- Assess Grant Progress and Project Completion.
- Submit Final APR within 90 days of period end.
- Submit Final SF 425 within 90 days of period end.
- Submit Closeout Package to AONAP.
- Final Closeout letter sent to grantee and the program is closed.



ICDBG-CARES

Streamlined Grant Closeout Process Checklist

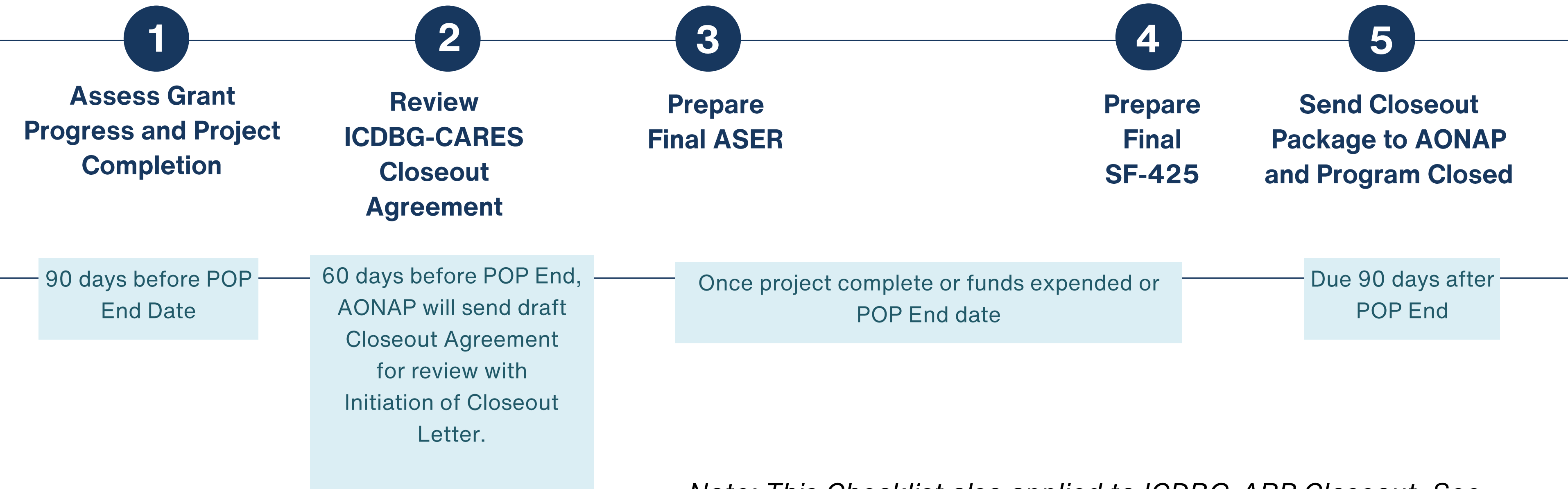


ICDBG-CARES Act Reporting Guidelines

- **Quarterly SF 425 Submission:**
 - **Mandatory for All Recipients:** Regardless of the amount of CARES funds received, all recipients are required to submit the Quarterly SF 425.



Closeout Checklist for ICDBG-CARES



Note: This Checklist also applied to ICDBG-ARP Closeout. See ONAP Grantee ICDBG-CARES/ARP Grant Closeout Checklist.

1. Assess Grant Progress and Project Completion

90 days before POP end date, consider if the grant is ready for closeout:

- **Is the project complete or on track to be completed by the POP End Date?**
 - If progress is delayed, consider an [amendment request](#) to change to another eligible activity or extend the POP End date. Send requests 45 days before POP End. If the POP End Date passes, you will not be able to draw from LOCCS.
- **Are all activities complete or accomplishments achieved?**
- **Are all expenses paid, documented, and recorded?**
- **Are all expenditures reflected correctly in your financial records?**
- **Are the grant funds fully drawn down or on track to be by the POP End Date?**
 - If the project is complete but funds remain that cannot be used on eligible activities, notify your AONAP. A grant agreement showing the remaining funds as a negative amount will be included with AONAP's Initiation of Closeout Letter.
- **Are there proceeds of sale from property or equipment?**
- **Are you prepared to draft the final ASER and SF-425?**



2. Review ICDBG-CARES Closeout Agreement

The Closeout agreement letter is sent out at least 60 days prior to closeout:

- It includes the Period of Performance Start Date and End Date.
- Provides instructions to initiate closeout by completing the final ASER and final SF-425.
- Addresses the balance of funds in LOCCS or the intent to return funds.
- Program income from the program will be used for ICDBG eligible activities.
- If funds were used for new construction or equipment, 24 CFR 1003.504 and 24 CFR 1003.501(a)(6) will apply.
- Record retention will be in accordance with 2 CFR 200.334.
- Includes contact information for questions or assistance.



3. Submit Final ASER

- Due within 90 days of program period of performance end date.
- The report should include a narrative covering the achievement of program outputs and goals.
- If there were changes to the original grant application, verify that amendments and approvals were obtained as required for the following:
 - Activities added/deleted
 - Proposed budget amendments exceeding 20% of the award
 - Request for extension of Program period of performance



4. Submit Final SF-425

- Due within 90 days of the program period of performance end date:
- Confirm that all funds spent are properly recorded.
- Verify that all funds spent are adequately supported in your financial records.
- Ensure the remaining funds amount to zero. If there are remaining funds:
 - Collaborate with ONAP staff to facilitate the final drawdown.
 - Work with ONAP to determine the appropriate course of action:
 - Are additional drawdowns necessary?
 - Should the award amount be amended to address leftover funds?
 - Verify any equipment and property program income.



5. Send Final Closeout Package to AONAP

- ONAP will review the final documents submitted for completeness.
- The Tribe/TDHE must certify that all funds were expended in accordance with the terms and conditions of the award.
- The use of real property assisted with the ICDBG-CARES grant will adhere to 24 CFR 1003.504.
- Record retention will follow either 2 CFR 200.334 or the Tribe/TDHE record retention policy, whichever is longer.
- In the event deficiencies are noted, ONAP will reach out to the Tribe/TDHE to resolve outstanding issues.



ICDBG CARES Closeout Checklist Recap

- Closeout Initiation Letter Sent from ONAP.
- Submit Final ASER within 90 days of period end.
- Submit Final SF 425 within 90 days of period end.
- Final Closeout letter drafter and reviewed.
- Final Closeout letter sent to grantee and program closed.



ICDBG CARES Waivers

PIH Notice 2021-14: ICDBG-CARES Implementation Notice included a waiver for the purchase of equipment:

Purchase of Equipment Regulatory Authority: 24 CFR §§ 1003.207(b)(1), 1003.201(c)(1)(ii)

Description: The purchase of equipment with ICDBG funds is generally ineligible under 24 CFR § 1003.207(b)(1), with some exceptions. Given the immediate need for medical and personal protective equipment, and other related equipment needed to help prevent, prepare for, or respond to the COVID-19 pandemic in tribal communities, HUD is waiving 24 CFR § 1003.207(b)(1) and authorizing the use of ICDBG-ARP funds for the purchase of equipment necessary to prevent, prepare for, or respond to COVID-19.

Equipment must be used for authorized program purposes, and any proceeds from the disposition of equipment will be considered ICDBG-ARP program income.

Proceeds of Sale are considered ICDBG program income to be used for ICDBG-eligible activities.



ONAP Program Income Inventory

The Program Income Inventory is designed to track program income derived from real property and equipment acquired with grant funds and subsequently disposed of before closeout.

Program Income inventory must include:



Date
Acquired



Acquisition
Cost



Funding
Source



Date of Sale



Proceeds of
Sale

ONAP Program Income Inventory

Track Program Income by listing any real property (land, buildings, housing units), personal property (mobile homes) or equipment (earthmoving, water/sewer) purchased with federal funds and sold before grant closeout. **Note: single items over \$5,000 for IHBG and over \$25,000 for ICDBG.**

Grant	Grant Number	Date Acquired	Cost	Property Description	Date Sold	Proceeds

The ONAP Program Income Property and Equipment Inventory will be included with the Initiation of Closeout Letters and Closeout Agreements for pandemic grants.

You are not required to use this form or include with the closeout package.

Use of Property Acquired (24 CFR 1003.504)

- The standards described in this section apply to real property within the Tribe/TDHE's control that was acquired or improved, in whole or in part, using grant funds exceeding \$25,000.
- These standards shall be applicable from the date the funds are first spent on the property until 5 years after the closeout of the grant providing assistance to the property.



Use of Property Acquired (24 CFR 1003.504)

- (a) A grantee may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the grantee provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either:
 - (1) The new use of such property qualifies as meeting the primary objective set forth in [§ 1003.208](#) and is not a building for the general conduct of government; or
 - (2) The requirements in [paragraph \(b\)](#), of this section are met.



Use of Property Acquired (24 CFR 1003.504)

(b) If the grantee determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under [paragraph \(a\)\(1\)](#) of this section, it may retain or dispose of the property for the changed use if the grantee's ICDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-ICDBG funds for acquisition of, and improvements to, the property.

Use of Property Acquired (24 CFR 1003.504)

(c) If the change of use occurs after program closeout, the proceeds from the disposition of the real property shall be used for activities which meet the eligibility requirements set forth in [subpart C of this part](#) and the primary objective set forth in [§ 1003.208](#).

The primary objective, as stated in 1003.208, is as follows:

- Activities meeting these criteria, as applicable, will be considered to benefit low and moderate-income persons unless there is substantial evidence to the contrary.
- In assessing any such evidence, the full range of direct effects of the assisted activity will be considered. The grantee shall appropriately ensure that activities that meet these criteria do not benefit moderate-income persons to the exclusion of low-income persons.

(d) Following the reimbursement of the ICDBG program in accordance with [paragraph \(b\)](#) of this section, the property no longer will be subject to any ICDBG requirements.

Use of Property Acquired (24 CFR 1003.504)

What does this mean for the Tribe/TDHE purchasing units under CARES?

- Units must remain available for low-income families for at least 5 years from closeout.
- If a unit is purchased and subsequently sold within the 5-year period, the proceeds will be restricted to affordable housing, instead of the standard use of program income for Housing Activities.
- A Tribe/TDHE purchasing a unit as a quarantine unit that no longer has a need for it should first attempt to utilize the unit for providing housing to low-income families.
 - If this is not feasible due to location or other factors, then the unit may be sold, but any proceeds will be restricted to affordable housing ONLY.

Use of Property Acquired (24 CFR 1003.504)

What does this mean for the Tribe/TDHE purchasing units under CARES?

- Units must remain available for low-income families for at least 5 years from closeout.
- If a unit is purchased and subsequently sold within the 5-year period, the proceeds will be restricted to affordable housing, instead of the standard use of program income for Housing Activities.
- A Tribe/TDHE purchasing a unit as a quarantine unit that no longer has a need for it should first attempt to utilize the unit for providing housing to low-income families.
 - If this is not feasible due to location or other factors, then the unit may be sold, but any proceeds will be restricted to affordable housing ONLY.

Differences between IHBG CARES and ICDBG CARES Closeout

- ASER vs APR: The final report for ICDBG-CARES is the ASER and it is the APR for IHBG-CARES.
- Period of Performance (POP) End Date: The POP End date for ICDBG-ARPs is based on the Implementation Schedule. For IHBG-CARES, it is 9.30.2024.

If your POP End Date passes before you amend, you will be unable to draw funds from LOCCS. Plan ahead; send amendment requests at least 45 days prior to your POP End date. You can Check your POP End Date for every grant in LOCCS.

- To amend an IHBG-CARES, submit an abbreviated IHBG-CARES IHP as noted in the [GEMS Grantee User Guide](#) on [CodeTalk GEMS](#) Page.
- To amend an ICDBG-CARES, submit an amendment request as described in [PIH Notice 2021-22: Process for Amending ICDBG-CARES/ARP Grants](#).

Differences between IHBG CARES and ICDBG CARES Closeout

Closeout Agreements:

For **ICDBG-CARES**, a closeout agreement is prepared and sent with ONAP's Initiation of Closeout Letter, 60 days before the POP End date, and is returned to ONAP with the closeout package.

For **IHBG-CARES**, ONAP does not send a closeout agreement until after the closeout package has been received, between steps 4 and 5.

Summary

- The Area ONAP Office will notify the grantee within 60 days of the end of the period of performance to prepare for closeout.
- The Tribe/TDHE is required to submit all closing documents within 90 days of the end of the period of performance.
- The Tribe/TDHE will receive notification of the acceptance of closeout documentation.
 - If any documents are incomplete, the Tribe/TDHE will be contacted to correct them as needed.
- The grant will be closed, and the Tribe/TDHE will retain any required records in accordance with policy."

Questions?

Thank you!

