

Exhibit 10-4
Housing Opportunities for Persons With AIDS
(HOPWA) Program

6509.2 REV-5 CHG-2

Guide for Review of HOPWA Project Sponsor or Subrecipient Management			
Name of Program Participant:			
Staff Consulted:			
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding.**"

Instructions: This Exhibit is designed to evaluate a program participant's compliance with HOPWA requirements for project sponsors and subrecipients which are awarded contracts for carrying out HOPWA activities. It is divided into five sections: Program Participant Management and Training Systems; Internal Controls; Performance Reporting; On-Site Review of Project Sponsors by HUD; and Summary of HUD Review.

As specified in 24 CFR 574.520 and 24 CFR 91.520, program participants are responsible for reporting to HUD progress made in carrying out Strategic Plans and Action Plans, as referenced in 24 CFR Part 91 (for formula participants) and grant agreements (for competitive participants). Program participants are responsible for monitoring the operations of project sponsor activities and contracted services to assure compliance with applicable Federal requirements and that performance goals are being achieved. Throughout this Exhibit, references are made to 24 CFR Part 85, which applies to reviews of states and units of local government and 24 CFR Part 84, which applies to reviews of nonprofit organizations and/or institutions of higher learning. Program participant monitoring must cover each program, function, or activity (see 24 CFR 574.500, "Responsibility for Grant Administration"). They are also responsible for ensuring that grants are administered in accordance with these requirements and that their project sponsors carry out activities in compliance with applicable requirements.

The HUD review will normally take place at the program participant level but, if time and resources permit, a selected sample of project sponsors should be monitored on-site, following the guidance in Section D of this Exhibit. A separate form for questions 28-32 should be filled out for each project sponsor or subrecipient reviewed. Selection of project sponsors and subrecipients should be based on the sampling guidance provide in Section 10-5 of the introduction to this Chapter. To select a sample, request a list of the project sponsors and subrecipients which were using program funds during the operating year under review. If the program participant has funded fewer than ten (10) organizations for the year or years being reviewed, complete questions 3 and 7; if more than ten, completed items 5, 11, 15 and 17.

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A. PROGRAM PARTICIPANT MANAGEMENT AND TRAINING SYSTEMS

1.

<p>Does the program participant use written agreements with organizations selected or designated as project sponsors, as well as organizations selected by competitive processes as subrecipient service contractors, to ensure that the organizations comply with HOPWA program requirements? [24 CFR 574.500 and 24 CFR 91.525(a)]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p> 	

2.

<p>Does the program participant have a management system for the oversight and monitoring of its project sponsors and any subrecipients? (If the participant has a written description of its project sponsor and subrecipient management policies or systems, attach a copy.) [24 CFR 574.500; 24 CFR 91.230, 24 CFR 91.330, and 24 CFR 91.525(a)]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p> 	

3.

<p>Does the program participant review the performance of each project sponsor and subrecipient annually or other periodic basis? (Include, in response below, the planned review schedule.) [24 CFR 574.500; 24 CFR 91.230 and 330]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p> 	

4.

<p>How often or on what periodic cycle does the program participant monitor its project sponsors and subrecipients on-site?</p>
<p>Describe Basis for Conclusion:</p>

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5.

a. If the program participant does not monitor on-site all of its project sponsors and subrecipients, does it have a system or risk assessment process to identify “high risk” project sponsors to receive priority treatment for monitoring? [24 CFR 574.500, 24 CFR 91.230, 24 CFR 91.330]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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Describe Basis for Conclusion:

b. What, if any, special procedures have been established by the program participant for “high risk” project sponsors or subrecipients (e.g., limited or inexperienced staff, frequent staff turnover; or programs experiencing difficulties in carrying out activities, such as housing development and/or construction)?
 [24 CFR 574.500; 24 CFR 91.230, 24 CFR 91.330 and 24 CFR 91.525(a)]

Describe Basis for Conclusion:

6.

a. Provide the following information regarding the on-site monitoring efforts that have been conducted by the program participant during the period under review:
 (Use the “tab” key to add additional rows or attach additional sheets.)

Project Sponsors/Subrecipients Name ¹	Dates Monitored	Number and Types of Finding	Date of Letter with Monitoring Results	Date(s) Findings Resolved

¹ Identify whether the entity is a Project Sponsor “(PJ)” or subrecipient “(S)” being monitored.

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b. Of the project sponsors and subrecipients monitored “a” above, what percentage does this represent of the total number of organizations funded by the program participant during the period under review?

Describe Basis for Conclusion:

7.

Describe the program participant’s processes for conducting annual or other periodic reviews to ensure quality monitoring, including appropriate documentation, requested actions, and follow-through on promised actions.

Describe Basis for Conclusion:

8.

a. Do the program participant’s written monitoring reports clearly document the areas monitored and the conclusions reached? [24 CFR 574.500; 24 CFR 91.230, 24 CFR 91.330 and 24 CFR 91.525(a)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
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Describe Basis for Conclusion:

b. Do such results include any expected corrective actions and dates for resolution? [24 CFR 574.500; 24 CFR 91.230, 24 CFR 91.330 and 24 CFR 91.525(a)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
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Describe Basis for Conclusion:

9.

a. Are monitoring results communicated timely to project sponsors and subrecipients? [24 CFR 574.500; 24 CFR 91.230, 24 CFR 91.330]	<input type="checkbox"/> <input type="checkbox"/> Yes No
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Describe Basis for Conclusion:

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b. Are project sponsors and subrecipients given an opportunity to respond and/or clarify? [24 CFR 574.500; 24 CFR 91.230, 24 CFR 91.330]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

10.

Use the information provided in the applicable CAPER, IDIS, Action Plan or competitive application to complete the table below and confirm with the program participant during the monitoring for the program year being examined.
[24 CFR 574.450]

Program Year	Project Sponsor Name	Amounts Committed	Amounts Expended in this Period	Balances

11.

a. Do the program participant's financial or program records document the total amount of HOPWA funds obligated to each of its project sponsors or subrecipients during the program year under review?
Describe Basis for Conclusion:

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b. Of the amounts obligated above, do records show what amounts remain unexpended?
Describe Basis for Conclusion:

c. For the program year under review, do the program participant's financial or program records document the funds remains unexpended from any year prior to the year under review?
Describe Basis for Conclusion:

12.

For the period being reviewed, compare a sample of the program participant's project sponsor or subrecipient records with: <ul style="list-style-type: none"> • for <u>formula program participants</u>, information in HUD's Program Accounting System (PAS), the Consolidated Annual Performance and Evaluation Report (CAPER), and the Integrated Disbursement and Information System (IDIS); OR • for <u>competitive grants</u>, the Annual Performance Report (APR). Are there any discrepancies which require correction? [24 CFR 574.500, 24 CFR 91.230, 24 CFR 91.330, and 24 CFR 91.525]	<table style="margin: auto;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>				
Yes	No				
Describe Basis for Conclusion:					

13.

Does the program participant have a method to ensure that project sponsors and subrecipients receive information, training or technical assistance to facilitate compliance with the HOPWA program requirements applicable to the activities or projects they are carrying out? [24 CFR 574.500, 24 CFR 91.230, 24 CFR 91.330 and 24 CFR 91.525(a)]	<table style="margin: auto;"> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>				
Yes	No				
Describe Basis for Conclusion:					

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14.

Describe the training or technical assistance provided to the project sponsors during the year being reviewed.			
Project Sponsor/ Subrecipient	Person(s) Trained	Topics	Date(s)

15.

Has the program participant provided appropriate resource materials to its project sponsors and subrecipients (e.g., HOPWA regulations, OMB Circulars, applicable CPD Notices, 24 CFR Part 5, Subpart F, “ <i>Determining Income and adjustments to income for HOPWA rental assistance program</i> ”)? [24 CFR 574.500, 24 CFR 91.230, 24 CFR 91.330, and 24 CFR 91.525(a)]	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion: 	

16.

a. How does the program participant ensure that project sponsors and subrecipients maintain adequate financial and program records to document compliance with program requirements, including record retention? [24 CFR 574.450 and 574.530]
Describe Basis for Conclusion:

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b. Are project sponsors and subrecipients accurately reporting program income to the program participant (i.e. repayments of loans made with HOPWA funds)? [24 CFR 574.450; 24 CFR 85.40(a), or 24 CFR 84.52(a), as applicable]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

c. If program income is retained by the project sponsors or subrecipients, are the funds used for eligible program purposes? [24 CFR 574.450; 24 CFR 85.40(a), or 24 CFR 84.52(a), as applicable]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

B. INTERNAL CONTROLS

17.

Does the program participant have a system or some other method to ensure that project sponsors' and subrecipients' financial management systems are kept in accordance with the Federal requirements in 24 CFR 85.20(b) or 24 CFR 84.21(b)(3), as applicable? [24 CFR 574.605]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

18.

a. Has the program participant established qualifications for the persons who conduct financial transactions on behalf of the project sponsors and subrecipients? [24 CFR 574.500(a)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

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b. If the answer to “a” above is “yes,” describe the qualifications.
Describe Basis for Conclusion:

19.

a. If project sponsor or subrecipient employees work on both HOPWA and non-HOPWA projects, does the program participant have a system to ensure that these organizations keep appropriate time distribution records and properly charge the HOPWA program, including correctly assigning administrative and program delivery costs? [24 CR 574.605 and 574.3, “Administrative costs”]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion:	

b. Does the program participant require and receive adequate documentation from project sponsors or subrecipients to ensure that payments are for eligible, actual and incurred expenditures that were contracted for in their scope of work? [24 CFR 574.605]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion and assessment elements:	

c. Does the program participant review project sponsor and subrecipient requests for funds to ensure that the payments are not being requested in excess of immediate needs? [24 CFR 574.605; 24 CFR 84.22 or 24 CFR 85.22, as applicable]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion:	

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20.

a. Does the program participant have a system or other method to ensure compliance by project sponsors and subrecipients with the procurement and/or subcontracting requirements of 24 CFR 85.36 or 24 CFR 84.40 - 48, as applicable? [24 CFR 574.605]	<input type="checkbox"/> <input type="checkbox"/> Yes No
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Describe Basis for Conclusion:

b. If the answer to “a” above is “yes,” describe the system or method.
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Describe Basis for Conclusion:

21.

a. Are OMB Circular A-133 Single Audits, as described in 24 CFR Part 84, required for any project sponsors or subrecipients? [24 CFR 574.650]	<input type="checkbox"/> <input type="checkbox"/> Yes No
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Describe Basis for Conclusion:

b. If the answer to “a” above is “yes,” does the program participant have a system or methodology to ensure that such audits are conducted? [24 CFR 85.26 or 84.26 and 24 CFR 574.605]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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c. If A-133 audits are required for any project sponsors or subrecipients, does the program participant have documentation that the audits have been reviewed for compliance with the requirements of 24 CFR Part 84 and OMB Circular A-133 and taken appropriate follow-up actions, if necessary? [24 CFR 574.605]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

22.

a. Does the program participant review project sponsors and subrecipients for evidence of conflicts of interest, either between the participant and project sponsors/subrecipients, or between the project sponsors/subrecipients and their respective contractors (e.g., seek information on the background of staff or the Board of Directors, seek specific assurances from the project sponsors/subrecipients)? [24 CFR 574.625]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion:	

b. If the answer to “a” above is “yes,” does the program participant take appropriate action to address conflicts of interest, as needed? [24 CFR 574.625]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

23.

Does the program participant ensure that project sponsors and subrecipients have procedures to:	
a. Identify HOPWA property and assets? [For example, does it ensure that project sponsors or subrecipients have the property records required by 24 CFR 85.32(d)(1) or 24 CFR 84.34(f)]? [24 CFR 574.605]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion:	

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b. ensure adequate safeguards for preventing loss, damage or theft of project sponsor- or subrecipient-held property? [24 CFR 85.32(d)(3) or 24 CFR §84.34(f)(4) and 24 CFR 574.605]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

C. PERFORMANCE REPORTING

24.

a. In reporting to HUD in the CAPER, IDIS, or APR, does the program participant collect complete, accurate, timely and comprehensive performance data for all of its HOPWA project sponsor and subrecipient activities? [24 CFR 91.525(a) and 24 CFR 574.520]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

b. Does the program participant have a tracking system or other method of documenting the receipt, review and correction (as needed) of the annual performance reports from the project sponsors or subrecipients which are used to report to HUD? [24 CFR 574.500 and 24 CFR 574.520]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

25.

In reporting to HUD, does the program participant provide actual housing outputs (the number of households to be assisted during the year) in relation to planned targets and address any variations in performance or adjust program efforts? [24 CFR 91.525(a)] and 24 CFR 574.520]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

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26.

When providing oversight of reporting by its project sponsors and subrecipients, does the program participant review the accuracy and verify the performance data? [24 CFR 91.525(a)] and 24 CFR 574.520]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: 	

27.

Does the program participant report to HUD on its performance in achieving housing stability outcomes for beneficiaries (the number of households in stable living situations) and assess variations in planned performance and, as applicable, document and report program adjustments? [24 CFR 91.525(a)] and 24 CFR 574.520]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: 	

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D. ON-SITE REVIEW OF PROJECT SPONSORS/SUBRECIPIENTS BY HUD

Instructions: Sample a selected group of project sponsors and subrecipients to review on-site as a way of determining the effectiveness of the program participant’s monitoring efforts during the year under review. Review the program participant's monitoring reports for the organizations selected. One form should be completed for each organization reviewed. Attach additional sheets as necessary to reflect the results.

To select a sample, request a list of the project sponsors and subrecipients which were using HOPWA funds during the operating year under review and any associated information on the program participant’s monitoring of these entities (e.g., records and review dates, any concerns or findings identified by the program participant).

Name of HOPWA project sponsor or subrecipient:

Program or Project Name:

Records/Data Reviewed:

Concerns/Findings (identified by program participant, if any):

28.

<p>[OS] a. Did the program participant monitor this project sponsor or subrecipient on-site? [24 CFR 574.500, 24 CFR 91.230, 24 CFR 91.330, and 24 CFR 91.525(a)]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
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Describe Basis for Conclusion:

b. If “yes,” provide the date of the most recent monitoring.

Describe Basis for Conclusion:

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29.

<p>[OS] Based on your review, does there appear to be any significant differences between actual performance and the reported performance submitted by this project sponsor or subrecipient to the program participant? [24 CFR 574.500, 24 CFR 91.230, 24 CFR 91.330, 24 CFR 91.525(a)]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p>	

30.

<p>[OS] In reviewing the activities and costs charged by the project sponsor or subrecipient to the HOPWA program, are there any costs that:</p>	
<p>a. appear clearly unreasonable? [24 CFR 85.22 or 24 CFR 84.27 per 24 CFR 574.605]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p>	

<p>b. warrant further documentation, review and analysis?</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p>	

31.

<p>[OS] In interviewing the project sponsor or subrecipient staff, do they appear to possess an adequate understanding of HOPWA rules and other applicable regulations such that compliance with these rules is likely? [24 CFR 574.500, 24 CFR 91.230, 24 CFR 91.330 and 24 CFR 91.525(a)]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p>	

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32.

<p>[OS] If this project sponsor or subrecipient was monitored by the program participant, did your review detect any problems or findings that were previously unknown to the program participant? [24 CFR 574.500, 24 CFR 91.230, 24 CFR 91.330, and 24 CFR 91.525(a)]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Describe Basis for Conclusion:</p> 	

E. SUMMARY OF HUD REVIEW

33.

<p>Based on the results of your review, does the program participant demonstrate that its management and oversight of its project sponsors and subrecipients is sufficient to provide reasonable assurance that funded activities comply with HOPWA program requirements? [24 CFR 574.500]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p> 	

34.

<p>Does your review indicate any recommended actions to address project sponsor and subrecipient management deficiencies?</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p> 	

35.

<p>Does your review indicate that the program participant needs technical assistance for its project sponsor/subrecipient oversight?</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p> 	