**Agenda**

# Board Member and Tribal Officer Roles and Responsibilities Training Agenda

## Day 1

| | |
|---|---|
| 8:30 – 9:00 | **Registration** |
| 9:00 – 10:00 | **Welcome, Introductions**<br>**Purpose, Goals and Objectives of the Course** |
| 10:00 – 11:15<br>(with break) | **Different Ways to Deliver IHBG**<br>• Program Delivery Choices<br>• Who Makes the Decisions; Who Does the Work? |
| 11:15 – 12:00 | **NAHASDA**<br>The Law / The Rule / The Side by Side Guide<br>• Background<br>• What they say<br>• Who they apply to<br>• The Responsibilities the Tribe Assumes |
| 12:00 – 1:15 | **Lunch** |
| 1:15 – 2:45 | **NAHASDA, continued** |
| 2:45 – 3:00 | **Break** |
| 3:00 – 4:00 | **Planning**<br>• The IHP<br>• How the IHP Reflects Classic Strategic Planning<br>• Mission Statement<br>• Goals and Objectives |
| 4:00 – 4:30 | **Wrap-Up for the Day** |

## Day 2

| | |
|---|---|
| 8:30 – 9:00 | **Review of Day 1; Opportunity for Questions** |
| 9:00 – 10:00 | **Planning, continued** |
| 10:00 – 10:15 | **Break** |
| 10:15 – 11:30 | **Tools and Systems That Help Get the Job Done**<br>• Your Management Framework<br>• Internal Controls – The Five Interrelated Components |
| 11:30 – 12:00 | **Policies and Procedures**<br>• Required Policies<br>• Setting Policies<br>✓ The Tribe's Values and Traditions<br>✓ Who Sets the Policies<br>• Tips for Writing Policies |
| 12:00 1:15 | **Lunch** |
| 1:15 – 2:30 | **Policies and Procedures, continued** |
| 2:30 – 2:45 | **Break** |
| 2:45 – 4:00 | **Monitoring**<br>• Purpose<br>• Opportunities Presented<br>• Self-Monitoring<br>✓ The Requirement<br>✓ Methods<br>• HUD's Roles in Monitoring |
| 4:00 – 4:30 | **Wrap-Up for the Day** |

**Day 3**

| | |
|---|---|
| 8:30 – 9:00 | **Review of Day 2; Opportunity for Questions** |
| 9:00 – 10:30 | **Reports**<br>• Annual Performance Report<br>• Periodic Grant Recipient Reports<br>• Audit Reports |
| 10:30 – 10:45 | **Break** |
| 10:45 – 12:00 | **Written Agreements**<br>• Who Prepares Them<br>• When You Use Them<br>• What They Should Contain |
| 12:00 – 1:15 | **Lunch** |
| 1:15 – 2:30 | **People For the Jobs**<br>• The Staff<br>• The Board (or other decision makers)<br>• Division of Labor Between the Two |
| 2:30 – 2:45 | **Break** |
| 2:45 – 3:30 | **Building an Action Plan to Take Home** |
| 3:30 – 4:00 | **Course Wrap-Up** |

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# Chapter 1:
# Introduction

# CHAPTER 1: INTRODUCTION

***Tribal Council is the decision-making body of the tribe. Among the many decisions the Council is responsible for, are the decisions about what housing activities should be undertaken with IHBG funds, and who should do the work. Tribal Council may designate these duties to a Tribally Designated Housing Entity, or keep the duties within tribal government. This course discusses this initial choice and the many choices that follow.***

## PURPOSE OF THE COURSE

In every community in America, including tribal communities, there are more housing needs than there are housing dollars. In October 1996, the Native American Housing and Self-Determination Act (NAHASDA) was signed into law, making Indian Housing Block Grant (IHBG) dollars available to many tribes in the U.S. There is a lot of flexibility in the way the dollars may be spent. Therefore, it is important that their use is carefully planned and that they are spent responsibly and effectively.

IHBG funds come with rules and regulations attached. It is important that tribal officers, and board members of Tribally Designated Housing Entities (TDHEs) understand these rules and regulations. It is also important that officers and board members understand the policies and business principles on which the rules are based. For it is an understanding of these matters combined with their own wisdom and knowledge about the needs of their communities that will enable the officers and board members to most fully realize tribal self-determination in meeting the housing needs of their communities.

This course is intended to help participants understand the NAHASDA rules and regulations, as well as the policies and principles from which they are derived, so that they may better:

- ❑ Realize self-determination;
- ❑ Make decisions about who should deliver programs;

## *NOTES*

- ❑ Understand how the requirements can be met;
- ❑ Develop and implement appropriate and sound housing activities;
- ❑ Be good stewards of money (federal and other funds); and
- ❑ Serve the people in their communities.

## WHAT YOU CAN EXPECT TO LEARN

In this course, you will learn:

- ❑ About the different organizations that can help meet housing needs (Chapter 2);
- ❑ What the NAHASDA law and rule say as they relate to board members and tribal officers (Chapter 3);
- ❑ How to plan to meet housing needs (Chapter 4);
- ❑ What tools and systems can help get the job done (Chapter 5);
- ❑ About policies and procedures, and which policies and procedures are required (Chapter 6);
- ❑ What the monitoring responsibilities are of board members and tribal officers (Chapter 7);
- ❑ What reports are needed (Chapter 8);
- ❑ What written agreements are recommended (Chapter 9); and
- ❑ Who the right people are for the housing jobs in your community (Chapter 10).

## TOOLS FOR THE COURSE

Many tools and reference materials to assist participants are included in this manual as attachments. A glossary of terms for the course is included as an attachment to this chapter. Various exercises are included throughout the course to offer opportunities for participants to apply what has been discussed. Finally, the companion NAHASDA Reference Manual provides course resources including the NAHASDA Regulations and Statute, Guidance Notices and other publications.

## *NOTES*

## LIST OF ATTACHMENTS

- ❑ Attachment 1-1: Glossary of Terms

## *NOTES*

# ATTACHMENT 1-1: GLOSSARY OF TERMS

# GLOSSARY OF TERMS

**1937 Act**: The United States Housing Act of 1937, as amended. The Act provided financial and technical assistance to IHAs for the development, operation, and management of housing for low-income Native American families residing on Indian reservations and in other Native American areas.

**Affordable housing activities**: Activities identified in Section 202 of NAHASDA (Indian housing assistance, development, housing services, housing management services, crime prevention and safety activities, and model activities).

**Annual contributions contract (ACC)**: A contract under the 1937 Act between HUD and an IHA containing the terms and conditions under which HUD assisted the IHA in providing decent, safe and sanitary housing for low-income families.

**Annual income** has one of the following meanings, as determined by the Indian tribe:

(1) "Annual income" as defined by HUD's Section 8 programs in 24 CFR part 5, subpart F (except when determining the income of a homebuyer for an owner-occupied rehabilitation project, the value of the homeowner's principal residence may be excluded from the calculation of Net Family assets); or

(2) Annual income as reported under the Census long-form for the most recent available decennial Census. This definition includes:
(i) Wages, salaries, tips, commissions, etc.;
(ii) Self-employment income;
(iii) Farm self-employment income;
(iv) Interest, dividends, net rental income, or income from estates or trusts;
(v) Social security or railroad retirement;
(vi) Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;
(vii) Retirement, survivor, or disability pensions; and
(viii) Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony; or

(3) Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes.

**Adjusted Income:** ADJUSTED INCOME - The term `adjusted income' means the annual income that remains after excluding the following amounts:

(A) YOUTHS, STUDENTS, AND PERSONS WITH DISABILITIES - $480 for each member of the family residing in the household (other than the head of the household or the spouse of the head of the household) --

(i) who is under 18 years of age; or

(ii) who is --

(I) 18 years of age or older; and

(II) a person with disabilities or a full-time student.

(B) ELDERLY AND DISABLED FAMILIES - $400 for an elderly or disabled family.

(C) MEDICAL AND ATTENDANT EXPENSES - The amount by which 3 percent of the annual income of the family is exceeded by the aggregate of –

(i) medical expenses, in the case of an elderly or disabled family; and

(ii) reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed.

(D) CHILD CARE EXPENSES - Child care expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education.

(E) EARNED INCOME OF MINORS - The amount of any earned income of any member of the family who is less than 18 years of age.

(F) TRAVEL EXPENSES - Excessive travel expenses, not to exceed $25 per family per week, for employment - or education-related travel.

(G) OTHER AMOUNTS - Such other amounts as may be provided in the Indian housing plan for an Indian tribe.

**Area Office**: The designated Office of Native American Programs having responsibility for delivery of HUD resources and services to a specific and identified group of Indian tribes or areas.

**BIA**: Bureau of Indian Affairs in the Department of the Interior.

**Board of Commissioners**: Governing body of a TDHE that is appointed in accordance with tribal ordinance or state law.

**CDBG**: SEE INDIAN COMMUNITY DEVELOPMENT BLOCK GRANT.

**College housing**: The tribe/TDHE may adopt the following definition or may develop its own definition. College housing is housing, the primary purpose of which is to provide housing for students who are attending post high school educational facilities.

**Comprehensive Grant Program (CGP)**: An entitlement program under the 1937 Housing Act that provided funds to housing authorities to modernize low-income rental and homeownership units. CGP provided assistance to housing authorities with 250 or more dwelling units under management.

**Comprehensive Improvement Assistance Program (CIAP)**: A competitive grant program under the 1937 Housing Act which provided funds to housing authorities to modernize low-income rental and homeownership units. CIAP provided assistance to housing authorities with 249 or less dwelling units under management.

**Conversion**: Change of dwelling units from one program to another - i.e., Low Rent to Mutual Help.

**Cost Burden**: Payments for loan principal, interest, taxes and insurance (PITI) that exceed 30 percent of an individual's gross monthly income.

**Current assisted stock**: Consists of housing units owned or operated pursuant to an annual contributions contract. This includes all low rent, Mutual Help, and Turnkey III housing units under management as of September 30, 1997. Also included are 1937 Housing Act units in the development pipeline when they become owned or operated by the recipient and are under management and Section 8 units when their current contract expires and the tribe continues to mange the assistance in a manner similar to the Section 8 program.

**Demolition**: The razing in whole, or in part, of one or more permanent buildings of an Indian housing project.

**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 services, conversion, demolition, financing, administration and planning, and other related activities.

**Dilapidated housing**: The tribe/TDHE may adopt the following definition or may develop its own. A dilapidated housing unit is a unit that does not provide safe and adequate shelter, and in its present condition endangers the health, safety or well-being of a family; or a unit that has one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may involve original construction or they may result from continued neglect of repair or from serious damage to the structure.

**Disposition**: The conveyance or other transfer by sale or other transaction of any interest in the real estate of an Indian housing development.

**Elderly family**: A family whose head (or his or her spouse) is an elderly person (at least 62 years of age). This includes two or more elderly persons living together, and one or more such persons living with one or more persons determined under the Indian housing plan for the agency to be essential to their care or well-being.

**Family**: The term family includes, but is not limited to, a family with or without children, an elderly family, a near-elderly family, a disabled family, a single person, as determined by the Indian tribe.

**Fannie Mae**: Federal National Mortgage Association. A federally-chartered, stockholder-owned corporation which provides a secondary market for both conventional mortgages and mortgages insured by Federal Housing Administration (FHA) and guaranteed by the Veterans Administration (VA).

**Federal Home Loan Bank**: This system is a privately capitalized, cooperative government-sponsored enterprise created by Congress to support residential mortgage lending and related community development lending by its member-shareholders.

**Field office**: The designated Office of Native American Programs having responsibility for delivery of HUD resources and services to a specific and identified group of Indian tribes or areas.

**Freddie Mac**: Federal Home Loan Mortgage Corporation, a federally-chartered, stockholder-owned corporation which supports the secondary market for conventional mortgages.

**HOME Program**: Home Investment Partnerships Program. A block grant program that provided grants to State and local governments and Indian tribes to help them develop and support affordable housing for low- and very low-income residents.

**Homeless family**: The tribe/TDHE may adopt the following definition or may develop its own definition. A family who is without safe, sanitary and affordable housing even though it may have temporary shelter provided by the community.

**Homeless housing**: The tribe/TDHE may adopt the following definition or may develop its own. Homeless housing is any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless.

**HUD**: The U.S. Department of Housing and Urban Development

**ICDBG**: SEE INDIAN COMMUNITY DEVELOPMENT BLOCK GRANT.

**IHA**: SEE INDIAN HOUSING AUTHORITY.

**IHBG**: SEE INDIAN HOUSING BLOCK GRANT PROGRAM.

**IHS**: The Indian Health Service of the U.S. Department of Health and Human Services.

**Income**: SEE ANNUAL INCOME.

**Indian**: Any person who is a member of an Indian tribe.

**Indian area**: The area within which an Indian tribe or a tribally designated housing entity, as authorized by one or more Indian tribes, provides assistance under this Act for affordable housing.

**Indian Housing Authority**: An entity that is authorized to engage in or assist in the development or operation of low-income housing for Indians under the 1937 Act and is established either by: (1) exercise of the power of self-government of an Indian tribe independent of State law; or (2) operation of State law providing specifically for housing authorities for Indians, including regional housing authorities in the State of Alaska.

**Indian Housing Block Grant (IHBG) Program: A** block grant program that provides eligible recipients with a formula share of annual appropriations made by Congress. The program's objective is not only to provide housing assistance to Indian families, but also provide mechanisms to foster tribal self-determination and decision-making. To receive IHBG funds, a recipient must submit an Indian Housing Plan (IHP).

**Indian Community Development Block Grant**: A competitive grant program for which all federally-recognized tribes and Alaskan Villages are eligible to participate. The program's

objective is the development of viable communities including decent housing, a suitable living environment and economic opportunities, principally for persons of low- and moderate-income.

**Indian Loan Guarantee Program**: Program authorized in Section 184 of the Housing and Community Development Act of 1992. Purpose is to provide loan guarantees which will make private financing available to Native Americans on restricted lands where no source of funding is currently available.

**Indian tribe**: Any tribe, band, pueblo, group, community, or nation of Indians or Alaska Natives.

(A) IN GENERAL - The term `Indian tribe' means a tribe that is a federally recognized tribe or a State recognized tribe.

(B) FEDERALLY RECOGNIZED TRIBE - The term `federally recognized tribe' means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975.

(C) STATE RECOGNIZED TRIBE –

(i) IN GENERAL - The term `State recognized tribe' means any tribe, band, nation, pueblo, village, or community --

(I) that has been recognized as an Indian tribe by any State; and

(II) for which an Indian Housing Authority has, before the effective date under section 705, entered into a contract with the Secretary pursuant to the United States Housing Act of 1937 for housing for Indian families and has received funding pursuant to such contract within the 5-year period ending upon such effective date.

(ii) CONDITIONS - Notwithstanding clause (i) –

(I) the allocation formula under section 302 shall be determined for a State recognized tribe under tribal membership eligibility criteria in existence on the date of the enactment of this Act; and

(II) nothing in this paragraph shall be construed to confer upon a State recognized tribe any rights, privileges, responsibilities, or obligations otherwise accorded groups recognized as Indian tribes by the United States for other purposes.

**Low-income family**: 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, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the findings of the Secretary or the agency that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes.

**Low-Income Rent**: The rental housing program of the 1937 Act under which IHAs developed and rented housing units to low-income families.

**Median income**: The definition of median income, with respect to an Indian area, is the greater of the median income for the Indian area, which the Secretary shall determine, or the median income for the United States.

**Model Activities:** Housing activities under model programs that are designed to carry out the purposes of NAHASDA. Each model activity is reviewed on an individual basis.

**Mutual Help**: Mutual Help Homeownership Opportunity Program (under the 1937 Act), provided families an opportunity to purchase their housing unit.

**NAHASDA**: Native American Housing Assistance and Self-Determination Act of 1996. NAHASDA reorganizes the system of Federal housing assistance to Native Americans by eliminating several separate programs of assistance and replacing them with a single block grant program. In addition to simplifying the process of providing housing assistance, the purpose of NAHASDA is to provide Federal assistance for Indian tribes in a manner that recognizes the right of Indian self-determination and tribal self-governance. The primary objectives of NAHASDA are:

(a) To assist and promote affordable housing activities to develop, maintain and operate affordable housing in safe and healthy environments on Indian reservations and in other Indian areas for occupancy by low-income Indian families;
(b) To ensure better access to private mortgage markets for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members;
(c) To coordinate activities to provide housing for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members;
(d) To plan for and integrate infrastructure resources for Indian tribes with housing development for Indian tribes; and
(e) To promote the development of private capital markets in Indian country and to allow such markets to operate and grow, thereby benefiting Indian communities.

**Near-elderly family**: The term near-elderly family means a family whose head (or his or her spouse), or whose sole member, is a near-elderly person (at least 55 years of age and less than 62 years of age). Such terms include two or more near-elderly persons living together, and one or more such persons living with one or more persons determined under the Indian housing plan for the agency to be essential to their care or well-being.

**ONAP**: Office of Native American Programs, which is the office of HUD that has been delegated authority to administer NAHASDA.

**Overcrowded conditions**: When pertaining to the IHBG formula, overcrowded means households with more than 1.01 persons per room as defined by the U.S. Dicennial Census.

**Persons with disabilities**: A person who has a disability as defined in Section 223 of the Social Security Act 942 U.S.C. 423; who has a development disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act; or who has a physical, mental or emotional impairment which is expected to be of long-continued or indefinite duration, substantially impedes his/her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions.

**Recipient**: Any tribe/TDHE who receives IHBG funding.

**Rent Burden**: Rental payments exceeding 30 percent of a tenant's adjusted monthly income.

**Resident Organizations**: Democratically elected resident organizations such as IHA-wide resident organization, area-wide resident organizations, single development resident organizations or resident management corporations.

**Subrecipient**: The government or other legal entity to which a sub-grant is awarded and which is accountable to the recipient for the use of the funds provided.

**Substandard housing**: The tribe/TDHE may adopt the following definition or may develop its own definition. Substandard housing is housing that is dilapidated; does not have operable indoor plumbing; does not have a usable flush toilet inside the unit for the exclusive use of a family; does not have a usable bathtub or shower inside the unit for the exclusive use of a family; does not have electricity, or has inadequate or unsafe electrical service; does not have a safe or adequate source of heat; should, but does not, have a kitchen; or has been declared unit for habitation by an agency or unit of government.

**Supportive service housing**: The tribe/TDHE may adopt the following definition or may develop its own definition. Supportive service housing is housing, including housing units and group quarters, that has a supportive environment and includes a planned supportive service component. A planned supportive service component includes services provided to residents of supportive service housing for the purpose of facilitating the independence of residents. Examples of services include case management, medical or psychological counseling and supervision, child care, transportation, and job training.

**TDHE**: Tribally designated housing entity. Under NAHASDA, tribes are allowed to establish TDHEs to run their housing programs. TDHEs can be:

(1) Existing Indian Housing Authorities with respect to any Indian tribe that has not taken action to identify another housing entity and for which an Indian Housing Authority

(a) was established for purposes of the Housing Act of 1937 before the date of enactment of NAHASDA that meets the requirements under the Housing Act of 1937,
(b) is acting upon such date of enactment as the Indian Housing Authority for the tribe, and
(c) is not an Indian tribe for purposes of NAHASDA;

(2) Other Entities with respect to any Indian tribe that according to NAHASDA authorize an entity other than the tribal government to receive grant amounts and provide assistance under NAHASDA for affordable housing for Indians, which entity is established

(a) by exercise of the power of self-government of one or more Indian tribes independent of State law, or
(b) by operation of State law providing specifically for housing authorities or housing entities for Indians, including regional housing authorities in the State of Alaska.

**Transitional housing**: The tribe/TDHE may adopt the following definition or may develop its own definition. Transitional housing is housing, the purpose of which is to facilitate the movement of homeless individuals and families to permanent housing within 24 months.

**Turnkey III**: The Turnkey III Homeownership program of the 1937 Act provided homeownership opportunities to eligible low-income families through a lease-purchase arrangement.

**Units needing rehabilitation**: Units which fail to meet the tribe's/TDHE's housing quality standards (HQS). The tribe's/TDHE's HQS must be at least as stringent as those used for the Section 8 program (see 24 CFR 982.401) unless the Area ONAP approves less stringent

standards based on a determination that local conditions make the use of the Section 8 standards infeasible. Any less stringent standards must still, however, provide:

1. That the house is safe, in physically sound condition with all systems performing their intended design functions.

2. A livable home environment.

3. An energy efficient building and systems which incorporate energy conservation measures.

4. Adequate space and privacy for all intended household members.

# Chapter 2:
# Delivering IHBG

# CHAPTER 2: DIFFERENT WAYS TO DELIVER IHBG

***There are many models that may be used to meet housing needs and effectively deliver Indian Housing Block Grant funds. This chapter provides a discussion about which entities tribes may choose to administer the funds and deliver the housing activities.***

## INTRODUCTION

There are more than 550 Federally recognized Native tribes and villages in the United States and each consists of unique people and communities. The unique aspects of each is partially defined by differences in:

- ❑ Lifestyles;
- ❑ Urban and rural settings;
- ❑ Forms of government;
- ❑ Land ownership, availability and restrictions;
- ❑ Histories;
- ❑ Social and cultural practices;
- ❑ Number of people;
- ❑ Religions;
- ❑ Values;
- ❑ Wealth; and

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- ❑ Many other characteristics.

In Fiscal Year 2000, 548 tribes received Indian Housing Block Grant (IHBG) funds. These funds are made available as a result of the Native American Housing and Self-Determination Act (NAHASDA). As the name of the Act implies, each tribe has the right to determine how the IHBG funds will best be used to meet the unique needs of the tribe, within the NAHASDA regulations.

## PROGRAM DELIVERY CHOICES – TWO DELIVERY MODELS

One of the first decisions that face each tribe is choosing the right entity to take the lead on administering, designing and delivering its NAHASDA-funded housing programs. There are two basic models that tribes may choose between for the delivery of their IHBG programs:

- ❑ The tribe may be the grant recipient and may directly deliver the programs and projects.
- ❑ The tribe may be the grant beneficiary but may select a Tribally Designated Housing Entity (TDHE) to be the grant recipient.
  - The TDHE is an entity other than the tribal government that is authorized to receive grants and provide assistance under NAHASDA for affordable housing for Indians (25 U.S.C. 4101-4212).
  - As the grant recipient, the TDHE assumes the responsibility to administer the funds and to deliver the programs and projects.
  - A TDHE is designated by:
    - ⇒ Resolution of the Indian tribe(s) to be served,
    - ⇒ Resolution of a delegated committee(s), or
    - ⇒ When the tribe does not designate a TDHE, the default designation is the Indian Housing Authority (IHA), if one exists (24 CFR Part 1000.206).
  - In future years a tribe may choose not to designate the same entity in the role of TDHE, or the entity may choose not to continue in the role. It is advisable that the conditions

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and process for continuing and discontinuing the relationship in future years be detailed in a written agreement between the tribe and the TDHE.

Whether the tribe decides to administer the IHBG funds directly or to name a TDHE, there are a variety of organizational structures used to deliver housing activities. A tribe administering IHBG directly might choose to deliver housing activities through any of the following offices:

- Tribal administration office;
- Grants office;
- HIP office;
- Planning department; or
- Any part of the tribal governmental structure that has the capacity to deliver housing activities and meet the requirements associated with them.

❑ A tribe administering IHBG indirectly might select any of the following types of organizations to serve as a TDHE:

- Indian Housing Authority (IHA) – An entity that is authorized to engage or assist in the development or operation of low-income housing for Indians under the 1937 Housing Act. An IHA is established by:
  - ⇒ Exercise of the power of self-government of an Indian tribe independent of state law, or
  - ⇒ By operation of state law providing specifically for housing authorities for Indians, including regional housing authorities in the State of Alaska (24 CFR Part 1000.10(b)).
- Other Entities – Any entity that has been established by:
  - ⇒ Exercise of the power of self-government of one or more Indian tribes independent of state law, or
  - ⇒ By operation of state law providing specifically for housing entities for Indians.

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⇒ Examples of other eligible entities include:

- A nonprofit organization whose mission includes the provision of affordable housing and housing services. A nonprofit is an organization, association, corporation, or other entity, whereby no part of the net earnings of the entity provides benefit to any member, founder, contributor, or individual (25 U.S.C. Section 4(16)).

- A for-profit corporation whose business includes the provision of affordable housing and housing services.

- Consolidated or umbrella entities. A tribe may choose to designate a regional entity, or an entity that serves more than one tribe, as its TDHE. An entity serving as the TDHE to more than one tribe must be designated by each tribe.

- Under tribal law, a tribe may delegate authority to a board, advisory committee, or other appropriate body.

## WHO MAKES THE DECISIONS; WHO DOES THE WORK?

Within every model and example we have discussed there is:

❑ A group or body that makes decisions, and

❑ A staff that does the work.

**Warning:**

Whether the tribe decides to administer the IHBG funds or decides to designate a TDHE, the tribe is ultimately responsible for complying with NAHASDA rules and regulations, and is held accountable for expenditure of the IHBG funds.

### *Direct Delivery by the Tribe*

The tribe receives the IHBG and:

- Accepts responsibility to comply with NAHASDA and with the regulations.

- Makes decisions about the use of the funds and the design of the housing programs. The tribe may create sub-committees or task forces to help make these decisions.

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- Usually assigns the delivery duties to staff within existing tribal government offices, or creates a tribal department for housing administration.
- May hire contractors to assist in the design and/or delivery of housing programs.

### *Delivery by a TDHE*

In this model the tribe still accepts responsibility to comply with NAHASDA and with the regulations, and is responsible for establishing required policies. It is advisable that the tribe enter into a written agreement with the TDHE, and that the TDHE:

- Is bound to abide by the level of authority as established by the governing tribe within the written agreement,
- Reports to the tribe regarding housing issues and housing business,
- Receives or does not receive authority from the tribe to certify to the Indian Housing Plans and Annual Performance Reports.

The legal decision-making body of a TDHE is a board of commissioners (BOC). This body is accountable for the actions of the organization and is accountable to the tribe. Some responsibilities the BOC typically assumes are:

- ❑ Budget and finance – The BOC is accountable for the responsible use of monies over which they have control. To be accountable, the board:
  - Establishes fiscal policies and internal control practices,
  - Reviews and approves budget items, and
  - Reviews and approves the annual audit.
- ❑ Policies and Procedures – Policies are the rules or guidelines that provide the framework for decision-making or actions. Procedures are the steps that are taken to implement programs in a way that is consistent with approved policies. The board:
  - Initiates new policies,

## *NOTES*

- Reviews and approves existing policies, and
- Establishes procedures to implement the policies.

❑ Human resources – To ensure the effective and efficient operation of the organization, the board:

- Hires and fires the chief staff person (i.e. executive director),
- Evaluates the effectiveness of the chief staff person,
- Determines salary scales and benefits for staff, and
- Reviews and approves personnel policies.

❑ Community relationships – The board is also accountable to the community it serves. The board should:

- Periodically report on the performance of the organization to foster community support, and
- Seek feedback and comments from the community.

❑ Program design and evaluation – The BOC, under the direction of the tribe, decides which projects and programs will be offered, approves their design, and periodically evaluates their effectiveness. Program evaluation is the process of measuring actual outcomes against objectives. Much of the process of evaluating a program may be the responsibility of staff, but the board should be involved and satisfied with the evaluation results.

## DIRECT TRIBAL DELIVERY VERSUS TDHE – A COMPARISON

There are many good reasons why tribes select either of the models discussed, and at different times a tribe may decide to change the model it uses.

❑ If there is currently no organization in the community that could effectively serve as a TDHE, the tribe can sponsor and build an entity. The tribe might choose to designate the new

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entity as the TDHE right away, or might choose to help the entity grow and gain capacity before designating it as the recipient of IHBG funds.

- ❑ There may already be a strong viable housing authority or nonprofit organization present in the community, and it may be an easy and immediate decision to ask the entity to serve as the recipient for the IHBG funds.

- ❑ A higher level of control is realized if the tribe designates itself as the delivery agent for IHBG funds. If the tribe designates a TDHE, the tribe is still responsible for complying with NAHASDA requirements, even though many of the daily decisions are being made by the TDHE.

The reasons for selecting direct tribal delivery versus a TDHE are discussed below.

> **Tip:**
>
> A tribe should weigh the pros and cons of designating itself as the IHBG delivery agent or designating a TDHE. A summary table at the end of this chapter outlines some characteristics of each model.

### *Degree of Control*

What level of involvement in housing issues do members of tribal government want to assume?

- ❑ Direct Tribal Delivery - As the IHBG delivery agent, the tribe:

  - Retains the greatest level of control,
  - Is actively involved in housing, and
  - Has direct decision-making and implementation responsibility for IHBG-funded housing activities.

- ❑ Delivery by a TDHE - The tribe has less control over housing issues and day-to-day details if it designates a TDHE. However, the tribe does establish clear direction to the TDHE regarding the tribal housing issues and the administration of the housing programs.

  - The tribe retains oversight and self-monitoring responsibilities and endeavors to maintain knowledgeable and trained tribal council and tribal leaders.
  - The tribe is ultimately responsible for the activities administered with IHBG funds and is responsible to ensure compliance with the NAHASDA regulations.

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- Tribes should enter into a written agreement with the TDHE, implemented through ordinance or resolution, outlining each party's responsibilities. This written agreement can describe how the tribe will oversee and stay informed of the TDHE's activities.

### *Capacity*

Can the tribe effectively and efficiently administer IHBG funds? Is the administering and delivering of housing programs the best use of the tribal administration's time?

❑ Direct Tribal Delivery - As the IHBG delivery agent:

- Tribes must have the administrative and staff capacity to effectively administer the funds, comply with regulations and keep records, and
- If a housing department is not established to undertake housing activities, tribal administration also assumes the responsibility of providing affordable housing opportunities and delivering housing programs.

❑ Delivery by a TDHE - The advantage of designating a TDHE is that the tribe will be able to focus on other important issues while the entity it has designated addresses housing issues. A TDHE usually has dedicated staff employed to implement programs and provide services. The primary reason the TDHE exists is to implement and administer the housing programs through established policy, in order to meet the housing needs of the tribe.

### *Cost*

Which model is most cost-effective for the tribe?

❑ Direct Tribal Delivery

- Tribes will incur both administrative and program costs if they choose to deliver IHBG funds directly. Those costs can easily affect a tribe's ability to carry out its other business.
- A tribe should make a careful comparison of the costs it would incur as the direct grant recipient, and the costs of funding an existing or proposed TDHE to administer the tribe's housing programs.

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- ❑ Delivery by a TDHE
  - The advantages of designating an existing housing entity as the tribe's TDHE may include:
    - ⇒ The availability of a trained and experienced staff,
    - ⇒ An existing administrative structure to manage housing activities (Note: The existing structure must work in cooperation and in conjunction with the tribe.), and
    - ⇒ Appropriate fiscal and accounting systems that will allow it to track and account for IHBG expenditures.
  - If a TDHE must be created or sponsored, an initial investment in staffing and systems will be required. The costs in both time and money needed to create a TDHE should be assessed and contrasted with the anticipated benefits.
  - It may be determined that it is well worth the initial investment because the TDHE may be able to:
    - ⇒ Work exclusively to help meet the community's housing needs, and
    - ⇒ Meet those needs for a long time.
  - Alternatively, it may be determined that it is wiser to invest in building capacity within the tribal administration's structure.

### *Experience*

Does the tribe have experience with housing issues or with managing Federal funds and programs?

- ❑ Direct Tribal Delivery - As the IHBG delivery agent, tribes:
  - Should have a basic understanding of housing issues and be able to plan to address those issues, design programs and projects, and establish budgets.

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- Should have the administrative infrastructure in place to adequately implement housing programs and track Federal funds, deliver programs, develop new units, and maintain existing units.
- Will be held accountable for their programs and for expending Federal funds.

❑ Delivery by an existing TDHE - The advantage of designating an existing TDHE may be that experienced staff is available to immediately address housing issues, as well as to account for program expenditures.

### *Knowledge of Available Resources*

What suitable organizations and businesses are located in the area or will come to the area to help with administration, housing development, and property maintenance? How can these resources be tapped?

❑ Direct Tribal Delivery – As the IHBG delivery agent, tribal government has the responsibility to:

- Identify the needs of its community, and
- Identify resources to assist in meeting those needs.

❑ Delivery by a TDHE – Existing TDHEs may already have relationships with local organizations and businesses that are needed to deliver programs, develop housing, and maintain units.

### *Location of the Housing Needs*

Are the locations of planned housing efforts clustered near tribal offices or on scattered sites separated by long distances? Do appropriate tribal offices have staff and means of transportation so that they can travel to the locations where housing projects are needed? Conversely, is there an existing entity that is capable of providing the housing services where they are needed?

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### *Policies and Political Considerations*

The tribe may have set policies that are best supported by either directly delivering IHBG funds, or by designating a housing entity to deliver the funds on behalf of the tribe.

The tribe may have been involved with either an umbrella housing authority or a single housing authority prior to NAHASDA, and that experience may determine the current attitude for continuing on with a housing authority, or whether the tribe feels more comfortable with establishing a tribal department for administering the IHBG.

- ❑ Cost analyses may have led to a tribal policy to outsource all possible services.
- ❑ Employment and job creation policies may support the creation of a housing department and the hiring of tribal employees to deliver IHBG funds.
- ❑ Any number of other political considerations can affect the tribe's decision about whether to designate an outside housing entity or directly deliver NAHASDA programs.

## SUMMARY

Tribes may choose to be their own delivery agent for IHBG funds, or may choose to designate a TDHE. This decision will affect how: work gets done, decisions are made, and responsibilities are assigned. Before a tribe makes this important decision, it should weigh the pros and cons of each delivery model, and determine which model best meets the needs of the community.

If a tribe chooses to designate a TDHE, it is advisable that the tribe enter into a written agreement that establishes the roles and responsibilities of the TDHE, and adopt it with an ordinance or resolution. The agreement should define and clarify the factors in the chart below. The observations listed in the chart represent a typical relationship between a tribe and a TDHE, but many other scenarios are possible.

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## *Direct Tribal Delivery Versus TDHE – Comparison Summary*

| Decision Factors | Direct Tribal Delivery | Delivery by a TDHE |
|---|---|---|
| **Degree of Control** | • Tribe retains the greatest level of control.<br>• Tribe is actively involved in housing.<br>• Tribe has direct decision-making and implementation responsibility for IHBG-funded housing activities. | • Tribe has less control over housing issues and day-to-day details.<br>• Tribe must retain oversight power and be knowledgeable about decisions, since it is ultimately responsible for the activities administered with IHBG funds.<br>• Tribe must ensure compliance with NAHASDA.<br>• It is advisable that the tribe enter into a written agreement with the TDHE that empowers the TDHE and outlines its roles and responsibilities, and that the tribe adopt it by ordinance or resolution. |
| **Capacity** | • Tribe must have the administrative and staff capacity to effectively administer IHBG funds, comply with regulations, and keep records.<br>• If a housing office or a housing function is not established to undertake housing activities, tribal leaders must also assume the demands of providing affordable housing opportunities and delivering housing programs. | • Tribe is able to focus on other important issues while the TDHE addresses housing issues.<br>• TDHE exists to meet the housing needs of the community and usually has dedicated staff to implement programs and provide services. |

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| **Cost** | • Tribe incurs both administrative and program costs. These costs may affect the tribe's ability to carry out its other business. | • TDHE may have trained and experienced staff.<br>• TDHE has existing administrative structure designed to manage housing activities.<br>• TDHE has fiscal and accounting systems.<br>• A careful cost comparison should be conducted to determine which approach is most cost effective. |
| **Experience** | • Tribe should have a basic understanding of housing issues and be able to plan to address those issues through specific, adopted tribal policies.<br>• Tribe should have the administrative infrastructure in place to adequately implement housing programs, track Federal funds, deliver programs, develop new units, and maintain existing units.<br>• Tribe may have experienced planners and an established network of outside services, such as utility providers, engineers, architects, and other professionals.<br>• Tribe will be held accountable for its programs and for expending Federal funds. | • TDHE may have experienced staff available to immediately address housing issues and to account for program expenditures.<br>• Tribe will be held accountable for its programs and for expending Federal funds. |

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| **Knowledge of Available Resources** | • Tribe should be able to identify the needs of its community.<br><br>• Tribe should be able to identify resources to assist in meeting the needs of its community. | • TDHEs often have relationships with local organizations and businesses that are needed to deliver programs, develop housing, and maintain units. |
| **Location of the Housing Needs** | • The tribe may have a difficult time delivering needed services if the planned housing efforts are scattered over long distances.<br><br>• Tribe must determine whether the existing tribal infrastructure and administration can support staff and transportation needs that will be necessary to travel to locations where housing assistance, training, etc. might be required. | • TDHE may be more responsive in delivering housing services where they are needed. |
| **Policies and Procedures** | • Tribe should determine if policies exist which favor either tribal delivery of IHBG funds, or the designation of a TDHE.<br><br>• Tribe may need to develop an entirely new set of policies and procedures for delivery of housing programs. | • TDHE may have existing policies and procedures for the delivery of housing programs and services. They may only need to be modified to reflect the values and priorities of the tribe. |

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# Chapter 3:
# NAHASDA

# CHAPTER 3: NAHASDA – THE LAW AND THE RULE

***This chapter provides a history and overview of the NAHASDA statute and regulations. It is important that the decision makers of all tribes that receive IHBG funds have a basic working knowledge of this information and know where to look for details.***

## HISTORY OF NAHASDA

The Native American Housing Assistance and Self-Determination Act (NAHASDA) was signed into law on October 26, 1996 (Public Law104-330). The NAHASDA Statute has been amended three times: 1) on October 27, 2000 by Section 210 of FY 2001 HUD Appropriations Act, Public Law 106-377; 2) on December 27, 2000 by Omnibus Indian Advancement Act, Public Law 106-568; and 3) on December 27, 2000 by The American Homeownership and Economic Opportunity Act, Public Law 106-569. The introduction of NAHASDA in 1996 represents a new way of providing housing assistance to Native Americans. NAHASDA:

- ❑ Streamlines the process of providing housing assistance to Native Americans, and
- ❑ Replaces several programs that previously provided housing assistance to Indian housing authorities (IHAs).

The strength of NAHASDA is that it gives tribes more responsibility and more flexibility. Tribes now have the flexibility to determine:

- ❑ Who they serve,
- ❑ What types of products and services they offer, and
- ❑ How they will deliver programs and projects.

**NAHASDA at a Glance**

- ✓ Signed into law 10/26/96
- ✓ Replaces 1937 Housing Act
- ✓ Provides more responsibility and flexibility to tribes
- ✓ Provides for the administration of IHBG funds
- ✓ Final regulation 3/12/98

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NAHASDA also:

- ❑ Provides for the administration of the Indian Housing Block Grant (IHBG). Instead of many types of funding, tribes now are eligible for an annual IHBG. IHBG is a formula-driven program that provides funding to eligible tribes nationwide.
- ❑ Makes the IHBG and other assistance directly available to Indian tribes, rather than to Indian Housing Authorities.

In order to interpret and implement NAHASDA, regulations were developed by HUD and tribes nationwide through negotiated rulemaking.

- ❑ The process of developing the regulations was mandated by Section 106(b) of the Statute.
- ❑ The NAHASDA Regulations (24 CFR Parts 1000 and 1005) became final on March 12, 1998.
- ❑ The NAHASDA regulations replace the 1937 Housing Act regulations at 24 CFR Part 950.
- ❑ The NAHASDA regulations set forth the necessary policies and procedures for the administration of grants made to eligible recipients under the IHBG program.

## OVERVIEW OF NAHASDA STATUTE AND REGULATIONS

What is the difference between the NAHASDA statute and the regulations?

- ❑ Statutes are Federal laws written by Congress. They can only be changed by Acts of Congress.
- ❑ Statutes typically set policies and objectives.
- ❑ Regulations are written to implement statutes.
- ❑ Regulations are usually written by the Federal agency that is designated in the statute to administer the new program. In the case of NAHASDA, it is the U.S. Department of Housing and Urban Development (HUD), and more specifically HUD's Office of Native American Programs (ONAP), that is the designated Federal agency.

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The NAHASDA regulations were written in a unique manner and in a unique style.

- ❑ A committee consisting of 58 members from tribes across the country as well as HUD staff wrote the regulations.
- ❑ This unusual way of writing regulations is significant because this was the first step in implementing the "self-determination" intention of NAHASDA.
- ❑ Another unique aspect of the regulations is that they are written in a question/answer format to address the provisions of the statute necessary to implement NAHASDA.

The NAHASDA statute and regulations work together to provide the full picture of each grant recipient's opportunities and responsibilities.

- ❑ The committee charged with drafting the regulations decided not to restate information that was already stated in the statute, unless the statute was not clear.
- ❑ A program administrator must be able to refer to both the statute and the regulations simultaneously to have a complete understanding of NAHASDA.

A side-by-side guide has been developed to help in the understanding of NAHASDA. The side-by-side guide includes the regulations in the left column with statutory citations in the right column. (See Appendix F of the NAHASDA Reference Manual.)

### *The NAHASDA Statute*

A copy of the statute is included in the NAHASDA Reference Manual (see Appendix E). The NAHASDA statute sets forth seven Congressional findings:

- ❑ The Federal government has a responsibility to promote the general welfare of the Nation;
- ❑ There exists a unique relationship between tribes and the Federal government;
- ❑ The United States has undertaken a unique trust responsibility to protect and support Indian people;
- ❑ Congress has assumed a responsibility to improve housing and socio-economic conditions;

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- ❑ The United States has a special role in providing affordable homes in a safe and healthy environment;
- ❑ The Federal government should work to assist in the development of private housing finance mechanisms on Indian land; and
- ❑ Federal assistance should be provided in a manner that recognizes Indian self-determination and tribal self-governance.

The primary objectives of NAHASDA are to:

- ❑ Assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments on Indian reservations and in other Indian areas for occupancy by low-income Indian families;
- ❑ Ensure better access to private mortgage markets for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members;
- ❑ Coordinate activities to provide housing for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members;
- ❑ Plan for and integrate infrastructure resources for Indian tribes with housing development for Indian tribes; and
- ❑ Promote the development of private capital markets in Indian country and to allow such markets to operate and grow, thereby benefiting Indian communities.

### *The NAHASDA Regulations*

A copy of the regulations is included in the NAHASDA Reference Manual. The NAHASDA regulations are divided into six subparts:

- ❑ Subpart A restates NAHASDA's primary objectives. It also contains:
  - The legal authority of the regulations,
  - Other applicable Federal laws that impact NAHASDA,

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- The conflict of interest provisions that apply under the Indian Housing Block Grant program, and
- Key terms used in the regulations.

❑ Subpart B contains regulations to implement affordable housing activities, and includes the following topics:

- Eligible activities (See below);
- Eligible beneficiaries (See below);
- Cost and payment limits; and
- Maintenance of existing housing stock.

❑ Subpart C sets forth all requirements concerning the preparation, submission, and review of a tribe's Indian Housing Plan (IHP). NAHASDA requires that a tribe submit an IHP prior to the receipt of IHBG funds. (See *Your Indian Housing Plan*, Chapter 4.)

❑ Subpart D establishes the formula for allocating amounts available for a fiscal year under NAHASDA.

❑ Subpart E establishes the terms and conditions by which HUD will guarantee the obligations issued by a recipient for the purposes of financing eligible affordable housing activities. The provisions of this Subpart are often referred to as Title VI financing reflecting the part of the Statute that provide for these HUD guarantees.

❑ Subpart F addresses monitoring of compliance, performance reports, HUD and tribal review, audits, and remedies for noncompliance. (These topics are discussed in Chapters 7 and 8.)

### *Eligible Activities*

Section 202 of the statute permits a wide variety of activities that may be undertaken with IHBG funds to provide affordable housing and to assist low-income families living in affordable housing units. These activities range from actual construction of units to housing services. Thus, it is important that members of tribal councils and boards of commissioners are aware of how IHBG dollars may be spent, for it is they who make the important decisions about how to

## *NOTES*

put the funds to the best use. NAHASDA generally recognizes six types of eligible activities, including:

- ❑ Indian housing assistance – the provision for modernization or operating assistance for housing previously developed or operated pursuant to a contract between the Secretary and an Indian Housing Authority. Specific types of eligible activities include:
  - Modernization of 1937 Act Housing (low-rent and Mutual Help units);
  - Operating assistance for 1937 Act Housing, including:
    - ⇒ Maintenance, and
    - ⇒ Rent and participants' utility subsidies.
- ❑ Development – covers many of the rehabilitation and construction activities related to affordable housing units funded under NAHASDA. Development may generally cover:
  - Real property acquisition, such as financing of a homebuyer's purchase, or the purchase of affordable rental units;
  - New construction of affordable housing;
  - Reconstruction of affordable housing, such as rebuilding units that have burned down;
  - Rehabilitation of affordable housing;
  - Site improvement (for example, site grading, play areas for residents or sidewalks located on an affordable housing site);
  - Development of utilities and utility services for the units, which may include on-site water or sewer lines;
  - Conversion of non-residential space to residential (for example, changing a leasing office to a unit);
  - Demolition of structures;

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- Providing construction or permanent financing;
  - ⇒ To those developing housing, and
  - ⇒ To those who are eligible and wanting to acquire housing.
- Relocation costs as needed for the project (either temporary or permanent relocation costs);
- Environmental review for affordable housing projects;
- Architectural and engineering for affordable housing projects;
- Paying the costs of planning and administering development projects; and
- Other related activities.

❑ Housing services – is the provision for services related to affordable housing such as, but not limited to,

- Housing counseling in connection with rental or homeownership assistance;
- Providing training and support for resident organizations and resident management corporations;
- Paying the costs of energy auditing;
- Providing self-sufficiency programs, such as child care or job training and placement;
- Homelessness prevention activities;
- Security deposits and/or first month's rent to permit a family to move into an apartment;
- Payments to prevent foreclosure;
- Providing tenant-based rental assistance, including assistance for college students; and

**Remember:**

IHBG funds may only be used to provide housing services to residents of affordable housing.

## *NOTES*

- Providing transportation for residents of affordable housing to attend training for self-sufficiency.

❑ Housing management services related to affordable housing – Eligible expenses include the costs for:

- Providing management services for rental units, including tenant selection;
- Processing loan applications;
- Performing property inspections and preparing repair specifications; and
- Mediation programs for tenant-landlord disputes in affordable housing.

❑ Crime prevention and safety activities – It is allowable to use IHBG funds to pay the cost of providing crime prevention services over and beyond those that are customarily provided by the tribe to protect residents of affordable housing units. IHBG dollars may not be substituted in place of other dollars to pay the costs of providing normal, routine (baseline) public safety services offered by tribal departments. Examples of crime prevention and safety activities include:

- Drug abuse education or drug elimination programs for residents of affordable housing;
- Improvements of affordable housing to improve security, including fences or lighting; and
- Employment of security personnel for affordable housing sites during construction.

❑ Model activities – Activities which are not specified as eligible in the regulation, but which will carry out the purposes of the Act, may be paid for with IHBG funds, if approved by HUD.

- A tribe must submit the proposed activity to HUD for approval. HUD is allowed 60 days to review the submission.
- A tribe must show the model activity in its Indian Housing Plan. If the plan has already been submitted, then an amendment to the plan should be submitted.

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- The NAHASDA goal for self-determination is the reason behind this provision for individualized model activities.
- Some of the many possible model activities include:
  - ⇒ Construction of an office building for the housing program staff;
  - ⇒ Construction of a warehouse, maintenance and storage space for housing materials for affordable housing;
  - ⇒ Construction of a day care center for residents of affordable housing;
  - ⇒ Construction of a community center or building used by residents of affordable housing for housing activities; and
  - ⇒ Paying for operating expenses related to IHBG-funded units.

### *Activities Not Covered Under NAHASDA*

NAHASDA has significant flexibility in the wide range of activities that may be undertaken. All of these activities are related in one way or another to affordable housing. Activities that are not related to affordable housing residents are not covered by NAHASDA, including:

- ❑ Economic development activities – generally not considered to be "affordable housing," and thus are not permissible under the IHBG program.
  - Tribes may, however, undertake activities related to resident self-sufficiency, such as job training and placement of affordable housing residents into jobs.
  - Tribes should contact their Area Office of Native American programs (AONAP) if they have questions about whether an activity would be considered economic development or self-sufficiency.
- ❑ There is a range of other activities that are generally not permitted because they are not related to affordable housing. Examples of these might include:
  - Services not directly related to housing, such as health care, and

## *NOTES*

- Services that are generally part of the basic functions of government, such as normal, routine police patrols or paying for the cost of operating schools.

### *Eligible Beneficiaries*

It is also important that members of tribal councils and boards of commissioners know who may be served with IHBG funds. NAHASDA regulations at 24 CFR 1000.104 permit three general types of participants: low-income Indian families, non low-income Indian families, and non-Indian families. More information about each group follows:

- ❑ Low-income Indian families are defined as:
  - Indian families with incomes of not more than 80% of median.
  - Median income may be either the median of the Indian Area, or of the U.S., whichever is the greater amount.
- ❑ Non low-income Indian families:
  - May be served if they:
    - ⇒ Qualified under a lease purchase program at the time of the initial services,
    - ⇒ Currently reside in 1937 Act housing, or
    - ⇒ Have been approved by HUD.
  - Must be in need of housing,
  - May not receive the same level of assistance as low-income Indian families,
  - Up to 10% of a tribe's annual IHBG funds may be used to assist Indian families whose incomes are between 80% and 100% of median to become homeowners,

**Remember:**

IHBG funds are made available primarily to provide housing activities to low- and moderate-income Indian families. Provision of activities to other eligible groups should be held to a minimum.

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- Restrictions for serving non low-income Indian families do not apply to families who are determined to be essential. (See PIH Notice 99-6 in Appendix M of the NAHASDA Reference Manual.)

❑ Non Indian families may be assisted if (24 CFR 1000.104):

- They first have HUD and tribal approval,
- Their needs cannot be met without assistance, and
- Their presence in the Indian area is essential to the well being of the community.

Note: Restrictions do not apply to non-Indian families residing in 1937 Housing Act units, at the time of enactment.

### *Certifications*

Prior to HUD execution of the NAHASDA grant agreement, the recipient is required to sign and submit the following certifications:

❑ **Certification for a Drug-Free Workplace** – 24 CFR Part 24.600 requires:

- A grantee, other than an individual, to certify to the agency that it will provide a drug-free workplace, and
- A grantee that is an individual shall certify to the agency that, as a condition of the grant, he/she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant.

❑ **Certification for Indian Preference** – The NAHASDA Regulations (24 CFR Part 1000.52) require:

- Recipients, to the greatest extent feasible, shall give preference in the award of contracts to Indian organizations and Indian-owned economic enterprises, and
- Recipients shall certify to HUD that the policies and procedures adopted by the recipients will provide preference in procurement activities consistent with the

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requirements of Section 7(b) of the Indian Self-Determination and Education Assistance Act.

- ❑ **Certification Regarding Lobbying** – 24 CFR Part 87.100 requires that each person who requests or receives a Federal contract, grant, loan, or cooperative agreement from an agency shall file a certification with that agency that the person has not made, and will not make, any payment prohibited by 24 CFR Part 87.100(a).

  Prohibited payments are defined as follows:

  No IHBG funds may be used to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions:

  - The awarding of any Federal contract,
  - The making of any Federal grant,
  - The making of any Federal loan,
  - The entering into of any cooperative agreement, and
  - The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

**On the Web –**

Copies of the notices can be found on the web at www.hudclips.org.

### *NAHASDA Guidance Notices*

HUD's Office of Native American Programs publishes a series of notices and guidance bulletins to clarify issues about implementing programs under NAHASDA. There have been various notices and bulletins published since the adoption of the NAHASDA regulation. Copies of the notices can be found on the web at www.hudclips.org. Some of the topics addressed in these notices include:

- ❑ **Assistance to Non Low-Income Indian Families under NAHASDA:** Notice PIH 99-06 (TDHE) describes the exception to the low-income requirement, allowing non low-income Indian families to receive assistance under NAHASDA. This notice also describes the

## *NOTES*

method for determining and documenting when housing needs cannot reasonably be met without NAHASDA assistance. In addition, the process for recipients to request HUD approval to assist non low-income Indian families is described. *Note:* Notice 99-06 was extended through March 31, 2001, by Notice PIH 2000-10.

- ❑ **Determination of Recipient Administrative Capacity to Undertake the Indian Housing Block Grant (IHBG) Program:** Notice PIH 99-32 (TDHE) establishes the basis upon which HUD determines if a recipient of IHBG funds, authorized by NAHASDA, has the administrative capacity to undertake IHBG program activities in accordance with the program regulations at 24 CFR Part 1000.

- ❑ **Performance Measure for the Obligation of IHBG Funds under NAHASDA:** Notice PIH 2000-26 (TDHE) provides tribes and TDHEs with guidance regarding what constitutes an obligation of grant funds.

- ❑ **Income Limits:** ONAP issued a guidance bulletin 00-04T on May 11, 2000, that assists in the determination of income limits. An update of these income limits is necessary each year.

- ❑ **Indian Housing Plan:** ONAP issued a guidance bulletin 99-01 on December 15, 1998, that provides direction and clarification on goals, objectives, and performance objectives in the one-year plan section of the Indian Housing Plan (IHP).

- ❑ **Annual Performance Report:** ONAP Guidance Bulletin No. 2000-02 reminds tribes and TDHEs of their responsibility to review the progress they have made in completing the goals and objectives listed in their IHPs. This bulletin also directs tribes and TDHEs to submit a report on the results of this review to HUD within 60 days of the end of the program year, unless an extension was submitted and approved.

- ❑ **Performance Measures:** ONAP Guidance Bulletin No. 2000-10T discusses the purpose and use of performance measures included in the IHBG regulations.

- ❑ **Accounting for Program Income:** ONAP Guidance Bulletin No. 2001-03T addresses frequently asked questions of tribes and TDHEs regarding accounting for program income under the IHBG program.

- ❑ **Native American Housing Block Grant Program - Notice of Transition Requirements and Negotiated Rulemaking, January 27, 1997:** This notice implements that part of

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section 106 of NAHASDA that requires HUD to publish a notice establishing requirements necessary to provide for the transition from the provision of assistance for Indian tribes and Indian housing authorities under the 1937 Housing Act and other related provisions of law to the provision of assistance in accordance with NAHASDA. It also provides notice of the negotiated rulemaking process for the development of regulations necessary to implement the program.

- ❑ **Native American Housing Block Grant Program - Notice of Transition Requirements; Extension of Deadline for Submission of Indian Housing Plans, February 24, 1997:** On January 27, 1997, HUD published a notice that indicated that Indian Housing Plans must be submitted no later than June 1, 1997. This notice extended the first Indian Housing Plan submission date to no later than November 3, 1997.

- ❑ **Indian Housing Block Grant Program - Revised Notice of Transition Requirements, January 27, 1998:** This notice addresses the public comments received on the January 27, 1997, transition requirements, and provides additional transition guidance and requirements.

- ❑ **Indian Housing Block Grant Program – Notice of Additional Transition Requirements - Cost Limits for Former 1937 Act Development Projects, October 2, 1998:** This notice provided a grace period, until January 1, 1999, in which a recipient was able to choose to use the Dwelling Construction and Equipment costs under IHBG, or a calculated Total Development Cost (TDC) limitation. The purpose of the grace period was to allow for a smooth transition and to avoid hardship for tribes and TDHEs that had progressed substantially in developing housing designs under the 1937 Housing Act, and were nearing construction start.

- ❑ **Indian Housing Block Grant Program - Notice of Additional Transition Requirements – Advance Funding, April 15, 1998:** This notice provided instructions to tribes, TDHEs, and Area Offices of Native American Programs (AONAPs) to request and process an advance of IHBG funds to ensure uninterrupted delivery of operating expenses for housing owned by an IHA for the second quarter, third quarter, and possibly the fourth quarter of Federal Fiscal Year (FFY) 1998. Eligible operating expenses are those that were previously subsidized, such as salaries, benefits, taxes, insurance, travel, training, and maintenance. Until an IHP was approved for a tribe, advance IHBG funds were only to be used for operating expenses of units formerly assisted under the 1937 Housing Act, and for renewal of tenant-based rental assistance, where required. They were not be used for any other housing activities.

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## RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS AND TRIBAL OFFICERS UNDER NAHASDA

Tribal officers are obligated to adhere to the policies and procedures set forth in the NAHASDA regulations, and boards of commissioners must assume these obligations if their organizations are named as TDHEs. However, even in the case where a TDHE has been asked to act on behalf of the tribe, the tribe has the ultimate responsibility for complying with NAHASDA rules and regulations. The ordinance or resolution that names the TDHE should clearly state the obligations and responsibilities of all parties. Responsibilities include:

- ❑ Planning
  - Assessing the housing needs of the low-income members of the tribe;
  - Planning to meet housing needs strategically;
  - Establishing a budget for the use of the IHBG dollars; and
  - Setting policies to deliver the programs and run the business of the housing office or agency.
- ❑ Monitoring activities to ensure that plans are:
  - Realized in terms of quality and production, and
  - Responsive to the community needs.
- ❑ Reporting required information in a timely fashion, and
- ❑ Complying with all program requirements.

**Responsibilities of Recipients**

- ✓ Planning
- ✓ Monitoring
- ✓ Reporting
- ✓ Compliance

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# Chapter 4:
# Planning

# CHAPTER 4: PLANNING TO MEET HOUSING NEEDS

***NAHASDA acknowledges that tribal decision makers are in the best position to decide how IHBG dollars should be used to meet the housing needs of their tribe. NAHASDA gives the authority to the tribe for selecting activities. In return, NAHASDA places important responsibilities on the tribe. Planning for the use of IHBG is among those responsibilities. This chapter takes a look at the eight steps of strategic planning and the required Indian Housing Plan.***

## THE RESPONSIBILITY TO PLAN

### *Why We Plan*

A plan is a roadmap to reach goals and ultimately to realize your long-range mission. It is more likely that resources will be used effectively if their use is planned in advance. It is also more likely that small amounts of a resource received each year can yield large cumulative benefits if plans are made for multiple years. Planning helps to ensure that we:

- ❑ Meet our responsibilities and obligations with the resources that are available;
- ❑ Identify areas where needs are the greatest, or most critical;
- ❑ Identify the best opportunities among many possibilities; and
- ❑ Involve the tribal community's ideas and wisdom in making decisions for the tribe.

### *How We Plan*

There are eight steps to planning that can help us produce thoughtful, useful plans. These steps, or some version of them, serve as the basis for most strategic planning efforts. These steps are also reflected in the requirements of the Indian Housing Plan (IHP), which is required to be submitted by each tribe before receipt of the IHBG funds. The steps are:

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- ❑ Develop a vision of what it would mean to have all housing needs met;
- ❑ Develop a mission statement regarding the work your organization will do to move the community toward the perfect vision;
- ❑ Determine the current status. Where has the vision already been realized? Where does it yet need to be realized? Identify lots of possible solutions;
- ❑ Set priorities among the solutions;
- ❑ Identify all potential resources;
- ❑ Make choices about what you will do with the resources you have, set goals and write the plan; and
- ❑ Evaluate your progress; make adjustments to your plan over time.

### *Step 1 - Develop a Vision*

What will it look like when all housing needs have been met for all the members of the tribe? The answer to this question may be hard to imagine because the needs may be so great. The needs may be both large in number and critical in scope. Nevertheless, asking this question is an important first step in planning. Asking this question helps us to identify:

- ❑ What types of housing would really meet the needs of the people in our community?
  - What different types of housing would be available?
  - Who would live in the housing?
  - Would the people rent the housing or own it?
  - Where would the housing be located?
  - What would the housing look like?
  - How large or small would the housing units be?

## *NOTES*

- Would the housing be multi-family or single family structures?
- Would the housing be clustered or developed on scattered sites?
- What would the housing be constructed of?
- Which existing housing would be improved; which would be demolished?

❑ What other affordable housing activities would complement the housing and support the residents?

### *Step 2 – Develop a Mission Statement*

Develop a mission statement of general activities and projects that your organization will be involved in, and that will move your community closer to the vision. With a tight hold on the vision, compose a mission statement of realistic changes that you can effect over the long range. It is important that you start with your vision of perfection so that you can be sure that each area of involvement, and each outcome you define in your mission, moves you a little closer to that perfect picture.

❑ Your mission defines the tangible types of activities you will undertake. It guides you as you set specific goals and objectives;

❑ Your mission is broad but not without boundaries; and

❑ It includes the following types of guidance:

- The types of projects you will undertake,
- The populations you will serve, and
- The reasons your organization exists.

### *Step 3 - Determine the Ways Things Are*

Determine what parts of your vision are already in place in the communities you serve. Determine what parts of your vision have not been realized. There are social science methods

## *NOTES*

such as survey tools, focus groups, sampling techniques, and other methods that can be used to gain true and insightful answers to the following questions.

- ❑ What aspects of the housing in your community are good, bad, or missing? Which units are:
  - Meeting the needs of the residents?
  - Attractive in appearance and positive contributions to healthy neighborhoods?
  - In need of repair?
  - Over-crowded?
  - Obsolete, substandard, don't meet the needs of the residents?
  - Located in inappropriate areas?
- ❑ Whose needs are being met and whose are not being met?
  - How many families might fall into each category?
  - What are their incomes?
  - What are their ages?
  - How large are their households and what is the family composition?

### *Step 4 - Identify Lots of Potential Solutions*

Take a hard look at the people and places in your community that you have defined in your mission. Describe one or more housing activities for each. Don't automatically accept standard actions that have been taken in the past without questioning their relevance to current situations.

- ❑ Consult with a variety of resources and agencies to obtain suggestions about potential housing activities and solutions. Seek advice from individuals and groups such as:
  - Families in the community who will use the housing that is produced,

## *NOTES*

- Decision makers in the community,
- Housing experts, inside and outside the community, such as:
  - ⇒ Former members of the BOC;
  - ⇒ Key staff of the Housing Authority, if one exists;
  - ⇒ Members of any Citizen Task Forces;
  - ⇒ Directors and staff of neighboring housing authorities;
  - ⇒ Staff of local, regional and national professional organizations;
  - ⇒ Housing consultants;
  - ⇒ HUD Community Builders;
  - ⇒ Architects;
  - ⇒ Planners; and
  - ⇒ Others.

❑ Write descriptions of the various potential activities and programs. For each activity identify:

- Who it will serve;
- How it will work, if it is a program;
- What they will look like architecturally, if it is housing units;
- How big the project or program will be;
- If it will be new construction, rehabilitation of existing structures, or both; and
- How much it will cost.

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### *Step 5 - Set Priorities Among the Solutions*

Begin to rank the projects, activities, and solutions that you identified in the last step. At this point, do not think in terms of what is financially feasible with the funds you have in hand or know are obtainable. Instead, think strategically about which solutions and projects should be acted upon first for a variety of reasons, including the ones listed below. Later you will temper the ranking with the realities of the available funds. But be careful at this point to not let the available dollars be the sole factor used in the decision of what activities to undertake.

- ❑ Think about the families and tribal members with the most critical needs in your community; elderly, veterans, disabled, families with children, etc.;
- ❑ Identify families that have not received housing services;
- ❑ Think about development opportunities that can be taken advantage of now, but may not be possible in the future;
- ❑ Consider projects that have the potential to leverage funds from a variety of sources;
- ❑ Consider what the IHBG recipient has the capacity to undertake;
- ❑ Think about a development sequence that makes sense;
    - Where does infrastructure already exist?
    - What housing development can be linked with other development that may already be planned?
    - Should new units be developed before existing units are rehabilitated? Current residents could be relocated to the new units and the existing units could then be vacant for rehabilitation.

### *Step 6 - Identify All Potential Resources*

NAHASDA offers the potential to spend housing dollars in new ways. Additionally, NAHASDA encourages tribes to seek the investment of private dollars and the award of other public funds.

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The instructions for the Indian Housing Plan require that both Federal and non-Federal funds, which will be used for affordable housing activities in conjunction with NAHASDA, be included in the budget (Table 2). This presents a great opportunity to list and plan for the use of all dollars you have identified.

Be creative and enthusiastic, but at the same time, be realistic. Don't plan to spend dollars that you are not likely to receive. One year you may plan to compete for funds, and work out the details for their expenditure as a part of that application process. The next year, you may know that you are likely to receive the funds, and realistically plan for their expenditure.

- ❑ Spend existing dollars in new ways:
  - Consider the effects of loaning rather than granting IHBG dollars,
  - Use as few IHBG dollars in a project as possible. When appropriate, use the IHBG as seed money to attract other investment,
  - Use the IHBG as a way to fill an affordability gap when a homebuyer can get some of the purchase price from a private lender,
  - Seek private lender dollars to invest in the development of housing units in a number of ways:
    - ⇒ The tribe may borrow private lender funds,
    - ⇒ The TDHE may be the borrower, or
    - ⇒ Individual homebuyers may secure mortgages for a portion of the purchase price of a home.
- ❑ Seek funds from other government sources and agencies.
  - A number of Federal agencies other than HUD make funds available that might be used in your housing and community development projects. They include:
    - ⇒ Bureau of Indian Affairs (Department of the Interior);
    - ⇒ Rural Development (Department of Agriculture);

## *NOTES*

- ⇒ Environmental Protection Agency;
- ⇒ Department of Transportation; and
- ⇒ Indian Health Services.

- Your state government is likely to offer housing and community development dollars, either through competition or formula allocation. States often receive funds from the following sources:
  - ⇒ Small Cities Community Development Block Grant;
  - ⇒ HOME;
  - ⇒ Mortgage revenue bonds; and
  - ⇒ State housing set-asides.
- The location at which you want to offer housing may be within the jurisdiction of a city or county, and that jurisdiction may have housing and community development dollars for which you can apply.

❑ Explore the possibilities of receiving funds from foundations and nonprofit organizations.

### *Step 7 - Make Tough Choices*

It is unlikely that you will be able to identify enough funding sources to pay the costs of all of the housing activities and solutions you have identified. It will be necessary to make some difficult choices; to approve some projects and deny others.

❑ Compare your list of priority projects to the total amount of funds you have identified as likely to be received;

- How far down the list can you go?
- Are there timing issues?
  - ⇒ Must certain projects be started by certain dates in order to be feasible?

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⇒ Are there people whose needs will become critical in the near future?

- ❑ Think strategically about putting the resources you have identified to their best use;
- ❑ Select the projects that will be undertaken in the coming year and incrementally over the next several years; and
- ❑ Write these decisions into your plan.

### *Step 8 - Evaluate Your Progress; Make Adjustments to Your Plan*

A plan is thoughtfully prepared with every intention of following it. But since events can arise that prevent the completion of a plan or make it necessary for a plan to be adjusted, it should be viewed as a dynamic document. Just as it is important to write a plan, it is equally important to use the plan, and to modify it over time as circumstances change.

- ❑ A plan should be reviewed on a regular basis and progress should be assessed. Reasons should be noted for lack of progress, as well as for accelerated progress; and
- ❑ If the actual production is considerably different than the planned production, the plan should be modified. A revised, realistic plan of action should be developed.

  *Note: Instructions for the Indian Housing Plan specify it should only be amended if the tribe is adding a new activity, or if there is a decrease in the amount of funds planned for maintaining 1937 Housing Act units. All other changes, including, for example, differences in the number of units built or renovated, should be reported on the Annual Performance Report.*

## YOUR INDIAN HOUSING PLAN

NAHASDA requires that a tribe submit an Indian Housing Plan (IHP) prior to the receipt of IHBG funds. The required submission closely echoes the eight planning steps discussed above. A copy of the IHP template can be found as Attachment 1.

### *Contents of Your IHP*

The IHP format includes the following elements:

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- ❑ Cover Sheet and Table of Contents;
- ❑ Overview (optional);
- ❑ Five-Year Plan;
  - Mission Statement,
  - Five-Year Goals and Objectives, and
  - Activities Plan.
- ❑ One-Year Plan;
  - One-Year Goals and Objectives;
  - Statement of Needs;
  - Financial Resources;
  - Affordable Housing Resources;
  - Performance Objectives;
  - Other submission Items; and
  - Certifications.

Let's take a closer look at some of the IHP components.

### *Five-Year Plan*

- ❑ Mission Statement
  - The Mission Statement succinctly explains why your organization exists, what it does and who it

**Your mission statement…**

Describes why your organization exists, what it does, and who it serves.

## *NOTES*

serves. It describes the vision that you are working to realize, and how you have distilled that vision of a perfect world and identified areas of needs your organization will address. Your mission statement serves as a filter or screen to help you decide whether the projects that you are considering, will help you move toward the vision of how things should be in your community.

- Mission Statement - Example 1

  ⇒ *The mission of the Housing Office is to improve the quality of life of people living in the Indian Area, especially to improve the housing conditions of low-income Indian families living in substandard housing.*

  Would this Housing Office take on projects other than housing development? Perhaps. Its mission is to improve the quality of life of people living in the Indian Area. It might choose to sponsor a drug prevention program for the residents of affordable housing units, or perhaps community security service. But, most of its resources and most of its effort will be used to improve housing conditions.

- Mission Statement - Example 2

  ⇒ *The TDHE will provide adequate, affordable and culturally-sensitive housing for Tribal members in a safe and healthy environment. The TDHE shall provide these services in an impartial and efficient manner.*

  Let's assume that this TDHE and the tribe it serves are located in the southwestern part of the U.S. If this TDHE were faced with the decision to provide ten manufactured houses or seven adobe houses for the same cost, which choice is it likely to make?

  By reading the TDHE's mission statement we realize that it is likely it would choose to offer houses built from the traditional, indigenous materials, even though it would mean offering fewer houses.

- Mission Statement - Example 3

  ⇒ *The mission of the Tribal Housing Department is to create affordable housing opportunities and safe, viable communities for low- and moderate-income tribal*

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*members; and, if tribal needs are met, for other Native American families residing within its jurisdiction.*

Is it likely that the Tribal Housing Department will be building any housing units for non-Native police officers? It is not likely. The mission statement makes it clear that housing will only be produced for Native people.

Is it likely that the Tribal Housing Department might be a partner in an economic development project? Yes, this office might take part in an economic development project in order to help create the "viable community" spoken of in the mission statement. *Note: The Tribal Housing Department would not use IHBG funds for the economic development project since that is not an eligible use of those funds.*

- ❑ Five-Year Goals

  - The five-year goals in your IHP are written, long-term outcomes.
  - Goals describe what you intend to accomplish.
  - Goals should be measurable so that you can determine whether you have accomplished them.
  - All goals that you set must be consistent with your mission.

> **Goals** are the outcomes you intend to accomplish.
>
> **Objectives** are the steps you take to accomplish them.

- ❑ Five-Year Objectives

  - Five-year objectives are the steps you will take to accomplish your five-year goals.
  - Objectives describe what you will do. They are the actions that must be accomplished in order to achieve your goals.

### *One-Year Plan*

The One-Year Plan describes the specific activities that will use the coming year's resources. It may identify specific projects, or it may serve as a guide for the selection of particular projects. It establishes benchmarks to measure the activities and achievements accomplished with the year's grant.

## *NOTES*

- ❑ One-Year Goals
  - One-Year Goals are a statement of the desired outcomes to be accomplished using the year's grant funds. They are:
    - ⇒ Measurable;
    - ⇒ Consistent with the Five-Year Goals;
    - ⇒ Funded from one year's grant, though they may be carried out over more than one year's period of time; and
    - ⇒ Aimed at identified needs.
- ❑ One-Year Objectives
  - These are the steps and actions that will be taken to achieve the One-Year Goals.
  - There is always at least one objective for each goal, and usually there is more than one.
  - NAHASDA Guidance Bulletin 99-01 (see Appendix L of the NAHASDA Reference Manual) provides guidance on the definition of one-year objectives and how to develop them.

### *Statement of Needs*

The Statement of Needs is a narrative that describes the current housing conditions in the Indian Area, particularly the conditions that are in need of improvement. The Statement of Needs includes information about:

- ❑ Description of the tribe and the community's housing needs,
- ❑ Geographic allocation of current and past assistance, and
- ❑ Needs of non low-income Indian families.

**Remember…**

All the tables in your IHP are related to a narrative section. It is important that the data in the tables and what you say in the narrative are consistent.

## *NOTES*

The narrative is supported by real data. The data is compiled in Table 1. Table 1 and the Statement of Needs must be consistent.

### *Financial Resources*

This section of your IHP includes a narrative describing the financial resources available, or very likely to be available. It too is linked to a table. Table 2 provides a budget that presents the resources you have identified and the uses to which you intend to put them. Again, it is important that the information you present in the narrative and in the table is consistent.

### *Affordable Housing Resources*

This section of your IHP refers to housing stock rather than dollars. It describes the current stock and the overall condition of the housing market. This section is also linked to a table. Table 3 provides a snapshot of affordable housing in your Indian area. Table 3 includes information about:

- ❑ Characteristics of the housing market;
- ❑ How needs will be addressed;
- ❑ Protection of any 1937 housing for which the tribe is responsible;
- ❑ Description of existing housing programs; and
- ❑ Coordination and cooperation among other housing providers and welfare providers.

### *Performance Objectives*

**Performance Objectives** describe all the tasks a recipient will work on in a calendar year, no matter which program years' funds are being used.

Performance Objectives are a tool to help track the work that the recipient should be getting done in any one calendar year. It is quite possible that in a given calendar year the recipient will plan to work on projects that are funded by grants that have been received in several different program years. Whereas your one-year goals and objectives relate to the planned activities that will be funded with a particular year's grant, no matter when the activities occur, your performance objectives describe all that you plan to work on in a calendar year, no matter

## *NOTES*

which years' grant funds are involved. See Attachment 2 of this chapter for a sample performance objectives grid.

### *Other Submission Items and Certifications*

Tribes are required to submit the following items as part of their IHP:

- ❑ A policy statement about the remaining useful life of the properties owned by the tribe, or the TDHE;
- ❑ An explanation of any proposed model housing activities, if applicable;
- ❑ A description of tribal and other Indian preferences;
- ❑ A statement of the percentage of the IHBG funds received that will be used for planning and administration, not to exceed the maximum allowed of 20 percent;
- ❑ If your tribe's allocation of IHBG is less than the minimal funding allocation, you must state the need for IHBG funding;
- ❑ A statement of how the tribe will request the delivery of the IHBG funds, through investment or draw-downs; and
- ❑ The Certification of Compliance and Tribal Certification.

## HOW THE IHP REFLECTS THE EIGHT PLANNING STEPS

The required Indian Housing Plan directly reflects the eight planning steps discussed at the beginning of this chapter. However, the prescribed format of the finished IHP is not arranged in the order of the eight steps. Instead, the finished plan is arranged in an order that is easy to reference as it is being implemented. The finished plan is arranged with the goals and objectives, which are actually the conclusions of your planning work, placed near the front of the document.

Do not try to prepare your IHP in the order that the required items appear in the instructions and in the electronic template. Follow the eight planning steps. When you have completed the eight steps, assemble the finished document in the order called for in the instructions.

## *NOTES*

- ❑ Steps1 and 2 - Develop a vision. Develop a mission statement for the IHBG recipient.
  - Your Mission Statement in the five-year plan includes and reflects the vision you hold for housing in the Indian area and serves as a guide to be used as you set goals and objectives. The mission statement tempers that vision of perfection with reality and defines the types of work you will undertake, and who you will serve for the next five years.
- ❑ Step 3 - Determine the ways things are. Where has the vision already been realized and where does it need to be realized?
  - The Statement of Need describes the current housing conditions in the Indian area and especially describes those areas where the need is the greatest.
  - The Affordable Housing Resources section describes the current housing stock and the overall condition of the housing market.
- ❑ Step 4 - Identify lots of possible solutions.
  - Be creative; involve lots of people from within and outside of your communities in the development of your IHP. Under NAHASDA, there is new flexibility for each tribe to design housing activities that meet its unique needs.
- ❑ Step 5 - Set priorities among the solutions.
  - Analyze the information in the Statement of Need and in the Affordable Housing Resources.
  - Decide which needs and which potential projects should be addressed first, second, and so forth.
- ❑ Step 6 - Identify all potential resources.
  - The Financial Resources Narrative provides a description of all the funds you are likely to receive, and Table 2 provides an explanation of the revenues and expenditures in standard budget format.

## *NOTES*

- ❑ Step 7 - Make tough choices about what you will do with the resources you have, and write the plan.
  - Think strategically.
  - Acknowledge that you will say "yes" to some needs and "no" to others; that you will be able to fund some projects, but not all.
  - Set your Five-Year and your One-Year Goals.
- ❑ Step 8 - Evaluate your progress; make adjustments to your plan.
  - Develop Performance Objectives, which will enable you to measure your accomplishments throughout the year.
  - Prepare your Annual Performance Report, which describes your activities, accomplishments, and remaining work to be completed.

## *NOTES*

# LIST OF ATTACHMENTS

- ❑ Attachment 4-1: IHP Form
- ❑ Attachment 4-2: Performance Objectives

## *NOTES*

# ATTACHMENT 4-1: IHP FORM

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

OMB Approval No. 2577-0218 (exp. 6/30/2001)

# Indian Housing Plan

These forms meet the minimum requirements for an Indian Housing Plan (IHP) required by the United States Department of Housing and Urban Development. In addition to these minimum requirements, a tribe/ tribally designated housing entity (TDHE) may elect to prepare a more comprehensive IHP. If a tribe/TDHE elects to prepare a more comprehensive plan, the required elements of this IHP must still be submitted on the prescribed HUD forms.

# Indian Housing Plan

Under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4104 et seq.) HUD will provide grants, guarantees, and technical assistance to Indian tribes and Alaskan Native villages for the development and operation of low-income housing in Indian areas. Grants will be made to eligible recipients under the Indian Housing Block Grant Program. To be eligible for the grants, respondents must submit an Indian Housing Plan which meets the minimum requirements of the Act, consult with residents, prepare Title VI application/certification, submit performance reports, and maintain records for HUD monitoring and audit review.

Public reporting burden for this collection of information is estimated to average 120 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

HUD will ensure that the information submitted complies with the requirements of the Act, approve/disapprove the IHP, and review and monitor the IHP. Responses to this collection of information are mandatory to obtain a benefit. The information requested does not lend itself to confidentiality.

This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

# Indian Housing Plan
# Cover Sheet

**Please read the instructions on back before completing this cover sheet**

1. Name and Address of Tribe (if only one tribe)

2. Name and Address of Tribal Contact Person (if only one tribe) | Telephone Number with Area Code (if only one tribe)

3. Name and Address of Tribally Designated Housing Entity (TDHE) (if applicable)

4. Name and Address of TDHE Contact Person | Telephone Number with Area Code

| 5. Type of Submission | 6. Federal Fiscal Year | 7. Grant Number | 8. Estimated Grant Amount | 9. Actual Grant Amount |
|---|---|---|---|---|
| Original ☐ Amended ☐ | | | | |

10. Enter the name and address of the tribe and the name, address, and telephone number of the tribal contact person for each tribe included in this IHP. This information may be reported like this:

| Name of Tribe | Address of Tribe | Tribal Contact Person | Address | Phone |
|---|---|---|---|---|
| | | | | |

11. Title of the Authorized Official submitting the IHP

Signature & Date:

X

**For HUD Use Only** | **Date** IHP is received by HUD: | **Time** IHP is received by HUD:

## Indian Housing Plan Cover Sheet Instructions

If the IHP is being submitted by a TDHE for more than one tribe, leave lines 1 and 2 blank and provide this information in line 10.

1. Enter the name and address of the tribe for whom the IHP is prepared.
2. Enter the name, telephone number, and address of the tribal contact person. The tribal contact person is the person who is best able to answer questions regarding the IHP. This information should be provided even if the IHP was prepared by a tribally designated housing entity (TDHE).
3. Complete the necessary information if the IHP is prepared by a TDHE on behalf of a tribe(s).
4. Enter the name, telephone number, and address of the TDHE contact person. The TDHE contact person is the person who is best able to answer questions regarding the IHP.
5. Check to indicate if the IHP is an original submission or an amended submission.
6. Enter the Federal fiscal year for which funding will be made available for the IHP. For example, October 1, 1997 to September 30, 1998 is fiscal year 1998.
7. Enter the HUD-assigned grant number.
8. Enter the estimated grant amount expected to be received for the 1-year plan period.
9. If the actual grant amount is not known at the time the IHP is submitted, leave the actual grant amount line blank.
10. Enter the name of the tribe and the name, telephone number, and address of the tribal contact person for each tribe included in this IHP. The tribal contact person is the person who is best able to answer questions regarding the IHP.
11. The cover sheet must be signed by an authorized official of the tribe or TDHE submitting the plan.

**For HUD use only:** The date and time the plan is received by HUD will be completed by Area Office of Native American Programs (ONAP) staff.

## Indian Housing Plan
# Table of Contents

This Table of Contents is for use by tribes/TDHEs to identify the location of the required elements of the Indian Housing Plan. For each element listed, enter the page number where the information can be found in the IHP.


| | | PageNumber |
|---|---|---|
| **Five Year Plan** | Mission Statement | _____ |
| | Goals and Objectives. | _____ |
| | Activities Plan | _____ |
| **One Year Plan** | Goals and Objectives | _____ |
| | Statement of Needs | _____ |
| | Table 1 - Statement of Needs | _____ |
| | Financial Resources | _____ |
| | Table 2 - Financial Resources | _____ |
| | Table 3 - Housing Profile | _____ |
| | Affordable Housing Resources including a description of: | |
| | The characteristics of the housing market. | _____ |
| | The structure/coordination/cooperation with other entities | _____ |
| | The manner in which housing needs will be addressed | _____ |
| | The manner in which 1937 Act housing will be protected/maintained | _____ |
| | Existing/anticipated homeownership/rental programs | _____ |
| | Existing/anticipated housing rehabilitation programs | _____ |
| | All other existing/anticipated housing assistance | _____ |
| | Housing to be demolished or disposed of | _____ |
| | Coordination with tribal and State welfare agencies | _____ |
| | The manner in which safety and resident involvement will be promoted | _____ |
| | Organizational capacity and key personnel that will carry out IHP activities | _____ |
| | Performance Objectives | _____ |
| | Useful Life | _____ |
| | Model Activities | _____ |
| | Tribal and Indian Preference | _____ |
| | Percentage of Planning and Administration | _____ |
| | Minimal Funding | _____ |
| | Method of Payment | _____ |
| | Environmental Review - Expression of Intent (Optional) | _____ |
| | Standard Certification of Compliance | _____ |
| | Tribal Certification | _____ |

## Five Year Indian Housing Plan

Respond to each of the elements requested in the 5-year plan section of the IHP. In addition to text, information may be presented in the form of charts, tables, maps, etc.

The 5-Year Plan section of the Indian Housing Plan must contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted, the following information:

1. **Mission Statement.** A general statement of the mission of the Indian tribe to serve the needs of the low-income families in the jurisdiction of the Indian tribe (as defined in the regulation under Indian Area) during the 5-year period.
2. **Goals and Objectives.** A statement of the goals and objectives of the Indian tribe to enable the tribe to serve the needs identified in the mission statement.
3. **Activities Plan.** An overview of the activities planned during the period including an analysis of the manner in which the activities will enable the tribe to meet its mission, goals, and objectives.

## One Year Indian Housing Plan

Respond to each of the elements requested in the 1-year plan section of the IHP. In addition to text, information may be presented in the form of charts, tables, maps, etc. If a particular section does not apply because the tribe/TDHE will not carry out a specified activity, enter NA.

The 1-Year Plan section of the Indian Housing Plan must contain information, relating to the upcoming fiscal year for which assistance is to be made available, including the following:

1. **Goals and Objectives.** A statement of the goals and objectives to be accomplished during the period that are measurable as determined by the tribe/TDHE.
2. **Statement of Needs.** A statement of the housing needs of the low-income Indian families residing in the jurisdiction of the Indian tribe, and outside the jurisdiction where tribal needs require consideration, and the means by which such needs will be addressed during the 1-year period, including a description of:
   a. the estimated housing needs and the need for assistance for the low-income Indian families in the jurisdiction, and outside the jurisdiction where tribal needs require consideration, including a description of the manner in which the geographical distribution of assistance is consistent with the geographical needs and needs for various categories of housing assistance; and
   b. the estimated housing needs for all Indian families in the jurisdiction.
3. **Financial Resources.** An operating budget for the recipient including:
   a. an identification and a description of the financial resources reasonably available to the recipient to carry out the purposes of NAHASDA, including an explanation of the manner in which amounts made available will leverage additional resources; and
   b. the uses to which such resources will be committed, including eligible and required affordable housing activities under title II of NAHASDA and administrative expenses.
4. **Affordable Housing Resources.** A statement of the affordable housing resources currently available and to be made available during the period, including a description of:
   a. the significant characteristics of the housing market in the jurisdiction, including the availability of housing from other public sources, private market housing, and the manner in which such characteristics influence the decision of the recipient to use grant amounts to be provided under NAHASDA for rental assistance, production of new units, acquisition of existing units, or rehabilitation of units;
   b. the structure, coordination, and means of cooperation between the recipient and any other governmental entities in the development, submission, or implementation of housing plans, including a description of the involvement of private, public, and nonprofit organizations and institutions, and the use of loan guarantees under section 184 of the Housing and Community Development Act of 1992, and other housing assistance provided by the Federal Government for Indian tribes, including loans, grants, and mortgage insurance;
   c. the manner in which the plan will address the needs identified pursuant to the Statement of Needs Section in paragraph 2;
   d. the manner in which the recipient will protect and maintain the viability of housing owned and operated by the recipient that was developed under a contract between the Secretary and an Indian housing authority pursuant to the United States Housing Act of 1937;
   e. any existing and anticipated homeownership programs and rental programs to be carried out during the period, and the requirements and assistance available under such programs;
   f. any existing and anticipated housing rehabilitation programs necessary to ensure the long-term viability of the housing to be carried out during the period, and the requirements and assistance available under such programs;
   g. all other existing or anticipated housing assistance provided by the recipient during the period, including transitional housing, homeless housing, college housing, supportive services housing, and the requirements and assistance available under such programs;
   h. any housing to be demolished or disposed of, a timetable for such demolition or disposition, and any other information required by the Secretary with respect to such demolition or disposition including a financial analysis regarding the proposed demolition/disposition;
   i. the manner in which the recipient will coordinate with tribal and State welfare agencies to ensure that residents of such housing will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency;
   j. the requirements established by the recipient to promote the safety of residents of such housing, facilitate the undertaking of crime prevention measures, allow resident input and involvement, including the establishment of resident organizations, and allow for the coordination of crime prevention activities between the recipient and tribal and local law enforcement officials; and
   k. the entity that will carry out the activities under the plan, including the organizational capacity and key personnel of the entity.
5. **Performance Objectives.** In accordance with 24 CFR 1000.504, performance objectives are to be developed by each recipient and included in this 1-year plan. Performance objectives are criteria by which the recipient will monitor and evaluate its performance; provide quantitative measurements by which the recipient will gauge its performance; and determine the impact and benefit the grant beneficiary derives from the accomplishments obtained under the plan. For example, if in the IHP, the recipient indicates it will build new houses, the performance objective may be the completion of the homes within a certain time period and within a certain budgeted amount, and measure the numbers of tribal members and families served.

# Table 1
# Statement of Needs

Name of Tribe:

Name of TDHE: (if applicable)

Grant Number:

Federal Fiscal Year: Tribal/TDHE Program Year:

Indian Area:

| **Part I: Tribal Profile for Indian Area** | All Indians in the Indian Area | |
|---|---|---|
| column a | All Income Levels column b | Low-Income column c |
| 1. Total Indian Population | | |
| 2. Number of Indian Families | | |
| 3. Number of Elderly Indian Families | | |
| 4. Number of Near-Elderly Indian Families (optional) | | |
| 5. Number of Indian Families Living in Substandard Housing | | |
| 6. Number of Indian Families Living in Over-Crowded Conditions | | |
| **Part II: Tribal Profile for Indian Area (Optional)** | All Income Levels | Low-Income |
| 7. | | |

**Part III: Current Status and Future Needs**

| Type of Housing column a | | Existing Housing column b | Unmet Needs for All Indian Families column c | Unmet Needs for Low-Income Indian Families column d |
|---|---|---|---|---|
| 8. Rental Housing | a. Number of Units | | | |
| | b. Number of Units Needing Rehabilitation | | | |
| 9. Homeowner Housing | a. Number of Units | | | |
| | b. Number of Units Needing Rehabilitation | | | |
| 10. Supportive Service Housing (# of units) | | | | |
| 11. College Housing (# of units) | | | | |
| 12. Transitional Housing (# of units) | | | | |
| 13. Homeless Housing (# of beds) | | | | |

**Part IV: Other Current Status and Future Needs (Optional)**

| | | | |
|---|---|---|---|
| 14. Data Source: | | | |

**Instructions: Table 1: Statement of Needs**
Complete the table in accordance with the instructions below.

**Table Heading**
Enter the name of the tribe for whom the table is prepared and the name of the tribally designated housing entity (TDHE) if the IHP is prepared by a TDHE on behalf of the tribe. Enter the HUD assigned tribal grant number for the Federal fiscal year for which the table is prepared and the Federal fiscal year for which assistance is to be made available. For example, October 1, 1997 to September 30, 1998 is Federal fiscal year 1998. Enter the starting date of the tribal/TDHE designated program year (mm/dd/yyyy).

Describe the Indian area which the data in the table represents. The Indian area is the area within which an Indian tribe operates affordable housing programs or the area in which a TDHE is authorized by one or more Indian Tribes to operate affordable housing programs.

**Definitions:** The following definitions are to be used when completing Table 1.

**Low-income family**: A low-income family is 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, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the findings of the Secretary or the agency that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes.

**Family**: The term family includes, but is not limited to, a family with or without children, an elderly family, a near-elderly family, a disabled family, a single person, as determined by the Indian tribe.

**Median income**: The definition of median income, with respect to an Indian area, is the greater of the median income for the Indian area, which the Secretary shall determine; or the median income for the United States.

**Elderly family**: The term elderly family means a family whose head (or his or her spouse), or whose sole member, is an elderly person (at least 62 years of age). Such terms include 2 or more elderly persons living together, and 1 or more such persons living with 1 or more persons determined under the Indian housing plan for the agency to be essential to their care or well-being.

**Near-elderly family**: The term near-elderly family means a family whose head (or his or her spouse), or whose sole member, is a near-elderly person (at least 55 years of age and less than 62 years of age). Such terms include 2 or more near-elderly persons living together, and 1 or more such persons living with 1 or more persons determined under the Indian housing plan for the agency to be essential to their care or well-being.

The following definitions may be adopted by the tribe/THDE or the tribe/THDE may develop its own definitions.

**Substandard housing**: Substandard housing is a housing unit that is dilapidated; does not have operable indoor plumbing; does not have a usable flush toilet inside the unit for the exclusive use of a family; does not have a usable bathtub or shower inside the unit for the exclusive use of a family; does not have electricity, or has inadequate or unsafe electrical service; does not have a safe or adequate source of heat; should, but does not, have a kitchen; or has been declared unfit for habitation by an agency or unit of government.

**Dilapidated housing**: A dilapidated housing unit is a unit that does not provide safe and adequate shelter, and in its present condition endangers the health, safety, or well-being of a family; or a unit that has one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may involve original construction, or they may result from continued neglect or lack of repair or from serious damage to the structure.

**Overcrowded conditions**: Overcrowded means households with more than 1.01 persons per room.

**Units needing rehabilitation**: Units in need of rehabilitation are units which fail to meet the tribe's/TDHE's housing quality standards (HQS). The tribe's/TDHE's HQS must be at least as stringent as those used for the Section 8 program (see 24 CFR 982.401) unless the Area ONAP approves less stringent standards based on a determination that local conditions make the use of the Section 8 standards infeasible. Any less stringent standards must still, however, provide:

1. that the house is safe, in a physically sound condition with all systems performing their intended design functions;
2. a livable home environment;
3. an energy efficient building and systems which incorporate energy conservation measures;
4. adequate space and privacy for all intended household members.

**Supportive service housing**: Supportive service housing is housing, including housing units and group quarters, that has a supportive environment and includes a planned supportive service component. A planned supportive service component includes services provided to residents of supportive service housing for the purpose of facilitating the independence of residents. Examples of services include case management, medical, psychological counseling and supervision, child care, transportation, and job training.

**College housing**: College housing is housing, the primary purpose of which is to provide housing for students who are attending post high school educational facilities.

**Transitional housing**: Transitional housing is housing, the purpose of which is to facilitate the movement of homeless individuals and families to permanent housing within 24 months.

**Homeless housing**: Homeless housing is any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless.

**Part I: Tribal Profile for Indian Area**
The information required in Part I relates to Indian persons and families.

Column a: Person and Family Categories: This column lists selected categories for data collection. Line 1 requests information in terms of persons and lines 2-6 requests information in terms of families.

Columns b and c should include all Indians in the Indian area.

Column b: All Income Levels: Enter the requested information for Indians at all income levels including low-income.

Column c: Low-Income: Enter the requested information for low-income Indians. This column is a subset of column b and therefore, the numbers entered in this column should never be greater than those entered in column b.

Line 1: Total Indian Population: Enter the total number of Indian persons.

Line 2: Number of Indian Families: Enter the total number of Indian families.

Line 3: Number of Elderly Indian Families: Enter the total number of elderly Indian families.

Line 4: Number of Near-Elderly Indian Families: Enter the total number of near-elderly Indian families. This information is optional.

Line 5: Number of Indian Families Living in Substandard Housing: Enter the number of Indian families who are currently living in substandard housing.

Line 6: Number of Indian Families Living in Over-Crowded Conditions: Enter the number of Indian families who are currently living in overcrowded housing.

**Part II: Tribal Profile for Indian Area** (Optional)
Part II is optional and allows tribes/TDHEs to provide information pertaining to any category of persons or families that they believe should be included in Table 1.

Column a: Person and Family Categories: Enter tribal/TDHE selected categories of persons or families. A definition of each category must be included as an attachment to this table.

Columns b and c: The instructions for these columns are the same as Part I except columns a, b, and c can represent Indians and non-Indians as determined by the categories selected.

Line 7: Enter the tribal/TDHE selected categories of persons and/or families. For example, non-Indians to be served under NAHASDA. (use as many lines as necessary numbered 7a, 7b, 7c, etc. An attachment may be used if needed.)

**Part III: Current Status and Future Needs**
The information required in Part III relates to Indian persons and families.

Column a: Type of Housing: This column lists selected housing categories.

Column b: Existing Housing: Enter the number of existing housing units (or beds in the case of homeless housing) in the Indian area for each housing category described on lines 8-13.

Column c: Unmet Needs for All Indian Families: Enter the number of new housing units (or beds in the case of homeless housing) needed for all Indian families for each housing category described on lines 8-13.

Column d: Unmet Needs for Low-Income Indian Families: Enter the number of new housing units (or beds in the case of homeless housing) needed for low-income Indian families for each housing category described on lines 8-13. This column is a subset of column c. Therefore, the numbers entered in this column should never be greater than those entered in column c.

Line 8a: Rental Housing-Number of Units: Enter the number of rental housing units including units that were developed under the 1937 Housing Act or are privately owned (include tribal housing) that are occupied or vacant. However, do not include supportive service housing, college housing, transitional housing, or homeless housing. These categories of housing are listed on lines 10-13.

Line 8b: Rental Housing-Number of Units Needing Rehabilitation: Enter the number of rental housing units (from those entered in line 8a) that are in need of rehabilitation.

Line 9a: Homeowner Housing-Number of Units: Enter the number of owner occupied housing units (occupied or vacant) including Turnkey III and Mutual Help housing developed under the 1937 Housing Act, and privately owned housing.

Line 9b: Homeowner Housing-Number of Units Needing Rehabilitation: Enter the number of owner housing units (from those entered in line 9a) that are in need of rehabilitation.

Line 10: Supportive Service Housing: Enter the number of supportive service housing units.

Line 11: College Housing: Enter the number of college housing units.

Line 12: Transitional Housing: Enter the number of transitional housing units.

Line 13: Homeless Housing: Enter the number of homeless housing in terms of beds.

**Part IV: Other Current Status and Future Needs** (Optional)
Part IV is optional and allows tribes/TDHEs to provide information pertaining to any category of housing that they believe should be included in Table 1. Additional information describing local circumstances and concerns may be included when the tribe determines it appropriate to the IHP.

Column a: Types of Housing: Enter tribal/TDHE selected types of housing. For example, elderly housing. A definition of each category must be included as an attachment to this table.

Columns b, c, and d: The instructions for these columns are the same as Part III.

Line 14: Enter the tribal/TDHE selected types of housing as described in column a above (use as many lines as necessary numbered 14a, 14b, 14c, etc. An attachment may be used if needed.)

Data Source: Describe the sources of data for the information contained in the table.

## Table 2
# Financial Resources

Name of Tribe:

Name of TDHE: (if applicable)

Grant Number:

| Federal Fiscal Year: | Tribal/TDHE Program Year: |
|---|---|

Type of Submission: ☐ Original ☐ Amended

**Part I: Sources of Funds for NAHASDA Activities**

| Sources of Funds column a | Planned Amount column b |
|---|---|
| 1. HUD Resources | |
| a. NAHASDA Block Grant | |
| b. NAHASDA Program Income | |
| c. NAHASDA Title VI | |
| d. Section 184 Loan Guarantee | |
| e. Indian Community Development Block Grant | |
| f. Drug Elimination Grants and Drug Technical Assistance | |
| g. Prior Year Funds | |
| h. Other | |
| 2. Existing Program Resources | |
| a. 1937 Housing Act Programs | |
| b. Other HUD Programs | |
| 3. Other Federal or State Resources | |
| a. BIA Home Improvement Program | |
| b. Other | |
| 4. Private Resources | |
| a. Tribal Contributions for affordable housing | |
| b. Financial Institution | |
| c. Other | |
| 5. Other | |
| 6. Total Resources | |

Table 2 **Financial Resources Continued**

**Part II: Allocation of Funds for NAHASDA Activities**

| Activity column a | | Planned Budgeted Amount column b | Planned Number of Units column c | Planned Number of Families column d |
|---|---|---|---|---|
| 7. Indian Housing Assistance | | | | |
| a. Modernization (1937 Housing Act) | | | | |
| b. Operating (1937 Housing Act) | | | | |
| 8. Development | | | | |
| a. Rental | 1. Construction of new units | | | |
| | 2. Acquisition | | | |
| | 3. Rehabilitation | | | |
| b. Home-ownership | 1. Construction of new units | | | |
| | 2. Acquisition | | | |
| | 3. Rehabilitation | | | |
| 9. Housing Services | | | | |
| 10. Housing Management Services | | | | |
| 11. Crime Prevention and Safety | | | | |
| 12. Model Activities (specify below) | | | | |
| a. | | | | |
| 13. Planning and Administration | | | | |
| 14. Reserves | | | | |
| 15. Other | | | | |
| 16. Total | | | | |

**Instructions: Table 2: Financial Resources**

The allocation of resources should be consistent with the statement of needs in the IHP including Table 1. Complete the table in accordance with the instructions below.

**Table Heading**

Name of tribe: Enter the name of the tribe for whom the table is prepared.

TDHE Name (if applicable): Enter the name of the tribally designated housing entity (TDHE) if the IHP is prepared by a TDHE on behalf of the tribe.

Grant Number: Enter the HUD assigned tribal grant number for the Federal fiscal year for which the table is prepared.

Federal Fiscal Year: Enter the Federal fiscal year for which assistance is to be made available. For example, October 1, 1997 to September 30, 1998 is federal fiscal year 1998.

Tribal/TDHE Program Year: Enter the starting date of the tribal/TDHE designated program year (mm/dd/yyyy).

Type of Submission: Enter an "X" if this table is an original submission. Enter an "X" if this table amends a prior submission.

**Part I: Sources of Funds for NAHASDA Activities**

In part I of Table 2, list only the sources of funds and related dollar amounts that will be used for NAHASDA eligible activities. NAHASDA eligible activities are listed in Part II of this table.

If the exact amount of funds reasonably expected to be made available during the plan period is not known at the time the IHP is prepared, estimate amounts as accurately as possible.

Column a: Sources of Funds: This column lists selected sources of funds that may be used for NAHASDA activities. No data is required to be entered in this column unless a tribe/TDHE elects to include funding sources that are not already listed.

Column b: Planned Amount: Enter the amount of funds that are expected to be received during the period of time covered by the 1-year plan that will be used for NAHASDA eligible activities.

Line 1a: NAHASDA Block Grant: Enter the amount of NAHASDA block grant funds expected to be received during the period covered by 1-year plan.

Line 1b: NAHASDA Program Income: Enter the amount of NAHASDA program income that is expected to be received during the period covered by the 1-year plan. Program income is defined in the final rule.

Line 1c: NAHASDA Title VI: Enter the amount of NAHASDA Title VI funds expected to be received during the period covered by the 1-year plan.

Line 1d: Section 184 Loan Guarantee: Enter the amount of Section 184 Loan Guarantee funds expected to be reserved during the period covered by the 1-year plan.

Line 1e: Indian Community Development Block Grant: Enter the amount of Indian Community Development Block Grant funds expected to be received during the period covered by the 1-year plan which will be used for NAHASDA eligible activities.

Line 1f: Drug Elimination Grants and Drug Technical Assistance: Enter the amount of Drug Elimination Grant and Drug Technical Assistance funds expected to be received during the period covered by the 1-year plan which will be used for NAHASDA eligible activities.

Line 1g: Prior Year Funds: Enter the amount of NAHASDA funds from previous years that have not been programmed in a previous IHP, and are available for use during the period covered by the 1-year plan. No data is required on this line for the first year of NAHASDA.

Line 1h: Other: In column a, enter the name(s) of HUD programs that are not listed above, but for which funds are expected to be received during the period covered by the 1-year plan and are to be used for NAHASDA eligible activities. In column b, enter the amount of funds expected to be received.

Line 2a: 1937 Housing Act Programs: Enter the amount of unobligated funds from the programs listed below. Remaining funds from the programs listed below will be incorporated into the NAHASDA program as of October 1, 1997, and will be governed by NAHASDA rules.

1937 Housing Act Programs:
Comprehensive Improvement Assistance Program
Comprehensive Grant Program
Development Programs
Operating Subsidy and Cash Reserves
Homebuyer Equity
Proceeds From Sale

Line 2b: Other HUD Programs: Enter the amount of unobligated funds from the programs listed below.

HOPE
HOME
Youthbuild
Economic Development Supportive Services
Family Investment Centers
Section 8 Rental Assistance/Renewals
Emergency Shelter Grants

Line 3a: BIA Home Improvement Program: Enter the amount of BIA Home Improvement Program funds expected to be received during the period covered by the 1-year plan which will be used for NAHASDA eligible activities.

Line 3b: Other: In column a, enter the name(s) of other federal or state resources that are not listed above, but for which funds are expected to be received during the period covered by the 1-year plan and are to be used for NAHASDA eligible activities. In column b, enter the amount of funds expected to be received.

Line 4a: Tribal Contributions for affordable housing: Enter the amount of tribal contributions expected to be received during the period covered by the 1-year plan which will be used for NAHASDA eligible activities.

Line 4b: Financial Institution: Enter the amount of funds expected to be received from financial institutions (banks, mortgage companies, credit unions, etc.) during the period covered by the 1-year plan which will be used for NAHASDA eligible activities. Do not include the amount of funds expected to be received under NAHASDA Title VI or Section 184. Funds from these sources will be listed in lines 1c and 1d, respectively.

Line 4c: Other: In column a, enter the name(s) of other private resources that are not listed above, but for which funds are expected to be received during the period covered by the 1-year plan and are to be used for NAHASDA eligible activities. In column b, enter the amount of funds expected to be received.

Line 5: Other: In column a, enter any other funding source that is not listed above, but for which funds are expected to be received during the period covered by the 1-year plan and are to be used for NAHASDA eligible activities. In column b, enter the amount of funds expected to be received.

Line 6: Total Resources: Enter the total amount of all resources by adding lines 1 through 5.

**Part II: Allocation of Funds for NAHASDA Activities**

Column a: Activity: This column lists the NAHASDA Eligible Activities. If model activities are to be undertaken as part of the 1-year plan, they must be identified on line 12.

Column b: Budgeted Amount: Enter the amount of funds to be budgeted for each NAHASDA activity. This number should include direct program costs, e.g., program materials and contract costs associated with the eligible activity. Staff and overhead costs directly related to carrying out affordable housing activities can be determined to be eligible costs of the affordable housing activity or considered administration or planning (line 13) at the discretion of the recipient.

Column c: Number of Units: Enter the number of units to be completed for each activity which shows a budgeted amount in column b.

Column d: Number of Families: Enter the number of families that will be assisted through each activity which shows a budgeted amount in column b.

Line 7a: Modernization: Enter the requested information for modernization activities for housing previously developed or operated pursuant to a contract between the Secretary and an Indian housing authority. (1937 Housing Act units)

Line 7b: Operating: Enter the requested information for operation activities for housing previously developed or operated pursuant to a contract between the Secretary and an Indian housing authority. (1937 Housing Act units)

Line 8: Development: This line is a heading for lines 8a and 8b.

Line 8.a.1: Rental-Construction of new units: Enter the requested information for the construction of new rental units.

Line 8.a.2: Rental-Acquisition: Enter the requested information for the acquisition of new rental units.

Line 8.a.3: Rental-Rehabilitation: Enter the requested information for the rehabilitation of rental units.

Line 8.b.1: Home Ownership-Construction of new units: Enter the requested information for the construction of new homeownership units.

Line 8.b.2: Home Ownership-Acquisition: Enter the requested information for the acquisition of homeownership units.

Line 8.b.3: Home Ownership-Rehabilitation: Enter the requested information for the rehabilitation of homeownership units.

Line 9: Housing Services: Enter the requested information for housing services. Housing services include the provision of housing-related services for affordable housing, such as housing counseling in connection with rental or homeownership assistance, establishment and support of resident organizations and resident management corporations, energy auditing, activities related to the provision of self-sufficiency and other services, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in other housing activities assisted pursuant to section 202 of NAHASDA.

Line 10: Housing Management Services: Enter the requested information for housing management services. Housing management services include the provision of management services for affordable housing, including preparation of work specifications, loan processing, inspections, maintenance, tenant selection, management of tenant-based rental assistance, and management of affordable housing projects.

Line 11: Crime Prevention and Safety: Enter the requested information for crime prevention and safety activities. Crime prevention and safety activities include the provision of safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime. Costs for crime prevention and safety apply to 1937 Housing Act assisted units as well as other units.

Line 12: Model Activities (specify below): Housing activities under model programs are activities that are designed to carry out the purposes of NAHASDA. Note: Model activities must be approved by the Secretary. Listing a model activity on this table does not constitute Secretarial approval.

Line 12a: Enter the name of the model activity in column a. In columns b, c, and d, enter the requested information for the model activity. (use as many lines as necessary numbered 12a, 12b, 12c, etc.)

Line 13: Planning and Administration: Enter the requested information for planning and administration. Planning and administration are defined in the Final Rule.

Line 14: Reserves: If the tribe/TDHE plans to reserve any of its funds for use in future years, enter the amount in column b.

Line 15: Other: Any other use of funds should be identified here and a description of the activity should be included as an attachment to Table 2.

Line 16: Total: Enter the totals of lines 7 through 15.

# Table 3
# Housing Profile

Name of Tribe:

Name of TDHE: (if applicable)

Grant Number:

| Federal Fiscal Year: | Tribal/TDHE Program Year: |
|---|---|

**Part I: 1937 Housing Act Inventory Under Management**

| Housing Inventory column a | | Number of Units (Subtotal) column b | Number of Units (Total) column c |
|---|---|---|---|
| 1. Mutual Help Units Under Management as of September 30 | | | |
| 2. Low Rent Units Under Management as of September 30 | | | |
| 3. Turnkey III Units Under Management as of September 30 | | | |
| 4. Total Beginning 1937 Housing Act Inventory | | | |
| 5. Units Planned to be Demolished or Disposed of During Plan Period | a. Mutual Help | | |
| | b. Low Rent | | |
| | c. Turnkey III | | |
| | d. Total | | ( ) |
| 6. Units Planned to be Conveyed During Plan Period | a. Mutual Help | | |
| | b. Low Rent | | |
| | c. Turnkey III | | |
| | d. Total | | ( ) |
| 7. Total Planned Ending 1937 Housing Act Inventory as of Sept. 30 | | | |

**Part II: 1937 Housing Act Inventory in the Development Pipeline**

| | | |
|---|---|---|
| 8. Mutual Help Units in the Pipeline as of September 30 | | |
| 9. Low Rent Units in the Pipeline as of September 30 | | |
| 10. Total Units in Pipeline as of September 30 | | |

**Part III: Section 8 Vouchers and Certificates**

| | | |
|---|---|---|
| 11. Section 8 Vouchers and Certificates as of September 30 | | |

**Part IV: NAHASDA Units**

| | | |
|---|---|---|
| 12. Total NAHASDA Units as of September 30 | | |

**Instructions: Table 3: Housing Profile**

Complete the table in accordance with the instructions below.

**Table Heading**

Name of Tribe: Enter the name of the tribe for whom the table is prepared.

Name of TDHE (if applicable): Enter the name of the tribally designated housing entity (TDHE) if the IHP is prepared by a TDHE on behalf of the tribe.

Grant Number: Enter the HUD assigned tribal grant number for the Federal fiscal year for which the table is prepared.

Federal Fiscal Year: Enter the Federal fiscal year for which assistance is to be made available. For example, October 1, 1997 to September 30, 1998 is federal fiscal year 1998.

Tribal/TDHE Program Year: Enter the starting date of the tribal/TDHE designated program year (mm/dd/yyyy).

Column a: Housing Inventory: Column a lists housing inventory including 1937 Housing Act units, Section 8 Vouchers and Certificates, and NAHASDA units.

Column b: Number of Units (Subtotal): Enter the subtotal amount for the number of units as requested.

Column c: Number of Units (Total): Enter the total amount for the numbers of units as requested.

**Part I: 1937 Housing Act Inventory Under Management**

Line 1: Mutual Help Units Under Management as of September 30: Enter the number of Mutual Help units which are/were owned or operated pursuant to an Annual Contributions Contract (ACC) and under management as of September 30 of the Federal fiscal year preceding the Federal fiscal year that funding will be received for this 1-year plan. For example, October 1, 1997 to September 30, 1998 is Federal fiscal year 1998. If a tribe's 1-year plan will cover the period of time from October 1, 1997 to September 30, 1998, the number of Mutual Help units entered on this line should be the number of units as of September 30, 1997.

Line 2: Low Rent Units Under Management as of September 30: Enter the number of Low Rent units which are/were owned or operated pursuant to an ACC and under management as of September 30 of the Federal fiscal year preceding the Federal fiscal year that funding will be received for this 1-year plan. For example, October 1, 1997 to September 30, 1998 is Federal fiscal year 1998. If a tribe's 1-year plan will cover the period of time from October 1, 1997 to September 30, 1998, the number of Low Rent units entered on this line should be the number of units as of September 30, 1997.

Line 3: Turnkey III Units Under Management as of September 30: Enter the number of Turnkey III units which are/were owned or operated pursuant to an Annual Contributions Contract ACC and under management as of September 30 of the Federal fiscal year preceding the Federal fiscal year that funding will be received for this 1-year plan. For example, October 1, 1997 to September 30, 1998 is Federal fiscal year 1998. If a tribe's 1-year plan will cover the period of time from October 1, 1997 to September 30, 1998, the number of Turnkey III units entered on this line should be the number of units as of September 30, 1997.

Line 4: Total beginning 1937 Housing Act Inventory: Enter the total of lines 1 through 3.

Line 5a: Mutual Help Units Planned to be Demolished or Disposed of During Plan Period: Enter the number of Mutual Help units planned to be demolished or disposed of during the 1-year plan period. Do not include conveyed units.

Line 5b: Low Rent Units Planned to be Demolished or Disposed of During Plan Period: Enter the number of Low Rent units planned to be demolished or disposed of during the 1-year plan period. Do not include conveyed units.

Line 5c: Turnkey III Units Planned to be Demolished or Disposed of During Plan Period: Enter the number of Turnkey III units planned to be demolished or disposed of during the 1-year plan period. Do not include conveyed units.

Line 5d: Total: Enter the total of lines 5a through 5c.

Line 6a: Mutual Help Units Planned to be Conveyed During Plan Period: Enter the number of Mutual Help units planned to be conveyed to homebuyers during the 1-year plan period.

Line 6b: Low Rent Units Planned to be Conveyed During Plan Period: Enter the number of Low Rent units planned to be conveyed to tenants during the 1-year plan period.

Line 6c: Turnkey III Units Planned to be Conveyed During Plan Period: Enter the number of Turnkey III units planned to be conveyed to homebuyers during the 1-year plan period.

Line 6d: Total: Enter the total of lines 6a through 6c.

Line 7: Total Planned Ending 1937 Housing Act Inventory as of September 30: Enter the total of line 4 minus lines 5d and 6d. This is the estimated total assisted housing stock which is owned or operated pursuant to an ACC and under management by a tribe/TDHE at the end of the Federal fiscal year for which funding will be received for this 1-year plan.

**Part II: 1937 Housing Act Inventory in the Development Pipeline**

Line 8: Mutual Help Units in the Pipeline as of September 30: Enter the number of Mutual Help units which are in the development pipeline (planned or under construction) as of September 30 of the Federal fiscal year preceding the Federal fiscal year that funding will be received for this 1-year plan. For example, October 1, 1997 to September 30, 1998 is Federal fiscal year 1998. If a tribe's 1-year plan will cover the period of time from October 1, 1997 to September 30, 1998, the number of Mutual Help units entered on this line should be the number of units as of September 30, 1997.

Line 9: Low Rent Units in the Pipeline as of September 30: Enter the number of Low Rent units which are in the development pipeline (planned or under construction) as of September 30 of the Federal fiscal year preceding the Federal fiscal year that funding will be received for this 1-year plan. For example, October 1, 1997 to September 30, 1998 is Federal fiscal year 1998. If a tribe's 1-year plan will cover the period of time from October 1, 1997 to September 30, 1998, the number of Low Rent units entered on this line should be the number of units as of September 30, 1997.

Line 10: Total Units in Pipeline as of September 30: Enter the total of lines 8 and 9.

**Part III: Section 8 Vouchers and Certificates**

Line 11: Section 8 Vouchers and Certificates as of October 1: Enter the total number of Section 8 Vouchers and Certificates approved for the tribe/TDHE as of September 30 of the Federal fiscal year preceding the Federal fiscal year that funding will be received for this 1-year plan. For example, October 1, 1997 to September 30, 1998 is Federal fiscal year 1998. If a tribe's 1-year plan will cover the period of time from October 1, 1997 to September 30, 1998, the number of Section 8 Vouchers and Certificates entered on this line should be the number of units as of September 30, 1997.

**Part IV: NAHASDA Units**

Line 12: Total NAHASDA Units as of October 1: Enter the total number of units that have been completed (are occupied or are ready for occupancy) with NAHASDA funds as of September 30 of the Federal fiscal year preceding the Federal fiscal year that funding will be received for this 1-year plan. For example, October 1, 1997 to September 30, 1998 is Federal fiscal year 1998. If a tribe's 1-year plan will cover the period of time from October 1, 1997 to September 30, 1998, the number of NAHASDA units entered on this line should be the number of units as of September 30, 1997. No data is required on this line for the first year of NAHASDA.

**Other Submissions:**

Recipients of NAHASDA funds are required to prepare and submit the following information:

1. **Useful Life**: Sections 205(a)(2) and 209 of NAHASDA requires that housing remain affordable. Each recipient will determine the "useful life" period for its units. The useful life of each assisted housing unit in each development must be described. This information may be described here or in the affordable housing resources section of the 1-year plan.

2. **Model Housing Activities**: Recipients are required to submit proposals to operate model housing activities or other housing programs as defined in NAHASDA sections 201(b)(2) and 202(6) for non low-income families. Assistance to non low-income Indian families must be in accordance with the Final Rule. If a model housing activity is to be undertaken during the 1-year plan period, proposals may be included here, in the affordable housing resources section of the 1-year plan, as an amendment to the IHP, or by special request to HUD at any time. All proposals must be approved by the Secretary prior to beginning any model housing activity.

3. **Tribal and other Indian Preference**: Section 201(b)(4) of NAHASDA allows preference for tribal members and other Indian families. If preference will be given to tribal members or other Indian families, the preference policy must be described. This information may be provided here or in the affordable housing resources section of the 1-year plan.

4. **Planning and Administration**: In accordance with the Final Rule, state the percentage of annual grant funds which will be used for planning and administrative purposes. If the amount is over 20 percent of the annual grant amount, HUD approval is required.

5. **Minimal Funding**: As stated in the Final Rule, the first year of NAHASDA participation, a tribe whose allocation is less than $50,000 under the need component of the formula shall have its need component of the grant adjusted to $50,000. Certify here that there is a need for funding.

6. **Method of Payment**: In accordance with the Final Rule, state the method of payment the tribe/THDE will use to request its grant funds.

# Native American Housing Assistance and Self-Determination Act

## Environmental Review - Expression of Intent

To facilitate the completion of environmental review responsibilities under the Indian Housing Block Grant program, this Expression of Intent will provide HUD with information needed to assist the tribe in completion of these activities and to schedule resources needed to complete environmental review responsibilities. Environmental reviews are completed for individual activities included in the Indian Housing Plan. The tribe can choose to complete the environmental review for some or all activities and can decide at a later date to change its decision.

☐ The tribe plans to assume the status of a Federal official under the National Environmental Policy Act of 1969 and the other provisions of law listed in 24 CFR 58.5 insofar as the provisions of the Act and such other provisions of law apply to the Indian tribe's proposed program pursuant to 24 CFR part 58.

☐ The tribe plans to request HUD to fulfill environmental review responsibilities stated above pursuant to 24 CFR part 50.

☐ The tribe plans to work with HUD and provide information and studies to HUD to allow HUD to fulfill environmental review responsibilities stated above pursuant to 24 CFR part 50.

☐ The tribe plans to assume the responsibilities stated above except for the following listed activities for which it will request HUD to fulfill the environmental review responsibilities.

# Native American Housing Assistance and Self-Determination Act

## Indian Housing Plan
## Standard Certification of Compliance

This certification is for use with the Indian Housing Plan (IHP). If the IHP is prepared and submitted by a Tribally Designated Housing Entity on behalf of a tribe, it must be accompanied by a tribal certification from the recognized tribal government covered under the IHP.

In accordance with the applicable statutes, the recipient certifies that:

(A) it will comply with title II of the Civil Rights Act of 1968 in carrying out this Act, to the extent that such title is applicable, and other applicable Federal statutes;

The following certifications will only apply where applicable based on program activities

☐ (B) it will maintain adequate insurance coverage for housing units that are owned and operated or assisted with grant amounts provided under the Native American Housing and Self-Determination Act of 1996 (the Act), in compliance with such requirements as may be established by the Secretary;

☐ (C) policies are in effect and are available for review by the Secretary and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under the Act;

☐ (D) policies are in effect and are available for review by the Secretary and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant amounts provided under the Act; and

☐ (E) policies are in effect and are available for review by the Secretary and the public governing the management and maintenance of housing assisted with grant amounts provided under the Act.

Signature of Authorized Official Date

X

Title

# Native American Housing Assistance and Self-Determination Act

## Indian Housing Plan Tribal Certification

This certification is for use with the Indian Housing Plan (IHP) when a Tribally Designated Housing Entity (TDHE) prepares the IHP on behalf of an Indian tribe. This certification must be executed by the recognized tribal government covered under the IHP.

The recognized tribal government of the grant beneficiary certifies that:

☐ (1) it had an opportunity to review the IHP and has authorized the submission of the IHP by the housing entity; or

☐ (2) it has delegated to such TDHE the authority to submit an IHP and amendments to the IHP on behalf of the tribe without prior review by the tribe.

Signature of Authorized Official Date

X

Title

# ATTACHMENT 4-2: PERFORMANCE OBJECTIVES

# Performance Objectives

| | 2001 Program Year | 2002 Program Year | 2003 Program Year |
|---|---|---|---|
| 2001 Grant | Oct 00 — Mar — Sept 01 | Oct 01 — Mar — Sept 02 | Oct 02 — Mar — Sept 03 |
| 2002 Grant | | | |
| 2003 Grant | | | |

# Chapter 5:
# Tools and Systems

# CHAPTER 5: TOOLS AND SYSTEMS THAT CAN HELP GET THE JOB DONE

***This chapter discusses basic business principles that are relevant to any entity delivering IHBG funded programs.***

## YOUR MANAGEMENT FRAMEWORK

You have thoughtfully planned. Now you want staff to effectively deliver the programs and develop the projects that you selected. It is appropriate and helpful to apply established business practices and tested program models to your tribe's business of providing housing.

An important first step is to make sure you have the right management framework in place. The right management framework will greatly increase the likelihood of success of your housing efforts and will help ensure that:

- ❑ Your housing efforts are operated effectively and efficiently;
- ❑ Your financial records and reports are reliable;
- ❑ Your programs and projects are in compliance with applicable laws and regulations;
- ❑ Your information and communication system is efficient and effective; and
- ❑ Self-monitoring is conducted and used productively.

## INTERNAL CONTROLS

Internal controls are a system of procedures and tools that can help recipients achieve program and financial results while safeguarding the integrity of their programs. Internal

**What is a control?**

A control is anything that helps people achieve the objectives of their organization.

## *NOTES*

controls are the system of checks and balances that guard against mistakes and inaccuracies, both honest and intentional. Internal controls cover both accounting and management activities and are essential for the safe handling and financial health of an organization. They include policies, procedures, plans, methods and physical arrangements. Internal controls must be a consideration at all levels and within all functions of your organization.

Written procedures for the delivery of a housing program are a good example of internal controls. When the procedures are written, care is taken to design tasks efficiently and in a way that assures fairness, accuracy, and honesty. For example, bids for construction may have to be sealed submissions that are opened in the presence of two witnesses. Collection of rent may have to be handled by a different person than the person who deposits the rent payments into the bank. These sorts of standard procedures provide checks against mistakes such as the transposition of numbers. They also guard against intentionally dishonest behavior.

OMB Circular No. A-133 (see Appendix O of the NAHASDA Reference Manual) defines management controls as the organization, policies, and procedures used to reasonably ensure that:

- ❑ Programs achieve their intended results;
- ❑ Resources are used in a way that is consistent with the agency mission;
- ❑ Programs and resources are protected from waste, fraud, and mismanagement;
- ❑ Laws and regulations are followed; and
- ❑ Reliable and timely information is obtained, maintained, reported, and used for decision-making.

### *Importance of Internal Controls*

Internal controls play an important role in the daily operations of an organization. They assign responsibility and provide a clear delegation of authority. They help instill trust and confidence in outside stakeholders and the community at large. Internal controls assist in:

- ❑ Protecting assets;
- ❑ Keeping accounting information correct;

## *NOTES*

- ❑ Using staff and resources efficiently;
- ❑ Assuring staff follow policies and procedures; and
- ❑ Placing the activities of the organization above reproach.

**Tip!**

The basic objectives of Internal Controls fall into three categories:

1. Effectiveness and Efficiency of Operations
2. Reliability of Financial Reporting
3. Compliance with Laws and Regulations

### *NAHASDA Regulations and Internal Controls*

The NAHASDA Regulations outline the applicable prohibitions regarding conflict of interest in 24 CFR 1000.30. For procurement of supplies, equipment, or other property, the provisions in 24 CFR 85.36 should be referenced.

- ❑ Conflict of Interest - NAHASDA regulations stipulate that no person who makes decisions about the use of NAHASDA funds may benefit from those decisions. The Conflict of Interest provision does not apply to those who are selected for assistance and who might otherwise be under the conflict provision. Exceptions to the Conflict of Interest provisions may be made, as needed, on a case-by-case basis.
- ❑ Procurement – Some key requirements are as follows:
  - Implement an effective contract administration system;
  - Enforce written standards of conduct for personnel involved in procurement;
  - Maintain records detailing all procurement history;
  - Avoid time and material type contracts;
  - Conduct all procurement in a manner that provides full and open competition;
  - Implement written selection procedures for all procurement transactions;
  - Use appropriate method of procurement, depending upon the amount of the contract and the type of product or service; and
  - Provide for Indian preference in accordance with tribal policy.

## *NOTES*

## *The Five Interrelated Components of Internal Controls*

There are five main components of internal controls that work together:

- ❑ Control Environment – This is the term used to describe the attitudes, values, and goals that guide both management and staff. The system of internal controls that is established for a recipient must be consistent with the attitudes, values and goals of the tribal council and the BOC. The control environment is concerned with:
  - Integrity – The decision makers must agree on what constitutes actions of integrity and must build a system that demands and supports those types of actions.
  - Ethical values - Values must be defined and examples of actions that uphold them must be provided.
  - Organizational structure - The structure of the organization must provide for the right separations of power and duties while maintaining clear communication.
  - Reporting and supervisory relationships – The relationships between supervisors and those people they supervise must protect, demand honesty, and encourage the exchange of appropriate information.

**Five main components of internal controls:**

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication Systems
- Self-Monitoring

**Politics are Part of the Environment**

Don't let politics get in the way. It is important to strive to maintain a work environment that is positive and free from the undue influence of politics.

- ❑ Risk Assessment - Whenever a higher level of risk is perceived, it is appropriate to take more care and build more steps into a system to guard against the potential problems. In some instances, an organization may choose to bear the risk internally. In other instances, the organization may elect to purchase risk protection. An effective system of internal controls includes methods and procedures to:

## *NOTES*

- Identify potential risks and analyze their degree of severity, and
- Respond to risks on the basis of individual programs and projects, with a level of activity that actively manages the risks.
- One model to consider when thinking of managing risks is provided in the table below. These six strategies were presented by Kent E. Paul of AMERIND Risk Management Corporation at The Sixth Native American Housing Summit held in Portland, Oregon on May 1 –3, 2000.

**Six Strategies for Managing Risk and Loss**

1. Risk Avoidance – Eliminate the activity that can lead to a loss.
2. Risk Prevention – Minimize or eliminate the frequency of losses.
3. Risk Control – Minimize or eliminate the severity of losses.
4. Risk Separation – Conduct activities from multiple locations.
5. Risk Retention – Retain the risk and handle as a business expense.
6. Risk Transfer – Transfer the risk of loss to another entity;
   - Subcontract,
   - Obtain a waiver or release from liability, or
   - Obtain insurance or bond.

- Kent E. Paul, ARM
- AMERIND Risk Management Corporation

## *NOTES*

- Examples of risk that board of commissioners might encounter or that pertain to the responsibilities of board members include:

  ⇒ Staff capacity – Board members need to be aware of the risks associated with proceeding with a project without adequate staff, or with staff lacking relevant knowledge and experience. The success of the project is jeopardized. Timelines and budgets may not be realistic. The requirements of funding sources may not be met and future funding may be at risk. Board members should either create accurate and thorough job descriptions and qualification standards or cause them to be created, and then seek employees that meet the qualifications.

  ⇒ Staff training – Board members should consider the training needs of staff, and include adequate budget dollars to increase capacity where needed.

  ⇒ Project selection – Board members should select projects carefully. While making decisions, members should consider the demands of the proposed projects and the capacity and experience of staff. Projects that are beyond the capacity of staff should only be selected if a strategy for augmenting the current capacity is identified.

❑ Control Activities - The decision makers of an organization must ensure that all staff people are aware of their duties and perform them consistently. Staff duties are described in written procedures and developed to be consistent with set policies. Policies express the values and desired outcomes of an organization and its programs.

- Policies must be established to guide the:

  ⇒ Delivery of your programs, and

  ⇒ Running of your organization.

- Procedures document the tasks that staff people must perform as they:

  ⇒ Deliver your programs, and

  ⇒ Manage the business side of your organization.

See Chapter 6 for more information on policies and procedures.

## *NOTES*

- ❑ Information and Communication systems must be put in place that:
  - Enable staff to collect and exchange the information needed to manage the organization,
  - Include manual and computerized systems, and
  - Include reports with operational, financial, and compliance information.
- ❑ Self-Monitoring is an essential component of the total system of internal controls. It provides an opportunity to:
  - Identify process shortcomings and strengths,
  - Monitor performance against goals, and
  - Check for relevance and quality of all activities.

See Chapter 7 for more information on self-monitoring.

### *Additional Tools*

Additional tools are available to the board of commissioners to ensure that effective management systems are in place. It is important to track performance over time. Several tools are available to tribal councils and boards of commissioners to help them track certain activities over set periods of time.

- ❑ HUD 272-I Federal Cash Transactions Report: Recipients of IHBG funds and unobligated 1937 Housing Act funds are required to use form HUD 272-I to report expended funds to ONAP. Reports are due after each quarter. This report is important to monitor cash advances and to obtain disbursement information.
- ❑ Independent Public Auditor (IPA) Audits: Any non-Federal entity that expends $300,000 or more in a fiscal year in Federal funds must submit an annual IPA audit. Audits include performance objectives that are useful in evaluating how programs are progressing. See Chapter 8 for more information on audits.

## *NOTES*

- ❑ Annual Performance Report (APR): Recipients of IHBG funds must prepare a written report annually that describes the use of grant funds, reviews the recipient's progress in carrying out the IHP, describes program accomplishments, and suggests program changes if appropriate. The APR must be made available for review to tribal members, non-Indians served under NAHASDA, and other citizens of the Indian area. See Chapter 8 for more information on the APR.

- ❑ Monitoring Reviews by HUD: Annually, HUD reviews a grant recipient's performance to ensure that activities have been carried out in a timely manner and are in accordance with NAHASDA and other applicable laws. These reviews serve as an opportunity to re-evaluate programs and activities and are useful to tribal councils and boards of commissioners. The NAHASDA regulations outline HUD's monitoring reviews in 24 CFR 1000.520. Additional guidance on monitoring is available in the HUD self-monitoring review book, as well as in Chapter 7 of this book.

### *Responsibilities of Tribal Council/Board of Commissioners*

The tribal council and the board of commissioners, if there is a TDHE, have the overall responsibility to set an ethical tone, state the values that guide all business, and ensure that an effective management system is put in place. The tribal council or board establishes the overall policies and procedures by which the organization operates. This group also provides oversight of operations. The level of monitoring by council members and commissioners may vary, depending on the size of the operation, types of programs, experience of staff, and whether problems occur.

Commissioners or council members are responsible to be good stewards of IHBG funds. They must ensure that sound management controls have been established to protect against fraud and abuse. Some of their major responsibilities include:

- ❑ Establishing high ethical standards for staff, and acting as positive role models;

- ❑ Approving by-laws and resolutions;

- ❑ Selecting the executive director or other upper-level manager;

- ❑ Establishing and adopting policies and procedures;

## *NOTES*

- ❑ Reviewing operations on a regular basis to assure continued compliance with approved policies and procedures;
- ❑ Ensuring activities are in compliance with state, Federal, and local laws;
- ❑ Approving internal and external monitoring controls to detect and prevent fraud, waste and abuse;
- ❑ Reviewing and monitoring budgets and other financial documents;
- ❑ Authorizing individuals to sign checks.

### *Responsibilities of the Executive Director and Program Managers*

It is the executive director who is responsible for managing the day-to-day operations of the housing delivery agency and for enforcing policies and procedures adopted by the board of commissioners as instructed by the tribal council. It is the responsibility of the upper-level managers to supervise day-to-day cash management, compliance, and staff. The tribal council, or the BOC, and the executive director must form a relationship that ensures that all remain informed about the financial conditions and workings of the programs.

### *Separation of Duties*

A primary reason for internal controls is to safeguard against loss and confusion that may result from unauthorized use of resources. The most effective internal control is the separation of duties. It creates a system of checks and balances and helps control the risks associated with one person having exclusive control. An ideal system separates three key functions: authorizing transactions, keeping records, and handling funds. At a minimum, these duties should be segregated so that the employee who receives cash and issues receipts is not the same person who posts information to the accounting records.

> **The Most Effective Internal Control**
>
> Separation of duties is the most effective internal control.

There are several types of activities where it is essential that the program policies and procedures ensure the separation of duties. These include (but are not limited to):

- ❑ Approving and making cash disbursements;

## *NOTES*

- ❑ Managing and issuing the payroll;
- ❑ Issuing cash receipts;
- ❑ Reviewing and reconciling bank statements;
- ❑ Controlling the organization's property, such as office equipment, vehicles, etc.; and
- ❑ Overseeing and implementing a capitalization policy.

Housing offices with small staffs face challenges when trying to ensure separation of duties. If there is less than three staff people, or when staff people are absent so that there is less than three people in the office, it is difficult to achieve the advised separation of duties. Alternate approaches may be taken in these instances. Examples of alternate approaches might include:

- ❑ A board member or member of tribal council may be enlisted to provide one of the key functions; authorizing transactions, for instance.
- ❑ Other tribal offices may be drafted to perform key functions, such as collecting payments.
- ❑ Consultants or part-time assistance, on a contract basis, may be procured to perform one or more of the key functions; such as record keeping and reconciliation activities.

### *A Checklist and Resource*

The Internal Controls Desk Guide produced by HUD is a thorough resource for examining individual internal controls that should be implemented in each organization. The Desk Guide, included as an attachment to this chapter, provides a checklist with five questions. Members of tribal councils and BOCs should be able to answer the following:

- ❑ Do you have an internal control policy? How current is it?
- ❑ Are all policy makers, e.g., board members and staff aware of internal control requirements?
- ❑ For small organizations, how have you minimized the risk due to the lack of complete separation of duties?

## *NOTES*

- ❑ If you are a TDHE under NAHASDA, has your tribe reviewed your internal control procedures as part of its monitoring and oversight responsibility? Any concerns?
- ❑ Did your latest audit identify any concerns regarding internal control procedures?

### *A Closer Look at Some of the Components of Internal Controls*

In the balance of this course book we will take a closer look at several of the components of internal controls. We will explain the relationship of each to the other and discuss how to accomplish the desired results, even when faced with the limitations of a small staff. We will look at:

- ❑ Policies;
- ❑ Procedures;
- ❑ Monitoring;
- ❑ Reports; and
- ❑ Written agreements.

## *NOTES*

## LIST OF ATTACHMENTS

- ❑ Attachment 5-1: Internal Controls Desk Guide

## *NOTES*

# ATTACHMENT 5-1:
# INTERNAL CONTROLS DESK GUIDE

# Internal Controls Desk Guide

*Prepared for the Sixth Native American Housing Summit, Portland, OR*

May 2, 2000

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# INTERNAL CONTROLS OVERVIEW

## INTRODUCTION

A tribe or TDHE is a business and, like every other business, an essential element for its financial health is the development and use of internal control procedures for the safe handling of its funds. Internal controls are standard business procedures which govern the handling of cash collections, cash disbursements, petty cash funds, and assets (i.e. cash and other property).

Internal controls are all the steps (i.e., policies, procedures, plans, methods, physical arrangements) that an entity takes to protect assets, keep accounting information correct, use staff and other resources efficiently, and assure that staff follow policies. Internal controls cover both accounting and management activities.

## INTERNAL CONTROL RESPONSIBILITIES

The board of commissioners for a TDHE and the council for a tribe have overall responsibility for developing an effective management system to support internal controls. The executive director or other manager has the day-to-day responsibility to ensure that the systems established by the governing body are implemented.

1. Board of Commissioner/Tribal Council Responsibility

The board of commissioners (BOC) or tribal council establishes the overall policies and procedures by which the entity operates. This group also provides oversight of the TDHE's or tribe's operations. Commissioners or council members should ensure that sound management controls have been established to protect against fraud and abuse. Some of the major responsibilities of the oversight body are as follows:

Approving by-laws, resolutions, policies, and procedures.
Selecting the executive director or other upper-level manager and providing policy directives to the director and staff.
Establishing and adopting policies (e.g., admissions and occupancy for housing programs, personnel, grievance, and procurement).
Reviewing the entity's operations on a regular basis to assure continued compliance with policies and procedures.
Ensuring that activities are in compliance with federal, state, and local laws.
Approving internal and external monitoring controls to detect and prevent fraud, waste, and abuse.
Reviewing and monitoring budgets and other financial documents.
Authorizing check signers.
Establishing high ethical standards for staff and acting as a positive role model.

Commissioners fill an essential role in the TDHE's administration, as do council members for a tribe. They can make a difference when they take an active interest in the TDHE's or tribe's overall operation. They do not normally manage day-to-day operations. However, they

keep themselves knowledgeable about the programs being administered in order to provide clear and concise policy guidelines and to monitor operations. The level of monitoring by the commissioners or council members may vary depending on the size of the operation, the types of programs being administered, the experience of the staff, and known problems.

2. Director's Responsibility

The executive director is responsible for managing the day-to-day operations of the TDHE and enforcing policies and procedures established by the board of commissioners. For tribe's, a tribal administrator or other similar position fulfills these responsibilities. There may also be program directors who are delegated these responsibilities. For example, a housing director may be responsible for programs under the Indian Housing Block Grant, any BIA housing programs, and tribal housing programs. Some of the major responsibilities of these upper-level managers follow:

Hiring competent, honest employees.
Preparing budgets, grant applications, contracts, and procurement documents.
Providing physical security for assets and records.
Procuring and inventorying property.
Collecting rents and enforcing lease terms.
Supervising cash management, bank reconciliation, resident selection, and maintenance.
Monitoring operations for fraud and abuse.
Maintaining overall compliance with federal, state, and local laws, as well as internal policies and procedures.
Providing program support by overseeing daily office operations.
Maintaining housing units in decent, safe, and sanitary condition.
Keeping the commissioners and/or tribal council informed about the financial condition and daily workings of the TDHE or tribal program. In order for the commissioners and/or council to monitor cost overruns, plan, project costs, and properly assist with the programs, the manager should furnish the commissioners and/or council with monthly or quarterly reports

## SEPARATION OF DUTIES

One of the primary purposes of internal controls is to provide reasonable assurance that assets are safeguarded against loss from unauthorized use. The most effective internal control concept is the separation of duties. An ideal system will separate three functions: (1) authorizing transactions; (2) keeping records; and (3) handling funds. When two or more of these functions are in the control of one person, the potential for fraud is greatly increased. When staff size is too small to permit a full separation of duties, closer supervision will help guard against problems.

At a minimum, duties should be segregated so that the employee who receives cash and issues receipts is not the same person who posts the resident accounts receivable records, maintains the cash journal, or prepares the bank deposit.

## INTERNAL CONTROL OVERVIEW - CHECKLIST

- ❑ Do you have an internal control policy? How current is it?
- ❑ Are all policy makers, e.g., board members, and staff aware of internal control requirements?
- ❑ For small organizations, how have you minimized the risk due to lack of complete separation of duties?
- ❑ If you are a TDHE under NAHASDA, has your Tribe reviewed your internal control procedures as part of its monitoring and oversight responsibility? Any concerns?
- ❑ Did your latest audit identify any concerns regarding internal control procedures?

## CASH DISBURSEMENTS

Internal controls over cash disbursements are very important for keeping expenses within budgets, keeping programs and entities financially sound, and ensuring that funds are spent on eligible items. In addition to the practical reasons for controlling cash disbursements, there are regulatory and program requirements that a grantee be run economically and efficiently. Section C.1 of Attachment A to OMB Circular A-87 outlines the requirements for allowable costs. Costs must:

1. Be necessary and reasonable.

2. Be authorized or not prohibited under State or local laws or regulations.

3. Conform to any limitations or exclusions set forth in Circular A-87, Federal laws, or other governing limitations as to types of costs or amounts. (Exclusions are listed on Attachment B to the Circular).

4. Be consistent with policies, regulations, and procedures.

5. Be accorded consistent treatment through application of generally accepted accounting principles appropriate to the circumstances.

6. Not be allocable to or included as a cost of any other federally financed program in either the current or a prior period.

7. Be net of all applicable credits.

Internal controls over cash disbursements are necessary to assure that purchases and payments are authorized, that transactions are properly recorded, and that items or services that are purchased are actually received. Internal controls over cash disbursements include procedures for the preparation, signing, and mailing of checks.

As discussed in the overview section, it is the responsibility of the board of commissioners or tribal council to establish policies and monitor compliance. The executive director or other manager and supervisory staff must ensure that the policies are followed.

### GENERAL CONTROLS

All bank accounts should be authorized by a BOC or tribal resolution.
All disbursements that are not from petty cash should be by check.
Checks should never be written for "cash." Checks for reimbursements of the petty cash fund should be made out to the petty cash custodian.
The BOC or council members should conduct periodic surprise audits of the cash disbursements.
Checks that have been outstanding for a certain period of time (e.g. 60 or 90 days) should be investigated and canceled if necessary.
Cash disbursements should be recorded daily in the cash disbursements journal.
A cash disbursements policy should be adopted and employees should be required to follow it.

Good filing systems should be established and documents should be promptly and properly filed.

## SEPARATION OF DUTIES

Employees who are responsible for approving purchases, making purchases, receiving or storing materials and supplies, preparing checks, or reconciling bank statements should not be authorized to sign checks.
Checks should be prepared by someone other than the person who makes or authorizes purchases or approves invoices for payments.
Signed checks should be mailed by the signer or be returned to someone other than the preparer for mailing.
A person who is not responsible for authorizing transactions, preparing checks, or keeping the books should distribute paychecks and follow up on outstanding checks.

## CONTROLS OVER AUTHORIZATION FOR DISBURSEMENTS

All check vouchers should contain enough narrative description to specify the purpose of the payment and the account to be charged.
Each check should be accompanied by properly authorized supporting documentation, including invoices, travel vouchers, etc. The supporting documentation should be noted as approved for payment prior to its presentation for signatures. After the check is mailed, the supporting documentation should be filed with a copy of the check voucher.
Supporting documentation should be initialed by each person signing the check to indicate that he reviewed the documentation. The supporting documentation should be marked or stamped "PAID" and noted with the check number for traceability and to prevent duplicate payment.

## CONTROLS OVER ACCESS TO CHECKS

Checks should be prenumbered and used in sequence.
Voided checks should be marked "VOID" and kept on file.

The supply of unused checks should be adequately safeguarded and in the custody of persons who are not authorized to sign checks.

## CONTROLS OVER CHECK SIGNING

Only those persons named in a BOC or tribal resolution should be authorized to sign checks.
At least two persons should be authorized to sign checks.
It is preferable that all checks require two signatures, at least for large purchases.
No person should be allowed to sign a check on which he is the payee.
Checks should not be signed in advance of being completely filled out.
Check signers should review the check carefully and not sign any check that has been altered, that does not have supporting documentation, or for which the expenditure is questionable.

## CONTROLS OVER CREDIT CARDS

If credit cards are used for travel expenses, staff should be issued individual cards and be personally responsible for payments.
The use of credit cards for gas and repairs for TDHE or tribal vehicles should be carefully monitored. Credit cards should not be left in vehicles and should be signed out by the person who is authorized to use the vehicle.
A mileage log should be maintained for each vehicle. This will help to ensure that expenses for gas and repairs are only for TDHE/tribal vehicles because mileage can be compared with gas purchases and frequency of repairs.
Charges to housing authority credit cards should be for official business only. No personal charges should be allowed.
The BOC or tribal council should periodically review credit card billings to ensure that only legitimate items are being charged.

## DOCUMENTATION

**Purchase Order** - A written offer to a vendor to purchase specified goods or services.

**Purchase Requisition** - A written request by an employee for the purchase of goods or services by the TDHE/tribe.

**Invoice** - A bill from a vendor. It should show the specific items or services purchased, quantities, prices, and any payment terms.

**Receiving Report** - A report that is prepared when goods are received. It shows the items and quantities received and the vendor.

**Check Voucher** - A form that shows the total amount to be paid, payee, payment date, and items included in the payment.

## CASH CONTROL POLICIES AND PROCEDURES

The _____ Tribe recognizes the need to have a system established which provides for internal controls for cash. The following procedures will provide the tribal staff with internal controls for cash.

This system will provide a method to record the receipts and disbursements of cash. Cash, checks, money orders, wire transfers, etc., will be referred to as cash in the following procedures.

### GENERAL GUIDANCE FOR CASH RECEIPTS FROM HOUSING PARTICIPANTS

Any and all money received from a housing program participant must be followed by issuance of a prenumbered, multi-copy receipt. Receipts issued will contain the following information: (1) name of the tribe, (2) name of the participant paying, (3) unit number or account number, (4) date of payment, and (5) amount paid.

### PAYMENTS RECEIVED BY MAIL

Payments received by mail will be recorded in ink on the daily incoming mail log. The amount of each payment shall be annotated on the log and the payments forwarded to the tribal chairperson for verification. The chairperson will verify the payments recorded on the log and forward the payments to the designated collection clerk. (NOTE: The person receiving the mail must not be the collection clerk.) The collection clerk will prepare a receipt for each payment and distribute the receipts as follows:

| | |
|---|---|
| Original | Mailed to participant by secretary |
| Copy | Forwarded to bookkeeper |
| Copy | Retained for record proposes |

### HOUSING PROGRAM PAYMENTS RECEIVED BY FIELD STAFF

Field staff will issue a receipt to the participant upon receipt of cash. The field staff will turn in the cash and receipt book to the secretary. The secretary will then process the cash receipts in accordance with the procedures above. Participants should be encouraged to make payments at the tribal offices so that payments received in the field are rare.

### PAYMENTS RECEIVED IN PERSON

All payments received in person at the tribal office will be received by the collection clerk. A receipt will immediately be prepared and distributed as follows:

| | |
|---|---|
| Original | Issued to the participant upon receipt of payment |
| Copy | Forwarded to bookkeeper |
| Copy | Retained for collection clerk's records |

The bookkeeper will record the payment received on the individual tenant ledger and tenants accounts receivable account.

## CASH RECEIPTS PROCEDURES

1. The receipts shall be recorded in the cash receipts register on a daily basis. The register will include the date, description, receipt number, amount, and the project/program to which the receipt applies. On a daily basis, the recorded cash receipts must be reconciled to the day's deposit. If there is a discrepancy between the cash receipts register and the deposit, the tribal chairperson is to be notified immediately. The chairperson shall investigate and resolve the discrepancy.

2. On a daily basis, the collection clerk shall prepare a bank deposit slip, even if the money is not deposited on that day. The deposit slip must include the cash receipt ticket numbers making up the day's deposit and complete details as to coin, currency, and checks deposited. The collection clerk shall then initial the deposit slip. The total deposit must equal the amount stated on the receipts listed. Duplicate copies of the receipts are then stapled to the duplicate deposit slip. The tribal chairperson or another authorized person shall then reconcile the day's receipts to the deposit and take the deposit to the bank. When the deposit has been made, the receipt slip issued by the bank is stapled to the duplicate deposit slip in the deposit book. This bank receipt is entered into the cash receipts register and filed in chronological order.

3. Cash shall be deposited in the bank on a daily basis, unless collections are less than $___. Cash receipts of less than $1,000 are to be deposited within five days of receipt or by Friday of each week, regardless of the amount accumulated.

## OTHER CASH COLLECTION CONTROL PROCEDURES

1. At a minimum, there will be a segregation of duties so that the employee who receives cash and issues receipts is not the same employee who posts the participant accounts receivable records, maintains the cash receipt register, or prepares the bank deposit.

2. When cash is retained in the office overnight, the secretary will store it in the safe or a locked fireproof file cabinet.

3. Checks received will be stamped immediately "For Deposit Only". Receipts should be at least three part.

4. The names of those individuals designated to receive collections from housing program participants and issue receipts shall be displayed and advertised to the participants.

5. Each staff person authorized to receive collections from housing program participants will be assigned a prenumbered receipt book for his sole use.

6. The supply of unassigned receipt books will be adequately safeguarded and put in the custody of the _____ (name of position) who will not be authorized to collect cash.

7. Each employee who receives collections from housing program participants will have a

cash box to which no other employee has access.

8. A receipt must be issued for all cash collected.

9. Receipts will be at least three part and prenumbered.

10. A separate bank deposit slip will be prepared for each day cash is received even if the money is not deposited that day.

11. Disbursements will not be made from the collections on hand.

12. The tribal council will appoint a person to make periodic surprise audits of cash collections, including a cash count of all undeposited collections to determine that cash collections are being handled properly. A record will be maintained of the cash audits.

**CASH DISBURSEMENTS**

1. All cash disbursements (other than petty cash) must be made by check and recorded on the cash disbursements register. The register will include the date, payee, check number, amount, and the project/program to which the expense applies.

2. A voucher check with two copies is to be utilized for cash disbursements. The voucher checks are to be prenumbered and used in numerical sequence. The voucher check copies must bear the same numbers as the voucher checks. One voucher check copy is to be attached to the documents supporting the disbursement of funds. The second copy is filed numerically for easy reference. Voided voucher checks and related copies will not be destroyed and will be listed in the cash disbursements register by number. The numerically filed copy will then be marked "VOID" along with the supporting document copy. If a second check is to be issued using the supporting documents, detach the voucher copy from the back-up, tear the signature corner from the check and staple the voided check to the voucher copy. The numerically filed copy must remain in number order but is marked "VOID", along with the supporting voucher copy.

3. Voucher checks for payment of services rendered and/or materials furnished will not be issued until all supporting documents such as invoices, purchase orders, receiving and inspection reports, travel expense reports, payrolls, etc., have been properly verified, assembled, and approved for payment. The voucher check must show the accounting distribution for use as a posting medium in recording the check in the cash disbursements register and subsidiary records.

4. Postings to the cash disbursements register are made from information shown on the voucher check copy. Each disbursement must be recorded in the cash disbursements register promptly in consecutive order by voucher check number.

5. Unused checks must be adequately safeguarded and put in the custody of _____. (person who is not an authorized check signer).

6. The tribal council shall designate the authorized check signers. All checks will require two signatures. No individual can sign a check on which he/she is the payee.

7. Checks will never be written for "cash". Checks for petty cash reimbursement will be made out to the petty cash custodian and the purpose clearly noted on the check.

8. The project/program must be entered on the invoice prior to approval. If the cost is to be allocated to more than one project/program, each project/program and the allocated amount will be listed.

9. A designated employee shall enter on the check enough narrative description to specifically identify the purpose of the payment and the account number to be charged. The bookkeeper will then submit the checks and attached supporting invoices to the tribal chairperson.

10. The chairperson will review the checks and attached supporting documentation for completeness and accuracy. Documents such as purchase orders, vendor's invoices, receiving and inspection reports, and contractors' estimates will be carefully examined to determine:

that the voucher is properly payable in accordance with the terms of the purchase.
that the goods have been received and conform to specifications or that the services billed have been rendered satisfactorily.
that discounts or other adjustments of the amounts billed are in order.
that the computations and accounts to be charged are correct.
that the funds for payments are available.

Normally the tribal chairperson will be the first signer on the check. After signing, the chairperson will submit the checks and supporting invoices to another designated check signer for approval and signature. The bookkeeper will enter "PAID" and the date and check number on each supporting invoice immediately after the checks have been approved and signed.

11. Supporting documentation will be initialed and dated by each check signer to indicate that a review of the documentation has been made.

12. The check signers will disapprove any checks that show evidence that they have been altered.

13. Someone other than the check preparer will be responsible for mailing out the checks. (Designate position in this policy.)

14. Checks will not be signed or countersigned in advance of being completely filled out.

15. Within five days of receiving the bank statement, the statement will be reconciled to the cash receipts and cash disbursements registers. The bank statement will be reconciled by ____. (Designate an employee who has no duties relating to the receiving or disbursing of the cash or the maintenance of cash records. The person receiving the mail and reconciling the bank statement cannot be involved in the preparation/mailing of the checks.) The bank statements will be mailed directly to the person assigned to do the bank reconciliation.

16. Petty cash custodians can not be authorized to sign or countersign checks.

17. All adjustments of accounts for errors, erroneous deductions and discounts, erroneous

payments of taxes, etc., require approval by the tribal chairperson.

**PETTY CASH**

1. The petty cash fund will be established by tribal resolution and will identify the petty cash custodian (position and title) and the amount of the fund. The resolution (or petty cash policy) should also outline the rules governing the fund, including fund uses, method of approving disbursements, and frequency of fund replenishment.

2. The petty cash fund will be kept in a locked cash box and stored in the safe or a locked fireproof file cabinet. Only the petty cash fund custodian will have access to the fund.

3. The custodian will not have access to accounting records.

4. All petty cash disbursements must be supported by prenumbered petty cash vouchers. Petty cash vouchers must be approved in advance by the tribal chairperson.

5. The petty cash vouchers must be completed in ink or typewritten and supported by vendor's invoices or receipts. A separate voucher is issued for each disbursement from the petty cash fund and the supporting documents are used as a supplement to, and not in lieu of, the voucher. All supporting documents must be attached to the related voucher. The petty cash vouchers will be issued in numerical sequence. Voided vouchers will be retained for accountability purposes.

6. All disbursements from the petty cash fund will be summarized by account classification and a voucher check will be drawn on the General Fund for the exact amount of the disbursements from the fund to date of reimbursement. The petty cash vouchers, invoices, or other receipts must be attached to the voucher check copy. The voucher check drawn to reimburse the petty cash fund must be used as a posting medium for recording the disbursement in the cash disbursements register.

7. Upon reimbursement of the petty cash fund, all supporting documents (petty cash vouchers, invoices, or other documents must be canceled in such a manner as to preclude duplicate reimbursement). The documents may be canceled by entering on each document the date and number of the voucher check issued to reimburse the petty cash fund.

8. The petty cash custodian can not cash personal checks.

9. The petty cash custodian can not make advances and accept IOUs without prior approval through petty cash vouchers.

10. Periodic, unannounced audits of the petty cash fund, in the presence of the fund custodian, will be made by the tribal chairperson or another person designated by the tribal council. A record of the audit must be maintained.

11. Petty cash cannot be given to vendors with whom the _____ Tribe has charge accounts and for purchases which should be paid by check.

12. At the beginning and end of each day the fund is used, the cashier must verify the petty

cash fund balances to the total authorized funds. A record of the verification must be maintained.

## MONTHLY CLOSING AND BALANCING OF RECORDS

1. The _____ will prepare monthly closing entries and balance the books of account with the monthly financial statements. Discrepancies between the books and the financial statements must be investigated and resolved immediately.

2. The _____ will prepare a report for the tribal council regarding monthly income and expenses. The report must include, at a minimum, a comparison between estimated and actual income and budgeted and actual costs. The report should identify any actual or potential budget overruns. Explanations for overruns should be provided whenever possible.

## PAYROLL

Payroll checks are a type of cash disbursement and all of the cash disbursement controls apply. In addition, there are specific controls to ensure that the proper gross amount is paid, deductions are computed properly, and employees are only being paid for the hours actually worked and for approved leave.

A separate payroll register should be maintained. This should include computations of gross pay, each deduction, and net pay.
Total payroll checks disbursed should be reconciled to the payroll register.
If checks are returned by the bank, endorsements should be periodically compared to the signatures on file.
All salary and wage rates must be formally approved by the board of commissioners or tribal council.
Payroll advances should be highly discouraged and should never be given on a routine basis. If payroll advances are given, they should be for no more than what can be repaid from the next payroll check.
No more than one paycheck should be issued to an employee in a pay period.
The person signing payroll checks should verify the calculations.
Timesheets should be used. They should be signed by the employee and his supervisor.
Timesheets should be filled out in ink. Any errors should be crossed out and initialed by the employee and his supervisor.
Supervisors should verify that the length and type of absence was approved.
Each employee's personnel folder should include a written authorization for his pay rate.
A member of the board of commissioners, tribal council, or other official should approve all payroll and leave records for the executive director or other housing manager. Nobody should sign a payroll check on which he is the payee.
Payroll checks should be distributed by someone other than the preparer.

## CASH CONTROL POLICIES AND PROCEDURES - CUSTOMIZING

### Customizing to Meet Your Local Needs and Situation

The following is a list of questions and issues you should consider when developing your own cash control policies and procedures.

- ❑ Who/which positions are authorized to receive cash and issue receipts?
- ❑ Will you accept payments through the mail?
- ❑ Who maintains blank cash receipts? Are they kept in a secure location?
- ❑ How close is bank and how frequently will deposits be made? More frequently during peak collection periods, e.g., first week of month?
- ❑ Who is responsible for undeposited funds? Are funds stored in a secure location?
- ❑ Will you cash checks (and provide change) that are greater than required housing payment?
- ❑ Who will be authorized check signature authority? How many signatures will be required? Will there be any required signatures?
- ❑ Do you need/want a petty cash fund? If so, how much? Who will be the custodian of the petty cash fund?
- ❑ Who will do random cash counts?
- ❑ Who will be authorized to sign purchase vouchers? Check vouchers?
- ❑ Will the use of credit cards be authorized?

## CASH RECEIPTS

A major problem in accounting for cash for housing programs is maintaining adequate control over collections from residents. If at all possible, the TDHE or tribe should use a system that allows residents to make rent payments directly to a bank. Such a system will substantially reduce the amount of cash handled by housing program employees. This will reduce the complexity of internal controls needed.

If payments are received from residents at the TDHE or tribal office, the following controls should be implemented:

Cash should be deposited frequently, preferably daily when collections are heavy, but at least once a week.
When cash is kept in the office overnight, it must be stored in a locked, fireproof file or safe (preferably a safe).
Checks received should be immediately stamped "for deposit only."
The names of employees authorized to receive payments from residents and to issue receipts should be made known to residents.
Each employee authorized to receive payments from residents should have a cash box to which no other person has access.
A receipt should always be issued for any cash or checks collected.
Receipts issued should contain as a minimum the following information: (1) name of the TDHE or tribe; (2) name of the resident; (3) identification of the housing unit; (4) date; (5) amount paid; and (6) identification of the employee receiving the payment.
Receipts should be at least two-part and be prenumbered.
A log of the receipt books assigned should be maintained and issued in numerical order.
The supply of unassigned receipt books should be adequately safeguarded and in the custody of a person not authorized to receive payments.
Voided receipts should be retained for accountability purposes.
A bank deposit slip should be prepared each day cash is received, even if the money is not deposited on that day. The deposit slip should include each of the cash receipt ticket numbers and complete details of the deposit.
All collections should be deposited intact; disbursements should not be made from collections and checks should not be cashed from collections.
Cash received should be recorded daily in the cash receipts journal and in the individual resident accounts receivable records, even when the money is not deposited on the day received. Cash receipt ticket numbers should be referenced in both the cash receipts journal and the resident accounts receivable records.
At the close of the day, the change fund should be segregated from the total cash received. The remaining cash represents collections which should be reconciled with recorded receipts.

A third person, other than the cashier or bookkeeper, should reconcile the cashier's receipts to the deposit slip and make the bank deposit. In addition, commissioners or tribal council members should conduct surprise audits of the cash collections to ensure that they are properly handled.

If there are less than three staff people, then there should be at least enough separation of duties so that the person who receives payments is not the one who records collections in the books.

## PETTY CASH

A petty cash fund is used for making minor purchases, such as incidental supplies. The amount of the fund and the job title of the custodian (person responsible for the fund) should be authorized by a resolution of the board of commissioners or tribe. There should also by a policy describing how petty cash is to be used (types of purchases, maximum amount of purchase). Because it is necessary for petty cash to be readily available, it is important that strict controls be maintained to prevent loss or abuse. The following internal controls will help to prevent misuse of the petty cash fund:

Nobody but the custodian should have access to the fund.
Cash receipts from residents must not be commingled with petty cash funds.
Cash receipts should be marked "Paid."
Petty cash vouchers should be used and should be prenumbered.
Petty cash must be kept in a separate cash box.
The petty cash box should be locked whenever the custodian leaves the office.
The cash box should be stored each night in a fire resistant safe or locked file cabinet.
Checks for reimbursement of the petty cash fund should not be written for "Cash," but should be made out to the petty cash custodian. The check should clearly indicate that it is for reimbursement of the petty cash fund.
Members of the board of commissioners or tribal council and/or the executive director or other official should conduct surprise audits of the petty cash fund to ensure that it is properly managed.

## RECONCILIATION OF BANK STATEMENTS

The balances on the bank statement and the accounting records seldom agree. This is because: (1) deposits in the cash receipts journal may not yet be on the bank statement; (2) checks listed in the cash disbursements journal may not have been processed by the bank; (3) interest and bank charges on the bank statement may not yet have been recorded in the accounting records; and (4) checks deposited in the bank may have been returned due to nonsufficient funds. Therefore, the balance on the bank statement must be reconciled with the cash account balance shown on the general ledger.

Prompt reconciliation of bank statements is an important and effective internal control for monitoring cash receipts and disbursements. By following the guidelines below, a TDHE or tribe can greatly reduce the likelihood that any inappropriate use of funds (including theft) will go undetected for long:

- Bank statements should be sent directly to the person reconciling them.
- All bank accounts should be reconciled monthly upon receipt of the bank statement.
- The person reconciling the bank statement should not be responsible for receiving cash, writing checks, recording cash transactions in the accounting records, or making bank deposits.
- The bank reconciliation should be done using the same standard format each month.
- The bank reconciliation should be signed by the person who prepares it.
- The executive director or other program manager should review the bank reconciliations for any outstanding checks that are over 60 or 90 days old and any deposits that should appear on the bank statement but do not. He should also determine whether the math is correct and all of the reconciling items are adequately explained. The bank reconciliation should be signed by the reviewer.
- The board of commissioners or tribal council should consider requiring bank reconciliations as part of the monthly reporting package from the TDHE or housing program.

## PREPARATION OF BANK RECONCILIATION FORM

A. Identify the bank and account number.

B. Fill in the ending date of the statement.

C. Record the ending bank balance as shown on the bank statement.

D. List all deposits recorded on the cash receipt register which have not been recorded on the bank statement.

E. Record all outstanding checks from the check register.

F. Add lines C & D, deduct line E.

G. Show the balance of the cash account from the General Ledger at the end of the previous month.

H. List debit entries to the cash account since the end of the previous month (increases in the cash balance). These may come from the cash receipts register or journal entries.

I. List credit entries to the cash account since the end of the previous month (decreases in the cash balance). These may come from journal vouchers, the cash disbursements register, or journal entries.

J. Add lines G & H, deduct line I.

K. List all items credited to the bank account that have not been recorded on the books. (From the bank's point of view, these are *credits* to your account. However, they will be a *debit* to the cash account on your books, an increase in the cash balance.)

L. List all charges by the bank not recorded on the books and any checks that were returned for nonsufficient funds, usually shown as "NSF" on the bank statement. (From the bank's point of view, these are *debits* to your account. However, they will be a *credit* to the cash account on your books, a decrease in the cash balance.)

M. Add lines J & K, deduct line L.

**AMOUNTS ON LINES F AND M SHOULD BALANCE**

N. & O. The person who prepares the bank reconciliation form must sign and date it. It is very important that the date be filled in because the bank balance and the book balance are reconciled as of that date.

P. & Q. The person who reviews the reconciliation must sign and date it.

# BANK RECONCILIATION FORM

## PROPERTY INTERNAL CONTROLS OVERVIEW

The following are recommended property internal controls. Where a regulatory citation is given, these are required controls:

A policy regarding the capitalization and disposition of equipment should be adopted.
Detailed fixed asset records must be maintained
(24 CFR 85.32(d)(1)).
The property ledger should be reconciled to the general ledger on a monthly basis.
At a minimum, a physical inventory of nonexpendable equipment must be conducted every two years (24 CFR 85.32(d)(2)). An annual physical inventory is recommended. The results must be balanced to the current inventory records and to the general ledger.
Responsibilities for purchasing, receiving, and recordkeeping should be assigned to different employees.
Numbered tags or other means of positive identification should be placed on all furniture and equipment.
All purchases of furniture or equipment should be in accordance with approved budgets.
All disposals or retirements of property or equipment should be properly authorized by the board of commissioners or tribal council.
Procedures should be established for obtaining authorization prior to removing TDHE or tribal property from the premises.
Inventory responsibilities should be assigned to a specific individual.
Property and inventory records should be safeguarded from fire, misplacement, or theft.
The property itself must be protected against loss, damage, or theft (24 CFR 85.32(d)(3)).

If the TDHE or tribe does not adopt a capitalization policy or sets a capitalization level of more than $5,000, all nonexpendable equipment with a useful life of more than one year and a cost of at least $5,000 must be capitalized. (See section 19.b on Attachment B to OMB Circular A-87.) If the limit is set too low, there is unnecessary recordkeeping. If it is set too high, there may not be adequate controls. Generally a limit of $500 or $1,000 is a good compromise.

A physical inventory, visual inspection, and count of all nonexpendable equipment, except for items of equipment in occupied dwelling units covered by a tenant receipt, should be taken at the end of each fiscal year or it may be taken periodically on an annual cycle basis. No visual inspection of equipment in occupied dwelling units is required. An inspection of the tenant receipts covering such equipment is sufficient.

If the physical inventory discloses that items of equipment have been lost, stolen, or destroyed, an authorized official or review group should obtain all the facts relating to each case and determine: (1) whether the person who had custody of the property is to be held responsible for the loss, theft, or destruction, or is to be relieved of responsibility; and (2) the amount, if any, such person will be required to reimburse the TDHE or tribe if held responsible for the loss.

Should the physical inventory disclose that the equipment records, property ledger, and/or land, structures, and equipment accounts need to be adjusted, the accounting department should make the adjustments. The amounts recorded on the equipment records must agree with the amounts recorded on the property ledger. At the end of each fiscal year, a reconciliation between the equipment records and the property ledger must be performed. Any

differences should be investigated and appropriate entries should be made in the records to correct the differences.

The total cost of equipment on hand at the end of each period, as disclosed by the physical inventory, may be computed using specific identification of items or if such information is not available, may be computed at prices of the latest purchases shown on the vendor's invoice.

The equipment record should contain the following information:

- ❑ Account No.
- ❑ Grant No.
- ❑ Project No.
- ❑ Description
- ❑ Date of Purchase
- ❑ Purchased From
- ❑ Serial No.
- ❑ Location of Property
- ❑ Cost
- ❑ ID Tag No.
- ❑ Journal Entry Document No.
- ❑ Disposition Date
- ❑ Disposition Method
- ❑ Amount Received Upon Disposition

# CAPITALIZATION POLICY

## PURPOSE

The capitalization policy of the (TDHE or tribe name) shall provide all parties associated with the programs of the TDHE/tribe with a comprehensive statement of policy and actions which will be used as the criteria for governing the control and accountability of personal property of the TDHE/tribe.

## DEFINITIONS

The TDHE/tribe shall establish and maintain complete and accurate records of all real and personal property.

Real Property. Real property comprises all land and buildings and all fixtures permanently attached thereto or installed in a fixed position.

Personal Property. Personal property comprises all materials and supplies, equipment, and fixtures which are not attached to the land or buildings and are not installed in a fixed position. Personal property is divided into three classes:

Materials and Supplies - defined as items of property which (a) can be used only once; (b) are spent in use; or (c) lose their identity or become an integral part of other property when put into use.

Expendable Equipment - defined as items of equipment having a useful life of one year or less and/or having a value of less than (capitalization amount). The cost of such property will not be treated as a capital expenditure.

Nonexpendable Equipment - defined as items of equipment having a useful life of more than one year and having a value of (capitalization amount) or more. The cost of such property shall be treated as a capital expenditure with financial control maintained through appropriate accounts in the general ledger. Similar items purchased at the same time, which as a group have a value of (capitalization amount) or more shall be treated as one item in determining if the purchase is nonexpendable.

## INVENTORY RECORDS FOR NONEXPENDABLE EQUIPMENT

The TDHE/tribe shall establish and maintain complete and accurate inventory records for all nonexpendable equipment. The records will provide the following information:

- ❑ Account No.
- ❑ Grant No.
- ❑ Project No.
- ❑ Description
- ❑ Date of Purchase
- ❑ Purchased From

- ❑ Serial No.
- ❑ Location of Property
- ❑ Cost
- ❑ ID Tag No.
- ❑ Journal Entry Document No.
- ❑ Disposition Date
- ❑ Disposition Method
- ❑ Amount Received Upon Disposition

## ANNUAL INVENTORY OF NONEXPENDABLE EQUIPMENT

A physical inventory, visual inspection, and count of all nonexpendable equipment, except for items of equipment in occupied dwelling units covered by a tenant receipt, should be taken at the end of each fiscal year prior to closing the books. No visual inspection of equipment in occupied dwelling units is required. However, tenant receipts covering such equipment shall be reviewed during the annual physical inventory.

If the physical inventory discloses that items of equipment have been lost, stolen, or destroyed, the (executive director/review board/board of commissioners/tribal council) will obtain all the facts relating to each case and determine: (1) whether the person who had custody of the property is to be held responsible for the loss, theft, or destruction or is to be relieved of responsibility; and (2) the amount, if any, such person will be required to reimburse the TDHE/tribe if held responsible for the loss.

## FRAUD AND MISAPPROPRIATION

Auditors refer to unintentional mistakes as "errors". Acts of fraud and misappropriation are both referred to as "irregularities." Fraud is a deliberate misrepresentation. Misappropriation is the unauthorized use of program funds or property. Whenever there is misappropriation, there is probably also fraud because the individual(s) involved try to cover up what they are doing. Wherever there is fraud, there is probably also misappropriation because the motive for fraud is usually personal gain. "Personal gain" includes more than pocketing government funds for one's own use. Fraud may also occur if an executive director or other official falsifies information in order to obtain additional funding for the TDHE or tribe or to make it appear that the federally funded programs are in better condition than they actually are.

Even if fraud or misappropriation has not occurred, a lack of internal controls may create the appearance that something is going on. This is one of the reasons why internal controls are so important. Also, the program managers and oversight bodies do not want to be put in the position of suspecting that one of the TDHE or tribal employees is misappropriating money or property and not being able to prove it because there are insufficient internal controls. For instance, if money is missing from a cash drawer and three employees have access to the cash drawer, probably only the person who took the money knows who did it. Another difficult situation is if only one employee is responsible for the cash drawer but it is not kept locked and anybody who comes into the office has access to it.

If you suspect fraud or misappropriation, one option that you have is to contact the HUD Inspector General Hotline (see next page). Be prepared to give any information that might be helpful in determining whether fraud or misappropriation has occurred and to help the IG decide whether or not to pursue the issue. This could include names of persons involved, a description of the problem, the amount of money involved, how long there has been a problem, and whether any efforts are being made to correct the problem.

## INDICATORS OF FRAUD OR MISAPPROPRIATION - QUESTIONS

See if you can figure out why these situations might indicate fraud or misappropriation. Answers are on page 28.

Indicator

1. Accounts receivable in a program are more than the fund balance in that program.
2. The general ledger is out of balance.
3. Subsidiary ledgers do not reconcile with the general ledger.
4. Bank accounts are not reconciled.
5. Books are not maintained on a current basis.
6. All payments received are not recorded in the cash receipts ledger.
7. Financial statements are not in agreement with the books.
8. Books of account, invoices, purchase orders, or other documentation show erasure marks or white-out.
9. Bank deposit slips have been altered.
10. Adjustment entries are unsupported or unexplained.
11. Personal checks are included in the cash fund but never deposited.
12. Checks dated some time ago are deposited in the TDHE's or tribe's bank account just before an audit or ONAP review.
13. Checks are not prenumbered.
14. Purchase orders are not prenumbered.
15. Third party endorsements appear on checks.
16. Canceled checks are not returned to by the bank or other financial institution. (Not an indicator by itself, because many banks will no longer provide this service.)
17. There are a large number of voided checks.
18. Entries are made in the books for the amount of cash deposited in the bank, which is different than the amount received by the TDHE or tribe.

19. Incorrect totals are entered on cash receipts or cash disbursement ledgers.

20. Cash is taken from one program to cover a shortage in another.

21. Travel vouchers are not reconciled.

22. Mileage logs are not kept for TDHE or tribal vehicles.

## INDICATORS OF FRAUD OR MISAPPROPRIATION - ANSWERS

1. Accounts receivable in a program are more than the fund balance in that program.

   **There is no cash in the program, so the TDHE or tribe is using funds from another source to operate the program. This is called "commingling."**

2. The general ledger is out of balance.

   **Incomplete or incorrect accounting entries have been made or an entry has been made for a fictitious transaction. For example, an employee uses TDHE or tribal funds to purchase a computer for his or her personal use at home. The employee can not record a debit to a property account because, as far as his employer is concerned, the computer does not exist. However, the cash is no longer in the TDHE or tribe's bank account, so the employee records a credit to the cash account.**

3. Subsidiary ledgers do not reconcile with the general ledger.

   **This is similar to number 2.**

4. Bank accounts are not reconciled.

   **This indicates a poorly managed organization and possible embezzlement. The receipt of cash may be recorded on the books but some of the cash was never deposited in the bank. Additionally, unauthorized checks may have been written.**

5. Books are not maintained on a current basis.

   **This indicates many possibilities of fraud or misappropriation. Cash or property may be missing. There may be unauthorized purchases. One program may be financially unstable and the TDHE or tribe either does not want to disclose this information or is charging expenses for that program to other programs.**

6. All payments received are not recorded in the cash receipts ledger.

   **Unless an employee has accidentally misplaced the money, misappropriation has occurred. The TDHE or tribe should report the loss to the police so that an investigation into the embezzlement can be initiated.**

7. Financial statements are not in agreement with the books.

   **This could be a case of misrepresentation. For some reason, an employee may not want the board of commissioners, the tribe, and/or ONAP to know the actual account balances. On the other hand, it could simply be a case of failing to verify the accuracy of the financial statements. Whether the financial statements are prepared by staff or an outside accountant, it is the responsibility of the official who signs the statements to review them for**

**accuracy before signing.**

8. Books of account, invoices, purchase orders, or other documentation show erasure marks or white-out.

   **A variety of problems may exist. An employee may be purchasing items for personal use and then altering the purchase order and invoice to delete those items. An employee may be in collusion with a vendor who agrees to charge a higher than normal price so that the employee and the vendor can share the extra money. An employee may be embezzling funds and covering up by changing accounting entries.**

9. Bank deposit slips have been altered.

   **This indicates possible embezzlement. The employee who made the bank deposits may have kept some of the money. The employee had to change the deposit slips because the bank would catch the error. There are other possibilities if any other employees had access to both the deposit slips and the cash.**

10. Adjustment entries are unsupported or unexplained.

    **The adjustment entries were made to cover up embezzlement.**

11. Personal checks are included in the cash fund but never deposited.

    **Someone wrote a bad check to the TDHE or tribe and does not want the check to bounce, or the check is good but the person who wrote it does not want to have it cashed.**

12. Checks dated some time ago are deposited in the TDHE's or tribe's bank account just before an audit or ONAP review.

    **Somebody never intended to pay the TDHE or tribe but had a check ready in case it looked like they were going to get caught.**

13. Checks are not prenumbered.

    **Unauthorized checks have been written or checks have been written that were never recorded.**

14. Purchase orders are not prenumbered.

    **Unauthorized purchases have been made or purchases have been made and not recorded.**

15. Third party endorsements appear on checks.

    **The checks may appear to be for legitimate program expenses, but someone cashed the checks for personal use.**

16. Canceled checks are not returned by the bank or other financial institution.

**Unauthorized persons could be signing checks, checks could be altered, or there may be third-party endorsements. The TDHE or tribe has no way of knowing that these things are occurring without reviewing the canceled checks. Of course, another possibility is that there is no local financial institution that returns canceled checks.**

17. There are a large number of voided checks.

**This condition by itself may simply indicate that many mistakes are made in preparing checks. However, it could mean that check copies are voided while the original check is forged and cashed.**

18. Entries are made in the books for the amount of cash deposited in the bank, which is different than the amount received by the TDHE or tribe.

**One possibility is that the amounts on the books are not the same as the amounts deposited, meaning embezzlement or misrepresentation is occurring. Another possibility is that an employee is "borrowing" money from the TDHE or tribe. The employee is using this money and then reimbursing the funds. The employee is recording the amount deposited because otherwise the employee would have to explain the difference between that amount and the amount received.**

19. Incorrect totals are entered on cash receipts or cash disbursement ledgers.

**One possibility is that there have been unauthorized cash disbursements and the ledger entry is falsified to cover the theft. Another possibility is that cash has been received and not recorded, so the total in cash receipts has been decreased.**

20. Cash is taken from one program to cover a shortage in another.

**This is misappropriation. Using funds from one program to operate another program is an unauthorized use of funds.**

21. Travel vouchers are not reconciled.

**Travel is an area in which an employee may be guilty of misappropriation without even realizing it because the TDHE or tribe does not have adequate travel reconciliation procedures. If the TDHE or tribe does not get reimbursed for the money advanced in excess of eligible travel expenses, funds have been misappropriated. Additionally, an employee may be receiving travel advances but has no intention of going on travel.**

22. Mileage logs are not kept for TDHE or tribal vehicles.

**The vehicles are being used for personal business.**

**Summary:**

**Good internal control procedures eliminate many of the fraud possibilities indicated above.**

# Chapter 6:
# Policies and Procedures

# CHAPTER 6: POLICIES AND PROCEDURES

***This chapter discusses the importance and usefulness of establishing policies and procedures. This chapter outlines what policies are, their functions, NAHASDA required policies, and the application of policies to housing programs. This chapter also describes written procedures.***

## POLICIES AND PROCEDURES

Policies and procedures provide for consistent and cohesive action on the part of an organization. A **policy** is a value or perspective that can guide action. Generally, it does not say what to do, but rather it says why to do something, or states a desired outcome. Policies help achieve fairness and consistency.

**Procedures** tell what to do when. A procedure establishes the specific manner in which a function is to be performed, assigns responsibility, and describes specific action, whether it be answering a phone, setting up a file, determining income, inspecting a property, preparing a form, or writing a report.

## REQUIRED POLICIES

NAHASDA requires IHBG recipients to certify that they have written and approved policies for eight areas:

- ❑ Eligibility (Section 203(d) of NAHASDA);
- ❑ Admission (Section 203(d) of NAHASDA);
- ❑ Tenant Selection (Section 207 of NAHASDA);
- ❑ Rents and Homebuyer Payments (Section 203(a) of NAHASDA);

## *NOTES*

- ❑ Occupancy (Section 203(d) of NAHASDA);
- ❑ Management and Maintenance of IHBG assisted housing (Section 203(e) of NAHASDA);
- ❑ Maintenance and Efficient Operation of 1937 Act housing (Section 203(b) of NAHASDA); and
- ❑ Indian Preference (24 CFR Part 1000.52(a)).

In addition to the policies specifically addressed in NAHASDA, other applicable Federal cross-cutting laws and regulations require adherence to pre-established policies and procedures on a variety of important issues. These cross-cutting regulations include the following policy topics:

- ❑ Travel (OMB Circular A-87);
- ❑ Procurement (24 CFR Part 85.36);
- ❑ Real Property Acquisition and Relocation (49 CFR Part 24);
- ❑ Drug-Free Workplace (24 CFR Part 24.600); and
- ❑ Section 3 of the Housing and Urban Development Act of 1968.

## POLICIES THAT MAY BE REQUIRED

Recipients may be required to establish policies regarding written standards for affordable housing programs, written standards for non-dwelling structures, investment of funds, and risk management.

- ❑ **Written Standards for Affordable Housing Programs** – 24 CFR 1000.156 requires that housing assisted or developed with IHBG funds must be of moderate design. There are two ways that a recipient can demonstrate that housing is of moderate design. One of the ways requires that the recipient adopt written standards for affordable housing programs. The two ways are described in 24 CFR 1000.158, and also described below.

  - If a recipient decides not to adopt its own written standards for affordable housing, the total cost of development for any housing involving IHBG funds may not exceed Total

## *NOTES*

Development Cost (TDC) limits published periodically by HUD. The current TDC notice, PIH Notice 2001-42, was effective November 30, 2001.

⇒ The TDC limits apply to all the costs of developing, constructing, or acquiring/rehabilitating a project, paid for by any source of funds. The TDC limits do not solely apply to the IHBG funds in the project.

⇒ The recipient must complete a comparison of the costs of developing, constructing, or acquiring/rehabilitating with the TDC limits.

⇒ The recipient may not exceed the TDC limits without prior HUD approval.

- A recipient may develop and adopt its own written standards for affordable housing, and then the total cost of development (from all sources) may equal an amount up to 110% of the TDC limits published periodically by HUD.

⇒ In some instances, the recipient may exceed 10% of the TDC limits with prior HUD approval.

⇒ Written standards for affordable housing must reflect the definition of moderate design found at 24 CFR 1000.156. Moderate design is defined as housing that is of a size, and with amenities consistent with unassisted housing offered for sale in the Indian tribe's general geographic area, to buyers who are at or below median income.

⇒ The written standards must:

– Describe the type of housing,

– Explain the basis for the standard,

– Use as a basis, similar housing in the tribe's general geographic area.

⇒ The recipient must establish and follow policies that determine a local definition of moderate design. In developing the policies the recipient must consider:

– Gross area of the project,

## *NOTES*

- Total cost to provide the housing,
- Environmental concerns, and mitigations,
- Climate,
- Comparable housing in the geographical area,
- Local codes, ordinances, and standards,
- Cultural relevance in design,
- Design and construction features that are reasonable, and necessary,
- Design and construction features that are accessible to people with disabilities.

⇒ Prior to awarding a contract for construction or starting construction with its own workforce, a recipient must:

- Substantiate compliance with its written standards, and
- Compare the cost of developing, constructing, or acquiring/rehabilitating, with the TDC limits.

⇒ A recipient must maintain documentation of compliance and make it available upon request to:

- The general public, and
- HUD.

❑ **Written Standards for Non-Dwelling Structures** - 24 CFR 1000.160 requires that non-dwelling structures developed, acquired, or assisted under the IHBG program must be of a design, size, and with features or amenities that are reasonable and necessary to accomplish their purpose. Their purpose must be to support an affordable housing activity.

- There are two ways that a recipient can demonstrate that non-dwelling structures are reasonable and necessary. One of the ways requires that the recipient adopt written

## *NOTES*

standards for non-dwelling structures. The two ways are described in 24 CFR 1000.162, and also described below.

⇒ The recipient may choose not to develop standards for non-dwelling structures. Then the recipient must demonstrate that each project is of a cost, size, design and with amenities consistent with similarly designed and constructed structures in the recipient's general geographic area.

⇒ The recipient may choose to develop standards for non-dwelling structures. The standards must describe the type of structures, and the criteria to be used to guide the cost, size, design, features, amenities, performance or other factors. The standards must:

- Support the reasonableness, and necessity for the factors, and
- Identify the affordable housing activity that is being provided.

❑ **Investment of Funds** – If a recipient is to invest IHBG funds, a policy on investment is required for approval. All investment funds must be kept separate from IHBG funds. There are two types of eligible investments:

- Obligations of the United States or sponsored government agencies; securities guaranteed or insured by the United States; mutual (or other) funds which invest in such obligations or securities and are registered with the Securities and Exchange Commission.
- Accounts insured by an agency or instrument of the United States or fully collateralized to ensure protection of the funds.

An application for investment will be reviewed to determine whether the recipient has demonstrated that:

- There are no unresolved significant and material audit findings;
- The organization has the capacity and controls in place to carry out the investment successfully; and

## *NOTES*

- The recipient is either a self-governance Indian tribe or a tribe/TDHE that can demonstrate administrative capacity.

Additional information on investment of funds can be found in NAHASDA Guidance 99-05T (see Appendix L of the NAHASDA Reference Manual).

❑ **Risk Management** – There are many aspects of risk management, which are discussed in Chapter 5 of this manual. One risk management policy is pre-established by NAHASDA and adherence is required. IHBG fund recipients are required to maintain adequate insurance coverage for housing units that are owned, operated or assisted with IHBG grant funds. (Section 203(c) of NAHASDA)

## OTHER POLICIES

There are several additional policy topics an organization may wish to consider in order to deliver consistent, fair programs, and to have happy, productive staff. The list includes policies on:

❑ Collections/eviction (as a separate policy chapter, or as part of occupancy policies);

❑ Resident grievance (as a part of a collections/eviction policy);

❑ Abandoned vehicle/abandoned building (as a part of an occupancy or maintenance policy);

❑ Disposition (to complement real property acquisition);

❑ Subleases (as a part of an occupancy policy); and

❑ Personnel.

**Examples:**
**Personnel Policy Statements**

❑ The IHA provides fair and equal employment opportunities for qualified persons.

❑ The tribe sets personnel policies and practices with a consideration of the effect on employee morale.

## *NOTES*

## SETTING POLICIES THAT GUIDE YOUR PROGRAMS AND PROJECTS, AND THE WAY YOU DO BUSINESS

Strong organizations emphasize flexibility and accountability through their policies. It is important that policies be not only comprehensive, but also practical. Policies should be considered, proactive, and, when possible, be set before they are actually needed. Well thought through policies are influenced by:

- ❑ Grant award requirements;
- ❑ Tribal, state and Federal laws;
- ❑ Environmental circumstances and concerns;
- ❑ Economic conditions and goals;
- ❑ Political rulings and insights;
- ❑ Cultural influences;
- ❑ Demographics; and
- ❑ Location and size of the service area.

Policies are beneficial to organizations for many reasons, on many levels. Policies:

- ❑ Establish and promote consistency, fairness and continuity;
- ❑ Prompt cohesive action on the part of the organization;
- ❑ Provide guidance regarding operations;
- ❑ Frame decision-making by staff, the board and the tribal administration;

**Policies are Important**

Policies help ensure fairness and consistency.

They also help ensure that people perceive the organization as fair and consistent.

## *NOTES*

- ❑ Facilitate fair and uniform treatment of program participants; and
- ❑ Shape opinions and expectations of stakeholders, customers and staff.

### *Policies That Reflect a Tribe's Values and Traditions*

There are no right or wrong policies for your organization. Each tribe holds the wisdom to set the best policies for its community. It is important to remember that NAHASDA, with its over-arching philosophy of self-determination, specifically provides tribal leaders an opportunity to set policies that reflect their tribe's values and traditions.

When establishing policies, tribal leaders may want to take the following factors into consideration:

- ❑ Preservation of ancestry and traditions;
- ❑ Preservation of historical and sacred sites and structures;
- ❑ Family values, and cultures;
- ❑ Efficiency;
- ❑ Cost;
- ❑ Serviceability; and
- ❑ Other values and traditions that are unique to the Tribe.

**Things that Shape Policies**

- ✓ History
- ✓ Culture
- ✓ Regulatory requirements
- ✓ Legal requirements
- ✓ Politics
- ✓ Economics

### *Who Sets Policies*

The highest level of decision makers in an organization officially sets policies. In all instances concerning IHBG, this means the tribal council has final approval authority for policies. Even if a TDHE is selected, the tribe retains the authority and responsibility to ensure compliance with all laws and regulations.

## *NOTES*

At a minimum, the council must review and approve policies in the areas required in the NAHASDA regulations and for which certifications are signed and submitted with the Indian Housing Plan.

In many instances, policies may be developed and proposed by staff, or by a board that ultimately answers to tribal council. This may be the case if a TDHE has been named. The staff of the TDHE may propose policies to its board for approval. The board of the TDHE may approve the policies and then submit them to the tribal council for final approval. Even if the last step of gaining approval from tribal council is not actually carried out, the tribal council is stating acknowledgement and approval of such polices when it submits the certifications that accompany the Indian Housing Plan.

### *A Process for Setting Policies*

It is helpful to establish a process for setting policies. This process could include the following actions:

- ❑ Identify areas in which decisions must be made frequently;
- ❑ Draft ideas on how policies should be written for those areas;
- ❑ Receive comments, review, and revise;
- ❑ Adopt the policies formally;
- ❑ Implement the policies with a firm date; and
- ❑ Monitor and evaluate the policies for effectiveness and fairness.

Whatever process is used for setting policies, it is important that the policies reflect your tribe's traditions and the requirements of NAHASDA. It is also important that there is a clear method for implementation.

## TIPS AND GUIDANCE FOR SETTING THE REQUIRED POLICIES

Setting policies that guide your housing activities helps ensure consistent and fair delivery of those activities. This section addresses the policy topics required under NAHASDA and shows examples of policy statements for different types of NAHASDA eligible activities.

## *NOTES*

### *Types of IHBG-Funded Programs*

There are many different eligible activities under NAHASDA and each tribe may decide to run different types of programs.

Implementation of any or all of the eligible activities using IHBG dollars requires the tribe to develop program policies in the seven areas discussed at the beginning of this chapter. You may set blanket policies for all programs, or you may set policies specific to one program. In all instances, take care to develop a policy thoughtfully and then write it carefully.

For example, you might set a policy that states:

> "*Fragile elderly shall receive first preference for any housing units that become available.*"

**Eligible Activities**

- ❑ Construction of New Housing
- ❑ Homebuyer Assistance
- ❑ Rehabilitation
- ❑ Housing Services and Crime Prevention
- ❑ Housing Management Services
- ❑ Other Model Activities

This would mean that whenever a fragile elderly person was on a waiting list for any of your programs, it would be necessary to offer him/her any housing unit that became available - rental or owner units – before serving anyone else.

Or you might set a policy that states:

> "*Fragile elderly shall receive first preference for any rental vacancies that occur in senior housing projects.*"

This would limit the application of the policy to rental units designed especially for seniors and would mean that fragile elderly applicants would receive preference over non-fragile elderly people.

### *Eligibility*

Establishing an eligibility policy is not only required but also necessary in order to deliver your programs. However, there is no specific policy language required by the statute or regulations. In general, NAHASDA limits eligibility for the majority of assistance to low-income Indian families residing in Indian areas.

## *NOTES*

Even so, there are three types of participants that can be eligible under housing assistance programs. They are:

- ❑ Low-income Indian families;
- ❑ Non low-income Indian families; and
- ❑ Non Indian families.

The policies that your tribe sets will include all, or only one or two of the groups listed above. The primary intent for the use of NAHASDA dollars is to serve the housing needs of low-income Indian families. However, a recipient may undertake homeownership activities, model activities, or loan guarantee activities that benefit non low-income Indian families. It is also possible to provide assistance to non Indian families if their presence is essential and their housing needs cannot otherwise be met. (A more complete discussion of eligible recipients can be found in Chapter 3 of this manual.)

The NAHASDA regulations require that recipients verify that IHBG assisted families are income eligible at the time assistance is provided. How often the income of an assisted family is verified is up to the tribe. The frequency of verification is not a requirement. This verification must be based on anticipated annual income. Each IHBG grantee must maintain documentation on how eligibility is determined. Documentation might include requiring the family to submit tax forms, W-2 forms, or other written proof of income.

**Income Eligibility**

Each tribe can decide whether or not to periodically review income eligibility. A policy can be established on how often to re-verify income. Periodically verifying income will ensure that rents do not exceed 30% of the adjusted income for any eligible families.

ONAP has issued several guidance notices on how to calculate annual income. They can be found in Appendix L of the NAHASDA Reference Manual. Family income can be determined in several ways, so it is important to indicate in your written policy which method your organization will use to determine income for various programs and activities, and to use that method consistently across applicants. Income should be calculated and verified within the six months immediately preceding the receipt of assistance.

Your tribe's policies may go on to further define eligibility preferences or an order of service to applicants. You may provide a preference for tribal members, persons with special needs, or certain types of families. All preferences should be clearly articulated in your eligibility and admission policies.

## *NOTES*

### *Admission*

In tandem with an eligibility policy, it is important to develop an admissions policy that ensures fair treatment of all those who apply for housing assistance. Minimally, the policy should state that rental housing will be made available to families who are low-income at the time of initial occupancy. Also, the policy should address housing for homeownership, and its availability to a family that is low-income at the time of purchase. (Sections 201(b)(4) and 205, of NAHASDA)

Optional features of this policy could include:

- ❑ The provision for preference to tribal members, displaced families, elderly, etc., and
- ❑ Prohibitions against admission of individuals with:
  - Criminal records, including incarceration, conviction of domestic violence, or conviction as a sexual offender;
  - Substance abuse histories without participation in a treatment program;
  - Histories of non-compliance with housing rules and policies as prior residents; and
  - Other indicators of unacceptability as a neighbor or housing resident.

### *Tenant Selection*

NAHASDA regulations require the owner/manager of affordable rental housing assisted with IHBG funds to adopt written tenant selection policies and criteria. These selection policies must:

- ❑ Be consistent with the purpose of providing housing for low-income families;
- ❑ Be reasonably related to program eligibility and ability of the applicant to perform the obligations of the lease;
- ❑ Provide a method for selecting persons from a written waiting list; and
- ❑ Provide prompt notification in writing to any applicant rejected.

**Example:**
**A Tenant Selection Policy**

All applicants will receive notice of acceptance or rejection within 10 business days of application submission. Applicants have 30 days after notification within which to file an appeal.

## *NOTES*

(Sections 102 (c)(5)(c), 203(d), 201(b), 207(b), of NAHASDA, and 24 CFR Parts 1000.103, 1000.110 of the regulation)

A tenant selection policy must include language that discusses the selection of tenants from a written waiting list. Also, the policy must include the method of notification for rejected applicants. Optional portions of this policy include background checks and other methods that help determine the selection of tenants. (Section 207(b) of NAHASDA)

### *Rents and Homebuyer Payments*

Each IHBG grantee must develop written policies governing rents and homebuyer payments charged for dwelling units. These policies describe standards that must be considered when rent is calculated.

There are several important standards, pre-established in NAHASDA, that must be remembered when setting policies about rents and homebuyer payments:

- ❑ Rent may not exceed 30% of the adjusted income of the household, (24 CFR Part 1000.124)
- ❑ No minimum rent is required, and
- ❑ Non low-income families may pay more than 30% of their adjusted incomes.

Policies and methods for how household incomes may be determined are discussed above in the section titled, *Eligibility*.

Under this policy, charges for rent may be traditional income based charges, flat rate, or hybrid, and may include a provision for a utility allowance. Flat rent cannot exceed 30%.

(Sections 102(c)(5)(d), 203 (a) (1&2) of NAHASDA, and 24 CFR Parts 1000.124, 1000.126, and 1000.130)

**Example:**
**Rent and Payment Policy**

Housing dollars are a precious resource. There are more housing needs each year than there are dollars to meet those needs. The IHA's programs are designed to use only as many dollars as are necessary per family so that the maximum number can be assisted.

Tribal families who participate in the IHA's programs are expected to pay as many of their own housing costs as they can, up to 30% of their adjusted income. The IHA's programs are designed only to fill the gap between what is affordable to a family, and what the housing costs are.

## *NOTES*

### *Occupancy*

Each tribal organization should develop a written occupancy policy as required by NAHASDA. This policy should establish the requirements for continued occupancy and grounds for termination of a housing lease or sales contract.

**Example:**
**Occupancy Policy Statement**

The property owner shall give all program tenants 30 days notice for termination of a lease. This notice shall be given in writing and kept on file in the program office.

Occupancy policies should:

- ❑ Require the owner to maintain the property in compliance with housing codes.
- ❑ Require the owner to give tenants adequate notice for termination or eviction.
- ❑ Establish terms and conditions for eviction, such as:
  - Nonpayment of rent and failed attempts at collection,
  - Unacceptable behaviors, and
  - Violation of the provisions of the lease, or sale agreement.
- ❑ Require that the rental lease not contain unreasonable terms.

(Sections 207(a), and 203(d), and 24 CFR Part 1000.150)

Occupancy policies may also:

- ❑ Require residents to practice good housekeeping, and notify the owner of any needs for repair;
- ❑ Require the resident to be responsible for any damage to the unit that the resident inflicts;
- ❑ Prohibit pets, or limit their numbers and types; and
- ❑ Require other sorts of responsible behaviors.

## *NOTES*

### *Management and Maintenance of IHBG Assisted Housing*

NAHASDA requires that a management policy be in place for all IHBG-funded programs. This policy must provide for efficient program implementation and continued operation. This policy should provide for consistent performance in key managerial functions such as planning, organizing, directing, controlling, and decision-making. (Section 203 (e) of NAHASDA)

Tribes have terrific flexibility in the types of units that they may produce with IHBG funds. Because of the wide variety of unit styles, housing types, and program designs, it is important that each recipient develop policies relevant to the projects and programs that it has chosen to implement. Since IHBG funds can be used to produce and preserve both rental and homeowner units, tribes that will be carrying out these activities should develop corresponding management and maintenance policies.

NAHASDA requires a maintenance policy. It is important to note, however, that NAHASDA dollars cannot be used to do the maintenance. Income-generated dollars for rent collected should be used for this purpose. Only 1937 Housing Act units can be maintained using IHBG funds.

- ❑ For rental housing this means setting:
  - Maintenance schedules,
  - Maintenance standards, and
  - Standards and rules about what is normal wear to a unit and what constitutes abuse by a resident.
- ❑ For homeowner housing this means:
  - Setting maintenance standards,

**Example: Homeownership Occupancy Policies**

The TDHE offers homeownership programs that place responsibilities on both the TDHE and on the participants.

*The TDHE responsibilities include:*

- Designing and running programs that meet the needs, and are supportive of, program participants,
- Treating all program participants fairly and respectfully, and
- Fulfilling all TDHE obligations listed in homebuyer agreements.

Program participants' responsibilities include:

- Being good citizens and neighbors;
- Maintaining their houses and yards;
- Making their monthly payments on time; and
- Fulfilling all other obligations listed in their homebuyer agreements.

## *NOTES*

- Deciding who is responsible for the on-going maintenance of the units, and
- Determining what will be done if maintenance needs go unattended by the homebuyer.

Management responsibilities include financial and administrative components, in addition to property oversight. Policies should be established that address:

- ❑ Tracking operating expenses of individual units or projects,
- ❑ Requirements for property insurance, and
- ❑ Keeping records about applications, tenant selection, monthly payments, and occupancy.

### *Maintenance and Efficient Operation of 1937 Act Housing*

While tribes create new housing opportunities with their IHBG dollars, at the same time they retain responsibility to maintain and operate housing units developed under the 1937 Housing Act. The Indian Housing Plan must show how these responsibilities will be met. IHBG dollars may be allocated for this purpose.

Presumably, maintenance and program operation policies and procedures are already in place for housing developed under the 1937 Housing Act. Even so, those policies and procedures should be re-visited to ensure that they still make sense and that they can be carried out under the new IHBG funding structure.

The concerns listed in the section above, *Management and Maintenance of IHBG Assisted Housing*, also apply to the setting of maintenance and operation policies and procedures for 1937 Act housing. In addition, policies should:

- ❑ Define the responsibilities of all interested parties, since 1937 Act housing may be owned by a different party than new housing developed with IHBG;
- ❑ Identify routine and non-routine tasks;
- ❑ Provide for regular inspections; and
- ❑ Require the development of an efficient work order system.

(Section 203(e) of NAHASDA)

## *NOTES*

# INFORMING AND INVOLVING THE PUBLIC

### *Public Dissemination and Complaints*

Written policies must be readily available to the public. It is a good idea to solicit public comments when drafting policies, to keep policy discussion meetings open to the public, and then to request comments on draft policies before they become final.

Developing a written grievance policy, although not required, is also a good idea. Providing a formal process for complaints conveys a message of receptiveness and fairness, and can help protect your organization.

*Note: The following example shown outlines policies for a homeownership program. No matter what sort of program you are delivering, your grievance policies should outline the responsibilities of both parties on resolving a matter, as well as deadlines for submission of complaints and appeals.*

**Example: Grievance Policy**

The TDHE offers a variety of programs. The programs place responsibilities on both the TDHE and on the program participants.

The TDHE responsibilities include:

1. Attempting to resolve problems and avoid the need for formal hearings;
2. Responding to all complaints and grievances received in writing in a timely manner;
3. Advising program participants to submit a complaint or grievance in writing, should participants express complaints or grievances verbally that cannot be quickly resolved; and
4. Following all procedures contained in the TDHE Housing Programs Manual.

Program participants' responsibilities include:

1. Referring to their program agreement before lodging a complaint or grievance to be sure that there are grounds for such;
2. Notifying the TDHE immediately with reasonable complaints and grievances;
3. Striving to resolve grievances by working informally with the TDHE staff; and
4. Submitting a letter or written form explaining the complaint or grievance within seven days, if informal resolution cannot be achieved.

## *NOTES*

## PROCEDURES

Procedures tell the who, what, when, and where of a program. Procedures are like a recipe. If the steps in the procedure are followed, then the program will be delivered correctly and consistently.

> **Remember**
>
> Policies tell why we will do something, or what we want the outcome to be.
>
> Procedures tell us how to do it.

### *Why Write Procedures*

A good set of written procedures will greatly increase the likelihood that programs will be:

- ❑ Delivered in a way that honors and adheres to the policies that have been set;
- ❑ Consistently delivered;
- ❑ Understood and trusted by the public;
- ❑ Delivered efficiently, with as many households served as possible;
- ❑ More easily delivered by new staff with little interruption to work flow; and
- ❑ Understood and accurately described by members of the board and tribal council.

### *Who Uses Procedures*

Procedures are written so that program delivery staff can follow them easily. However, many other people have an interest in what the procedures say, and should have access to them.

People that should have their own copy of program procedures include:

- ❑ Every staff person that has any role in the delivery of the housing program,
- ❑ The executive director, and
- ❑ Members of the board of commissioners.

## *NOTES*

Copies of procedures should be available to:

- ❑ Members of the tribal council,
- ❑ Applicants to any of the programs, and
- ❑ The general population.

### *How to Write Procedures*

A primary goal of writing procedures is to produce a document that is easy to read, reference, and understand. Program staff will refer to the written procedures as they process each applicant and participant in a housing program. Some tips for writing clear, effective procedures follow.

- ❑ Be brief and concise;
- ❑ Keep procedures separate from policies in the working part of the document so that staff can easily reference them:
  - Staff refer to the procedures to know what to do next in the delivery of a program;
  - Following instructions that describe what to do next helps ensure fairness and consistency in the handling of every application and program participant;
  - Standard operating procedures will appropriately address application review and approval, and program participants' needs most of the time; and
  - In those instances when a situation calls for an interpretation or an exception, then a person or body in a position of authority will render a decision.
    - ⇒ That person or body will refer to policy statements to guide them in that exceptional case, and

**Writing Procedures**

When writing procedures specify:

- ✓ The action to take;
- ✓ Who should take it;
- ✓ When to take it; and
- ✓ How long it should take.

## *NOTES*

⇒ By keeping policy statements separate and apart from standard procedures, the decision-making body can reflect on what is usually done, what policies describe as the desired outcome, and then render a decision about what exceptional steps, if any, should be taken.

- ❑ Supply standard forms and formats, with instructions on how to use them;
- ❑ Write in the active voice; and
- ❑ Describe the flow of the work on a case or project as it moves from one staff person to another:
  - Be clear on who delivers a project to another person and who is responsible for the processing of the case at any given point, and
  - Describe the amount of time typically necessary for each step in the overall process as a case or project moves among staff people.

### *Keeping Procedures Current*

It takes a concerted effort to decide on the process of delivering a program, and to write that process down clearly and concisely. But the effort is worthwhile because staff can then efficiently and consistently deliver the program.

> **Important**
>
> When making any changes to any procedures, record the changes in writing and notify staff of the revisions promptly.

Of course, things change. Experience leads to good ideas about ways to make the program even more effective or more responsive. When decisions are made to change the standard procedures, it is important that those changes are made in writing in the procedure manual, and that the revisions are distributed to all staff.

Usually one person is named as the "*Keeper of the Manual.*" That person holds the master copy of the manual, and makes changes to the master when instructed to do so by someone of authority. That person of authority instructs the keeper to make the changes after due process has been carried out in accordance with the policies that govern revision of the manual.

## *NOTES*

### *Some Examples of Procedures*

Written procedures can be long and very detailed. They can also be quite brief and serve their purpose well. Two examples of written procedures can be found in the attachments to this chapter.

- ❑ The first example is a very brief format called a Sequence of Events. It is in outline format and may be used as the first step in writing a more detailed procedure book. Or, it may be all that is needed to assure that programs and projects are efficiently and consistently delivered. A book of program forms should accompany a Sequence of Events.

- ❑ The second example is an excerpt from a more traditional policy and procedure manual. The format for the sample chapter and all chapters in the manual is as follows:

  - Policies are the first section of each chapter:

    ⇒ The policies define the desired outcomes of the program and set standards for the procedures that follow, and

    ⇒ Staff, the executive director, and members of the board can refer to the policies whenever a circumstance arises that does not perfectly fit the standard procedures.

  - The purpose of each chapter is described in section two.

  - Definitions are listed in section three.

  - Procedures are found in section four. Staff refer to this section on a daily basis to deliver the program to the participants.

## *NOTES*

# LIST OF ATTACHMENTS

- ❑ Attachment 6-1: Written Procedures – Sequence of Events
- ❑ Attachment 6-2: Written Procedures – Traditional

## *NOTES*

# ATTACHMENT 6-1: WRITTEN PROCEDURES (SEQUENCE OF EVENTS)

# Attachment 6-1: Written Procedures (Sequence of Events)

Housing Rehabilitation Program - Construction Activities

| Task | Responsible Party | Timing |
|---|---|---|
| Receive bid document from Finance; assign case to Inspector | Coordinator | Day 1 |
| Forward file to Supervisor | Coordinator | Day 1 |
| Review file and forward to Clerk | Supervisor | Day 2 |
| Log request into tracking system; prepare construction file | Clerk | Day 3 |
| Forward construction file to assigned Inspector | Clerk | Day 3 |
| Make appointment with owner | Inspector | Day 4 |
| Perform inspection, take photos | Inspector | Day 7 |
| Prepare as-is appraisal | Inspector | Day 8 |
| Develop checklist noting code violations and GPIs; forward checklist to Clerk for typing | Inspector | Day 9 |
| Prepare initial cost estimate; determine if feasible to rehabilitate or to rebuild | Inspector | Day 10 |
| Develop deficiencies list if recommending rebuild | Inspector | Day 10 |
| Type bid document and forward to Inspector for proofing | Clerk | Day 11 |
| Forward draft bid document to Coordinator; proof bid document and send back to Clerk for any corrections | Inspector | Day 12 |
| Review draft bid document; forward comments to Inspector and any changes to Clerk | Coordinator | Day 13 |
| Forward final bid document to Coordinator | Inspector | Day 14 |
| Prepare final cost estimate | Inspector | Day 14 |
| Secure owner's signature on bid document and estimate | Inspector | Day 15 |
| Forward final, signed documents to Coordinator | Inspector | Day 15 |
| Review final, signed documents and forward to Supervisor | Coordinator | Day 16 |
| Review documents, assign date for bid opening, send out request for bid | Supervisor | Day 18 |
| Receive bids from contractors | Clerk | Day 33 |
| Conduct formal bid opening | Supervisor | Day 33 |
| Secure owner's signature on bid acceptance form; forward to Coordinator | Inspector | Day 35 |
| Review acceptance; forward to Supervisor | Coordinator | Day 36 |

| | | |
|---|---|---|
| Review acceptance; calculate square footage cost; forward bid packet to Finance | Supervisor | Day 38 |
| Complete application process | Finance | Day 50 |
| Facilitate loan closing | Finance | Day 58 |
| Issue Proceed Order with copy to Construction Coordinator | Finance | Day 61 |
| Assign case to field Inspector; forward file to Supervisor | Coordinator | Day 62 |
| Review file; forward to Clerk | Supervisor | Day 62 |
| Prepare field file and job envelope; forward to Field Inspector | Clerk | Day 62 |
| Perform walk-through with owner and contractor | Field Inspctr | Day 64 |
| Post sign and job envelope | Field Inspctr | Day 64 |
| Perform progress inspections (see next page)<br>• as needed, always before any change orders, and always before any work is covered<br>• copies to owner, contractor, construction file, and field file | Field Inspctr | Beginning by Day 70 |
| Final payments -- Inspect construction. If work satisfactory, obtain owner signature, signed permits and green tags. | Field Inspctr | Day 181 |
| Provide all warranty information to the owner; keep copies in the job file. | Field Inspctr | Day 181 |
| Forward final payment request to Coordinator | Field Inspctr | Day 181 |
| Forward all final documents to Clerk | Field Inspctr | Day 182 |
| Review request for payment and supporting documentation; sign, and forward to Supervisor | Coordinator | Day 182 |
| Review request for payment and supporting documentation; sign and forward to Manager | Supervisor | Day 183 |
| Review request for payment and supporting documentation; sign and forward to Finance | Manager | Day 184 |
| Combine construction and field files | Clerk | Day 184 |
| Review final file for completeness; forward file to 2nd Clerk | Supervisor | Day 185 |
| Combine construction and finance files into single project file | Clerk 2 | Day 186 |
| Set an appointment with the owner and do a walk through of the home at the 10 month point in the warranty period | Field Inspctr | Day 290 |

**Progress Payments**

| | | |
|---|---|---|
| Initiate progress payment requests -- Inspect construction. If work satisfactory, obtain owner signature and forward request to Coordinator.<br>• contract < $10,000; no progress payments<br>• contract $10,000 - $29,000; receive 1/2 payment when work 75% done<br>• contract $30,000 or more; receive 1/3 payment when work 50% done, 1/3 when work 80% done, final 1/3 when 100% | Field Inspctr | Day 1 |
| Review request for payment; approve and forward to Manager | Supervisor | Day 2 |
| Review request for payment; approve and forward to Finance | Manager | Day 3 |

**Change Orders**

| | | |
|---|---|---|
| Change orders -- (May be initiated by owner, contractor or Inspector) Prepare change order and secure owner and contractor signatures; forward to Coordinator | Field Inspctr | Day 1 |
| Review change order, sign and forward to Supervisor | Coordinator | Day 2 |
| Review change order, sign and forward to Manager | Supervisor | Day 3 |
| Review change order, sign and forward to Clerk | Manager | Day 4 |
| Mail fully signed copy of change order to owner and contractor; put copy in case file. | Clerk | Day 4 |

# ATTACHMENT 6-2: WRITTEN PROCEDURES (TRADITIONAL)

# Attachment 6-2: Sample Written Procedures (Traditional)

*Housing Authority: Homebuyer Program Policies and Procedures*

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## CHAPTER 7 - PERSONNEL

## SECTION I - POLICIES

**A.** The Housing Authority provides fair and equal opportunities for qualified persons.

**B.** The Housing Authority sets personnel policies and practices with a consideration of the effect on employee morale.

**C.** It is the policy of the Housing Authority to provide promotional opportunities to qualified employees. Employees can expect to progress in Housing Authority service based on merit and service history. The Housing Authority fills job vacancies by promoting from within, whenever possible. Therefore, the Housing Authority give first preference to Housing Authority employees who are qualified applicants.

**D.** The Housing Authority offers second hiring preferences to previous Housing Authority employees who were laid-off from Housing Authority employment within the previous two years.

**E.** When hiring externally, the Housing Authority offers hiring preference to Native Americans.

**F.** The Housing Authority maintains up-to-date job classifications and compensation plans relevant to the duties and responsibilities of positions.

**G.** The Housing Authority takes affirmative action and assures equal employment in all areas of personnel matters.

**H.** The Housing Authority personnel policies and procedures are intended to be in compliance with the Americans with Disabilities Act.

**I.** The Housing Authority is a Drug Fee Workplace in accordance with the 1988 Act. The Housing Authority offers a counseling and assistance plan to employees experiencing drug or alcohol abuse related problems. Employees abusing drugs and alcohol are required to take part in rehabilitation treatment.

**J.** New employees normally are hired at the first wage step of their position, however if experience and education warrant, an employee may be hired at a higher step within the range.

**K.** Basic wages for all Housing Authority jobs meet or exceed federal minimum wage rates.

**L.** It is the goal of the BOC to provide fringe benefits in the following areas: medical, dental, retirement, annual leave, holidays, sick leave, administrative leave, disability insurance, life insurance, and relevant educational assistance.

**M.** All hiring decisions by the BOC are final. There is no appeal or grievance process for applicants that were not selected.

**N.** No Housing Authority employee may supervise or be supervised by a member of his/her immediate family.

**O.** The purpose of performance evaluations is to help the employee, supervisor, Executive Director (ED), and Board of Commissioners (BOC) measure how well the employee is performing his/her job. Every performance evaluation must describe measurable objectives.

**P.** A copy of these polices and procedures is maintained at the Housing Authority office, and each Housing Authority employee is provided a copy when hired.

**Q.** These Policies and Procedures are approved and authorized by the BOC. The BOC serves as the interpreter of these policies and procedures. The BOC may waive or change any of the policies and procedures permanently, temporarily, or on a case-by-case basis through majority vote of the BOC.

## SECTION II - PURPOSE OF THESE POLICIES AND PROCEDURES

These Personnel Policies and Procedures are to establish clear understanding between the Board of Commissioners and all employees of the Housing Authority regarding hiring, compensation, evaluation and other personnel issues. They are also for the purpose of providing guidance to the Board and the staff as personnel decisions are made and actions are taken.

## SECTION III - DEFINITIONS

**A. AA.** Administrative Assistant, a staff person at the Housing Authority.

**B. Board of Commissioners (BOC).** The Housing Authority Board of Commissioners as appointed by the Tribal Council and governed by its adopted Bylaws.

**C. Demotion.** The assignment of an employee from a position in one class to a position in another class having a lower maximum salary, with less responsibility.

**D. ED.** Executive Director of the Housing Authority, an employee that serves at the pleasure of the BOC.

**E. Immediate Family.** Immediate family members include husband, wife, son, daughter, father, mother, grandfather, grandmother, brother, sister, father-in-law, mother-in-law, brother-in-law, sister-in-law, aunt, uncle.

**F. Overtime.** Hours actually worked by an employee over and beyond the forty hours of a normal seven-day workweek. To qualify as overtime hours, an employee must have been physically present on all days and have actually worked the forty hours within the week.

**G. Promotion.** The assignment, selection or appointment of an employee from a position in one classification to a position in another classification that has a higher maximum salary with more and additional responsibilities.

**H. Transfer.** The assignment of an employee from one position to another position that has similar responsibilities.

## SECTION IV - PROCEDURES

### A. Hiring Process

1. Vacancies

    a. When a Housing Authority job becomes vacant the ED decides if it should be filled, and if it is to be filled whether recruitment will be internal only, or internal and external.

    b. If a position is to be filled, the ED and the AA work together to update the job description, assign it to the appropriate classification, and develop a job announcement.

    c. The job announcement specifies job title, classification, work location, salary, nature of the job, required minimum qualifications, deadline for application, and method of application. The announcement also states

that the Housing Authority is committed to a policy of Equal Opportunity/Affirmative Action.

d. If recruitment is to take place internally and externally, the AA runs the announcement in the local paper, posts the announcement at the Tribal offices and sends an announcement to all Tribal programs. In some instances the announcement is also posted on the Internet. For an internal opening, the job is only posted with the Tribal personnel offices and an announcement is sent to other Tribal programs.

e. Application periods are generally two to four weeks. The application period is announced when the job opening is announced.

2. Application

a. The Housing Authority uses the general Tribal application form.

b. For some jobs the Housing Authority may also request a résumé from each applicant.

c. All job applicants are required to sign a release of information form so that information they provide can be verified and references can be checked.

d. Applicants may be required to undergo written, oral, performance, physical ability, background, medical, and/or other evaluation procedures related to job requirements.

3. Interviews and Selection

a. A selection committee reviews applications and performs interviews.

i. The BOC acts as the selection committee when seeking a person to fill the position of ED.

ii. For all other positions the selection committee is organized by the ED and usually consists of three people. People may include, the ED, members of the BOC, other staff, other Tribal employees, and others.

b. The committee members each review all applications received. Applicants are disqualified for the following reasons:

i. Does not meet the qualifications necessary for performance of the duties of the job position.

ii. Has made a false statement of material fact on the application materials.

iii. Has committed or attempted to commit a fraudulent act during the evaluation process.

iv. Is not a legal resident of the U. S.

c. The committee members meet to compare notes and to decide which applicants they will interview.

d. The AA sets interview appointments with those applicants that the committee selects.

e. The committee develops interview questions prior to the start of interviews. The same questions are asked of all candidates, however members of the committee may ask additional questions in an effort to gain a more complete understanding of an applicant's response.

f. All applicants are given an opportunity to ask questions during the interview.

g. When interviews are complete, the committee members once again meet to compare notes and to decide to:

i. Offer the position to one of the applicants, or

ii. To seek additional applicants.

5. Hiring

a. Once a candidate has been selected, offered the position and has accepted, the AA prepares a letter of hire for signature by the ED. The letter of hire includes the following information:

i. The position

ii. The start date

iii. The salary amount, step, and range

iv. The length of the probationary period

v. The name of the person who supervises the position

b. Either prior to starting work or on the first day on the job, the AA provides the new employee with a copy of these policies and procedures, and provides the employee with a general orientation to the Housing Authority.

6. Probation

a. The purpose of the probationary period is to observe and evaluate the work performance, team work and attitude of a new employee or an employee in a new position.

b. Probationary periods are 90 or 120 days long. The length is set at the time of hire and is specified in the letter of hire.

c. Only employees receiving a satisfactory evaluation at the end of the probationary period are retained in their positions.

d. The ED can terminate or transfer an employee found by his/her supervisor, or by the ED, to be unsatisfactorily performing his/her new job at any time during the probationary period. An employee who was promoted can be returned to his/her previous position provided a vacancy exists.

e. An employee failing probation has no right of appeal except on grounds of illegal discrimination.

7. Emergency Hiring

a. If the smooth operation of the Housing Authority requires for a position to be filled immediately, the BOC may skip the advertising and interviewing process and instead appoint a person to immediately fill the position for up to 60 days.

b. The position is considered a temporary position.

**B. Types of Positions**

1. Regular employees are of indefinite duration and may be identified as full-time or part-time.

2. Temporary employees are for less than twelve months and may be full-time or part-time positions requiring continuous, seasonal or intermittent service. All temporary employees are not eligible or entitled to fringe benefits.

3. Full-time positions are identified as working for at least 35 hours per week.

4. Part-time positions are identified as working for less than 35 hours per week. Part-time employees are eligible for partial fringe benefits, prorated to reflect the percentage of a full time position that they work.

## C. Performance Evaluations

1. Performance evaluations are conducted:

   a. One week prior to the end of the probationary period of a new hire.

   b. Each year for every employee, within the two weeks prior to the anniversary date of the employee's satisfactory completion of probation.

2. The immediate supervisor conducts the performance evaluation and the ED reviews it.

3. Performance evaluation forms provide space for comments from both the supervisor and the employee.

4. Performance evaluation forms provide space to note both strengths and weaknesses of the employee; areas in which the employee has excelled and areas where improvement is needed.

5. Performance evaluation forms provide space to identify a training and growth plan for the employee. The supervisor indicates which parts of the training plan will be paid for by the Housing Authority.

6. An employee can request a review of the classification of his/her position as a part of the performance evaluation process. If such a request is made, the ED responds to it within ten days and if the ED determines that such a review is appropriate, he/she initiates the classification review within 90 days.

## D. Compensation

1. Salary

   a. Salaries are set according to the classification of the job.

   b. There are seven steps within each salary classification.

c. As a part of the annual performance evaluation, the evaluator may make a recommendation to the ED for a salary step increase for the employee. This recommendation is only made if the employee has increased in proficiency and competency in the duties of his/her position, or for long-term dedication and service to the Housing Authority.

d. The ED makes a final decision about any recommended step increase, taking into consideration the effects of the increase on the Housing Authority budget, in addition to the appropriateness of the increase.

e. The Housing Authority carries out a cost of living adjustment review each year. Each employee receives an adjustment in salary that reflects the results of the COLA review.

2. Overtime

a. An employee may work overtime hours only when pre-approved by the ED.

b. Compensatory time can be accrued for over-time up to a maximum of 80 hours. Compensatory time is accrued at a rate of 1-½ hours for each hour worked.

c. The ED is exempt from accruing compensatory time for overtime hours worked.

### E. Fringe Benefits

1. Holidays

a. The Housing Authority offers the following ten holidays:

- New Year's Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving Day
- Christmas Day
- At least one Tribal Holiday per year

b. As many employees as possible are given each holiday off. An employee who works a holiday as directed by the ED is given compensatory time off.

c. If a holiday falls on Saturday, the Friday preceding is observed. If the holiday falls on Sunday the following Monday is observed.

d. Employees wishing to observe religious holidays not listed may be given time off without pay or may use accrued annual or administrative leave.

2. Annual Leave

a. Annual leave accrues at a rate of four hours per biweekly pay period. This totals 13 working days per 12 calendar months.

b. Use of annual leave requires pre-approval by the employee's supervisor. Employees are expected to give at least 14 days notice for a request for time off of five days or more. Employees are expected to give at least 7 days notice for a request for time off of less than five days.

c. Employees may only request and use annual leave that they have actually accrued.

d. Annual leave may not be used during probation.

e. Employees can accumulate a maximum of 120 hours of annual leave. Employees can carry forward a maximum of 80 hours to the next year.

f. Annual leave can be used and charged in two-hour increments.

g. Upon separation from the Housing Authority payment is made to the employee for up to a maximum of 80 hours of unused annual leave.

3. Sick Leave

a. Sick leave accrues to regular full-time employees at a rate of four hours per biweekly pay period. This totals 13 working days per 12 calendar months.

b. Employees may only request and use sick leave that they have actually accrued.

c. Sick leave may be taken for illness, injury, or routine medical or dental appointments that cannot reasonably be scheduled outside working hours. Illness arising from pregnancy or complications is regarded the same as other types of illnesses.

d. Up to three days of sick leave may be taken for death in the immediate family. Days off for this purpose in excess of three may be taken as annual leave or unpaid leave.

e. Up to 90 days of sick leave may be used as maternity or paternity leave, with the addition of a child to the family.

f. Sick leave may be taken by an employee for him/herself or for members of his/her immediate family.

g. Sick leave may be used and charged in one-hour increments.

h. Sick leave may be used during the probationary period.

i. Employees taking sick leave must notify their supervisor within the first 30 minutes of regular reporting time.

j. Employees may be required by their supervisors to provide verification of the circumstances surrounding the use of sick leave.

k. Employees are allowed to accumulate unlimited days of sick leave.

l. When an employee's accrued sick leave has been exhausted, it may be extended through the use of accrued annual leave. After both sick leave and annual leave are exhausted, the employee's pay is discontinued.

m. An employee may take indefinite sick leave; however, if the position being vacated is essential, the ED may elect to fill the position.

n. Upon separation from the Housing Authority no payment is made to the employee for unused sick leave.

4. Administrative Leave

a. Administrative leave is paid leave that is not charged against annual or sick leave and which is granted for administrative purposes only.

b. The ED or the Tribal Governor grants administrative leave on a case-by-case basis.

## F. Other Types of Leave

1. Military Leave

   a. An employee who is a member of the National Guard or of any of the Reserve components of the Armed Forces of the United States is entitled to military leave from assigned duties for up to 15 days in a calendar year to participate in military training.

   b. This military leave is with full pay minus the amount that the employee receives from the military for service while on military leave.

2. Court Leave

   a. An employee called to jury duty or subpoenaed to appear before or participate in any civil or criminal court proceeding receives court leave.

   b. The court leave is with full pay minus the amount that the employee receives from the court for services.

3. Unpaid Family Leave

   a. An employee may request up to 90 days of unpaid family leave; not to exceed a total of 90 days paid and unpaid leave for this purpose.

   b. This request is usually granted for maternity or paternity leave.

## G. Attendance and Office Hours

1. Regular office hours are Monday through Friday 8:30 A.M. to 5:30 P.M.

2. Regular lunch period is 12:30 noon to 1:30 P.M.

3. All employees account for their time each day on a timesheet. Time is kept to the nearest 15-minute increment.

4. The AA maintains timesheets on file for five years.

# Attachment 6-2: Sample Written Procedures (Traditional)

## H. Discipline and Redress

1. Discipline

   a. The ED or BOC may administer disciplinary action for just cause.

   b. Just cause includes, but is not limited to:

      i. Illegal acts

      ii. Unethical acts

      iii. Abusive acts, including sexual harassment

      iv. Unsafe acts

      v. Violation of Tribal rules

      vi. Insubordination

      vii. Neglect or abandonment of duties

      viii. Abuse of sick leave or other fringe benefits

      ix. Tardiness or absence without leave

      x. Falsification of official documents or records

      xi. Being under the influence of drugs or intoxicating beverages while on duty

      xii. Waste, damage or unauthorized use of Housing Authority property or supplies

      xiii. Unauthorized use of or disclosure of official information

   c. The first form of discipline is oral reprimand.

      i. The employee's supervisor meets with the employee to discuss the matter; inform the employee of the nature of the problem and the action necessary to correct it.

      ii. The meeting takes place within five days of the offense.

iii. The supervisor prepares a memo for the personnel file indicating that the meeting took place.

d. The second form of discipline is written reprimand.

i. The reprimand is prepared by either the employee's supervisor or by the ED.

ii. The reprimand describes the deficiency or infraction and states the likely consequences of further unsatisfactory performance or conduct.

iii. A copy of the written reprimand is placed in the employee's personnel file.

e. Dismissal may result from repeated or severe offenses.

i. Dismissal decisions are made by the BOC.

ii. The ED makes dismissal recommendations to the BOC.

iii. The employee is given a written notice of dismissal in person, when possible. In other instances, the dismissal notice may be delivered by Certified Mail.

2. Grievance

a. An employee may submit a grievance in writing to his/her supervisor within 15 days after the cause of the grievance arises or becomes know to the employee.

b. If the supervisor does not satisfactorily resolve the grievance within ten days, the employee may submit the grievance to the ED.

c. If the ED does not satisfactorily resolve the grievance in ten days, the employee may submit the grievance to the BOC.

d. The BOC will make a decision regarding the matter. The decision of the BOC is final, except that the employee has all legal recourse of the Tribal Courts.

e. The BOC prepares a synopsis of each grievance decision for inclusion in the employee's personnel file.

# Attachment 6-2: Sample Written Procedures (Traditional)

## I. Non-Disciplinary Separation

1. Resignation

   An employee must submit a written resignation notice to his/her supervisor at least 14 days prior to the effective date.

2. Layoffs

   a. An employee may be laid off because of:

      i. Changes in duties or in the organization

      ii. Lack of work or funds

      iii. Because the employee can no longer perform his/her duties

   b. The employee is provided written notice signed by the ED. Whenever possible, the notice is delivered to the employee in person and provides at least 30 days notice prior to the effective date.

   c. Generally speaking, the order of lay-off for a position is established by the length of time employees have been in the position.

3. Exit Conference

   a. Upon separation from employment with the Housing Authority, the ED conducts a formal exit conference.

      i. The employee returns all work equipment and related items owned by the Housing Authority.

      ii. The employee signs a statement that he/she has completed all assigned tasks prior to departure.

## J. Personnel Records

1. The Tribal Personnel Office maintains Housing Authority official personnel records.

2. Personnel files and information are confidential as stipulated by the Privacy Act of 1965. Information may not be used or divulged for purposes unrelated to Housing Authority personnel management, except with permission from the employees involved. An official Release of

## Attachment 6-2: Sample Written Procedures (Traditional)

Information Form must be signed by an employee prior to release of any information from his/her file.

3. Dissemination of impersonal statistical information is allowed.

4. Employees have full access to their own personnel files at any reasonable time.

# Chapter 7:
# Monitoring

# CHAPTER 7: MONITORING

***Monitoring is a requirement of the NAHASDA statute and its implementing regulations. But even more important, monitoring makes good sense. It is the way any organization can evaluate what it is doing well and what it can do better. This chapter discusses the NAHASDA monitoring requirements, the benefits that can be derived, and guidance that is available.***

## MONITORING

### *The Purpose of Monitoring*

The purpose of monitoring is twofold. Monitoring:

- ❑ Evaluates the progress of activities and projects against the goals and objectives set in your written plans.
- ❑ Ensures compliance with:
  - Statutory requirements;
  - Regulatory requirements;
  - Policies; and
  - Approved procedures.

### *Opportunities Presented by Monitoring*

Monitoring is a requirement, but it is also an opportunity to re-visit the question of whether your housing dollars are being put to the very best use.

- ❑ Self-monitoring is an important part of realizing self-determination. Self-monitoring helps the tribe stay in control of its housing activities in the following ways:

## *NOTES*

- By undertaking its own monitoring on a regular basis, the recipient takes responsibility for ensuring that it is in compliance with the statute and the regulations, rather than waiting for HUD to monitor and identify problems or concerns.

- Self-monitoring provides an opportunity for the recipient to evaluate the plans it developed, now that they have been put into effect, and to ask the following questions:

  ⇒ Are the plans meeting the intended goals?

  ⇒ Did the needs that were perceived really exist?

  ⇒ Are the goals that were set meeting the needs?

  ⇒ Was there a demand for the programs and housing units that were provided?

  ⇒ Should any adjustments be made to get the most benefit out of the limited and precious resources (Federal and other) available?

> **Self-monitoring**
>
> Self-monitoring is an important part of realizing self-determination.

- Self-monitoring presents an opportunity to look at business practices and procedures to see if they are as good as they should be.

  ⇒ How do actual costs compare to estimates?

  ⇒ Were the predicted time schedules correct?

❑ Monitoring is a tool to help take charge of future outcomes.

- NAHASDA is based on the premises that:

  ⇒ Tribal leaders best know what sorts of programs can meet the needs of their communities.

  ⇒ Tribal leaders will be and must be good stewards of the IHBG funds.

- Monitoring is a tool that allows tribal decision makers to compare goals to actual outcomes and make adjustments that can affect future outcomes.

## *NOTES*

⇒ Which goals and objectives were you able to realize?

⇒ Which ones haven't come out as you thought they would?

- Self-monitoring assists in identifying weak management practices that could affect the ability to provide affordable housing.
- Self-monitoring builds capacity as the organization learns from its mistakes and successes how to improve the operation of its programs.
- Self-monitoring is the eighth step of the planning process discussed in Chapter 3 of this manual, and a part of internal controls discussed in Chapter 5.

❑ As a result of monitoring, a recipient may decide it is appropriate to correct its course, or even lay down a new one.

- Consider the new information that is available from monitoring, data collection, and your experience.
- Refine the existing goals.
- Refine the existing program designs.
- Change the existing goals and programs, or if appropriate, even develop new, more relevant goals and programs.

**A Plan is a Dynamic Document**

You wrote a good and thoughtful IHP, but don't be afraid to revise it. Your IHP will change over time as you make progress towards your goals, and if you adjust or change your goals.

❑ Share the data, and your strategic thinking with the people at HUD.

### *Entities Involved in Monitoring*

A variety of entities shoulder the monitoring responsibilities. Entities with monitoring responsibilities include:

❑ HUD staff;

❑ Tribal leaders;

## *NOTES*

- ❑ TDHEs; and
- ❑ Sub-recipients.

Although not responsible for monitoring program implementation, citizens at large, also have a stake in how monitoring is carried out, and in the results.

## MONITORING REQUIREMENTS AND METHODS

### *Self-Monitoring*

The Native American Housing and Self-Determination Act of 1996 (NAHASDA) dramatically changed the relationship between HUD and Native American communities. It replaced a mix of funding programs with a single block grant (IHBG), allowing the tribes the ability to design and implement housing assistance programs for their members.

Under NAHASDA's implementing regulations, IHBG recipients are responsible for monitoring grant activities for compliance with applicable Federal requirements, and performance goals under their Indian Housing Plans (IHPs).

Within this relationship between tribes and the Federal government, IHBG recipients are expected to be good stewards of public dollars and accountable for the use of NAHASDA resources. Stewardship involves deciding on the use of IHBG, and then monitoring to be sure the decisions are carried out.

### *Self-Monitoring Requirement*

Not only is self-monitoring an activity that strengthens an organization, it is required. IHBG recipients are required to monitor grant activities to ensure compliance with Federal requirements, and performance goals under the IHP. Though not required to do so, non-IHBG recipients are also encouraged to perform self-monitoring. The NAHASDA Statute (Section 404) states that recipients of IHBG funds must review progress made in carrying out the activities described in their IHPs.

**An Important Reference**

The *Self-Monitoring Guide is a valuable reference book for all recipients. Excerpts from it can be found in Attachment 7-1. The entire guide can be obtained from your Area ONAP office.*

## *NOTES*

Each recipient of IHBG funding must:

- ❑ Monitor its grant activities.
- ❑ Monitor any subrecipients.
- ❑ Monitor its performance goals under the IHP.
- ❑ Monitor for compliance with applicable Federal requirements.
- ❑ Monitor resident eligibility and service standard (see Attachment 7-1, Chapter 8 of the Self-Monitoring Guide).
- ❑ Monitor fiscal and financial management (see Attachment 7-1, Chapter 9 of the Self-Monitoring Guide).

### *On-Site Monitoring*

NAHASDA regulations require that recipients perform on-site monitoring. The regulations also provide for HUD to perform on-site monitoring.

- ❑ Recipient requirements - On-site monitoring responsibilities of the IHBG recipient are as follows:
  - Section 403(b) of NAHASDA requires that the recipient of IHBG funds perform on-site inspections of all assisted housing.
  - The condition of each unit must be noted in a written report. The results of the report must be entered into Table III of the Annual Performance Report (APR). The APR is discussed in Chapter 8 of this manual.
    - ⇒ The inspection report must note which units are in need of major repairs, which are in need of minor repairs, and which need to be replaced.
    - ⇒ The recipient has the responsibility to define major and minor repairs.

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⇒ The inspection report must also note what improvements and corrections were made.

❑ HUD may perform on-site monitoring.

- 24 CFR Part 1000.502 states that HUD monitoring will consist of on-site as well as off-site review of records, reports and audits.
- HUD sends a written notice stating the general nature of the monitoring visit, usually 30 days in advance of the visit. (No notice is required in the event of an emergency.)
- HUD reviews activities and housing for compliance with regulatory and statutory requirements, including:
  - ⇒ Eligible activities;
  - ⇒ Eligible beneficiaries;
  - ⇒ Compliance with IHP and all certifications;
  - ⇒ Required procedures;
  - ⇒ Adherence to tribal written policies; and
  - ⇒ Maintenance of property.
- HUD also:
  - ⇒ Assesses the capacity of the recipient to carry out more activities, and
  - ⇒ Confirms that performance reports are accurate.

### *Methods for Conducting Self-Monitoring*

All recipients, regardless of the size of grant they receive, should assess their programs and projects at least once each year. The goal is to attain an objective and impartial assessment of their activities. In order to achieve objectivity, it is important to maintain a separation between

## *NOTES*

the staff people that performed work initially, and those that review the work for the purpose of self-monitoring.

There are several approaches that lend themselves well to self-monitoring. Any of these approaches may be used alone, or more than one approach may be used together to achieve a more thorough evaluation. The approaches include:

**Structure Your Process Carefully**

It is important to achieve an objective, impartial assessment of your activities. Carefully structure your monitoring procedures to ensure objectivity.

- ❑ Management interviews
  - The individual or team conducting the assessment conducts one-on-one interviews with tribal housing program managers. Additional information is gained from interviews with the executive director and staff. The assessor determines the degree of consistency and adherence to internal controls and applicable regulatory requirements.
- ❑ Facilitated sessions
  - The individual or team conducting the assessment convenes a working session of IHBG recipient managers and program staff, which is facilitated by an independent third party. The facilitator leads the discussion and brings the group to consensus. The benefits of a working session include the opportunity to gain everyone's input with open and frank communication.
- ❑ Standard operating procedure reviews
  - Through this method, the individual or team conducting the assessment determines the existence of internal controls by reviewing standard operating procedures, codes of conduct, personnel policies, financial management and procurement policies, as well as construction contract policies and procedures. An assessor then selects a random sample of transaction files to determine whether the system of internal controls that has been put in place is being adhered to as a matter of standard practice.

### *Frequency*

IHBG recipients may want to conduct their first self-monitoring assessment at the end of the first six months of their program or fiscal year. In so doing, the grant recipient can identify compliance shortcomings and can

**A Good Idea**

A six-month check is a good idea. Then you have time to make corrections and achieve excellent monitoring results by the end of the year.

## *NOTES*

begin to address them throughout the remainder of the year.

At the end of the year, a second self-monitoring assessment can be performed to determine what progress has been made on fixing procedural deficiencies and what issues continue to be outstanding.

HUD makes the recommendation for a six-month check, but it is up to the recipient whether to heed the recommendation or to adhere to the minimum requirement in the NAHASDA Statute. Self-monitoring is required at least annually.

### *ONAP Review of Self-Monitoring*

The Office of Native American Programs will assess each recipient's monitoring. There are three main objectives of the ONAP review:

- ❑ Ensure IHBG programs are implemented in a timely manner and in compliance with all applicable requirements.
- ❑ Identify individual examples of superior, satisfactory, or deficient performance among HUD grant recipients.
- ❑ Recommend actions to reinforce, improve, and/or correct performance.

### *Monitoring Documents and Reports*

HUD receives information from IHBG recipients that allows HUD staff to know the status and productivity of each tribe's housing efforts using IHBG funds. HUD staff also uses the information received to prepare and submit reports to the Secretary of HUD. It is important that tribes prepare the requested and required information with care and submit it on time.

At least annually, recipients must submit:

- ❑ A **performance report** that provides an assessment of IHBG program progress and goal attainment under the IHP. The Annual Performance Report is the document that fulfills this requirement.

## *NOTES*

- ❑ A **compliance assessment** that evaluates the tribe's compliance with NAHASDA's requirements, and includes the results of on-site inspections of NAHASDA assisted housing. The Annual Performance Report is also the document that fulfills this requirement.

- ❑ **An audit** consistent with the provisions of the Single Audit Act and OMB Circular A-133, unless the total Federal dollars expended by the recipient is less than $300,000.

Either annually, or as requested by HUD, recipients should submit:

- ❑ Reports provided to the tribe by the recipient, if the tribe has designated such an entity.

- ❑ Records, as requested by HUD staff.

- ❑ Records of draws of IHBG funds from the Treasury.

- ❑ Any written citizen comments and complaints.

### *HUD's Duties and Process*

24 CFR Part 1000.502 of the regulation requires HUD to review the performance of each recipient annually. HUD reviews reports, assessments, audits and other correspondence. Within 60 days of the receipt of the Annual Performance Report, ONAP provides comments. The recipient receives a "no comments", or "comment" letter.

HUD is charged to determine that the recipient has:

- ❑ Used IHBG funds to carry out eligible activities.

- ❑ Complied with all signed certifications submitted as part of the Indian Housing Plan.

- ❑ Used IHBG funds in accordance with the primary objectives of the statute. Primary objectives include:

  - Assist and promote affordable housing;

  - Develop, operate, and maintain affordable housing in safe environments on and off reservations;

## *NOTES*

- Ensure better access to private mortgage markets;
- Promote self-sufficiency;
- Coordinate activities among Federal, state and local governments, and tribes for economic and community development;
- Plan and integrate infrastructure; and
- Promote the development of private capital markets.

❑ Demonstrated capacity to carry out additional activities.

❑ Submitted accurate performance reports. ONAP will specifically examine whether the recipient has:

- Adopted a self-monitoring policy;
- Conducted self-monitoring regularly and objectively;
- Submitted self-monitoring summary results with the APR (The APR is discussed in the next chapter);
- Made the results of self-monitoring available to the public;
- Created a plan to address problems; and
- Made progress from year to year in addressing control deficiencies identified in self-monitoring.

## ACTIONS TO TAKE IF COMPLIANCE DEFICIENCIES SURFACE DURING THE MONITORING

While the first purpose for monitoring mentioned in this chapter is to ensure that IHBG dollars are being put to the best use, the second purpose mentioned is to ensure compliance with the statute, regulations, policies and procedures. Though this is the second purpose discussed, it is by no means any less important than the first.

## *NOTES*

- ❑ If any actions are found to be out of compliance, the recipient has the responsibility to ensure appropriate corrective action.
- ❑ Action that the recipient may take to resolve a compliance problem may include:
  - Getting training from professionals and peers that have mastered the area of concern;
  - Reviewing and revising policies, and then taking action to ensure that the policies are enforced;
  - Taking administrative action to repair or change a system, or way of doing business; and
  - Referring the concern to the auditor or HUD for guidance.
- ❑ The actions HUD will take depend on the type of monitoring being performed. Actions HUD might take, as noted in 24 CFR Part 1000.530, include:
  - Issue a letter of warning which may include any of the following:
    - ⇒ A statement of the corrections to be made.
    - ⇒ A date by which corrective actions are to be complete.
    - ⇒ A statement that more serious actions may be taken.
  - Request a schedule of compliance;
  - Recommend suspension of an activity;
  - Recommend the redirection of funds;
  - Recommend reimbursement to the Federal account; and
  - Recommend technical assistance.
- ❑ Failure to make adequate corrections can lead to:

## *NOTES*

- Adjustment or reduction of IHBG allocation;
- Withdrawal of future grant funds; or
- Replacement of the TDHE.

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## LIST OF ATTACHMENTS

- ❑ Attachment 7-1: Self-Monitoring Guide (Chapters 8 and 9)

## *NOTES*

# ATTACHMENT 7-1: SELF-MONITORING GUIDE (CHAPTERS 8 AND 9)

# 1.0 Introduction

The Native American Housing and Self-Determination Act of 1996 (NAHASDA) dramatically changed HUD's Office of Native American Programs' (ONAP) relationship with Native Americans communities. It replaced a myriad of funding programs with a single Indian Housing Block Grant (IHBG) program. The IHBG is now HUD's preeminent program in Indian Country. IHBG recipients, whether tribal housing subdivisions, departments, or tribally designated housing entities (TDHEs), are now responsible for the design and implementation of housing assistance programs for their tribal members. IHBG recipients are also held accountable for their progress in obtaining self-defined housing goals and complying with NAHASDA's program requirements. Conversely, ONAP staff now monitor IHBG recipient progress by their ability to meet their housing assistance goals and comply with NAHASDA's program requirements.

The primary objectives of NAHASDA are:

- To assist and promote affordable housing activities to develop, maintain and operate housing in a safe and healthy environment on Indian reservations and in other Indian areas for occupancy by low-income families.

- To ensure better access to private mortgage markets for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members.

- To coordinate activities to provide housing for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members.

- To plan for and integrate infrastructure resources for Indian tribes with housing development for Indian tribes.

- To promote the development of private capital markets in Indian country and to allow such markets

to operate and grow, thereby benefiting Indian communities.

The Indian Housing Block Grant (IHBG) program is formula driven where eligible recipients of funding receive an equitable share of annual appropriations made by the Congress. IHBG recipients must have the administrative capacity to undertake affordable housing activities, including the systems of internal control necessary to administer these activities effectively without fraud, waste, or mismanagement.

Under NAHASDA's implementing regulations, found at 24 CFR Part 1000.502, IHBG recipients are responsible for monitoring grant activities to ensure compliance with applicable federal requirements and performance goals under their Indian Housing Plan. IHBG recipients are responsible for preparing, at least annually:

- A performance report providing an assessment of IHBG program progress and goal attainment under the IHP
- A compliance assessment with NAHASDA's requirements, including an on-site inspection of NAHASDA-assisted housing
- An audit consistent with the provisions of the Single Audit Act and OMB Circular A-133.

This guidebook provides IHBG recipients with guidance on conducting self-monitoring compliance assessments as required under NAHASDA's implementing regulations. Moreover, the material presented here goes beyond providing mere guidance on complying with NAHASDA's applicable requirements through a self-monitoring process. It includes suggestions and recommended management practices to make your IHBG assisted activities successful and sustainable. Monitoring how well your organization operates, how it responds to changing housing needs, and how it assesses and manages risk, will increase your organization's capacity to achieve NAHASDA's objectives with demonstrable results.

Self-monitoring activates the tribal self-determination framework envisioned under NAHASDA. The Act's guiding principles recognize the federal

responsibility to provide financial assistance to Indian tribes to improve their housing conditions and recognizes the right of Indian self-determination and tribal self-governance by making such assistance available directly to Indian tribes or tribally designated entities. Within this relationship, recipients of assistance are expected to be accountable for their stewardship of NAHASDA resources. Self-monitoring strengthens Indian self-determination by demonstrating a willingness to be accountable for performance and to take proactive steps to address any shortcomings.

A self-monitoring system assists IHBG recipients to identify weak management practices that may lead to later consequences that could lessen the ability of the organization to provide affordable housing. Self-monitoring builds organization capacity by learning from mistakes and successes to improve the way NAHASDA-assisted housing activities and programs operate.

# 8.0 Resident Eligibility and Service Standards

This chapter provides guidance on fulfilling requirements related to resident eligibility and service standards for the provision of affordable housing. It includes the following topics:

- Statutory and Regulatory Requirements
- Eligibility
- Selection
- Rent and Payment Determination
- Occupancy
- Maintenance and Inspections
- Public Dissemination and Complaint Review
- Collections
- Lead-Based Paint
- Temporary Relocation and/or Acquisition

**Key Terms**

- Certification of Compliance

**Tools and Templates**

- Compliance Checklists

## 8.1 Introductory Overview

As an IHBG recipient, the funds you receive are for the specific purpose of assisting certain beneficiaries. As such, you are required to serve only those residents that are eligible, and must follow certain policies on selection of beneficiaries, determination of their rent or payments, occupancy, maintenance, and the like.

**What kinds of questions does this self-monitoring topic answer?**

- Are we in compliance with the eligibility requirements for families receiving IHBG-assisted housing?
- Do we have written and publicly available policies in place to address NAHASDA's statutory requirements for housing service standards?

**How will this chapter help you?**

This chapter gives an overview of the requirements related to resident eligibility and services for residents. It will help you assess if you are in compliance and identify areas for improvement.

## 8.2 Statutory and Regulatory Requirements

NAHASDA and its implementing regulations require recipients of IHBG funds to certify that they have written policies on eligibility, tenant selection, rent or payment determination, admission, occupancy, and maintenance. Further, recipients are required to maintain adequate insurance coverage for housing units that are owned, operated, or assisted with grant funds from NAHASDA. Certifications are required on an annual basis as part of your IHP.

***It's the law***

"CERTIFICATION OF COMPLIANCE — Evidence of compliance which shall include, as appropriate —

(c) a certification that policies are in effect and are available for review by the Secretary and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this Act;

(d) a certification that policies are in effect and are available for review by the Secretary and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant

amounts provided under this Act; and

(e) a certification that policies are in effect and are available for review by the Secretary and the public governing the management and maintenance of housing assisted with grant amounts provided under this Act."

*§102 par.5 of NAHASDA*

## 8.3 Eligibility

NAHASDA's implementing regulations require recipients to verify that the IHBG-assisted families are income eligible based on anticipated annual income. You are required to maintain documentation on which the determination of eligibility is based. To do so, you may require a family to periodically verify its income through the submission of tax returns, W-2 statements, or payroll statements.

HUD periodically publishes median income limits for various Indian areas, by county. If the income limit for a county within your Indian area is lower than the United States median, you must use the United States median income limits. Income limits are derived by multiplying the median family income in the United States by 80 percent which is then adjusted for family size. Using FY 2000 as an example, the median family income for the United States was $50,200. Income limits for this median family were calculated as follows:

| Family Size | Income |
|---|---|
| 1 | $28,100 |
| 2 | $32,150 |
| 3 | $36,150 |
| 4 | $40,150 |
| 5 | $43,350 |
| 6 | $46,600 |
| 7 | $49,800 |
| 8 | $53,000 |

Current median family income and income limits for your area can be found on the Internet at: http://www.huduser.org/datasets/pdrdatas.html.

## 8.4 Selection

NAHASDA's statutory language requires the owner or manager of affordable rental housing assisted with IHBG funds to adopt and utilize written tenant and homebuyer selection policies and criteria that:

- Are consistent with the purpose of providing housing for low-income families
- Are reasonably related to program eligibility and the ability of the applicant to perform the obligations of the lease; and
- Provide for –
  - 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
  - The prompt notification in writing to any rejected applicant, of that rejection and the grounds for that rejection.

## 8.5 Rent and Payment Determination

NAHASDA requires that each recipient develop written policies governing rents and homebuyer payments charged for dwelling units assisted with IHBG funds. The rent or homebuyer payment for a unit assisted with IHBG funds occupied by a low-income family may not exceed 30 percent of the adjusted income of the household.

## 8.6 Occupancy

Each recipient must develop a written occupancy policy that establishes requirements for continued occupancy and grounds for termination of a housing lease. This policy must be consistent with the lease requirements

from NAHASDA §207. In general, the occupancy policy should:

- Not contain unreasonable terms and conditions
- Require the property manager or owner to maintain the housing compliance with applicable housing codes
- Require the property manager or owner to give adequate written notice of lease termination or eviction
- Establish terms and conditions for termination and eviction

## 8.7 Maintenance and Inspections

As a recipient, you are required to develop written policies which define responsibilities of homebuyers, tenants, and the tribe/TDHE for maintenance of units assisted with IHBG funds.

## 8.8 Public Dissemination and Complaint Review

To ensure accountability to tribal members, your written policies should be readily available to the public for review and comment. Although not statutorily required, it is good management practice to have an established written grievance policy. Providing families receiving housing assistance a formal process of lodging complaints also protects you because there is a fair mechanism in place to hear both sides of the issue to resolve the dispute.

## 8.9 Collections

A key component of resident service standards pertains to delinquent collections. IHBG recipients need to develop a written collections policy that outlines what steps will be taken to deal with payment delinquencies.

## 8.10 Lead-based paint

Lead poisoning can cause permanent damage to the brain and many other organs, and can result in behavioral problems. Lead can also harm the fetus. More than 800,000 children younger than 6 years old living in the United States have lead in their blood that is above the level set by the Centers for Disease Control and Prevention. Many of these children are in low-income families living in old homes with heavy concentrations of lead-based paint. The most common sources of childhood exposure to lead are deteriorated lead-based paint and lead-contaminated dust and soil in the residential environment.

In 1978, lead-based paint was banned nationwide for consumer use. Housing built prior to this year, however, may contain lead-based paint, which can be detrimental to residents, particularly children. IHBG recipients must follow regulations on treatment of housing with lead-based paint, as outlined in 24 CFR Part 1000.40.

If you are providing IHBG assistance to dwelling units constructed before 1978, you must have these dwelling units visually inspected for defective paint surfaces by a qualified lead-based paint inspector. If the inspection finds any defective paint surfaces, it must be appropriately treated. Treatment must be completed within 30 calendar days of the visual evaluation.

There are additional requirements for pre-1978 units occupied by a family with a child under the age of six years with an identified elevated blood lead level (EBL). In these cases, chewable surfaces must be tested for lead-based paint by a qualified lead-based paint inspector. Lead content must be tested using an X-ray fluorescence analyzer or by laboratory analysis of paint samples. If lead-based paint on chewable surfaces is identified, treatment of the paint surface must be completed within 30 days of the paint testing report. You must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures.

## 8.11 Temporary Relocation/Acquisition

There are certain relocation and real property acquisition policies that apply to programs developed or operated under NAHASDA. These are contained in 24 CFR Part 1000.14 and 49 CFR Part 24. Some of the requirements are outlined here.

If you do not have the authority to acquire the real property through condemnation, before you discuss the purchase price, you must inform the owner of the amount you believe to be the fair market value of the property. This amount must be based on at least one appraisal prepared by a qualified appraiser. You must also tell the owner that you will be unable to acquire the property if negotiations do not result in an amicable agreement. You must request HUD approval of the proposed acquisition price before executing a firm commitment to purchase the property if the proposed acquisition payment exceeds the fair market value.

You must take all reasonable steps to minimize displacement of persons (households, businesses, nonprofit organizations, and farms) as a result of a project assisted by IHBG funds. If temporary relocation is necessary, you must provide residential tenants and homebuyers with:

- Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly housing costs (e.g., rent/utility costs).

- Appropriate advisory services, including reasonable advance written notice of:

  - The date and approximate duration of the temporary relocation
  - The location of the suitable, decent, safe and sanitary dwelling to be made available for the temporary period
  - The terms and conditions under which the tenant may occupy a suitable, decent, safe, and

sanitary dwelling in the building/complex following completion of the repairs, and

- The provisions for reimbursement.

If relocation is necessary, you must provide relocation assistance for displaced persons at the levels described in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24.

You must certify that you will comply with the URA, the regulations at 49 CFR Part 24, and the requirements of 24 CFR Part 1000.14. You must maintain records in sufficient detail to demonstrate compliance with these regulations.

## 8.12 Compliance Checklist

The following checklist provides detailed questions related to these specific NAHASDA requirements and general management practices that will allow you to assess your adherence to the standards. These checklists provide questions with "Yes," "No," "Not Applicable," and "Recommendations" response fields. Although the checklist is designed to facilitate questions that the appraiser may use, it is intended that the checklist be answered by the appraiser through interviews, observation or document review.

## Resident Eligibility and Service Standards Checklist for Program (or Fiscal) Year _____

| Resident Eligibility and Service Standards Checklist | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| **Eligibility** | | | | |
| Is there a written policy on family income eligibility readily available to staff and posted for public access? | | | | |
| 1. Are the most current HUD-determined income limits being used for eligibility criteria? | | | | |
| 2. Are only low-income Native American families determined eligible? | | | | |
| a. Are you in compliance with the requirements, with no exceptions? | | | | |
| b. If there are exceptions, why? (e.g., non-low-income families require HUD approval) | | | | |
| 3. Does the family income eligibility review include rent-paying habits and/or credit checks? | | | | |
| 4. Are applicants adequately counseled on IHBG program requirements? | | | | |
| 5. Is the waiting list adequately maintained and documented and dated with offers? | | | | |
| 6. Are applicants determined to be "ineligible" notified of reasons and options available to them? | | | | |
| **Selection** | | | | |
| 7. Is there a written policy on eligibility readily available to staff and posted for public access? | | | | |

| Resident Eligibility and Selection Standards | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 8. Are the admissions of selected participants documented adequately to reflect compliance with Board policies? For example, signed and dated rating forms for each selection? | | | | |
| 9. Are incomes verified to be within the income limits prior to execution of a housing assistance contract or agreement? | | | | |
| 10. Are all "contracts for housing assistance" between the recipient and the participant signed and dated and maintained in a unique confidential household file? | | | | |
| 11. Are selected participants counseled on their housing assistance responsibilities? | | | | |
| **Rent and Payment Determination Checklist** | | | | |
| 12. Is there a written policy on rent and payment determination readily available to staff and posted for public access? | | | | |
| 13. Are payments calculated according to policy requirements? | | | | |
| 14. Are all IHBG-assisted families paying 30% or less of their annual income for housing assistance? | | | | |
| 15. Are verifications of income properly documented in unique household files? | | | | |
| **Occupancy**<br>Do you have a written occupancy policy that: | | | | |
| 16. Does not contain unreasonable terms or conditions? | | | | |
| 17. Requires the owner or manager to maintain the housing in compliance with applicable housing codes and quality standards? | | | | |

| Resident Eligibility and Services Standards | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 18. Requires 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? | | | | |
| 19. Specifies 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? | | | | |
| 20. Requires 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 of conditions of the lease, violation of applicable federal, state, tribal, or local law, or for other good cause? | | | | |
| 21. Provides 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 the premises by, persons residing in the immediate vicinity of the premises? | | | | |
| c) Is criminal activity (including drug-related criminal activity) on or off the premises? | | | | |
| **Maintenance and Inspections/Management** | | | | |

| Resident Eligibility and Service Standards | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 22. Are all participant files properly documented per required Policy actions? | | | | |
| 23. Are inspections of applicant units fully completed and documented in files? | | | | |
| 24. For Rehabilitation programs: | | | | |
| a) Have policy standards for the type, cost-effectiveness and cost of rehabilitation of a home been followed? | | | | |
| b) Was the Scope of Work (work order) for rehabilitation completed within budget and timeframes for each unit? | | | | |
| c) Is there follow-up on rehabilitation work completed to ensure quality workmanship? | | | | |
| 25. For homeownership programs: | | | | |
| a. Have policy standards for the type, cost-effectiveness and cost of new homes been followed? | | | | |
| b. Was the Scope of Work (work order) for new construction completed within budget and timeframes for each unit? | | | | |
| c. Is there follow-up on construction work completed to ensure quality workmanship? | | | | |
| d. Are post-occupancy inspections conducted? | | | | |
| **Public Dissemination** | | | | |
| 26. Do you have a written eligibility policy that is publicly available? | | | | |
| 27. Do you have a written selection policy that is publicly available? | | | | |
| 28. Do you have a written rent or payment determination policy that is publicly available? | | | | |
| 29. Do you have a written occupancy policy that is publicly available? | | | | |

| Resident Eligibility and Grievance Standards | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 30. Do you have a written maintenance policy that is publicly available? | | | | |
| 31. Do you have a written grievance policy that is publicly available? | | | | |
| 32. Do you have a written collections policy that is publicly available? | | | | |
| **Collections** | | | | |
| 33. Are all provisions of the tribe/TDHE collections policy enforced consistently? | | | | |
| 34. Are delinquency notices sent out consistently at the beginning of each month? | | | | |
| 35. Does the Tribal Council evidence support of collection efforts for delinquent payments? | | | | |
| 36. What is the current balance for delinquencies from assisted households? | | | | |
| 37. Is this an increase within the last six months? | | | | |
| **Lead-based paint** | | | | |
| 38. Are you assisting dwelling units constructed before 1978?<br>39. If no, please proceed to question 47 | | | | |
| 40. Have these dwelling units been visually inspected for defective paint surfaces by a qualified lead-based paint inspector? | | | | |
| 41. Did the inspection find any defective paint surfaces? | | | | |
| 42. If yes, were such surfaces treated within 30 calendar days of the visual evaluation? | | | | |

| Resident Eligibility and Service Standards | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 43. Do you have any dwelling units constructed before 1978 that is occupied by a family with a child under the age of six years with an identified elevated blood lead level (EBL)? | | | | |
| 44. If yes, has a qualified lead-based paint inspector tested chewable surfaces for lead-based paint using an X-ray fluorescence analyzer or by laboratory analysis of paint samples? | | | | |
| 45. If yes, have the paint surfaces been treated within 30 days of the paint testing report? | | | | |
| 46. Have you taken appropriate action to protect residents and their belongings from hazards associated with treatment procedures? | | | | |
| **Temporary Relocation/Acquisition** | | | | |
| 47. If you do not have the authority to acquire the real property through condemnation, did you inform the owner of the amount you believe to be the fair market value of the property before discussing the purchase price? | | | | |
| 48. Did you have the property appraisal prepared by a qualified appraiser? | | | | |
| 49. Did you tell the owner that you will be unable to acquire the property if negotiations fail to result in an amicable agreement? | | | | |
| 50. If the proposed acquisition payment exceeds the fair market value, did you request HUD approval of the proposed acquisition price before executing a firm commitment to purchase the property? | | | | |

| Residents Eligibility and Services Guidelines | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 51. Did you take all reasonable steps to minimize displacement of persons (households, businesses, nonprofit organizations, and farms) as a result of a project assisted by IHBG funds? | | | | |
| 52. Did you provide temporarily relocated residential tenants and homebuyers with reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly housing costs (e.g., rent/utility costs)? | | | | |
| 53. Did you provide temporarily relocated residential tenants and homebuyers with reasonable advance written notice of: | | | | |
| a) The date and approximate duration of the temporary relocation? | | | | |
| b) The location of the suitable, decent, safe and sanitary dwelling to be made available for the temporary period? | | | | |
| c) The terms and conditions under which the tenant may occupy a suitable, decent, safe, and sanitary dwelling in the building/complex following completion of the repairs? | | | | |
| d) The provisions for reimbursement? | | | | |
| 54. If relocation was necessary, did you provide relocation assistance for displaced persons at the levels described in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR part 24? | | | | |

| Resident Participation and Consultation Requirements | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 55. Did you certify that you will comply with the URA, the regulations at 49 CFR part 24, and the requirements of 24 CFR part 1000.14? | | | | |
| 56. Did you maintain records in sufficient detail to demonstrate compliance with these regulations? | | | | |

Reviewer _____ Date of Review _____

# 9.0 Fiscal and Financial Management

This chapter provides you with guidance on setting up sound fiscal and financial management policies and procedures, not only to comply with NAHASDA regulations and requirements, but also to ensure that your organization functions as smoothly as possible. It includes the following topics:

- Statutory and Regulatory Requirements
- Reporting
- Audits
- Budget Execution
- Drawdowns
- Accounting Records
- Internal Controls/Cash Management
- Investment/Banking
- Insurance
- Allowable Costs

**Key Terms**

- Single Audit Act
- Budget
- Internal Controls
- Allowable Costs

**Tools and Templates**

- Fiscal and Financial Management Checklist

## 9.1 Introductory Overview

Sound fiscal and financial management systems are extremely important to the success of your housing organization, and to the provision of high quality housing to your customers. A good financial management system will help you keep track of your funds, which will help you make business decisions based on sound financial information. The scope of financial and fiscal management includes reporting, funding drawdown, accounting records, internal

controls and cash management, budget control, investments, and audits.

IHBG recipients who expend federal funds from all sources in excess of $300,000 annually are required to obtain an audit every year to ensure financial integrity in the management of public funds. A copy of this audit must be submitted with the Annual Performance Report.

**What kinds of questions does this self-monitoring topic answer?**

- Are we in compliance with the federal regulations on financial management systems?
- Are our financial management systems functioning effectively to help us run our operations and make decisions?

**How will this chapter help you?**

This chapter will help you establish and maintain sound financial and fiscal management systems. This is important for three reasons:

(1) **Clean audit.** If you expend $300,000 or more in federal funds from all sources in a fiscal a year, you are required to submit an annual audit to comply with the Single Audit Act and OMB Circular A-133. This audit will look at your fiscal and financial management system, accounting processes, internal controls and compliance with programmatic requirements.

(2) **Continuing eligibility to receive IHBG funds.** You may be considered "high risk" if you have a history of unsatisfactory performance, are not financially stable, have a management system which does not meet the management standards set forth by regulations, or have not conformed to terms and conditions of previous awards. The "high risk" designation means that you may be subject to special conditions or restrictions, including:

- Payment on a reimbursement basis

- Withholding authority to proceed to the next phase until HUD receives evidence of acceptable performance within a given funding period
- Requiring additional, more detailed financial reports
- Additional project monitoring
- Requirement to obtain technical assistance
- Establishing additional prior approvals (see 24 CFR Part 85.12)

If your financial system is in order, it is more likely that you will be financially stable and be able to meet the requirements of your award. This will ensure that you have the maximum freedom in administering your program, rather than being subject to additional conditions as outlined above.

(3) **Better delivery of housing services.** When your financial processes are operating smoothly and efficiently, the quality of housing services you provide will be enhanced. You will be able to count on continued eligibility to receive IHBG funds. You will be able to make use of your budgeting data and source documentation to plan ahead for new programs and projects.

**What are the characteristics of an effective fiscal and financial management system?**

- Financial reporting is conducted frequently and in a timely manner, with sufficient depth and clarity.
- Roles and responsibilities related to fiscal and financial management and accounting are clearly defined. Backup personnel are trained and available for use when needed.
- Budget comparisons are conducted for the current year and current quarter.
- Capital expenditures are reviewed and analyzed.
- Through good records, timely processing, and effective procedures, the system provides for controls over cash, working capital, and organizational assets.
- Where possible, the fiscal and financial management and accounting functions are automated to reduce the clerical burden.

## 9.2 Statutory and Regulatory Requirements

NAHASDA and its implementing regulations set forth certain administrative requirements that provide for the review of the recipient's fiscal and financial management systems and procedures. These requirements are found in NAHASDA's statutory language as well as in 24 CFR Part 1000.26, applicable provisions of 24 CFR Part 85, Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments and OMB requirements set forth in Circulars A-87 and A-133.

## 9.3 Reporting

NAHASDA's regulations require that "accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant" (24 CFR Part 85.21(b)(1). As an IHBG recipient, you are required to submit the HUD Standard Form 272i, Federal Cash Transactions Report. This report will be used by HUD to monitor cash advanced to you and to obtain disbursement or outlay information for each grant.

If you have subrecipients, you may be required to report the amount of cash advances in excess of three days' needs in the hands of these subrecipients. You may be asked to provide short narrative explanations of actions taken on your part to reduce the excess balances.

You must submit the SF-272i report no later than 15 working days following the end of each quarter. However, if you receive an advance either by letter of credit or electronic transfer of funds at an annualized rate of one million dollars or more, HUD may require the report to be submitted within 15 working days following the end of each month.

There are also other financial reports that, while not statutorily required, you will want to generate for your own management decisions. Financial reports and statements present a clear picture of financial

results and condition, which is valuable information. For example, you may want to prepare reports that compare:

- Current month and year-to-date activities versus budget
- Current month versus same month prior year actuals
- Current year-to-date versus prior year-to-date
- Exception reporting of variances in excess of predefined percentage or dollar amount

## 9.4 Audits

As mentioned earlier, if you expend $300,000 or more in federal funds in any given year, you must obtain an annual audit, called an A-133 audit (under OMB Circular A-133) or a single audit (under the Single Audit Act). This type of audit is a program-specific audit that tests financial statement information, tracks and classifies revenue from federal sources. The A-133 audit looks for compliance with general and specific government audit requirements, which cover both financial and non-financial factors such as program effectiveness, client eligibility, efficiency with which resources are used, etc. Another key element of the audit is a rigorous test of internal control procedures, to make sure that adequate systems are in place for complying with the requirements of the grant money. The auditor may meet with staff members or ask that they fill out a questionnaire to document the procedures related to spending and receiving money and other resources, complying with laws, donor restrictions and regulations, maintaining property and equipment, and recording financial information in the books.

While the following is not a complete list, it is representative of the information auditor will likely request:

- Assets
  - Accounts Receivable – Who owes you money, how much, when it was due?
  - Property and Equipment (fixed assets) – When acquired, how much you paid, how long they are

expected to last, how much they are depreciated each year, and how much has been depreciated to date?

- Liabilities, such as Accounts Payable – Who you owe money to, how much you owe each individual/organization? Copies of invoices or loan agreements.
- Revenue
  - Grants and Contributions – Funder/donor names and addresses, grant period, grant amount, when received, restrictions, and copies of the grant letters and grant applications
  - Donated services and materials – Estimated dollar value of contributions of certain services and materials
  - Special events and benefits – Income and expenses, documentation for the value of goods or services which donors received
  - Documentation – e.g, contracts and invoices, names and addresses, registrations, etc. for fees from memberships, tuition, performances, and other services
- Expenses, such as payroll records, including federal and state tax returns related to payroll, vacation records.
- Board minutes
- Leases and other contracts
- Bank statements, bank reconciliations, checkbooks, and canceled checks
- Financial files for paid bills and deposits
- Components of the accounting system - chart of accounts, journals and ledgers, printouts if the system is computerized, trial balance, etc.
- Budget for the fiscal year being examined

Many of these schedules can be prepared by the auditor with the information you give to them.

As you can see, there is a great deal of financial data required for an audit. It is helpful to assign one person to be the audit coordinator, such as the bookkeeper or executive director. This person should have access to all information the auditors may need, and should plan to be available to the auditors while they are on-site.

Timeliness of audit submission to ONAP is critical to adhere to monitoring requirements. Depending on the size of IHBG recipient and number of housing assistance activities, completion of an A-133 audit may take anywhere from 3 to 6 months. Accordingly, IHBG recipients should plan on closing their books within 90 days of the end of their program or fiscal year and providing their Independent Public Accountant with financial statements and source documents to begin their audit engagements. This recommended timeframe will allow sufficient time for the auditor to prepare and submit their findings to the IHBG recipient. Depending on the auditor's opinion and findings of material weaknesses, the IHBG recipient may have to prepare a Corrective Action Plan describing in detail the necessary steps to remedy audit identified management deficiencies.

## 9.5 Budget Execution

Federal regulations requires that actual expenditures or outlays be compared with budgeted amounts for each grant or subgrant.

> "Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible."
>
> *-24 CFR Part 85.21(b)(4)*

### What is a budget?

A budget is a realistic estimate of the operating revenue and expenditures to be incurred in connection with the prudent operation of any project during the specified period, broken down according to a classification of accounts. Put more simply, it is a plan for getting and spending money to reach specific goals by a certain time. The budget should be prepared on a program basis; each program you administer should have a separate internal budget.

A good budget is a road map that shows you how you will attain your goals with the resources you have. It is also an important tool to ensure accountability and make sure your organization is following its priorities, as established in your mission or IHP goals. In short, a budget is the best way to stay solvent, which should be the goal of your organization.

By developing a clear and accurate budget, your organization will be better able to:

- Make decisions, guide the organization
- Adjust plans, activities and spending
- Spend money cost-effectively
- Attain the goals it has set
- Receive "clean" audits
- Avoid incurring disallowed costs or cost overruns

Budgets allow you to measure and guide your immediate and long-term financial health and operational effectiveness. They anticipate operational expense and identify income to pay for these, and help control spending and avoid deficits.

An important thing to remember is that a budget is only as good as the time, effort and information that has been put into it. Managers of all the various affected functions of the organization should participate in the development of the budget, collaborating and exchanging information as needed. Also keep in mind that budgets are not static, done once and forgotten; they must be monitored and changed as time goes on. By monitoring actual income and expenses against what was budgeted, you can assess your overall financial situation, and adjust your plans as needed.

**Budget Control**

Someone in the organization, usually the Executive Director, is responsible for the efficient and effective use of budget appropriations and the control of costs in relation to each program budget.

Obligations should not be made that exceed the amount appropriated for the major spending category of a program budget, except in emergency situations as determined by the Executive Director. The Executive Director should present to the Board of Commissioners budget reports comparing the budgeted revenue and the actual expenditures.

A budget is most telling when you compare the budgeted amounts versus actual expenditures. This will help you ascertain where you have problems and where funds may need to be re-allocated, or where activities need to be redirected. The information provided in the IHP tables, while a type of budget, is not adequate to function as a tool for managing your housing operations. Detailed budgets for each planned activity and overall budget of all activities is considered essential for planning and control of your housing organization.

## 9.6 Drawdowns

Appropriate control procedures for drawdowns are necessary to ensure that:

1. Program income funds are expended before funds are drawn down from the Treasury
2. Funds are available to pay for expenses actually incurred
3. Payments are issued within 3 days of receipt of deposit of funds
4. Amounts requested are supported by receipts and other documentation
5. Drawdowns are approved prior to execution
6. Drawdowns are recorded properly in the general ledger

## 9.7 Accounting Records

Regulations require recipients and subrecipients to maintain records that adequately identify the source and application of IHBG funds. These records must contain information on the grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income." (24 CFR Part 85.21(b)(2)

Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

Not only is it a regulatory requirement to maintain accurate records, it is also a good management practice. Having accurate accounting records will help you keep track of your activities, hold your staff accountable, and help you draw up your new budget or other financial reports.

## 9.8 Internal Controls

The objective of internal controls for cash disbursements is to ensure that cash is disbursed only upon proper authorization of management, for valid business purposes, and that all disbursements are properly recorded. The following practices increase the likelihood that this will be accomplished:

### Segregation of Duties

Segregation of duties keeps a financial transaction from being handled from beginning to end by only one person. For cash disbursements, this might mean that different people authorize payments, sign checks, record payments in the books, and reconcile the bank statements. If your organization is small, you may want to involve a member of your Board to review disbursements, bank statements, and canceled checks on a monthly basis. Also, the organization should refrain from employing relatives in positions that have a reporting relationship to avoid the appearance or actual instances of conflicts of interests.

### Authorization and Processing of Disbursements

You should develop policies on who in your organization can authorize payments, such as the Executive Director or department heads. Usually, once the Board approves the budget, it does not need to authorize individual purchases within that budget. However, unbudgeted purchases would require Board additional approval. In some organizations, the Board

must authorize significant expenditures, such as purchases for computers or other long-lived assets. In these cases, it is important to formally define what constitutes a significant expenditure and how these purchases will be handled.

All disbursements should be accompanied by adequate documentation, in the form of receipts or an invoice. Cash withdrawals should never be made via Automatic Teller Machine (ATM) cards.

### Managing Restricted Funds

IHBG funds are restricted funds; as the funder, HUD has restricted them for a specific use—affordable housing activities. By having a separate budget and separate accounts for IHBG funds, you will be able to manage them and comply with their restrictions by using them only for allowable costs.

### Check Signing

It is useful to require two signatures on checks, especially for purchases over a certain amount. This amount should be defined by the organization. Even though checks require two signatures, three or four people might have check signing authority to ensure that two signers are available to make disbursements. The number of authorized signers should be kept to a minimum, while ensuring that daily business is not unnecessarily constrained. Also, avoid using signature stamps or machines.

The purpose of this internal control is to make sure that there are deliberate decisions made about who to pay, how much to pay, and when to pay bills. Having one or more checks that are pre-signed by one of the two required signatories defeats that purpose.

## 9.9 Cash Management

It is important to manage your cash receipts and cash disbursements so you have a careful accounting of your organization's income and expenditures.

Whenever advance payment procedures are used, you must follow procedures for minimizing the time elapsing between the transfer of funds and disbursement. When advances are made by letter-of-credit or electronic transfer of funds methods, you must make drawdowns as close as possible to the time of making disbursements.

If you have subrecipients, you must establish reasonable procedures to ensure the receipt of reports on subrecipient's cash balances and cash disbursements in sufficient time to enable you to prepare complete and accurate cash transactions reports to HUD. You must monitor cash drawdowns by your subrecipients to assure that they conform substantially to the same standards of timing and amount as apply to advances to you.

**Cash Receipts Guidelines**

- There should be adequate separation of responsibility in the receipt, recording and deposit of cash receipts – the same person should not conduct all of these activities.
- Cash funds should be secured.
- All funds should be deposited at least weekly.
- Pre-numbered cash receipts in numerical order should be used.
- All cash receipts should be accounted for.
- Deposit slips should be free of erasures or alterations.
- If staff are replaced, appropriate security measures should be taken regarding former employee(s) handling cash transactions (e.g., LOCCS authority, safe combinations).
- There should be no employee IOU notes or personal checks other than cash receipts for legitimate housing payments.

**Cash Disbursements Guidelines**

- All disbursements, except those from petty cash, should be made by pre-numbered checks.

- If program income is received, this income should be disbursed on affordable housing activities.

- All expenditures should be supported by invoices, contracts, purchase orders, etc.
- All direct salaries and wages of employees should be supported by time records.
- Direct salaries that are prorated should be supported by time distribution records.
- If the cash disbursements system is computerized, the system security should be adequate.
- No checks should be missing, voided, or altered.
- Any authorized petty cash and/or change fund(s) should reflect what is on the general ledger.
- Cash counts should be done randomly, with documented regularity.
- There should be a written prohibition against signing checks in advance.
- Larger checks should require two signatures.
- All expenditures should be approved in advance by authorized persons.
- Unpaid invoices should be maintained in an unpaid invoice file
- Invoices from unfamiliar or unusual vendors should be reviewed and approved for payment by authorized personnel who are independent of the invoice processing function.
- If the organization keeps an accounts payable register, payments should be promptly recorded in the register to avoid double payment.
- A cash disbursement voucher should be prepared for each invoice or request for reimbursement that details the date of check, check number, payee, amount of check, description of expense account (and restricted fund) to be charged, authorization

signature, and accompanying receipts.

- A cash disbursement journal should be prepared monthly that details the date of check, check number, payee, amount of check, and columnar description of expense account (and restricted fund) to be charged.

- Advance payments to vendors and/or employees should be recorded as receivables and controlled in a manner which assures that they will be offset against invoices or expense vouchers.

## 9.10 Investments/Banking

You have the option of investing cash in excess of immediate need with prior ONAP approval. You may invest IHBG funds for the purposes of carrying out affordable housing activities in investment securities and other obligations as long as you fulfill two requirements:

1) Your most recent annual audit (under the Single Audit Act) must have been free of significant and material audit findings or exceptions,
2) You are a self-governance Indian tribe or have the administrative capacity and controls to responsibly manage the investment.

IHBG funds may only be invested in:

- Obligations of the United States; obligations issued by Government sponsored agencies; securities that are guaranteed or insured by the United States; mutual (or other) funds registered with the Securities and Exchange Commission and which invest only in obligations of the United States or securities that are guaranteed or insured by the United States; or

- Accounts that are insured by an agency or instrumentality of the United States or fully collateralized to ensure protection of the funds, even in the event of bank failure.

You must keep IHBG funds in one or more accounts separate from other funds. Accounts must be insured by an agency or instrumentality of the U.S. or fully collateralized to ensure protection of the funds even in the event of bank failure. Accounts are subject to an agreement in a form prescribed by HUD sufficient to allow HUD to exercise its rights of suspending funds disbursed in cases of substantial noncompliance. HUD Notice PIH 99-4 provides additional guidance on investing IHBG funds.

## 9.11 Insurance

NAHASDA requires you to provide adequate insurance against loss from fire, weather and liability claims for all housing units you own or operate. Insurance is considered adequate if it is a purchased insurance policy from an insurance provider or a plan of self-insurance in an amount that will protect your financial stability.

There is no insurance required on units of privately owned housing if there is no risk or loss or exposure to you as the recipient, or if the assistance you are providing is less than $5,000. You must also require contractors and subcontractors to either provide insurance covering their activities or negotiate adequate indemnification coverage to be provided in their contract with you.

You may want to use an Insurance Register to track all insurance activity, including (1) the name of the insurer, (2) the insurance type (e.g., automotive), (3) the period of coverage, (4) the total amount of the premium, and (5) the insurance payment date.

## 9.12 Allowable Costs

IHBG funds are only to be used for certain allowable activities, as spelled out in with OMB Circular A-87, 24 CFR Part 85.22 and 24 CFR Part 1000. Use the checklist at the end of this chapter to find out whether you are adhering to these standards.

## 9.13 Compliance Checklist

The following checklist provides detailed questions related to these specific NAHASDA requirements and general management practices that will allow you to assess your adherence to the standards. These checklists provide questions with "Yes," "No," "Not Applicable," and "Recommendations/Notes" response fields. Although the checklist is designed to facilitate questions that the appraiser may use, it is intended that the checklist be answered by the appraiser through interviews, observation or document review.

**Fiscal and Financial Management Checklist for Program (or Fiscal) Year _____**

| Fiscal and Financial Management | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| **Reporting** | | | | |
| 1. Are reports (e.g., SF-272i Federal Cash Transaction Report, quarterly submission) submitted in a timely manner? | | | | |
| 2. Are you notice-free (no notices from HUD on the accuracy of the reports submitted)? | | | | |
| 3. Have you always maintained access to LOCCS due to timely reporting? | | | | |
| 4. Do financial reports and statements present a clear picture of financial results and condition? | | | | |
| 5. Are data available for the preparation of reports on: | | | | |
| 6. Current month and year-to-date activities versus budget? | | | | |
| 7. Current month versus same month prior year actuals? | | | | |
| 8. Current year-to-date versus prior year-to-date? | | | | |
| 9. Exception reporting of variances in excess of predefined percentage or dollar amount? | | | | |
| **Audits** | | | | |
| 10. Do you maintain all of the information and data needed for an annual audit? | | | | |
| 11. Did you submit your last annual audit in a timely manner? | | | | |
| 12. Are you taking steps to prepare in advance for your upcoming annual audit? | | | | |

| Fiscal and Financial Management | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| **Budget** | | | | |
| 13. Do accounting records allow and provide for the comparison of actual expenditures with budgeted amounts for each grant? | | | | |
| 14. Is there evidence that the grant recipient periodically (at least once a quarter) compares actual to budgeted expenditures? | | | | |
| 15. Do accounting records include tracking of expended/unexpended and obligated/unobligated balances? | | | | |
| 16. Are program budgets revised and approved, when necessary, in accordance with program requirements? | | | | |
| 17. Does a regular budget control review occur, covering areas of: | | | | |
| 18. Administrative expenses? | | | | |
| 19. Labor overtime? | | | | |
| 20. Direct and indirect labor? | | | | |
| 21. Do managers of all the various affected functions of the organization participate in the development of budgets? | | | | |
| 22. Is adequate information available at the time budgets must be prepared in order to develop meaningful budgets? | | | | |
| 23. Are data reported against budgets accurately (if actual) or fairly (if allocated)? | | | | |
| 24. Are data reported against budgets accurately (if actual) or fairly (if allocated)? | | | | |
| **Drawdowns** | | | | |
| 25. Does the release of the check for payment of program costs occur within 3 days of the deposit of funds? | | | | |

| Financial and Fund Management | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 26. Have you been able to keep all your funds by avoiding - excessive drawdowns? | | | | |
| 27. Are Request Vouchers for payment: | | | | |
| 28. Prepared? | | | | |
| 29. Accurate? | | | | |
| 30. Documented? | | | | |
| 31. Are the established internal controls for requesting funding followed? | | | | |
| **Accounting Records Checklist**<br>Do the accounting records adequately identify the source and application of funds provided in the following areas: | | | | |
| 32. Obligations? | | | | |
| 33. Unobligated balances? | | | | |
| 34. Assets? | | | | |
| 35. Liabilities? | | | | |
| 36. Outlays/expenditures? | | | | |
| 37. Income? | | | | |
| 38. Subrecipient awards or obligations? | | | | |
| 39. Are cash receipts/cash disbursement journals current and accurate? | | | | |
| 40. Are bank statements reconciled monthly and in a timely manner? | | | | |
| 41. Are bank reconciliations free of discrepancies? | | | | |
| 42. If discrepancies exist, are they investigated and resolved? | | | | |
| **Internal Controls** | | | | |

| Fiscal and Financial Management | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 43. Is there segregation of duties in terms of financial transactions? | | | | |
| 44. Do you have a policy on who in your organization can authorize payments? | | | | |
| 45. Are all disbursements be accompanied by adequate documentation, in the form of receipts or an invoice? | | | | |
| **Cash Management – Cash Receipts** | | | | |
| 46. If cash receipts process is computerized, is system security adequate? | | | | |
| 47. Is there adequate separation of responsibility in the receipt, recording and deposit of cash receipts? | | | | |
| 48. Are cash funds secured? | | | | |
| 49. Are all funds deposited at least weekly? | | | | |
| 50. Do you use and issue pre-numbered cash receipts in numerical order? | | | | |
| 51. Are all cash receipts accounted for? | | | | |
| 52. Are there deposit slips free of erasures or alterations? | | | | |
| 53. If staff handling cash transactions have been replaced within the last 6 months, were appropriate security measures taken regarding former employee(s) e.g. LOCCS authority, safe combinations? | | | | |
| 54. Are there no employee IOU notes or personal checks (exclusive of cash receipts for legitimate housing payments)? | | | | |
| 55. Do you have a separate budget and separate accounts for IHBG funds? | | | | |
| **Cash Disbursements** | | | | |

| Disbursement and Financial Management | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 56. Are all disbursements, except those from petty cash, made by pre-numbered checks? | | | | |
| 57. If program income is received, is this income disbursed on affordable housing activities? | | | | |
| 58. Are all expenditures supported by invoices, contracts, purchase orders etc.? | | | | |
| 59. Are all direct salaries and wages of employees supported by time cards? | | | | |
| 60. Are direct salaries that are prorated supported by time distribution records? | | | | |
| 61. If the cash disbursements system is computerized, is the system security adequate? | | | | |
| 62. Are all of the checks in order (i.e., not missing, voided or altered?) | | | | |
| 63. If authorized, do petty cash and/or change fund(s) reflect what is on the general ledger? | | | | |
| 64. Are cash counts done randomly, with documented regularity? | | | | |
| 65. Do the on-site cash counts of petty cash and/or change fund show that these are free of discrepancies? | | | | |
| 66. Is there a written prohibition against signing checks in advance? | | | | |
| 67. Do larger checks require two signatures? | | | | |
| 68. Are all expenditures approved in advance by authorized persons? | | | | |
| 69. Are unpaid invoices maintained in an unpaid invoice file? | | | | |

| Fiscal and Financial Management | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 70. Are invoices from unfamiliar or unusual vendors reviewed and approved for payment by authorized personnel who are independent of the invoice processing function? | | | | |
| 71. If the organization keeps an accounts payable register, are payments promptly recorded in the register to avoid double payment? | | | | |
| 72. Is a cash disbursement voucher prepared for each invoice or request for reimbursement that details the date of check, check number, payee, amount of check, description of expense account (and restricted fund) to be charged, authorization signature, and accompanying receipts? | | | | |
| 73. Is a cash disbursement journal prepared monthly that details the date of check, check number, payee, amount of check, and columnar description of expense account (and restricted fund) to be charged? | | | | |
| 74. Are advance payments to vendors and/or employees recorded as receivables and controlled in a manner which assures that they will be offset against invoices or expense vouchers? | | | | |
| **Investments/Banking** | | | | |
| 75. Are IHBG funds in one or more accounts separate from other funds? | | | | |
| 76. Are accounts insured by an agency or instrumentality of the U.S. or fully collateralized to ensure protection of the funds even in the event of bank failure? | | | | |
| 77. Are accounts subject to an agreement in a form prescribed by HUD sufficient to allow HUD to exercise its rights under 24 CFR 1000.60? | | | | |

| Financial and Financial Management | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 78. Is cash in excess of immediate need identified and invested? | | | | |
| 79. Are funds invested in instruments or obligations that meet the requirements of 24 CFR 1000.58(a), including: Obligations of the United States; obligations issued by Government sponsored agencies; securities that are guaranteed or insured by the United States; mutual (or other) funds registered with the Securities and Exchange Commission and which invest only in obligations of the United States or securities that are guaranteed or insured by the United States; or accounts that are insured by an agency or instrumentality of the United States or fully collateralized to ensure protection of the funds, even in the event of bank failure. | | | | |
| **Insurance** | | | | |
| 80. Have you provided adequate insurance against loss from fire, weather and liability claims for all housing units you own or operate? | | | | |
| 81. Do you require contractors and subcontractors to either provide insurance covering their activities or negotiate adequate indemnification coverage to be provided in their contract with you? | | | | |
| 82. Do you use an Insurance Register to track all insurance activity? | | | | |
| **Allowable Costs**<br>When you do a periodic check of expenditures, do you find that all expenditures were necessary and reasonable for proper and efficient administration of the program, as related to: | | | | |
| 83. Salaries and related costs? | | | | |

| Financial and Financial Management | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 84. Administrative service contracts (e.g., legal, account, audit, consulting)? | | | | |
| 85. Travel expenditures? | | | | |
| 86. Other administrative costs? | | | | |
| 87. Does a review of program expenditures reveal compliance with rules regarding unallowable costs as addressed in Attachment A of OMB Circular A-87, or identified in attachment B of that circular, including in the areas of : | | | | |
| 88. Entertainment? | | | | |
| 89. Contributions and donations? | | | | |
| 90. Fines and penalties? | | | | |
| 91. General governmental expenditures including salary and expenses of staff and Commissioners? | | | | |
| 92. Other (Please Specify) | | | | |
| 93. Do you ensure that no costs related to political activities are charged to the IHBG program? | | | | |
| 94. Do you subtract all applicable credits before charging costs to the IHBG program? | | | | |
| 95. Are all costs charged to the IHBG program allocable to the program and not included as a cost of any other federally financed program in either the current or a prior period? | | | | |
| 96. Are indirect grantee costs charged to the IHBG program only with support from an indirect cost proposal/cost allocation plan? | | | | |
| 97. If there any staff working on non-NAHASDA program activities, is the allocation of their salaries computed appropriately? | | | | |

| Internal and Interagency Management | Yes | No | N/A | Recommendations/Notes |
|---|---|---|---|---|
| 98. Is the percentage of IHBG funds used for administrative costs the same as the percentage stated in the IHP? | | | | |
| 99. Does a review of program activities establish that all IHBG funds were spent or obligated for affordable housing activities as defined in section 202 of the Act? | | | | |

Reviewer _____ Date of Review _____

# CHAPTER 8: REPORTS AND AUDITS

***This chapter discusses four types of reports: Annual Performance Reports, Periodic Grant Recipient Reports, Audit Reports, and Federal Cash Transaction Reports.***

## REPORTS

### *The Purpose of Reports*

Good reports organize and summarize important, relevant information. Good reports allow the reader to gain a quick and accurate understanding of the topic. And good reports provide enough detailed information to give the reader the complete picture.

- ❑ Reports allow one person or work group to brief another on the status of a project of interest to both.
- ❑ Reports allow a group of decision makers to stay informed and up to date on the projects and programs that they oversee.
- ❑ Reports serve as useful tools to review, evaluate and consider changes to projects and programs.

### *The Usefulness of the Reporting Process*

The eighth step in planning, as discussed in Chapter 4, is to "evaluate your progress and make adjustments to your plan." Preparing a report requires that you take the time to gather and review information, and then to comment on it.

- ❑ You will look back at what you planned to do.
- ❑ You will compile information about what you have actually done.
- ❑ You will analyze why some tasks and projects were accomplished as planned, and others were not.

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## *NOTES*

- ❑ You will summarize your analysis and make recommendations for how your plan should be changed. Your proposed changes will be based on the new information and understanding that you have gained about your accomplishments to date, and the challenges that remain.
- ❑ With a better understanding resulting from a monitoring and reporting process, you will be more likely to achieve your goals.

### *Required Reports*

There are up to four reports required of IHBG grant recipients.

- ❑ Annual Performance Report
- ❑ Periodic Grant Recipient Reports to the Grant Beneficiary. (This applies when a tribe has named a TDHE. Then, the Tribe may require periodic reports from the TDHE.)
- ❑ Audit Reports
- ❑ Federal Cash Transaction Report

Each of these reports is discussed below.

## THE ANNUAL PERFORMANCE REPORT (APR)

- ❑ Under Section 404 (b) of NAHASDA, each recipient must submit an APR for each fiscal year measuring its progress in carrying out the activities described in its IHP.
- ❑ The APR documents the status of the recipient's program performance and progress.
- ❑ The APR reports on the following elements, as required by the implementing regulations at 24 CFR Part 1000.512:

**Who Completes the APR?**

The recipient is responsible for completing the APR. The tribe is the recipient when administering its own program. The Tribally-Designated Housing Entity (TDHE) is the recipient when designated by the tribe to administer the IHBG on behalf of the tribe.

The recipient is responsible for completing each part of the APR, except when otherwise specified.

## *NOTES*

- Information about the recipient's periodic monitoring efforts, including inspection of units;
- A comparison of actual accomplishments and the performance objectives outlined in the IHP, and reasons the recipient did not meet its goals, if applicable;
- An analysis and explanation of cost overruns;
- Information regarding the recipient's performance as it relates to overall grants management and performance objectives;
- Consistency with the IHP;
- Documentation that the APR was made available to the public;
- Submission of a timely audit report; and
- Compliance with the requirements of NAHASDA and 24 CFR Part 1000, and all other applicable requirements.

❑ The information identified above is included in the various parts of the APR form. The APR includes the following:

- Cover sheet
- Part I – Reporting on the One Year Indian Housing Plan (Table I and II)
- Part II – Reporting on Program Accomplishments
  - ⇒ Section A – Monitoring
  - ⇒ Table III – Inspection of Assisted Housing
  - ⇒ Section B – Audits
  - ⇒ Section C – Public Accountability

**Note**: The information required in Part I must be prepared for each open grant. The information in Part II, Sections A through D is not specific to a single IHBG, but should be combined to reflect all IHBG activities during the program year.

## *NOTES*

⇒ Section D – Jobs Created by NAHASDA (Table IV) (optional)

### *Why is the APR Important?*

- **Statutory Requirement**. Section 404(a) of NAHASDA requires recipients to submit an APR documenting their progress in carrying out activities described in the IHP.
- **Public Comment**. Section 404(d) of NAHASDA requires the recipient to make the APR available to tribal members, non-Indians served under NAHASDA, and other citizens in the Indian area. In addition to being a statutory requirement, this is a good time to consult with your community on current and planned activities.
- **Compliance with Contract Requirements**. The APR documents your progress on the activities you included in your IHP. It is a tool to help you track your progress in implementing the IHP.
- **Self-Assessment**. Completing the APR can be a useful exercise in self-monitoring and can improve program performance.
- **Technical Assistance**. HUD uses the APR to determine whether a recipient may need technical assistance. HUD can then provide that assistance.
- **Public Information**. HUD uses the information collected in the APR to respond to questions regarding how IHBG funds are being used.

### *The Revised APR*

- A work group composed of Office of Native American Programs (ONAP) staff and tribal and TDHE staff reviewed and offered suggestions for revisions to the APR form. The result is a new set of forms that are more user-friendly, less confusing, and less time consuming to complete.
- The following table demonstrates where information is reflected on the new forms and explains the differences between the old and the new forms.

## *NOTES*

**Comparison of Old and New APR Forms**

| Old Form | Where Information is Reflected on New Forms | Explanation of Differences |
|---|---|---|
| Cover Sheet | Cover Sheet | The question that asks if the APR has been submitted to the tribe has been moved to Part II Section C – Public Accountability. |
| Part A: Status of the Five-Year Plan | There is no separate reporting requirement on the five-year plan. | There are now two questions in the new Part I that address five-year goals. These questions ask whether the recipient is on schedule with the five-year goals, and, if not, how the program will be modified to ensure goals are met. |
| Part B: Assessment of Annual Progress in Carrying out the One-year Goals and Objectives | Part I – Reporting on the One-year Indian Housing Plan | A separate new Part I must be prepared for each open grant. This section captures the same information as the old Part B but is restructured into a more user-friendly format. |
| Tables I and II | Tables I and II | Separate tables for each open grant are required. These tables are essentially the same with only minor modifications. |
| Part C: Citizen Comments | Part II Section C – Public Accountability | This section is now more succinct with specific yes or no questions. As with the old form, a summary of the public comments is required. |
| Part D: Performance Objectives | There is no separate section for performance objectives. | The new form combines reporting on goals, objectives and performance objectives in Part I - Reporting on the One-Year IHP. |

## *NOTES*

| Old Form | Where Information is Reflected on New Forms | Explanation of Differences |
|---|---|---|
| Part E: Monitoring | Part II – Reporting on Program Year Accomplishments Section A – Monitoring | This part is not grant-specific. Recipients are required to submit one Part II to cover all open grants. The section is similar to the old form and captures the same information. |
| Table III: Periodic Monitoring of Assisted Units | Table III | This table is basically the same. Units managed or operated by the recipient are consolidated into one line item. |
| Part F: Audits | Part II – Reporting on Program Year Accomplishments Section B – Audits | This section is now more specific, with several questions regarding whether an audit is actually necessary, when the audit was conducted, and if the audit was submitted previously. |
| Part G: Optional Data | Part II – Reporting on Program Year Accomplishments Section D – Jobs Created by NAHASDA | This section is still optional. The table is simply to report a summary of the information previously requested. |

### *Summary of Steps to Prepare an APR*

- ❑ Recipients should do as much advance preparation as possible before completing the APR. This will help the process go more smoothly and more quickly. There are several issues to consider when conducting advance preparation. The following is a list that recipients can use to check that they are prepared to complete the APR.

  - **Staffing.** Completing the APR will require dedicated staff time.

  - **Data collection and analysis**. Collecting and analyzing data on an on-going basis will make compiling information for the APR much easier.

  - **Report writing**. Completing the APR is more than just filling out forms. There are several sections that require analysis and a narrative response.

## *NOTES*

- **Record-keeping**. Keeping good records throughout the year will make it easier to complete the APR.

### *Characteristics of Responsive APRs*

A responsive APR has the following characteristics:

- ❑ Internal consistency among all data,
- ❑ Accurate reporting of accomplishments and performance barriers, and
- ❑ Detailed information to allow a reviewer to draw the same conclusions as those stated by the recipient in the APR.

### *Submission and Review*

- ❑ The report must be submitted annually and within 60 days of the end of the recipient's program year.
- ❑ The reporting period that is covered by the annual performance report is the same as the recipient's program year.
- ❑ The APR can be submitted to HUD by:
  - Paper version (Hard copy)
  - On the HUD form *HUD-52735-A*, which can be downloaded from HUD's Forms Warehouse at http://www.hudclips.org. (Be sure to use the revised APR form dated 10/18/00.)
  - Electronically
    - ⇒ On-line submission through:
      - – http://www.hud.gov/ihp/newhome.nsf, or at
      - – http://www/codetalk.fed.us by clicking on the NAHASDA button. This allows the

## *NOTES*

recipient to prepare its report using the same software HUD uses to review and store reports.

⇒ Diskette containing a template of the APR format. This diskette and instructions for completion and submission of the APR can be obtained through your Area ONAP.

- ❑ If an APR is not submitted within 60 days of the end of the program year, the recipient may be restricted from drawing down funds.
  - At a minimum, the Area ONAP will ask the recipient to submit documentation to support the amount drawn down before permitting it to draw additional funds from the Line of Credit Control System (LOCCS).
  - This documentation serves to substantiate that the IHBG funds being requested will be used to implement the goals and objectives of the recipient's IHP, and that the activities being conducted are in compliance with statutory and regulatory requirements.
  - If the recipient fails to submit these items and has not submitted an APR in a timely manner, HUD will consider the grant in non-compliance, and grant amounts may be subject to adjustment, reduction, or total withdrawal of grant funds.

### *What HUD is Looking For*

HUD reviews the following specific performance measures required by 24 CFR Part 1000.524 to ensure that the IHBG program is running smoothly. These include:

- ❑ At least 90% of the grant has been obligated within 2 years of award.
- ❑ The recipient has complied with required certifications in its IHP. All policies and the IHP must have been made available to the public.
- ❑ Fiscal audits have been conducted on a timely basis and in accordance with the requirements of the Single Audit Act. The recipient has addressed any deficiencies identified in audit reports within the prescribed time period.
- ❑ Accurate APRs were submitted on time.

## *NOTES*

- ❑ The recipient has met the IHP goals and objectives in the one-year plan and demonstrated progress on the five-year plan goals and objectives.
- ❑ The recipient has substantially complied with the requirements of 24 CFR Part 1000 and other applicable statutes and regulations.

The APR is just one piece of the annual assessment that HUD conducts each year for every recipient receiving NAHASDA funds. Submission of the APR triggers the annual assessment process. HUD has 60 days from receipt of the APR to make recommendations to the recipient. If HUD does not respond within 60 days, the recipient may consider the APR approved.

Chapter 7 provides a more detailed description of HUD's review of the APR and the annual assessment.

### *Additional Guidance*

HUD offers a three-day NAHASDA training on the Indian Housing Plan and Annual Performance Report. The course provides participants with a detailed manual on the Annual Performance Report. To obtain a copy or request to attend the training, contact your Area ONAP office.

### *The Requirement for Public Comment*

- ❑ Recipients are required under NAHASDA to make their report publicly available to:
  - Tribal members,
  - Non-Indians served under NAHASDA, and
  - Other citizens in the Indian area.
- ❑ The report must be made available to the public in a reasonable amount of time to permit the submission of comments to the recipient before it is submitted to HUD.
  - The recipient determines how and when this report is made available to the public.

## *NOTES*

- A summary of public comments is included with the submission of the recipient's APR.

### *Benefits of Seeking Public Comments*

The process of seeking public comments can generate insights and information that may help the recipient ensure that its programs and activities are appropriate and well designed. A summary of public comments should be included with the submission of the recipient's APR.

❑ Citizens have the opportunity to:

- Identify which activity is most important to them.
- Relate how past activities have, or have not, been of help to them.
- Gain an understanding of the limitations of the available funding.

❑ Tribal leaders and TDHE staff can:

- Share information about the amount of funds available.
- Explain the rules that govern the funds.
- Explain their strategic thinking and long-range intentions.
- Listen to the people that are served by the housing programs.

Recipients can solicit comments through a variety of methods:

❑ Posting of the APR at public places with a request for written comments (required);

❑ Public hearings;

❑ Informal meetings and discussions; and

❑ Neighborhood and resident meetings.

## *NOTES*

## PERIODIC GRANT RECIPIENT REPORTS

Section 1000.502 of the Regulation requires that the tribe monitor the performance of the NAHASDA funded activities of the TDHE, if it has designated such an entity to receive IHBG funds on its behalf.

It is important that key TDHE staff and members of the tribal council achieve a clear understanding of what each expects. It is advisable that those expectations are accurately reflected in the written agreement that names the TDHE and describes the obligations of both parties.

The tribe may accomplish the required monitoring by requiring the TDHE to submit written reports. It is the tribe's responsibility to define the reports that it will require of the TDHE. The tribe should convey this information to the TDHE at, or before, the execution of the written agreement.

In addition to the Annual Performance Report and audit, other reports may include the following:

- ❑ Periodic progress reports on:
  - Individual projects;
  - Production figures and results for on-going programs;
  - Status reports on waiting lists;
  - Status reports on needs assessment and planning work;
  - Staffing needs and performance; and
  - Monthly and quarterly financial statements.
- ❑ A report recounting the results of the annual compliance assessment conducted by the tribe of the TDHE – The annual compliance assessment is a requirement of the Annual Performance Report.

## *NOTES*

## AUDITS

If a tribe expends $300,000 or more in Federal funds in any given year, it must obtain an annual audit, called an A-133 audit (OMB Circular A-133) or a single audit (Single Audit Act).

A tribe that expends less than $300,000, while exempt from the Single Audit Act, still must maintain adequate financial records concerning the Federal funds received and spent. It must make those records available for review or audit by HUD, as required by Section 1000.554 of the Regulation and OMB Circular A-133.

This type of audit looks for compliance with general and specific government audit requirements, such as:

- ❑ Program effectiveness,
- ❑ Client eligibility, and
- ❑ Efficiency with resources.

This type of audit includes a rigorous test for internal control procedures that comply with the requirements for receiving grant money. If an IHBG recipient fails to obtain an audit, HUD may secure the audit and charge the costs to the program (OMB Circular A-133 and PIH Notice 98-14). Recipients with less than $300,000 in total Federal expenditures are exempt from annual audits.

### *References*

Other references that provide guidance on audits include:

- ❑ 24 CFR Part 1000.544-550
  - Part 1000.544 addresses what audits are required.
  - Part 1000.546 addresses what audit costs are eligible program or administrative expenses, and may be paid for with IHBG funds.

## *NOTES*

- Part 1000.548 addresses what documentation must be submitted to HUD regarding NAHASDA activities.
- Part 1000.550 addresses what is required if the TDHE, rather than the tribe, is the recipient.

❑ PIH Notice 98-14

- Provides information on the major changes in the Single Audit Act (SAA) as a result of the Single Audit Act Amendments of 1996 (P. L. 104-156).

❑ NAHASDA Guidance Bulletin 2000-01T

- Describes how the recipient can meet the requirements of the Single Audit Act while including its operations in the tribe's audit, rather than conducting its own audit.

### *Elements of an Audit*

The auditor may meet with staff or ask that a questionnaire be completed that documents the procedures related to:

❑ Spending and receiving money and other resources;

❑ Complying with laws, restrictions and regulations;

❑ Maintaining property and equipment; and

❑ Recording financial information.

Since there is a wealth of financial data required for an audit, it is recommended that one person be assigned the role of "audit coordinator." This person should have access to all the information auditors will need, and should plan to be available while the auditors are on-site.

### *Audit Roles and Responsibilities*

Certain Federal government agencies have responsibility for conducting compliance reviews of the audits that are prepared. If any audit findings result, it may be a different Federal agency that is responsible to ensure the findings are addressed.

## *NOTES*

- ❑ For tribal grant recipients:
  - The Department of the Interior (DOI) conducts the A-133 compliance review of audits.
  - DOI is responsible for sending an acceptance letter to the recipient and to ONAP that confirms compliance and identifies all findings.
  - ONAP is responsible for ensuring that recipients address audit findings.
- ❑ For TDHEs:
  - ONAP conducts the A-133 compliance review of audits.
  - ONAP is responsible for ensuring that recipients address audit findings.

### *Audit Report Submission Requirements*

It is imperative that audits are submitted in a timely manner. Completion of an A-133 audit may take anywhere from 3 to 6 months, depending upon the size of the IHBG recipient and the number of housing assistance activities undertaken. It is recommended that recipients submit a complete audit report and data collection form to the Area ONAP:

- ❑ Within 30 days after receipt of the auditor's report, or
- ❑ Nine months after the end of the audit period, whichever comes first.

Depending upon the auditor's opinion and findings, the IHBG recipient may have to prepare a Corrective Action Plan, which describes in detail the necessary steps to remedy deficiencies identified by the audit.

Specific audit submission requirements include:

- ❑ Tribal grant recipients must submit a complete audit report to the Department of the Interior, plus a courtesy copy to ONAP.
- ❑ TDHEs must submit two copies of the complete audit report to the appropriate Area ONAP office.

## *NOTES*

- ❑ Both tribal recipients and TDHEs must submit the audit report and the OMB data collection form SF-SAC to the Special Audit Clearinghouse which will:
  - Distribute the audit reports;
  - Maintain a database of completed audits;
  - Provide appropriate information to Federal agencies; and
  - Follow up with recipients who have not submitted the required data collection forms and reporting documents.

### *Audit Costs*

The cost of an A-133 audit is an allowable charge to Federal awards, when an A-133 audit is required. The charge may be considered a direct cost or an allocated indirect cost. Costs are:

- ❑ Allowable for required audits of entities with $300,000 or more in total Federal expenditures, and
- ❑ Not allowable for exempt entities with less than $300,000 in total Federal expenditures.

### *Implications of Audit Performance*

- ❑ **Continued Program Delivery:** Receipt of an acceptable audit report allows the recipient to continue delivery of housing services without interruption. However, recipients with problem audits may encounter several sanctions.
- ❑ **Investments:** Recipients may invest IHBG funds so long as the recipient demonstrates to HUD that there are no unresolved significant and material audit findings, or exceptions:
  - To the most recent annual audit completed under the Single Audit Act, or
  - In an independent financial audit prepared in accordance with generally accepted auditing principles (24 CFR Part 1000.58).

## *NOTES*

## FEDERAL CASH TRANSACTION REPORT

The quarterly Federal Cash Transaction Report (HUD-272-I) is a tool for both the HUD office and the recipient to monitor expenditures and cash management. The Federal Cash Transaction Report provides information on fund withdrawals through the Line of Credit Control System (LOCCS). A sample form is provided as an attachment to this chapter. The report shows cash on hand at the beginning and end of the quarterly reporting period, as well as draws from the Treasury. Sections 85.20 and 85.21 of 24 CFR Part 85 require recipients to minimize the length of time between when Federal funds are deposited in the recipient's account and expended. HUD expects funds to be expended within three days of receipt unless they are to be invested, which requires advance HUD approval. Additional guidance is discussed in PIH Notice 2000-44, found in Appendix M of the NAHASDA Reference Manual.

Potential indicators of cash management issues include:

- ❑ A significant increase in cash on hand at the end of the period in comparison to cash on hand at the beginning of the period, unless HUD has approved a drawdown of funds for investment purposes. A significant increase may indicate that the recipient is having difficulty moving its projects ahead, or poor cash management.

- ❑ The amount of cash on hand at the end of the period, excluding any funds invested, should represent the recipient's cash requirements for a maximum of three days. Excess cash must be returned to the Treasury.

- ❑ A negative cash on hand balance may indicate that the recipient is not making timely requests for funds. By advancing its own funds for eligible activities, the recipient loses potential interest income that could be used for other purposes.

HUD's timeline for submission and processing of the Federal Cash Transaction Report is outlined below:

- ❑ A completed HUD-272-I form must be submitted to the Area ONAP within 15 working days of the end of each quarter (i.e., April 21st, July 21st, October 20th, and January 22nd).

- ❑ Fifteen days before the end of each quarter, LOCCS automatically generates a letter for each grant that does not have a close-out date, to remind the recipient to submit the form.

## *NOTES*

- ❑ The Area ONAP instructs LOCCS to discontinue sending reminder and delinquent letters when a HUD-272-I is received that shows all IHBG funds have been drawn down from the line of credit, and expended.
- ❑ The Area ONAP is responsible for entering the receipt date of the form in LOCCS.
- ❑ If the Area ONAP does not acknowledge receipt of the HUD-272-I in LOCCS within 30 calendar days after the end of the quarter, LOCCS automatically notifies the recipient that the report is overdue.
- ❑ ONAP may proceed with action according to 24 CFR Part 1000 Subpart F to address the deficiency.

## *NOTES*

## LIST OF ATTACHMENTS

- ❑ Attachment 8-1: Sample Federal Cash Transaction Report (HUD Form 272-I)
- ❑ Attachment 8-2: APR Template

## *NOTES*

# ATTACHMENT 8-1:
# FEDERAL CASH TRANSACTION REPORT
# HUD FORM 272-I

# Federal Cash Transactions Report ONAP

(See Instructions on the back )

**U.S. Department of Housing and Urban Development**
Office of Public and Indian Housing

OMB Approval No. 2577-0218 (exp. 6/30/2001)

1. Federal sponsoring agency and organizational element to which this report is submitted

| 2. **Recipient Organization**<br>Name<br>Number and Street<br>City, State and Zip Code | 4. Federal grant or other identification number | 5. Recipient's account number or identifying number<br>6. Last payment voucher number |
|---|---|---|
| | Give total number for this period<br>7. Payment vouchers credited to your account | |
| | 8. **Period covered by this report** | |
| 3. **Federal Employer Identification Number (TIN)** | **From** (month, day, year) | **To** (month, day, year) |

| | | |
|---|---|---|
| 9. **Status of Federal Cash** (See specific Instructions on back) | a. Cash on hand at beginning of reporting period | $ |
| | b. Line of credit withdrawals | |
| | c. Treasury check payments (if applicable) | |
| | d. Total receipts (Sum of lines b and c) | |
| | e. Total cash available (Sum of lines a and d) | |
| | f. Gross disbursements | |
| | g. Federal share of program income | |
| | h. Net disbursements (Line f minus line g) | |
| | i. Adjustments of prior periods | |
| | j. Cash on hand end of period | $ |
| 10. **The amount shown on Line 9j. above represents cash requirements for the ensuing days** | 11. **Other Information** | |
| | a. Interest income | $ |
| | b. Advances to sub-grantees or subcontractors | $ |

12. Remarks (Attach additional sheets of plain paper if more space is required.)

13. **Certification**

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

| I certify to the best of my knowledge and belief that this report is true in all respects and that all disbursements have been made for the purpose and conditions of the grant agreement. | **Authorized Certifying Official** | Signature | Date Report Submitted |
|---|---|---|---|
| | | Typed or printed name and title | Phone (Area code, number, extension) |

This space for agency use

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

## Form HUD-272-I, Reporting Requirements for the Native American Housing Assistance and Self-Determination Act of 1996

### Instructions

Type or print legibly.

It is believed that you will find it easier to report on funds if you submit a separate HUD-272-I for each of the following programs:

**each** open Indian Housing Block Grant,

unobligated funds from the United States Housing Act of 1937 ('37 Act) programs (which include but are not limited to Comprehensive Improvement Assistance Program, Comprehensive Grant Program, Traditional Indian Housing Development, operating subsidy, etc.) for **each** open project that was included in the Indian Housing Plan. In other words, for each '37 Act grant that is still open, and for which a HUD-272-I is required, please report separately (submit a separate HUD-272-I) on the funds expended from that grant. Interest income and program income should be applied to the appropriate grant.

**No. Entry**

1. Enter the name and address of the Area Office of Native American Programs (ONAP) to which this report is submitted.
2. Enter the name and address of the recipient of Indian Housing Block Grant funds (tribe or Tribally Designated Housing Entity (TDHE)).
3. Enter the Employer Identification Number (EIN) assigned to the recipient by the U.S. Internal Revenue Service. If the recipient submitting the HUD-272-I is the TDHE, the TDHE's EIN number should be entered here. This is also known as the Taxpayer's Identification Number (TIN).
4. Enter the grant number assigned by HUD (line 5 of form HUD-52734-B) for IHBG funds.

   If the HUD-272-I is used to report on unobligated funds from United States Housing Act of 1937 ('37 Act) programs that were included in the Indian Housing Plan, enter the project number assigned when the project was approved. This project number can be found on the old Annual Contributions Contract (ACC).
5. This line is optional; it is reserved for an account number or other identifying number that may be assigned by the recipient.
6. Enter the nine-digit number of the last voucher processed in the Line of Credit Control System (LOCCS)/Voice Response System (VRS).
7. Enter the total number of vouchers for which funds were drawn down or disbursed from HUD for or during this reporting period.
8. Enter the start and end dates (month, day and year) for this report. The HUD-272-I must be submitted to the Area ONAP within 30 calendar days of the end of each quarter (i.e., January 30th, April 30th, July 30th and October 30th).

9a. Enter the total amount of HUD cash on hand for this grant at the beginning of the reporting period. This includes all of the HUD funds on deposit, and imprest funds (a loan or advance of funds).

(note: This is cash drawn down but not spent, and includes funds drawn down for investment purposes. This does not include interest income or other program income. This is IHBG or '37 Act funds for this grant, not funds on hand for other HUD programs or other TDHE funds (such as proceeds of sale, operating reserves, income from units developed under '37 Act, etc.).

9b. Enter total amount of HUD funds for this grant received through LOCCS that were credited to your account during the reporting period.

9c. If for some reason the grant funds were not deposited to the recipient's account via wire transfer, enter the amount of the Treasury check here. Treasury checks will be issued only in rare cases (for example, when a recipient is not set up to receive funds through LOCCS).

9d. Total of 9b + 9c (which equals all funds received during reporting period for this grant).

9e. Total amount (9a plus 9d) available for expenditure (includes amount held in bank and in investments).

9f. Enter the total cash disbursements related to the use of funds for this grant made during the reporting period.

Such disbursements include the use of cash received as program income and as interest income. Disbursements as used here also include the amount of advances and payments less refunds to sub-grantees or contractors; the gross amount of direct salaries and wages, including the employee's share of benefits if treated as a direct cost, interdepartmental charges for supplies and services, and the amount to which the recipient is entitled for indirect costs.

Disbursements related to non-HUD programs should not be reflected on this line.

9g. Enter the HUD share of program income that was required to be used on the project or program by the terms of the grant or agreement.

9h. Enter the total of line 9f minus line 9g.

9i. Enter the amount of all adjustments pertaining to prior periods affecting the ending balance that have not been included in any lines above. Enter an explanation for each adjustment under item 12. Use plain sheets of paper if additional space is required.

9j. Enter the total amount of HUD cash on hand at the end of the reporting period (total of line 9e, minus 9h, plus or minus line 9i). This amount should include all funds on deposit (including investments), imprest funds, and undeposited funds for this quarter.

If the total is a negative amount, provide an explanation in item 12.

10. Enter the estimated number of days until the cash on hand, shown on line 9j, will be expended. If more than three days cash requirements are on hand, provide an explanation under item 12 as to why the drawdown was made prematurely, or other reasons for the excess cash. For example, if any funds are drawn down for investment purposes, then item 12 should include the amount of funds that have been invested and the length of time the funds have been invested and/or the length of time the funds will be invested.

11a. Enter the amount of interest earned on advances of HUD funds (that is interest earned in this quarter). This includes all interest earnings from investments or other sources.

11b. Enter the amount of advances or payments to sub-grantee(s) and/or subcontractor(s) included in item 9h.

12. In addition to providing explanations as required for lines 4 through 11b, this section may also be used to provide additional information that HUD or the recipient deems necessary. Use plain sheets of paper if additional space is required.
13. This section must be signed and dated by the recipient's authorized certifying official. The certification must include the official's printed or typed name, title and telephone in the spaces provided.

# ATTACHMENT 8-2:
# APR TEMPLATE

# Annual Performance Report

These forms meet the minimum requirements for an Annual Performance Report (APR) required by the United States Department of Housing and Urban Development. In addition to these minimum requirements, a tribe/tribally designated housing entity (TDHE) may elect to prepare a more comprehensive APR. If a tribe/TDHE elects to prepare a more comprehensive report, the required elements of this APR must still be submitted on the prescribed HUD forms.

# Annual Performance Report

Under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4104 et seq.) HUD will provide grants, loan guarantees, and technical assistance to Indian tribes and Alaskan Native villages for the development and operation of low-income housing in Indian areas. Grants will be made to eligible recipients under the Indian Housing Block Grant Program. To be eligible for the grants, respondents must submit an Indian Housing Plan that meets the minimum requirements of the Act, consult with residents, prepare Title VI application/certification, submit performance reports, and maintain records for HUD monitoring and audit review.
Public reporting burden for this collection of information is estimated to average 120 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Recipients of Indian Housing Block Grant (IHBG) program funds are required to submit an Annual Performance Report (APR) to HUD within 60 days of the end of their program year. Statutory reference is contained in the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996, as amended, *Sec. 404 Performance Reports*. The regulatory reference is found at 24 CFR Part 1000, sections 512 through 521. Response to the Annual Performance Report is mandatory and is required by Sections 403 and 404 of NAHASDA and by the regulations at 24 CFR 1000.
The information requested does not lend itself to confidentiality.
This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

# Annual Performance Report

Recipients of NAHASDA funds are required to prepare and submit an Annual Performance Report (APR) within 60 days of the end of the program year. The APR shall contain the information required below and narrative statements as needed.

**The Annual Performance Report consists of the following parts:**

Cover sheet - General information on the tribe or TDHE
- Part I - Reporting on the One-Year Indian Housing Plan
  - Table I - Sources of Funds
  - Table II - Uses of Funds
- Part II - Reporting on Program Year Accomplishments
  - Section A - Monitoring
  - Table III - Inspection of Assisted Housing
  - Section B - Audits
  - Section C - Public Accountability
  - Section D - Jobs Created by NAHASDA

Part I (including Tables I and II) – One separate part must be submitted for each open grant.

Part II (including Sections A, B, C, and Table III) – This part is not grant specific. A single part is to be prepared and submitted at the end of each program year and will cover all open grants.

Part D (including Table IV) – This part is optional.

# Annual Performance Report
# Cover Sheet

1. APR is submitted by (mark one) tribe ☐ THDE ☐

2. Reporting period for which this APR is prepared: from: _____ (mm/dd/yy) to: _____ (mm/dd/yy)

| 3. Recipient Name and Address | | |
|---|---|---|
| 4. Name of Contact Person | Title | Telephone no. (include Area Code) |
| **If APR is submitted by the TDHE**<br>5. Enter the name of each tribe included in this APR | | |
| 6. Name of official authorized to submit APR | Title | |
| Signature | Date | |

**Certification:** The information contained in this report is accurate and reflects the activities actually accomplished during the reporting period. Activities planned and accomplished are eligible under applicable statutes and regulations and were included in the applicable one year activities in the corresponding Indian Housing Plan.

**Warning:** If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosure of information, including intentional disclosure, is subject to civil money penalty not to exceed $10,000 for each violation.

For HUD use only

| Date APR is received by HUD | Time | logged in by |
|---|---|---|
| | | |

# PART I - REPORTING ON THE ONE-YEAR INDIAN HOUSING PLAN (IHP)

One separate Part I (that includes Tables I and II) must be submitted for ***each*** open grant.

Grant Number: [ ]

Enter the date HUD notified you that your IHP was found in compliance: _____ (mm/dd/yy)

Is this the final APR for this grant? Check one: yes [ ] no [ ]

Each year, you develop goals and objectives and performance objectives in the IHP that describe the use of your IHBG funds. At the end of the program year, you report on the progress made towards achievement of them.

1. Please report on each of the one-year goals and objectives **and** report on each of the performance objectives identified in the IHP for this reporting period only in a format as follows:
   **Note**: Goals and Objectives should be reported from inception to the present while the performance objectives should be reported for the reporting period only.

| | | |
|---|---|---|
| GOAL # ____ | | Goal as identified in the IHP: |
| | Objective #_____ | Objective as identified in the IHP: |
| | Performance Objective #_____ | Performance objective relating to the above listed goal and its objective(s) as identified in the IHP: |
| | Accomplishment(s) | Progress made toward completion of the goal and objective(s) as they relate to this performance objective: |
| | No accomplishment | If no progress was made, explain why not and describe what you will do to complete the activities: |

Repeat this format for each one year goal and objective(s) and performance objective(s) in the IHP for this grant.

2. Are you on schedule to complete the 5-year goals identified in your IHP?

Check one: yes ☐ no ☐

3. If the answer to #2 is no, explain causes for delays and how you plan to modify your program to meet your 5-year goals and objectives.

4. How would you change your programs in general as a result of your experience with the implementation of NAHASDA?

Grant Number:

# Table I - Sources of Funds

| Sources of Funds for IHBG Activities | Planned Amount (from the IHP) | Amount Actually Awarded |
|---|---|---|
| (a) | (b) | (c) |
| 1. HUD Resources | | |
| a. NAHASDA Block Grant | | |
| b. NAHASDA Program Income | | |
| c. NAHASDA Title VI (Federal Guarantee) | | |
| d. Section 184 Loan Guarantee | | |
| e. Indian Community Development Block Grant | | |
| f. Drug Elimination | | |
| g. Prior year funds | | |
| h. Other **(explain in narrative)** | | |
| 2. Existing Program Resources | | |
| a. 1937 Housing Act Programs | | |
| b. Other HUD Programs | | |
| 3. Other Federal or State Resources | | |
| a. BIA Home Improvement Program | | |
| b. Other **(explain in narrative)** | | |
| 4. Private Resources | | |
| a. Tribe | | |
| b. Financial Institution | | |
| c. Other **(explain in narrative)** | | |
| 5. Other **(explain in narrative)** | | |
| **Total Resources** | | |

Narrative:

1. If column c is less than column b, explain why the planned funds were not realized.

Grant Number: [ ]

# Table II - Uses of Funds

| Activity | Budgeted Amount (from the IHP) | Cumulative | | | |
|---|---|---|---|---|---|
| | | Grant (IHBG) funds expended | Other funds expended | Total funds expended from all sources (c + d) | Percentage of IHBG Grant Amount Obligated |
| (a) | (b) | (c) | (d) | (e) | (f) |
| 1. Indian Housing Assistance (1937 Housing Act units) | | | | | |
| a. Modernization | | | | | |
| b. Operating | | | | | |
| 2. Development | | | | | |
| a. Rental | | | | | |
| i. Construction of new units | | | | | |
| ii. Acquisition | | | | | |
| iii. Rehabilitation | | | | | |
| b. Homeownership | | | | | |
| i. Construction of new units | | | | | |
| ii. Acquisition | | | | | |
| iii. Rehabilitation | | | | | |
| 3. Housing Services | | | | | |
| 4. Housing management services | | | | | |
| 5. Crime Prevention & Safety | | | | | |
| 6. Model Activities | | | | | |
| 7. Planning & administration | | | | | |
| 8. Reserves | | | | | |
| 9. Other | | | | | |
| **Total** | | | | | |

## Table II (continued)

| | | Cumulative | | | | |
|---|---|---|---|---|---|---|
| **Activity** | **Number of units planned (from the IHP)** | **Number of units completed** | **Number of units started not completed** | **Number of families assisted** | | |
| (a) | (g) | (h) | (i) | low-income Indian families | non low-income Indian families | non-Native American |
| | | | | (j) | (k) | (l) |
| 1. Indian Housing Assistance (1937 Act units) | | | | | | |
| a. Modernization | | | | | | |
| b. Operating | | | | | | |
| 2. Development | | | | | | |
| a. Rental | | | | | | |
| i. Construction of new units | | | | | | |
| ii. Acquisition | | | | | | |
| iii. Rehabilitation | | | | | | |
| a. Homeownership | | | | | | |
| i. Construction of new units | | | | | | |
| ii. Acquisition | | | | | | |
| iii. Rehabilitation | | | | | | |
| 3. Housing Services | | | | | | |
| 4. Housing Management Services | | | | | | |
| 5. Crime Prevention & Safety | | | | | | |
| 6. Model Activities | | | | | | |
| 7. Planning & administration | | | | | | |
| 8. Reserves | | | | | | |
| 9. Other | | | | | | |
| **Total** | | | | | | |

Narrative:

1. Column (a), line item #8, Reserves: Identify the purpose for the funds you placed in this category.

2. Explain any unexpected cost overruns associated with IHBG funds.

3. Investments: Date HUD approved: _____ (mm/dd/yy)

   Amount approved for investment: $_____

   Amount of IHBG funds (principal only) invested as of this reporting period end date:
   $ _____

## Part II - Reporting on Program Year Accomplishments

This Part is not grant specific. A single Part II consisting of Sections A through D (including Table III), is to be prepared and submitted at the end of each program year and will cover all open grants.

## SECTION A - MONITORING

**I. Self-Monitoring:** Sec 403(b) of the NAHASDA statute and §1000.502 of the program regulations require that the recipient **and** the tribe are to be involved in monitoring activities. You are responsible for monitoring your grant activities to ensure compliance with NAHASDA and its implementing regulations, and for monitoring the performance goals included under the IHP. In addition, if you are the TDHE, the tribe is responsible for monitoring your programmatic performance for compliance with the IHP, its stated goals and objectives, and the NAHASDA statute and its implementing regulations.

If you are a tribe reporting as the recipient, answer questions 1, 2 and 5. If you are a TDHE, answer all of the questions in this part.

1. Briefly describe the self monitoring systems and internal control procedures you used and those you implemented during the past year to assure that program activities comply with NAHASDA and its program regulations.

2. If you are a tribe or a TDHE reporting as the recipient:

    a. List the activities you monitored:

    b. Describe the results of each monitoring activity:

    c. Describe any required corrective action:

3. If you are a TDHE (in addition to answering #2):

   d. Describe the procedures the tribe used to monitor your affordable housing activities:

   e. List your activities the tribe monitored:

   f. Describe the results of the activities the tribe monitored:

   g. Describe any corrective action required:

4. If you are a TDHE, describe any issues regarding your program activities that were referred to the tribe by HUD, an auditor, etc. and your responses to them.

5. Describe any monitoring activities you conducted of your sub-recipients.

**II. Inspection of Units:** Per 403(b) of NAHASDA, a monitoring program must include an on-site inspection of all housing units assisted with NAHASDA funds and 1937 Housing Act funds. Use Table III to record the results of the assisted housing units inspected in this reporting period.

## Table III - Inspection of Assisted Housing

| | | Units Inspected | | | | |
|---|---|---|---|---|---|---|
| Activity | Total number of units | Total number of units Inspected (total d through g) | Number of units in standard condition | Number of units needing rehabilitation (costing less than $20,000) | Number of units needing rehabilitation (more than $20,000) | Number of units needing to be replaced |
| (a) | b. | c. | d. | e. | f. | g. |
| 1. 1937 Housing Act funded units | | | | | | |
| a. Mutual Help | | | | | | |
| b. Low Rent | | | | | | |
| c. Turnkey III | | | | | | |
| d. Other | | | | | | |
| 2. NAHASDA funded units | | | | | | |
| a. Owned or managed by recipient | | | | | | |
| b. Homeownership | | | | | | |
| c. Rental | | | | | | |
| d. Temporary housing | | | | | | |
| e. Other | | | | | | |
| **Total** | | | | | | |

Narrative:

1. Describe your plan of action for complying with your inspection policy:

2. If applicable, explain why all units were not inspected:

3. Describe the process you use to perform inspections on units you do not own or manage which are assisted with IHBG funds:

## SECTION B - AUDITS

Per 24 CFR 1000.544, IHBG recipients must comply with the requirements of the Single Audit Act and OMB Circular A-133 which require annual audits of recipients that expend Federal funds equal to or in excess of an amount specified by the U.S. Office of Management and Budget. (Currently set at $300,000). Audit reports are to be submitted to HUD within 30 days after receipt or nine months after the end of the audit period (whichever is soonest). Per 24 CFR 1000.548, if a copy of the audit has not already been submitted, it must be submitted with the APR.

1. For this program year, did you expend Federal funds equal to or more than $300,000?

   Check one: yes ☐ No ☐

2. If the audit is not submitted with this APR, the time period your last audit was covered is _____ (mm/dd/yy) to _____ (mm/dd/yy)

3. If you are a TDHE, will your housing activities be included in the tribe's audit (in which case you will not be submitting an audit for this period)?

   Check one: yes ☐ No ☐

4. If the answer to #3 is no, have you submitted your latest audit report to the tribe in accordance with 24 CFR 1000.550?

   Check one: yes ☐ No ☐

## SECTION C - Public Accountability:

1. Did you make this APR available to the citizens in your jurisdiction before it was submitted to HUD per 24 CFR 1000.518?

   Check one: yes ☐ No ☐

2. If you are a TDHE, did you submit this APR to the tribe per 24 CFR 1000.512?

   Check one: yes ☐ No ☐ N/A ☐

3. If you answered no to question #1 and/or #2, provide an explanation as to why not and indicate when you will do so.

4. Summarize any comments received from citizens:

5. Summarize any comments received from the tribe if applicable:

## SECTION D - Jobs Created by NAHASDA

SUBMISSION OF THIS TABLE IS OPTIONAL . The information provided in this table may be used to respond to inquiries from Congress, other Federal agencies, and the public regarding the impact of the IHBG Program.

### Table IV - Jobs Created by NAHASDA

| | Number of permanent positions created | Number of temporary positions created | Number of positions needed to implement NAHASDA |
|---|---|---|---|
| (a) | (b) | (c) | (d) |
| Indian Housing Block Grant Assistance | | | |

**Narrative:**

# Chapter 9:
# Written Agreements

# CHAPTER 9: WRITTEN AGREEMENTS

***Written agreements are important tools. They clarify understanding, and help ensure satisfactory completion of a project. It is the written agreement with HUD that defines the NAHASDA grant recipient as a tribe or a Tribally Designated Housing Entity. Once that agreement is signed, many more agreements are needed to accomplish the goals and objectives of the tribe's Indian Housing Plan.***

## AN IMPORTANT PART OF COMMUNICATION

Written agreements are communication tools. If they are thoughtfully prepared and monitored, they greatly increase the likelihood that projects and programs will be successful. Written agreements are an important part of the communication between:

- ❑ The tribal council and the tribally designated housing entity (TDHE), or other subrecipient.
- ❑ The recipient, and contractors or subrecipients.
- ❑ The housing delivery agency (be it the tribe, TDHE, contractor, or subrecipient) and the eligible family.

### *What Does a Written Agreement Communicate?*

No doubt many discussions precede every decision to enter into a written agreement. At the time a written agreement is drafted, the two parties have generally agreed about what will be done, who will do it, and when it will get done. Or, have they?

It is always surprising how easy it is for people to talk and to agree, and then when their joint effort is underway, for both sides to realize they had been talking about slightly different visions of the endeavor. The act of producing written agreements helps the differences surface. Those differences can be resolved and the new understanding can be included in the agreement before the work begins.

Clearly written, thoughtful, agreements communicate:

- ❑ Shared expectations;

***NOTES***

- ❑ Performance standards;
- ❑ Product description and quality;
- ❑ Timeline;
- ❑ Cost;
- ❑ Staff or personnel;
- ❑ Other details about how the work will get done.

The more specific the agreement, the more clear the communication.

## WRITTEN AGREEMENTS ARE LEGAL DOCUMENTS

Parties to a written agreement formally state their expectations and responsibilities. A written agreement becomes binding when authorized signatories for each party sign the document. Each party to the agreement not only can expect performance by the other, but can also seek enforcement of that performance, or other recourse.

### *Who Creates Written Agreements*

Written agreements are only useful if they are thoughtful and have provisions that address the circumstances that may arise. Producing good written agreements almost always involves the efforts of several people with different sorts of expertise. People involved in developing an agreement must understand and be concerned with:

- ❑ The technical aspects of the topics covered by the agreement. For instance in the case of an agreement between a recipient and a building contractor, program and construction experts must be involved. These experts contribute the substance and content of the agreement, and explain the desired outcomes. In our example of a construction contract, these experts would define:
  - What will be constructed;
  - The schedule;

## *NOTES*

- The cost;
- The plans, materials and specifications; and
- Other information that further defines the product to be produced.

❑ The legal aspects of the agreement. Legal experts devise the language that makes the agreement enforceable, and define the recourses available to each party. Legal experts assume the responsibility to translate and interpret appropriate tribal, state and local laws, and to make the agreement a document that accomplishes the desired end goals.

❑ The technical experts and the legal experts work together further to define the:

- Formal methods of communication between the parties,
- Methods of making adjustments to the agreement, and
- Methods of negotiation, arbitration and legal recourse.

### *Components of a Written Agreement*

Agreements are written for many different purposes and between different types of parties, but there are certain components that should be included in all agreements. Typical components of a written agreement include:

❑ Naming of the parties to the agreement

- The legal name of each party to the agreement is stated, and the legal business address of each is usually provided.
  - ⇒ The first party named is the initiating or offering party of the agreement.
  - ⇒ The second party named is the party receiving the offer, or the accepting party.
- Parties to agreements may be:
  - ⇒ Individuals,

## *NOTES*

⇒ Partnerships, or

⇒ Corporations, which

- May be private or public entities, or
- May be for-profit companies or nonprofit organizations, and
- Are established under state or tribal law.

❑ Background or reason for the agreement

- Many agreements begin by stating why the agreement is necessary or desirable. This information helps a reader of the agreement better understand the intent of the conditions of the agreement. This section:

⇒ May take the form of statements about the need for affordable housing.

⇒ May include an explanation about the limited capacity of the offering party and its need to partner with, or to hire, an entity with greater capacity.

⇒ May also state information about the receipt of NAHASDA funds, and the NAHASDA provision that allows for the agreement at hand.

❑ The offer

- Every agreement consists of an offer from a first party and an acceptance from a second party.
- The offer paragraph(s) states what the first party will provide as consideration to the second party for providing the services or products defined in the scope of work.
- In most instances the consideration offered is dollars, but it can be something else such as the use of land, or services in return.

## *NOTES*

- ❑ Scope of work
  - This is the part of the agreement that provides the details about what will be done. A great deal of care and time must be applied to developing this section of the agreement. Attachments, such as architectural drawings or program descriptions, are often referred to in the scope of work, and become part of the agreement. The scope of work must make clear:
    - ⇒ What will be done:
      - – The services to be provided;
      - – The products to be produced;
      - – The outcomes to be effected;
      - – The standards and specifications that will be met;
      - – The regulations and rules that will be adhered to; and
      - – Reports and records that will be kept.
    - ⇒ Who will do the work or provide the services, and
    - ⇒ The schedule.
- ❑ Changes to the agreement
  - Agreements may always be modified if so desired by both parties to the agreement.
  - It is wise to define the process for making changes in the agreement.
    - ⇒ In a construction contract the method for changes is usually a change order process.
    - ⇒ In agreements for services other than construction, a change is usually accomplished by processing an amendment to the agreement that is approved in the same manner as the original agreement.

## *NOTES*

⇒ The agreement should specify which party(ies) may initiate a change, and what steps are to be taken to formalize the change.

- ❑ Warranties
  - This section of the agreement describes what insurance the accepting party provides that the product produced or services provided will remain in effect and useful for a specified period of time.

    ⇒ In the case of rehabilitation or new construction, a warranty may say that all systems and materials are guaranteed against failure or defect for one or more years.

    ⇒ In the case of services, the agreement might state that follow-up services will continue to be provided for a set period of time after the term of the agreement.

- ❑ Terms of termination
  - The agreement may have a specific expiration date.
  - The agreement may terminate after a specified event that will occur in the future.
  - The agreement may be terminated at any time by consent of both parties to the agreement.
  - Generally, either party may terminate the agreement for just cause, or breach.

    ⇒ It is important to define what constitutes just cause.

    ⇒ It is also important to state what interim steps a party must take before exercising the right to terminate the agreement. Steps might include serving notice by certified mail delivery, or other measures.

- ❑ Remedies and recourse
  - Well written agreements provide recourse for each party, should the other party not do what it has promised.

## *NOTES*

- Two parties generally enter into an agreement because it makes sense for each of them. Each party anticipates an outcome that is beneficial. One party needs to have something done, or something built. The other desires the consideration being offered. If either party does not do what was agreed to, the other party stands to lose. The outcome that was anticipated is not realized.

  ⇒ The housing may not be built.

  ⇒ The elders may not have the new dining hall.

  ⇒ The first time homebuyers may not be prepared for the maintenance demands they face, as they would have if they had been able to participate in homebuyer education.

  ⇒ The party doing the work, or providing the service may not receive the money that was anticipated to help pay the cost of operating its business.

- Given that recipients of IHBG funds must be sure that all IHBG funded activities comply with all NAHASDA statutory and regulatory requirements, it is prudent that the recipient structure adequate recourse into every written agreement. Failure to do so could result in the recipient having to pay for others' mistakes.

- Examples of forms of recourse

  ⇒ Return of funds that have been paid to date.

  ⇒ Payment of liquidated damages to compensate for delay in performance.

  ⇒ The right to achieve performance either by hiring a third party at the expense of the non-performing party, or by requiring the non-performing party to get the job done.

  ⇒ Any of these forms of recourse may accompany the termination of the agreement.

❑ Acceptance

- The agreement is only in place and binding when the offer has been made, and accepted; usually demonstrated by authorized signatures from each party.

## *NOTES*

- By making and accepting an offer, each party is agreeing to all the conditions specified.
- Until an offer has been accepted, it is not in place. It is likely that a number of modifications to an agreement will take place between the time an agreement is first drafted and offered, and when it is finally accepted.

❑ Signatures

- Every entity that has the legal right to enter into agreements defines who may sign agreements on behalf of the organization.

  ⇒ It is important that only authorized signatories execute an agreement. If others sign, the agreement is not valid.

  ⇒ It is customary that each party to an agreement reviews the other party's documents that explain who in that organization has signature authority.

- In the case of corporations, signatories will be named in the Articles of Incorporation or in the Bylaws. The articles or bylaws also specify any requirements for board action that must be taken prior to a signatory executing a document.

## HOUSING RELATED AGREEMENTS

Certain types of agreements are specifically required by NAHASDA. Others are a good idea. Five types of agreements that tribes and housing agencies often need are listed below.

### *Agreement Between the Tribe and a TDHE*

❑ When the tribe chooses to designate a TDHE to implement its housing activities the provisions for an agreement between a grantee and a subgrantee found at 24 CFR Part 85.37 apply. Every subgrant must include:

- A provision for compliance with 24 CFR Part 85.37 (b),
- Any clauses required by applicable Federal statutes and executive orders and their implementing regulations, and

## *NOTES*

- A statement that subgrantees are aware of requirements imposed upon them by Federal statutes and regulations.

- ❑ All of the components of agreements discussed above are relevant to an agreement between a tribe and a TDHE.

- ❑ The tribal council generally determines the conditions and desired outcomes of the agreement and instructs its administrative or legal arm to prepare a draft. The tribal council then reviews and approves the drafted document and offers the agreement to the prospective TDHE.

- ❑ As with all agreements, care and time must be taken to prepare a clear and concise scope of work. Even if the tribal council and the TDHE have a long-standing relationship, it is important that details be put in writing.

  - Who will carry out the planning process and produce the Indian Housing Plan?
  - Will projects and programs be defined by the TDHE, or by the tribal council?
  - When does the tribal council want to be involved in discussions and decisions? When must council approval be sought before action is taken by the TDHE?
  - How much money will be made available to the TDHE and what must be produced or provided?
  - What standards and rules must be followed?
  - Can the tribal council terminate the agreement and take back all unspent funds? Since the cooperative agreement for the IHBG funds is between HUD and the TDHE, an amendment to that cooperative agreement would be necessary to allow the transfer of the IHBG funds to the tribe. The agreement between the tribe and the TDHE should address this potential occurrence, and specify under what circumstances the TDHE will execute an amendment to the HUD cooperative agreement and allow the transfer of any funds.

## *NOTES*

### *Agreement Between the Grant Recipient and a Subrecipient, Other Than a TDHE*

- ❑ A recipient that receives IHBG funds from HUD can choose to contract with a subrecipient to deliver all or a part of the housing programs on its behalf. The same rules that apply to the recipient in the use of federal funds, also apply to the subrecipient. Again, the rules found at 24 CFR Part 85.37 apply.

- ❑ This agreement is similar in many ways to the agreement between the tribe and a TDHE and all the components of an agreement listed above should be considered. However, the scope of services is more limited and the level of control that the recipient maintains is likely to be higher. A sample subrecipient agreement can be found as Attachment 1 to this chapter.

### *Agreement Between the Tribe/TDHE and a Municipality*

There are many instances when a tribe may wish to develop housing or provide housing assistance within the jurisdiction of a municipality, or in partnership with a municipality. These instances call for a written agreement between the two governments, pursuant to NAHASDA Section 101(c). For tribes that have no land or that are conducting NAHASDA activities in adjoining municipalities, this type of agreement is very important. Again, all the components of a sound written agreement, described earlier in this chapter, should be considered when preparing this type of agreement.

The Office of Native American Programs has produced a sample cooperation agreement and has made it available to tribes. A copy of this sample agreement can be found as Attachment 2 of this chapter.

- ❑ The sample agreement is concerned with the provision of municipal services and adequate compensation for them, especially when the tribe does not pay property taxes.

- ❑ The model has been written so that it can be used between a:

  - Tribe and a TDHE within a reservation, or
  - The recipient and a municipality.

## *NOTES*

## *Agreement between a Recipient and a Contractor*

- ❑ In those instances when there is a contract between the recipient and a contractor, contractors must be selected using federal procurement procedures requirements at 24 CFR Part 85.36, as well as the Indian preference requirements of 24 CFR Part 1000.52. (A copy of 24 CFR Part 85.36 is included as Appendix P in the NAHASDA Reference Manual.)
  - Contractors may be utilized for a large range of activities including construction, legal services, and audits. Agreements should be entered into with all contractors, regardless of what service is provided.
- ❑ The written agreement between the recipient, or a subrecipient, and the contractor must include required provisions of 24 CFR Part 85.36(i). Those required provisions include:
  - Remedies for breach of contract including appropriate sanctions and penalties;
  - Process for termination for cause or convenience;
  - Compliance with Equal Employment Opportunity rules;
  - Compliance with the Copeland Anti-Kickback Act;
  - Compliance with the Davis Bacon Act;
  - Compliance with Section 103 and 107 of the Contract Work Hours and Safety Standards Act;
  - Reporting requirements;
  - Requirements pertaining to patent rights, copyrights, and rights in data;
  - Required access to books and records;
  - Record retention requirements;
  - Compliance with the Clean Air Act; and
  - Compliance with the state energy plan.

## *NOTES*

- ❑ In contractor agreements, as in all others, the components of an agreement listed earlier in this chapter should be thought through first before the agreement is drafted. Then, the paragraphs should be written that define the expectations and responsibilities of both parties.

### *Agreement Between a Program Provider and an Eligible Family*

- ❑ In the end we are most concerned about eligible families. Our programs exist to help meet their housing needs. Our programs are on the road to success if:
  - The right products and services are offered,
  - The eligible families understand what they are receiving and what their responsibilities are, and
  - All the conditions imposed on both parties – the program delivery agency and the assisted family – are enforceable and are met.
- ❑ Written agreements between the program delivery agency and eligible families must meet the requirements in Section 403(a) of NAHASDA. Those requirements include:
  - Ensure long term compliance with provisions of the Act, and
  - Provide remedies for breach of the required provisions.
- ❑ Written agreements between the program delivery agency and the eligible families are necessary for:
  - Homebuyer programs;
  - Affordable rental programs;
  - Counseling programs;
  - Housing rehabilitation programs;
  - Any other programs that may be offered using NAHASDA funds.

## *NOTES*

- ❑ In every agreement it is important to address each of the components of a good agreement that was discussed earlier in this chapter.
- ❑ It is also important to write these agreements in the plainest language possible, and to provide training and explanations to each eligible family prior to the family signing an agreement.

## *NOTES*

# LIST OF ATTACHMENTS

- ❑ Attachment 9-1: Subrecipient Agreement
- ❑ Attachment 9-2: Cooperative Agreement

## *NOTES*

# ATTACHMENT 9-1: SUBRECIPIENT AGREEMENT

*- - SAMPLE - -*

**SUBRECIPIENT AGREEMENT**

**Agreement between**
**(insert name of Recipient)**
**and**
**(insert name of Subrecipient)**
**for the Implementation of the**
**Indian Housing Block Grant Number _____**

This Agreement is entered into between (insert name of Tribe/TDHE), hereinafter referred to as Recipient, and the (insert name of Subrecipient), hereinafter referred to as Subrecipient, to authorize Subrecipient to act as the subrecipient entity for the implementation of the Indian Housing Block Grant (IHBG) Number _____ under the Native American Housing and Self Determination Act of 1996 (NAHASDA). The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of the IHBG fund or other assets including program income.

**1. WORK ASSIGNED**

The work assigned under this Agreement is as follows:

(Insert specific description of the work assigned to the Subrecipient. Include any exceptions, deletions or special circumstances.)

**2. OBLIGATIONS OF THE SUBRECIPIENT**

A. Statement of Work (SOW).

1. The Subrecipient shall be responsible, on behalf and in the best interests of the Recipient/TDHE, for the successful implementation of the specific IHBG Number _____ activities, as described in this Agreement

2. The Subrecipient shall supervise and monitor the day-to-day performance of its staff/any contractors and shall report to the Recipient regarding their monitoring findings on a regular

basis. It will also submit regular progress reports, revised documentation or schedules, and immediately alert the Recipient in writing as to any problems encountered which could delay or alter the agreed upon terms of the Agreement.

3.The Subrecipient shall advocate, solicit, coordinate, procure, manage, develop, and maintain the program as stated in this Agreement on behalf of the Recipient. This includes entering into agreements, arbitrating, compromising, negotiating, and settling disputes, and securing, obtaining, managing, transferring, and holding funds from any source.

4. The Subrecipient shall adhere to all applicable laws, regulations, and guidance in the administration of this Agreement. The Subrecipient agrees that it is responsible for any damages incurred by the Recipient as a result of Subrecipient's failure in this regard.

B. Schedule of Work.

1. The Subrecipient shall prepare and submit a Schedule of Work (Schedule) specifying work to be done, dates of completion and sources of funds. This schedule must be approved by the Recipient prior to beginning of work or release of funds.

2. Proposed changes or amendments to the Schedule must be submitted in writing to the Recipient for review and concurrence. All such documents become a part of this Agreement and are thus subject to the same standards and requirements stipulated herein.

C. Budget.

1.The budgetary amount established for the work assigned under this Agreement totals $(insert dollar amount). The Subrecipient will make requests for funds commensurate with the time frames and formats prescribed by the Recipient. (Recipient to state specific windows for requests and attach copies of forms it wants the Subrecipient to use.)

2.After the Recipient has determined that the work was performed satisfactorily, payments will be

made for eligible expenses actually incurred by the Subrecipient, and will not exceed the actual cash requirements. Payments will be made against the line items as specified in the approved budget. Payments will be denied or made within 30 days of request by the Subrecipient.

3. The Subrecipient will submit monthly accounting statements to the Recipient. The date established for these submissions is (Recipient to insert the day/date each month that the statements are due.) The Subrecipient will also submit other reasonable written reports upon request by the Recipient.

**3. RECORDS AND REPORTS**

A. Establishment and Maintenance of Records

1. The Subrecipient shall maintain records including, but not limited to, financial records, bid documents, and all other records sufficient to reflect all direct and indirect costs incurred to perform the work assigned.

2. The Subrecipient shall maintain reports as required by this Agreement. It shall establish and maintain all backup data necessary to support those reports.

3. The Subrecipient is responsible for maintaining all other records and reports as required by law, including, but not limited to those required by the regulation implementing NAHASDA.

B. Preservation of Records and Reports.

1. The Subrecipient shall preserve and make available for review and inspection all records and reports related to the work assigned under this Agreement. These records and reports shall be maintained for a period of three years after the program close out. Program close out shall be the point at which the Recipient agrees that the responsibilities of the Subrecipient have been completed.

2. The Subrecipient shall retain these records and reports beyond this period of time until any possible litigation audit findings, or claims have been resolved.

**4. AUDITS**

A. Review of Records.

1. The Subrecipient must make their records available for review by the recipient, as well as others authorized by the Recipient.

B. Compliance.

1. The Subrecipient must comply with applicable sections of OMB Circular No. A-133, Revised June 24, 1997.

**5. OBLIGATIONS OF THE TRIBE**

A. Timely Payments.

1. The Recipient must perform prompt reviews of payment requests submitted by the Subrecipient. Requests for payments shall be either denied or approved and made by the Recipient within 30 days of request by the Subrecipient.

B. Monitoring Activities.

1. The Recipient shall establish a schedule for periodic review of the Subrecipient. Reviews shall be conducted (insert time period for review, e.g., at the end of each quarter, every, six months, etc.).

2. On site reviews may be made only after the Recipient has provided notice to the Subrecipient of such review in writing at least (insert time for notice, e.g., one week, 10 days, etc.) prior to the review.

C. Provision of Information.

1. The Recipient shall provide the Subrecipient with program information necessary for the Subrecipient to perform their duties with respect to this Agreement. An example of program information is the Indian Housing Plan, or applicable portions, for the tribe for which activities under this Agreement are to be undertaken.

## 6. OTHER REQUIREMENTS

A. Nondiscrimination Requirements.

1. Subrecipients must comply with the nondiscrimination requirements shown in 24 CFR 1000.12.

B. Relocation and Acquisition.

1. Subrecipients must comply with the relocation and real property acquisition policies as shown in 24 CFR 1000.14.

C. Labor Standards.

1. Subrecipients must comply with the labor standards as shown in 24 CFR 1000.16.

D. Environmental Reviews.

1. A Subrecipient may collect data and provide information for an environmental review to the Recipient, but it may not certify or assume responsibility for an environmental review. See 24 CRF 1000.18.

E. Administrative Requirements.

1. Subrecipients must comply with the administrative requirements as listed in 24 CFR 1000.26.

F. Conflict of Interest.

1. Subrecipients must comply with the conflict of interest provisions as shown in 24 CFR 1000.30 and Part 85.36

G. Lead-Based Paint Poisoning Prevention.

1. Subrecipients must comply with the lead-based paint poisoning prevention requirements as shown in 24 CFR 1000.40.

H. Section 3 of the Housing and Urban Development Act of 1968.

1. Subrecipients must comply with Section 3 of the Housing and Urban Development Act of 1968 as set forth in 24 CFR 1000.42.

I. Use of Debarred, Suspended or Ineligible Contractors.

1. Subrecipients must comply with the prohibitions in 24 CFR Part 24, as well as any tribal requirements, with regard to the use of debarred, suspended or ineligible contractors. (24 CFR 1000.44).

J. Drug-Free Workplace.

1. Subrecipients must comply with the Drug-Free Workplace Act of 1988, HUD's implementing regulations at 24 CFR Part 24, and any tribal requirements. (24 CFR 1000.46).

K. Indian Preference.

1. Subrecipients must comply with the Indian preference requirements pursuant to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 USC 450e(b)). (24 CFR 1000.48).

L. Other.

1. Subrecipients must comply with all other applicable portions of 24 CFR Part 1000, as well as all other applicable laws and regulations.

**7. AMENDMENTS**

This agreement may be amended by the Subrecipient or the Recipient at any time provided that such amendments make specific reference to this agreement, are executed in writing, signed by an authorized representative of both organizations, and approved by the Recipient's, governing body. Such amendments shall not invalidate this agreement, or relieve or release either party from its obligations under this Agreement.

The Recipient may, at its discretion, amend this agreement to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of service or schedule or, the activities to be undertaken as part of this agreement, such

modification will be incorporated only by written amendment signed by both the Recipient and the Subrecipient.

**8. SUSPENSION AND/OR TERMINATION**

The Recipient retains the right to suspend or terminate this Agreement should the Subrecipient in any way materially fail to comply with any term of the award. The award may also be terminated for convenience subject to the provisions set forth in 24 CFR 85.43 and 85.44.

**9. REVERSION OF ASSETS**

Upon the expiration of this Agreement, the Subrecipient shall transfer to the Recipient all funds on hand at the time of expiration of this Agreement, and all accounts receivable that are attributable to the use of these funds. All real property that was acquired or improved with NAHASDA funds and is under the control of the Subrecipient shall be returned to the Recipient, unless property ownership or control has been transferred as evidenced by a written document and attached as an addendum to this Agreement.

[FR Doc. 98-17276 Filed 6-26-98 8:45 am]
BILLING CODE 4210-33-M

# ATTACHMENT 9-2:
# COOPERATIVE AGREEMENT

# Attachment 9-2: Cooperative Agreement *(Sample)*

This agreement entered into this _____ day of _____, _____, by and between _____ (hereinafter called the Tribally Designated Housing Entity [TDHE]*) or _____ (hereinafter called the [Tribe]) and _____ (hereinafter called the "Municipality"**), witnesseth:

In consideration of the mutual covenants hereinafter set forth, the parties do hereby agree as follows:

1. Whenever used in this agreement:

   a) the term "project(s)" shall mean any property previously or hereafter developed or acquired by the [TDHE] or [Tribe] with financial assistance of the United States of America acting through the Secretary of The Department of Housing and Urban Development (hereinafter called the "Government");

   b) the term "taxing body" shall mean the State, tribe, city, county or other political subdivision or taxing unit thereof in which a project(s) is situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to a project(s) if it were not exempt from taxation; and

   c) the term "shelter rent" shall mean the total of all charges to all tenants of a project(s) for dwelling rents and nondwelling rents (excluding all other income of such project(s)), less the cost to the [TDHE] or [Tribe] of all dwelling and nondwelling utilities.

2. The [TDHE] or [Tribe] has secured funding from the Government for the cost to develop, acquire or administer one or more low-income housing project(s), comprising approximately _____ units, located within the corporate limits of the Municipality. The obligations of the parties hereto shall apply to each such project(s) and any future project(s).

3. [Under the constitution and statutes of the _____ of _____]or [Because the above described project(s) are located on real property that is held in trust by the United States Government for the benefit of the _____ Tribe of the _____ Reservation] or [Pursuant to this agreement] all project(s) are exempt from all real and personal property taxes and special assessments levied or imposed by any taxing body. With respect to any project(s), so long as either: (i) such project(s) is owned by a public body or governmental agency and is used for low-income housing purposes, or (ii) any grant agreement between the [TDHE] or [Tribe] and the

Government for assistance in connection with such project(s) remains in force and effect, whichever period is the longest, the Municipality agrees that it will not levy or impose any real or personal property taxes or special assessments upon such project(s) or upon the [TDHE] or [Tribe] with respect thereto. During such period, the [TDHE] or [Tribe] shall make annual payments of either user fees or Payments in Lieu of Taxes (PILOT) in lieu of such taxes (and special assessments) and in payment for the public services and facilities furnished from time to time without other cost or charge with respect to such project(s).

4. Each such annual payment of user fees or PILOT shall be made [at the time when real property taxes on such project(s) would be paid if it were subject to taxation] or [after the end of the fiscal year established for such project(s)] and shall be in an amount:

    a) [equal to the greater of $150 per dwelling unit or ten percent of the difference between the shelter rent and the utility cost]; or

    b) [such lesser amount as is prescribed by State, tribal or local law]; or

    c) [such lesser amount as is agreed to by the Municipality]; or

    d) [the [TDHE] or [Tribe] and Municipality agree that such user fees or PILOT shall not be paid].

    Or, in the alternative:

    e) [The parties agree that, the [TDHE] or [Tribe] will pay taxes with respect to the project(s) and that any such tax payment in excess of the user fees or PILOT will be remitted back by the Municipality to the [TDHE] or [Tribe] in the form of a cash or tax remission, in the amount by which the taxes paid with respect to the project(s) exceed the amounts prescribed in 4(a)-(d) above.]

5. The Municipality shall distribute the payment of user fees or PILOT among the taxing bodies in proportion to the real property taxes that would have been paid to each taxing body if the project(s) were not tax exempt. No payment for any year, however, shall be made to any taxing body in excess of the amount of the real property taxes which would have been paid for such year if the project(s) were not exempt from taxation.

6. Upon failure of the [TDHE] or [Tribe] to make any payment of user fees or PILOT, no lien against any project(s) or assets of the [TDHE] or [Tribe] shall attach, nor shall any interest or penalties accrue or attach on account thereof.

7. During the period commencing with the date of the acquisition of any part of the site or sites of any project(s) and continuing so long as either (i) such

project(s) is owned by the [TDHE] or [Tribe] and used for low-income housing purposes or (ii) any grant agreement exists between the [TDHE] or [Tribe] for financial assistance in connection with such project(s) remains in force and effect, whichever period is longest, the Municipality, without cost or charge to the [TDHE] or [Tribe] or the tenants of such project(s) (other than user fees or PILOT), shall:

a) Furnish or cause to be furnished to the [TDHE] or [Tribe] and the tenants of such project(s) public services and facilities of the same character and to the same extent as are furnished from time to time without cost or charge to other dwellings and inhabitants in the Municipality;

b) Vacate such streets, roads and alleys within the area of such project(s) as may be necessary in the development thereof and convey without charge to the [TDHE] or [Tribe] such interest as the Municipality may have in such vacated areas and, in so far as it is lawfully able to do so without cost or expense to the [TDHE] or [Tribe] or to the Municipality, cause to be removed from such vacated areas all public or private utility lines or equipment;

c) In so far as the Municipality may lawfully do so (i) grant such deviations from the building code of the Municipality as are reasonable and necessary to promote economy and efficiency in the development and administration of such project(s) and at the same time safeguard health and safety and (ii) make such changes in any zoning of the site and surrounding territory of such project(s) as are reasonable and necessary for the development and protection of such project(s);

d) Accept grants of easements necessary for the development of such project(s);

e) Cooperate with the [TDHE] or [Tribe] by such other lawful action or ways as the Municipality and the [TDHE] or [Tribe] may find necessary in conjunction with the development and administration of such project(s);

8. In respect to any project(s) the Municipality further agrees that within a reasonable time after receipt of a written request from the [TDHE] or [Tribe]:

a) Accept the dedication of all interior streets, roads, alleys and adjacent sidewalks within the area of such project(s), together with all storm and sanitary sewer mains in such dedicated areas after the [TDHE] or [Tribe], at its own expense, has completed the grading, improvement, paving and installation thereof in accordance with the specifications acceptable to the Municipality;

b) Accept necessary dedications of land for, and will grade, improve, pave, and provide sidewalks for, all streets bounding such project(s) or necessary to provide adequate access thereto (in consideration whereof the [TDHE] or [Tribe] shall pay to the Municipality such amount as would be assessed against the project(s) site for such work if such site were privately owned); and

c) Will provide or cause to be provided water mains and storm and sanitary sewer mains leading to such project(s) and serving the bounding streets thereof (in consideration whereof the [TDHE] or [Tribe] shall pay to the Municipality such amount as would be assessed against the project(s) site for such work if such site were privately owned).

9. If by reason of the Municipality's failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed hereunder to furnish or to cause to be furnished to the [TDHE] or [Tribe] or to the tenants of any project(s), the [TDHE] or [Tribe] incurs any expense to obtain such services or facilities, then the [TDHE] or [Tribe] may deduct the amount of such expense from any payment of user fees or PILOT due or to become due to the Municipality with respect to any low-income housing project(s) owned or operated by the [TDHE] or [Tribe].

10. No cooperation agreement heretofore entered into between the Municipality and the [TDHE] or [Tribe] shall be construed to apply to any project(s) covered by this agreement.

11. No member of the governing body of the Municipality or any other public official of the Municipality who exercises any responsibilities or functions with respect to any project(s) during his/her tenure or for one year thereafter shall have any interest, direct or indirect, in any project(s) or property to be included in any project(s), or any contracts in connection with such project(s) or property. If any such governing body member or such other public official of the Municipality involuntarily acquires or had acquired prior to the beginning of his/her tenure any such interest, he/she shall immediately disclose such interest to the [TDHE] or [Tribe].

12. This agreement shall not be abrogated, changed, or modified without the consent of both the Municipality and the [TDHE] or [Tribe]. The privileges and obligations of the Municipality hereunder shall remain in full force and effect with respect to each project(s) so long as the beneficial title to such project(s) is held by the [TDHE] or [Tribe] or by any other public body or governmental agency, including the Government, authorized by law to engage in the development or administration of low income housing project(s)s. If at any time the beneficial title to, or possession of, any project(s) is held by such other public body or governmental agency, including the Government, the provisions hereof shall inure to the benefit of and may be enforced by such other public body or governmental agency, including the Government.

## Attachment 9-2: Cooperative Agreement *(Sample)*

IN WITNESS WHEREOF the Municipality and the [TDHE] or [Tribe] have respectively signed this agreement and caused their seals to be affixed and attested as of the day and year first above written.

(SEAL) _____
(Corporate Name of Municipality)

By: _____
(Title)

Attest:

_____
(Title)

(SEAL) _____
(Corporate Name of [TDHE] or [Tribe])

By: _____
(Chairperson)

Attest:

_____
(Title)

Instructions

* The parties should select one of the provisions in brackets.
** "Municipality" could be modified to "Tribe" so that the agreement could be used by a Tribe and TDHE within a reservation.

(This form is based on Form HUD-52481 (12/69))

A copy of this sample cooperation agreement can be obtained by contacting Lori Roget of the Northern Plains Office of Native American Programs at (303) 672-5465 x2115 or on the internet at "Lori_L._Roget@hud.gov".

# Chapter 10:
# People for the Jobs

# CHAPTER 10: THE RIGHT PEOPLE FOR THE JOB

***Delivering programs and developing activities that meet the housing needs of the people in your community requires the skills and commitment of a lot of people. This chapter looks at how to identify, attract, and keep the right people with the right skills to serve as staff and to serve on boards.***

## THE STAFF

Staff people get the job done on a daily basis. Their positions are created, or at least approved, by the board of commissioners, or by the tribal council. A well-trained staff is key to the success of any organization.

### *Getting the Right Person*

To fulfill your organization's staffing needs:

- ❑ Develop clear position descriptions:
  - Clearly define responsibilities:
    - ⇒ Have sound distribution of duties, and
    - ⇒ Indicate the percentage of work time demanded by each type of duty.
  - Specify required training and experience:
    - ⇒ Be realistic in regards to the types of experience and training one person is likely to possess, and

## *NOTES*

⇒ Be realistic about what level of training and experience you may expect given the salary range you may offer.

- Offer a reasonable salary or wage to attract and keep a qualified staff person.

❑ Consider temporary positions and services contracts for jobs of limited duration:

- Limit the length of agreements or service contracts with options to extend.

❑ Select qualified personnel:

- Involve more than one person in the review and interview process, and
- Check references.

❑ Establish written personnel policies:

- Establish policies that value and respect staff people,
- Have policies that assure accountability, and
- Follow Indian preference rules:

⇒ To the greatest extent feasible, preference and opportunity for training and employment in connection with the administration of grants awarded under this part shall be given to Indians. (24 CFR Part 1000.48(a)(1))

- Adopt a clear termination policy.

### *Keeping Good Staff*

Once you acquire good staff people, you must keep them engaged and offer them opportunities to increase their knowledge base. Staff training and staff development are important components of any staffing plan.

❑ The level and type of training to offer staff should be based on:

**Remember...**

Staff training costs are eligible IHBG administrative expenses.

## *NOTES*

- Expertise of staff, and
- Job expectations and performance.

❑ Staff training costs are eligible IHBG administrative expenses.

❑ Professional development plans can be an effective tool for retaining good staff.

- Professional development plans offer employees a roadmap for their short and long term personal professional growth.
- Professional development plans help both the employee and management focus on the work experience, coaching, training and education that the employee needs or wants.
- Professional development plans also help to ensure that motivated employees see opportunities for growth within their position, and potentially in the organization.
- The employee defines his or her goals and the necessary steps to achieve them in consultation with the supervisor.
- The supervisor, or another manager if appropriate, serves as the employee's coach and mentor.
- The employee and supervisor meet periodically to review progress and revise the plan as needed.

### *Staff Positions*

It is important to be thoughtful, reflective, and strategic when considering the staffing needs of your organization. When thinking about what positions you need:

❑ Do:

- Focus first on the tasks to be performed when determining what positions are needed.

❑ Don't:

- Arbitrarily designate positions and then assign responsibilities to them.

## *NOTES*

***What kind of staff do you need?***

- Determine the skills needed for each task. Organize the tasks by skill areas.
- Determine the length of time required to complete each task.
- Based on the skill areas and time estimates, develop a list of the staff positions necessary to complete your tasks. For each position, the task assignments to be completed should be listed.
- Consider the various staffing options available to your organization. Options include, besides full-time paid staff, part-time paid positions, temporary paid staff, paid consultants, volunteers, college interns, and high school students. The result of this exercise should be a list of staff positions and task assignments, with specifications as to the type of employee needed to fill each position.
- Determine the salary range for each of the paid positions. Salary ranges allow you to use some discretion when hiring staff, so that you can pay each individual according to relevant education and experience.
- Review your list of positions to determine whether your staffing options will allow you to complete tasks. Consider whether your staffing options are realistic in terms of your budget and your ability to attract qualified people.
- After completing the staff list, develop an organizational chart outlining the decision-making process and the chain of command. This chart should diagram supervisory relationships and organizational communication patterns.

*Taken from "Starting and Running a Nonprofit Organization", Joan M. Hummel, University of Minnesota Press, 1996.*

## *Job Descriptions*

Job descriptions define staff positions by:

- ❑ Outlining the major responsibilities of each position,
- ❑ Outlining the major tasks and functions of each position, and
- ❑ Describing the background necessary to fulfill the responsibilities of the job.

**Sample Job Description**

A sample job description can be found as Attachment 1 to this chapter.

## *NOTES*

Job descriptions should be developed for each staff position, including volunteer and intern positions. Job descriptions are valuable to your organization in many ways:

- ❑ Developing job descriptions forces you to explain each position in objective, measurable terms;
- ❑ Job descriptions provide potential applicants with clear, standard descriptions of staff roles and responsibilities;
- ❑ Job descriptions serve as the basis for developing processes to screen and select applicants; and
- ❑ Job descriptions provide guidelines for job performance and employee evaluation.

Although there are a variety of formats for job descriptions, most include four basic elements:

- ❑ Primary responsibilities:
  - A statement, one to three sentences in length, which explains the areas of responsibility and describes the position.
- ❑ Essential job functions:
  - Outlines specific tasks and functions that are essential to the job.
  - A good rule of thumb is to list each major responsibility and then outline the major corresponding task(s) for each.
- ❑ Other activities specific to the position:
  - List activities that are not essential to the job, but a person would be required to perform.
- ❑ Level of education and experience required by the job:
  - Outline what a person must know, or what skills and abilities a person must have, in order to perform the tasks.

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### *What to Do if You Can't Find the Right Person For the Job*

In some instances you can't find the right candidate to fill a job vacancy. Why does this happen? What can you do?

- ❑ Some reasons you may not be able to attract the right candidate include:
  - The job description may not be clear;
  - You may be asking for too many different types of expertise in one person;
  - The salary that you are offering may not be adequate;
  - The pool of candidates that you are considering may be too small;
  - The job may be located in a remote area;
  - The position may be perceived as very political; or
  - People may not know about the position and that it is available.
- ❑ Some actions you might take to attract more and qualified candidates include:
  - Refine the job description to be more specific and clear, and
  - Re-think the job description if you are asking one person to have too many skills.
    - ⇒ Eliminate some of the disparate skills, and reassign them to another position to which they are more compatible, and
    - ⇒ Note an order of importance to all the skills you are requesting and be willing to consider candidates that have the critical skills, even if they are lacking the less important ones.
  - Compare the salary you are offering to the salaries for other similar jobs in tribal government or in nonprofit organizations in neighboring communities.
  - If you have limited the pool of eligible candidates in order to provide hiring preferences and if only a few, or mostly unqualified applicants have applied for the position, then:

## *NOTES*

⇒ Be sure you have marketed the position adequately, including distributing adequate job announcements to all tribal agencies and local businesses, and posting copies on community bulletin boards.

⇒ Include a training plan as part of the hiring agreement. You may want to consider borrowing or hiring expertise to complement and mentor the newly hired person while s/he completes the training plan.

- Alternatively, you may wish to enlarge the pool of candidates by opening the position to a larger group.
- Acknowledge any political aspects of the job and offer clear policies that enable applicants to understand their roles and responsibilities.

### *Work Programs*

Work programs are another tool organizations should use to ensure staff time and energy are being put to the best use. Work programs:

- ❑ Are plans that generally cover six months to one year of an employee's work time;
- ❑ Describe what the employee is working on and the amount of time it should take;
- ❑ Specify the percentage of time for each task and the number of hours allotted per week;
- ❑ Ensure supervisors and employees are in agreement on the elements of the plan;
- ❑ Ensure employees are held accountable for their time; and
- ❑ Allow for an overall coordination of staff resources.

**Sample Work Program**

A sample work program can be found as Attachment 2 to this chapter.

## *NOTES*

## THE BOARD

### *Board Basics*

What is a board? The National Center for Nonprofit Boards defines a board as an "organized group of people with the authority collectively to control and foster an institution that is usually administered by a qualified executive and staff."

A board serves many functions for an organization. Some of those functions include:

- ❑ Form and serve on committees;
- ❑ Set policies:
  - For the organization, and
  - For the programs and activities the organization delivers
- ❑ Provide communication; and
- ❑ Foster a strong organization.

TDHE's are typically created as corporations. As such, they have a board of commissioners (BOC), which is the decision-making body for that corporation. The BOC is accountable for the actions of the organization and responsible to ensure that the organization measures up to the standards placed on it by the organization, the community, and others.

## BASIC RESPONSIBILITIES OF THE BOARD

Any nonprofit board has many responsibilities to its constituents and the organization. Board members serve as important leaders in the community and organization, the "glue that holds the organization together." The board has four main categories of responsibility: legal, oversight, fundraising, and representing organizational and community interests.

## *NOTES*

**10 Basic Responsibilities of a Nonprofit Board**

1. Determine the organization's mission and purpose;
2. Select the executive;
3. Support the executive director and review his/her performance;
4. Ensure effective organizational planning;
5. Ensure adequate resources;
6. Manage resources effectively;
7. Determine and monitor the organization's programs and services;
8. Enhance the organization's public image;
9. Maintain accountability; and
10. Recruit new members and assess performance.

*From the National Council of Nonprofit Boards*

## *NOTES*

## COMPOSITION OF A BOARD OF COMMISSIONERS

The composition of the board is defined in the organization's bylaws. The bylaws should specify:

- ❑ The number of members on the board;
- ❑ How board members are selected;
- ❑ The length of their term and the number of terms they may serve;
- ❑ Officers of the board and the way they are selected; and
- ❑ Any special designations for any of the seats, such as:
  - An elder;
  - A representative from a community group;
  - A representative from a regional subsection of the Indian area;
  - A person with financial or construction experience; or
  - An attorney.

## INDIVIDUAL BOARD MEMBERS

The bylaws set the criteria for what type of persons, how many persons, and how persons will be selected for the board of commissioners. In choosing people to serve on a board, however, there are many factors that should be taken into account. These include personal as well as professional qualities.

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### *Characteristics of Successful Board Members*

What are the desired personal qualities of board members? Some personal qualities that are integral to the successful operation of your BOC may include:

- ❑ Commitment;
- ❑ Knowledge;
- ❑ Participation;
- ❑ Diligence;
- ❑ Vision and leadership;
- ❑ Ability to listen, and provide constructive criticism;
- ❑ Collegial spirit;
- ❑ In touch with the community; and
- ❑ Personable.

Board members should also:

- ❑ Be able to listen, analyze, think clearly and creatively, and work well in a group,
- ❑ Be willing to prepare for meetings, ask questions, take responsibility, contribute time and open doors in the community, and
- ❑ Possess sensitivity, patience, integrity, community leadership and concern for the organization.

Selecting professionals and leaders in the community to sit on the BOC is beneficial to your organization. But diversifying the types of people, traits, and perspectives is also beneficial. Selecting members from a variety of backgrounds and from different economic situations contributes to the decision-making process. Selecting board members from both within the tribe and from groups outside the tribe is another way to acquire fresh perspectives and new working relationships. A group of caring and committed people that represent a thoughtful blend of

## *NOTES*

talents and perspectives leads to a well-rounded organization better equipped to serve the needs of your community.

### *Responsibilities of Individual Board Members*

The National Center for Nonprofit Boards (NCNB) suggests there are eight basic individual board member responsibilities. The governing documents of an organization should clearly state board member responsibilities agreed to and approved by the founding BOC. Some responsibilities include:

- ❑ Attend all board meeting and functions;
- ❑ Be informed about the organization's mission, services, policies, and programs;
- ❑ Review the agenda before meetings;
- ❑ Serve on committees;
- ❑ Inform others about the organization;
- ❑ Suggest partners and new members;
- ❑ Keep up to date on developments in the organizational field and community; and
- ❑ Follow all policies, including conflict of interest and confidentiality policies.

## BOARD COMPENSATION

Some boards may decide to compensate their members. Although compensation is not an eligible use of IHBG, the Office of Native American Programs has issued guidance (Guidance Notice 98-13) that allows a stipend to be paid for attending board meetings. The ONAP guidance is located in Appendix L of the NAHASDA Reference Manual.

The notice explains that payment of stipends to BOC members may be an eligible cost of administering the IHBG. ONAP offers four guidelines that should be followed in determining the use and amount of stipends. Stipends should be:

## *NOTES*

- ❑ Necessary and reasonable for proper and efficient performance and administration of the Federal award;
- ❑ Authorized or not prohibited under tribal law;
- ❑ Consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the tribe; and
- ❑ Adequately documented.

It is important to remember that if BOC members are employees of a recipient of IHBG funds and their official duties include attending meetings, they cannot receive stipends in addition to regular compensation.

## EFFECTIVE BOARD OPERATIONS

Every board should have a structure in place to guide board meetings, committees, and conflicts of interest if they arise, and the division of labor between board and staff.

Board meeting frequency and times are determined in the bylaws of an organization. In order to make most effective use of meeting time, it is important to do the following:

- ❑ Plan the meeting agendas and allocate the appropriate time to each matter on the agenda in advance. This will help meetings move along and allow the board to refer items to committee if they require extensive examination;
- ❑ Provide adequate notice of meetings and accurate information prior to the meeting so all can participate effectively;
- ❑ Work hard at promoting attendance at all meetings;
- ❑ Develop a meeting etiquette, formal or informal, that maintains a good order. This may include parliamentary procedure, which can be modified according to the culture and needs of your group;
- ❑ When controversial matters arise in a meeting, establish a culture of open discussion but ensure public unity behind a collective board decision; and

## *NOTES*

- ❑ Use committees effectively. The effective use of committees is discussed below.

Refer to Attachments 3 and 4 of this chapter for a sample meeting agenda and basic guidelines for parliamentary procedures.

## COMMITTEES

Committees may be a sensible and helpful structure for some boards, depending on the size of the board and its workload. Dividing the work by committees may assist in more effective governance of the organization and increased utilization of board members. Committees can be structured informally or formally, depending on the needs of your organization. Committees can be permanent committees that review certain types of business on a regular basis, or they may be special-purpose committees formed to evaluate and make recommendations on a new project or special topic. Non-board members may also be asked to serve on committees to bring a special perspective or expertise to the business at hand.

Examples of committees include development, executive, audit, finance, personnel, fundraising, and program. Each of these committees takes responsibility for in-depth review of the topic it has been assigned. For instance, the audit committee may take responsibility to oversee the procurement and supervision of an outside auditor. It may present the finished audit to the full board. A fundraising committee may be responsible to coordinate a fundraising event or seek donations from private foundations. There are several considerations when forming committees:

- ❑ Develop a specific charge for each committee;
- ❑ Assign specific board members to head each committee, and provide some structure for meeting frequency and objectives;
- ❑ Utilize committees to discuss complicated issues that demand in-depth research. The committee can then present its findings and recommendations to the larger group;
- ❑ Keep the number of committees manageable and appropriate for your organization's needs; and
- ❑ Re-evaluate the committees each year, and modify, add, or disassemble committees as necessary.

## *NOTES*

It is important to remember that committees only have the authority that is specifically given to them by the bylaws or the board. If formal committees do not work well with the BOC structure that is in place, form temporary committees for a single, finite purpose.

Many of the suggestions offered on how to run an effective board meeting can also be applied to board committees.

## RESOLVING CONFLICTS OF INTEREST

Most conflicts of interest fall into a gray area where ethics and public perception are more relevant than statutes or precedents. A conflict of interest arises whenever the personal or professional interests of a board member are potentially at odds with the best interests of the organization.

In order to continue to maintain effective board operations, conflicts of interest should be avoided if possible, but also resolved once they surface. Loss of public confidence and a damaged reputation are the most likely results of poorly managed conflicts of interest.

Here are some fictional examples of real and perceived conflict of interest:

- ❑ A board member participates in the interview and hiring process for a new staff position. A member of her family applies for the job.
- ❑ The executive director is related by marriage to the board chairman. The board chairman's son applies for the maintenance supervisor position. The hiring panel consists of the executive director and the board chairman.
- ❑ The wife of a board member owns a consulting business. She submits a proposal to the TDHE. The board member pressures the executive director to rate her proposal higher than the rest of the proposals submitted.

How should an organization prevent conflicts of interest?

- ❑ Adopt a policy of full disclosure.
- ❑ Disclose conflicts as they arise. For example, the board member who participates in the hiring process for a new staff position should disclose her relationship to the applicant to the board.

## *NOTES*

- ❑ When conflicts do arise, the affected board members should withdraw from voting on that particular subject. In the case of the board member whose wife owns a consulting business, the board member should withdraw from any discussions and the decision regarding whether to award his wife's firm a contract.

- ❑ Establish fair and consistent procedures.

(See 24 CFR Part 1000.30 located in Appendix I of the NAHASDA Reference Manual, and 24 CFR Part 85.36 located in Appendix P of the NAHASDA Reference Manual.)

## DIVISION OF LABOR BETWEEN BOARD AND STAFF

Relationships between board and staff, especially the executive director, are key to the smooth, successful operation of the organization. The executive director is hired by the board and serves at its pleasure. The board sets the executive director's work program and performs his/her performance evaluation. The board delegates most other staff hiring responsibilities to the executive director.

In a mature corporation, the board is not involved in the daily delivery of the organization's programs. Its duties are to set policies, establish budgets, and provide guidance. In new organizations it is not uncommon for the board to be more actively involved in helping to get the daily work done. Until the organization has gained stability and is fully staffed, the board members' labor may be necessary. It is important, however, that members of both the staff and the board remember the long-term roles that they should be striving toward. That is, the board makes decisions and governs; the staff performs the daily work of the organization. As the long-term goals begin to be realized, it is important for board members to respect the authority of the staff, and for the board and staff to work together.

Some guidelines for the relationship between staff and the board include:

- ❑ Board members may work with the staff, but should stop short of directing staff work;

- ❑ Both board and staff should utilize the right channels for complaints;

**Warning:**

A common complaint heard from staff is, "My board micro-manages my agency's work." Remember that a board should set policy and direction, but it is staff that know the project details and must be given enough latitude to be effective.

## *NOTES*

- ❑ The board and staff should respect each other's authority; and
- ❑ Constant communication between both the board and staff is fundamental to the strength of the working relationship between both parties.

## BOARD RESOURCES

There are many organizations that focus exclusively on assisting organizations with questions and topics related to boards of directors. Below are a select few resources available for BOCs.

- ❑ Web Resources:
  - CodeTalk: www.codetalk.gov
  - Office of Native American Programs: www.hud.gov/pih/onap
  - Free Complete Toolkit for Boards: www.mapnp.org/library/boards/boards.htm
  - Effective Board Member's Orientation Manual: www.ginsler.com
  - Board Café (a newsletter for executive directors of nonprofit boards): www.boardcafe.org
  - National Center for Nonprofit Boards: www.ncnb.org
- ❑ National Organizations:
  - National Center for Nonprofit Boards (NCNB) www.ncnb.org
  - National Charities Information Bureau (NCIB) www.ncib.org
  - Foundation Center www.foundationcenter.org
  - Independent Sector www.independentsector.org
  - National Council of Nonprofit Associations (NCNA) www.ncna.org

## *NOTES*

- Philanthropic Advisory Service of the Council of Better Business Bureau (CBBB) http://www.bbb.org/about/pas.asp

## *NOTES*

# LIST OF ATTACHMENTS

- ❑ Attachment 10-1: Sample Job Description
- ❑ Attachment 10-2: Sample Work Program
- ❑ Attachment 10-3: Sample Meeting Agenda
- ❑ Attachment 10-4: Parliamentary Procedures

## *NOTES*

# ATTACHMENT 10-1:
# SAMPLE JOB DESCRIPTION

# Attachment 10-1: Sample Job Description

## Job Description - Home Ownership Counselor (HOC)

### SUPERVISION

- Home Ownership Counselor is supervised by the Executive Director.

### EXAMPLES OF DUTIES

#### Delivering Programs - Working with Program Participants

- Policies - Explain program policies to participants and other tribal members.
- Marketing - Develop materials and procedures to publicize programs so that all tribal members who might benefit have an opportunity to apply.
- Applications - Receive applications and manage waiting list in accordance with program policies and procedures.
- Selections and Admissions - Review applications, determine eligibility, recommend program participants to BOC, and process program participation agreements in accordance with adopted policies and procedures.
- Annual Recertifications - Conduct annual re-certification of income and family composition of program participants.
- Counseling - Provide counseling to home buyers regarding their rights and responsibilities as participants in an Indian housing program, including timely payments, delinquent payment, and corrective actions as necessary.
- Training - Provide training related to family budgeting and home maintenance, such as heating, plumbing, electrical, painting, carpentry, and roofing.
- Referrals - Refer homebuyers to contractors or other community resources when problems are observed that are beyond the responsibility of the housing authority counseling and training programs.
- Mediation - Mediate meetings with homebuyers, tribal programs, government agencies and others to hear concerns, assure communications, and to enforce program policies.
- Corrective Actions - Secure payback agreements from delinquent homebuyers and follow-up to ensure compliance.
- Evictions - Carry out the eviction process, when appropriate, as provided in adopted program policies and procedures including notices of delinquency and notices of termination.

#### Delivering Programs - Working with Properties

- Inspections - Conduct regularly scheduled home inspections for moving-in and moving-out, and annual inspections to determine condition for compliance with maintenance requirements. .
- Warranties - Record serial and model numbers from home appliances for inventory records.
- Insurance Claims - Initiate primary reports about home emergencies for insurance claims.

#### Program Record Keeping and Compliance

- Program Accounts - Develop, review and interpret financial reports, computer printouts, and program reports to determine accuracy of and needed action on homebuyers' accounts.

# Attachment 10-1: Sample Job Description

- Individual Home Buyer Accounts - Receive payments, issue receipts, and forward payments to administrative assistant. Keep records regarding payments, slow payments, delinquencies, work out agreements, and other corrective actions.
- Employee Program Delivery Records - Maintain mileage and expense reports, activity logs and employee attendance records.
- Program Forms - Develop forms necessary to deliver approved programs. Assist with investigation and computation of utility allowances.

**Developing Programs**

- Home Ownership - Work with the Executive Director to develop new programs. Contribute ideas for ways to improve the current programs.

**RESULTS**

- Satisfied residents that understand their responsibilities in maintaining their homes and keeping their payments current.
- Maximum benefit realized from each housing program dollar managed by the individual in this position.

**MINIMUM QUALIFICATIONS**

**Education and Experience**

- Associate Degree in counseling, tribal government, or public administration is desirable, or alternatively high school diploma and two years of related work experience.
- Experience in customer service, counseling, case management, or public subsidized service work or an equivalent combination of training and experience.
- Work in a government or nonprofit organization administering a subsidized housing or entitlement program is desirable.

**Skills**

- Ability to identify and analyze maintenance problems and determine appropriate corrective action.
- Good communication skills, both oral and written.
- Typing and computer skills.
- Ability to work independently without close supervision.

**Important Traits**

- Strong interest in working with tribal community members, tribal programs, tribal administration, tribal council, and other public and private entities.
- Willingness to travel, and possession of a valid driver's license.

# ATTACHMENT 10-2:
# SAMPLE WORK PROGRAM

# Attachment 10-2: Sample Work Program

**Work Program - Home Ownership Counselor (HOC)**

*There are many more things to do than there are hours to get them done. This work program sets out the major tasks that the home ownership counselor will undertake in the coming 12 months; beginning December 1, 1997 and running through November 30, 1998.*

| ***Tasks*** | ***% of time*** |
|---|---|
| **Owner / Tenant Support**<br>- process the applications for the 40 new single family houses<br>- prepare and execute homebuyer agreements<br>- design and deliver homebuyer training<br>- perform initial walk-through inspections with new homebuyers<br>- collect, organize and deliver all warranty information to new homebuyers; keep copies of all information in homebuyer's file<br>- set up inspection schedules, including at least two home visits during the first year of occupancy; then frequency to be determined by result of previous inspections<br>- prepare inspection reports and letters to homebuyers listing their obligations to make repairs<br>- inspect homes to ensure repairs have been made<br>- arrange for repairs to be made and charges to be posted against homebuyer's account if homebuyer fails to make repairs in time allowed<br>- work with existing homebuyers that are ready to purchase their homes | 60%<br>*(1,128 hours; 141 days)* |
| **Financial Management of Projects**<br>- Work with the AA to set up payment records for each homebuyer; monitor those records and take action on any late payments<br>- Help establish project development budgets when new projects are being proposed | 20%<br>*(376 hours; 47 days)* |
| **Real Estate Development**<br>- provide advice to the development team about on-going maintenance demands of their proposals | 5%<br>*(94 hours; 12 days)* |
| **Strategic Planning**<br>- take part in the strategic planning process led by the ED and the BOC<br>- help define the staff demands of managing existing units and the effect on workload of developing new units<br>- recommend new programs or revisions to existing programs that support homebuyers | 5%<br>*(94 hours; 12 days)* |
| **Administrative Contribution**<br>- provide comment to the ED about policies and procedures for home ownership programs | 5%<br>*(94 hours; 12 days)* |
| **To Be Decided**<br>- A number of demands will arise throughout the year and some time must be set aside to attend to those tasks. However, new tasks should only be added after considering the effect they will have on the HOC's ability to get the tasks on this work program done. | 5%<br>*(94 hours; 12 days)* |
| ***Total*** | ***100%*** |

*Note: There are 260 weekdays in a year, or 2,080 hours. Assuming 10 holidays, 10 vacation days and 5 sick days, there are 235 work days. That is equal to 1,880 hours.*

# ATTACHMENT 10-3:
# SAMPLE MEETING AGENDA

# Attachment 10-3: Sample Meeting Agenda

Tips for developing an agenda:

- ✓ Allow enough time for each topic at the meeting, and follow the time allotted for each topic.
- ✓ Follow a similar format for each meeting.
- ✓ Distribute the agenda, meeting date and time well in advance to allow time for meeting attendees to prepare.
- ✓ The agenda should be used as a tool to allow people to prepare for the meeting, increasing the productivity of the meeting.
- ✓ If the meeting date moves around, consider having someone call meeting participants the day before the meeting to remind them of the date, time and place.

**Board of Commissioners and Tribal Officers**
**Monthly Meeting**
**July 1, 2001**
**7pm, Community Meeting Center, Room 320**
**TOPIC: Formulating Goals and Objectives**

| | |
|---|---|
| 7:00 – 7:05 | Welcome, Overview of Agenda, Introductions, Review of Minutes |
| 7:05 – 7:20 | Old Business including any tabled items from June's meeting |
| 7:20 – 7:35 | Committee Updates and Reports<br>✓ Financial<br>✓ Planning<br>✓ Executive<br>✓ Fundraising |
| 7:35 – 7:45 | Upcoming Events and Dates |
| 7:45 – 8:15 | New Business: Goals and Objectives for the Third Quarter |
| 8:15 – 8:30 | Wrap-Up, Committee Assignments, Next Meeting Date and Agenda |
| 8:30 | Adjourn |

# ATTACHMENT 10-4: PARLIAMENTARY PROCEDURES

# Attachment 10-4: Parliamentary Procedure Basics

Parliamentary procedure is a useful tool for conducting effective meetings. The "Robert's Rules of Order" works to maintain order at the meeting and keep the discussion moving along.

The chart below shows some basic parliamentary procedure motions. These may be amended to fit the needs of the organization as necessary. If your board decides to use a parliamentary process, meeting attendees should know how to phrase a motion, obtain the floor, and the vote needed to pass a motion.

| Desired Action | Statement to Use | Must be Seconded? | Is Debate Allowed? | Can you Amend? | What type of vote is needed? | Can it be Reconsidered? |
|---|---|---|---|---|---|---|
| Introduce new business | I move that... | Yes | Yes | Yes | Majority | Yes |
| Request Information | Point of Information | No | No | No | No Vote | No |
| Call for a break | I move that we break for... | Yes | No | Yes | Majority | No |
| Suspend Discussion | I move to table that motion | Yes | No | No | Majority | No |
| Give something more study | I move to refer that to committee | Yes | Yes | Yes | Majority | Yes |
| Amend a motion | I move to amend the motion by.. | Yes | Yes | Yes | Majority | Yes |
| Reconsider an action | I move to reconsider.. | Yes | Yes | No | Majority | No |
| End Debate | I move the previous question | Yes | No | No | 2/3 | No |
| Adjourn Meeting | I move that we adjourn | Yes | No | No | Majority | No |

**Sources:**
Free Complete Toolkit for Boards: www.mapnp.org/library/boards/boards.htm
Robert's Rules: www.robertsrules.com