Appendix G

Policy and Procedure to Determine Timely Expenditures

State of Louisiana

Certification Checklist

Prepared by
Louisiana Office of Community Development/Disaster Recovery Unit
State of Louisiana
Office of Community Development/ Disaster Recovery Unit
Policy and Procedure to Determine Timely Expenditures

I. Overview

Grantees are required to spend funds within the statutory period after funds are obligated. OCD-DRU establishes timelines within each agreement in order to meet requirements. Per grant requirements, penalties for failure to meet milestones will be included in agreements, which may result in a full or partial recapture of funds or a reduction in award amounts. OCD-DRU has a proven strategy of employing outreach representatives to focus specifically on assisting grantees with complying with CDBG regulations, determining and managing activity milestones, providing other technical assistance as needed and serving as a direct and constant communication avenue between OCD-DRU and the grantee. In addition to technical assistance and penalty requirement, OCD-DRU has a payment system named GIOS which ensures timely processing of request for payment.

If a Grantee fails to meet the required deadlines, the grant is reviewed by the Tiger Team to discuss possible reprogramming of funds. The Tiger Team is an action committee comprised of program managers, outreach staff, section managers and directors from the Recovery Programs section, Compliance and Monitoring staff and Executive Management. Employees from Reporting and Finance may be called into the Tiger Team as well to address particular situations.
II. Payment Process

The Grantee submits a request for payment through GIOS where it is tracked in each stage listed below:

1. **Receipt of Finance Request for Payment.** FRFP’s are sent to the appropriate OCD/DRU DR Analyst/Specialist through GIOS.

2. **Finance Request for Payment Received by DR Analyst/DR Specialist.** Upon receipt of the FRFP, the DR Analyst/DR Specialist carefully reviews the FRFP to validate that the related program activities are eligible for reimbursement and are within available funding amounts. All FRFP’s must include documentation to support the amount of the request. The DR Analyst/DR Specialist routes the FRFP to next level within GIOS which is DR Manager Approval.

3. **Finance Request for Payment Approval by DR Manager.** DR Manager (or his designee) receives the FRFP. He/she refers to the Program staff who performed the review, if there are any questions. DR Manager/ designee approves the FRFP within GIOS, which moves it to the next level, which is Finance.

4. **Finance Request for Payment Received by Finance Staff.** Finance staff receives the FRFP for review. The Finance DR Analyst/Specialist generates and prints all supporting documentation from GIOS, and performs the tasks listed in this section.
   
   a. Finance staff verifies the following tasks for completeness:

   - Valid dates
   - Valid Authorized Signatures (approvals)
   - Ensure FRFPs follow State & Federal Guidelines
   - Amount requested is within Budget
• All supporting documentation is complete, legible and mathematically accurate

• Verify budget coding, provide vendor invoice number and shall at times provide vendor number

  b. Once the analysis of the request for payment is complete, the finance staff initials and dates the request for payment. The FRFP is then routed to the DR Financial Manager for approval. In addition, the finance staff must update GIOS to reflect routing to DR Finance Manager.

5. **Finance Request for Payment Approval by DR Finance Manager.** The DR Finance Manager reviews and refers to the Program staff who performed the initial review if there are any questions. Final approval is given by the DR Financial Manager by signature on the authorization line of the original FRFP. In some instances, other executives with signature authority review FRFPs and can give final approval by their signature. The FRFP is returned to the Finance staff who verifies the DR Finance Manager’s approval of the FRFP. The Finance staff goes into GIOS approves and routes to OFSS.

6. **Finance Request for Payment Uploaded to GIOS.** A digital copy of the FRFP is uploaded to GIOS and a hard copy is filed in the DR Finance file room.

7. **Finance Request for Payment sent to OFSS.** The original FRFP is forwarded to the Office of Finance and Support Services (OFSS) for processing/payment. A copy of the FRFP is filed in OCD/DRU Finance files.

8. **Submission to OFSS.** Approved hard copy of the FRFP are received by the OFSS. Upon arrival, the FRFP is date stamped and forwarded to the appropriate OFSS Payment Technician.
9. **Enter Finance Request for Payment and Schedule Payment.** If all supporting information submitted agrees with the FRFP, the OFSS Payment Technician enters the FRFP into the ISIS system for payment and schedules the Automated Clearing House (ACH) to make payment in three days. The OFSS Payment Technician forwards all FRFP information to the OFSS Payment Manager for approval.

10. **Review and Approval of Finance Request for Payment and ISIS Information.** The OFSS Payment Manager reviews the FRFP entered into the payment system, to ensure all coding is correct; the total amount agrees with the request; and the scheduled pay date is correct. Final approval for payment is give electronically notifying the OFSS Appropriation Accounting staff.

11. **Draw Down of HUD Funds.** The Appropriation Accounting staff is responsible for making the formal voucher of HUD. The OFSS Appropriation Accounting staff accesses the HUD DRGR and initiates a voucher created based on the information provided in the FRFP.

### III. Reporting Analysis

In order to provide an appropriate level of management review, Reporting and Analysis staff produce a monthly budget report for all grants. These budget reports are distributed to the OCD-DRU leadership, to the State of Louisiana Joint Legislative Committee on the Budget and to the public via our website at [http://www.doa.la.gov/Pages/ocd-dru/Reports.aspx](http://www.doa.la.gov/Pages/ocd-dru/Reports.aspx). The budget reports track expenditures and provide visibility on unobligated and unexpended amounts on a monthly basis.

### IV. Quarterly Management Review & Budget Projections

The management team will review a quarterly report developed to facilitate DRU’s Quarterly Managers’ Review meetings. These reports will detail progress on a program-by-program basis
and include a comparison of actual spending to projected expenditures. Each program is assessed during these reviews to identify whether it is progressing on target or if some programmatic intervention is required. As part of this review, each program is assessed to identify dollars that will need to be reallocated and status updates on those programs ready to begin closeout procedures. At the direction of the executive director, the director of Strategic Initiatives and Performance Management is responsible for ensuring that monthly budget reports are produced and that the Quarterly Management Reviews are conducted on a quarterly basis.

During the budget projections process, the program managers present the budgeted versus actual expenditures and progress on each of their projects to their supervisor, the Recovery Programs Director and/or Deputy Director and the outreach staff. The quarterly budget projections process results in identifying projects that fall within the following categories:

A.) no follow-up (project is active and on track);

B.) follow-up required;

C.) ready for closeout;

D.) move to Tiger Team.

Projects that are moved to B-D may be moved into that category for a variety of reasons, but one of the reasons may be because the project is complete and the balance of funding can be de-obligated and moved to another project or program. The projects that fall within B-C will follow a more standardized de-obligation process in which the balance of funding will most likely be available to the original grantee for another project or the grantee has voluntarily agreed to de-obligating the funds and does not have another use for the balance.

V. Reprograming of Funds (Tiger Team)
The Tiger Team convenes quarterly- or more frequently as needed- following the quarterly budget projections process. The projects that are moved to D, the Tiger Team may require additional intervention from OCD-DRU staff and management if they have a balance that has been determined to require de-obligation. In these cases, the Tiger Team will convene and the program manager will present all the details of the project to the committee. The committee will deliberate over the details, may compile additional questions and may recommend the program manager and outreach representative establish a meeting with the grantee and Executive Management in order to determine a path forward. The path forward may include a decision to de-obligate the balance of funding; however, the ultimate goal is to provide the necessary technical assistance to the grantee in order to help them meet their recovery needs in a timely manner.

Once funds have been de-obligated from a grantee, OCD-DRU follows the process for the Method of Distribution established for a particular program. If there is not another need for the funding within the program, then the de-obligated funds may be moved to another program with unmet needs through the Action Plan Amendment Process.