

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

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HCD HPRP Notice

Subject: Change in Method of Payment effective July 1, 2011. (2 pages)	Notice #: 19-11
	Date Issued: 7-29-11
References: Homelessness Prevention and Rapid Re-Housing Program (HPRP)	Supersedes: 18-11

To: All Sub-grantees:

This notice supersedes HCD HPRP Notice 18-11.

Effective July 1, 2011 all fund advances shall change from a quarterly basis to a monthly basis.

This change is made to comply with the Code of Federal Regulations, Title 24 Part 85, Section 85.21 regarding "payment".

The process for advance method of payment shall be:

1. All cumulative draws received prior to 7-1-11 shall be reconciled through the process of submitting the quarterly Detailed Expenditure Report (DER) for the quarter ending June 30, 2011. This reconciliation shall identify the unspent cash position of the sub-grantee; or the balance due the sub-grantee in excess of the cumulative funds drawn.
2. HCD has developed a new Monthly DER form with instructions to capture "monthly" expenditures starting with July 1, 2011. This new DER for sub-grantees will be used to submit monthly Detailed Expenditure Reports. To retain budget accuracy, HCD staff has transferred the budget balances as of 6-30-11 to the new forms. HCD staff will be sending the sub-grantees their Monthly DER form with these balances.

All DERs shall be due to HCD no later than 30 days from the end of the reporting month. Early submittal is encouraged.

3. Monthly DERs shall be processed by HCD staff within 15 days of receipt of a "complete" DER.
4. A new "Monthly Draw Down Request Form" has been developed and shall be used to request a monthly advance, including payment for costs incurred in excess of draws received for the period claimed. Unspent funds indicated in the prior month DER should be reflected in computing the monthly advance need.

Example1: (unspent cash balance exists per last DER)

ABC Shelter submits a DER for the period ending 6-30-11.
Cumulative draws thru 6-30-11: \$980,000
DER spent thru 6-30-11: (\$950,000)
Balance unspent thru 6-30-11: \$ 30,000
The Need for the month of July 2011: \$75,000
Minus unspent cash balance: (\$30,000)
July Monthly Draw Down Request = **\$45,000***

Example 2: (Expenses exceed draws per last DER)

ABC Shelter submits a DER for the period ending 6-30-11.
Cumulative draws thru 6-30-11: \$850,000
DER spent thru 6-30-11: (\$875,000)
Expenses exceeding draws thru 6-30-11: \$ 25,000
The Need for the month of July 2011: \$75,000
Plus expenses exceeding draws \$25,000
July Monthly Draw Down Request = **\$100,000***

* This amount will be reflected in the Monthly Draw Request total.

6. The last Draw Down Request at the end of the program shall be processed only after all adjustments to the most recent DER have been made and reconciled.

I want to thank each sub-grantee and their partner agencies for the tremendous job being done to meet the challenges of the HPRP program. I encourage you to have a close working relationship with your respective HCD Representative.

I look forward to a successful completion of the HPRP Program. Thanks, and job well done!

Sincerely,

Dan Apodaca

Dan Apodaca, Manager
Homeless Operations Programs