



From the Office of the Deputy Assistant Secretary

Program Guidance

Program: Indian Housing Block Grant (IHBG) **No. 2001-12 (IHBG)**

For: Tribes, Tribally Designated Housing Entities, ONAP Staff **Date:** May 24, 2001

Topic: Annual Performance Report (APR), Calculating the Obligation of Funds

Purpose: A number of questions have been raised regarding the percent obligated information requested in the revised APR form. This guidance is to provide clarification of Table II, *Uses of Funds* column titled *Percentage of IHBG Amount Obligated* (column f).

HUD is required by section 405 of the Native American Housing Assistance and Self-Determination Act (NAHASDA) to determine, on an annual basis, if a recipient is implementing the Indian Housing Plan (IHP) goals and objectives in a timely manner and is operating in compliance with the statute and regulations. NAHASDA also requires HUD under section 403 to establish performance measures to assess compliance. One of the performance measures developed by HUD during the initial development of program regulations (see 24CFR 1000.524) is that within 2 years of grant award no less than 90 percent of the grant must be obligated. The percentage obligated information contained in Table II is used by HUD to make the determination regarding timeliness and compliance. Additional discussion on the obligation of funds performance measure is contained in Notice PIH 2000-26 dated July 26, 2000.

The revised APR form, issued by Notice PIH 2000-54 dated December 18, 2000, includes a column in Table II, *Uses of Funds*, for a recipient to report the percentage of IHBG funds obligated. The information contained in this guidance supplements the form's instructions to better explain how to determine and report on the obligation of funds.

Procedure: In column (f), recipients are requested to enter the cumulative percentage of obligated IHBG funds for each activity under the open grant. In order to determine the cumulative percentage of obligated IHBG funds:

1. Add the amount of grant funds expended (column (c) of Table II)

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to the amount of grant funds obligated, but not expended. This will be your cumulative total of obligated IHBG funds for this open grant.

2. Divide the total of obligated funds by the amount of the IHBG award (line 1a of Table I, Sources of Funds).
3. Convert the resulting number to a percentage by multiplying by 100 (i.e., .264 would become 24.6%). This process would be repeated for each line item in Table II.

Example: The financial records of the ABC Tribal Housing Entity contains the following information:

| Account Title (a) | Budget Amount (b) | Expended Amount (c) | Obligation Amount (but not expended) (d) |
|-----------------------------------|----------------------|------------------------|--|
| Rental Units - moderniza- tion | 85,000 | 40,000 | 35,000 |
| Operations | 110,000 | 102,000 | 18,000 |
| Housing Management Ser- vices | 5,000 | 5,000 | |
| Planning & Administration | 50,000 | 40,000 | 2,000 |
| Total IHBG Award | \$ 250,000 | \$ 187,000 | \$ 55,000 |

Calculation of percentage of IHBG amount obligated:

| Account Title (e) | Total Amount Ob- ligated (column c+ column d) (f) | Amount Obligated/ IHBG Award (g) | Percentage (column g x 100) |
|------------------------------------|---|--|--------------------------------|
| Rental Units -- moderniza- tion | 75,000 | .3 | 30% |
| Operations | 120,000 | .48 | 48% |
| Housing Management Ser- vices | 5,000 | .02 | 2% |
| Planning & Administration | 42,000 | .168 | 16.8% |
| Total IHBG Award | \$ 242,000 | .968 | 96.8% |

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The above information will be recorded in Table II of the APR in the following manner:

Table II - Uses of Funds

| | | Cumulative | | | |
|---|--------------------------------|-----------------------------|----------------------|---|---|
| Activity | Budgeted Amount (from the IHP) | 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 | 85,000 | 40,000 | | 40,000 | 30 |
| b. Operating | 110,000 | 102,000 | | 102,000 | 48 |
| 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 | 5,000 | 5,000 | | 5,000 | 2 |
| 5. Crime Prevention & Safety | | | | | |
| 6. Model Activities | | | | | |
| 7. Planning & administration | 50,000 | 40,000 | | 40,000 | 16.8 |
| 8. Reserves | | | | | |
| 9. Other | | | | | |
| Total | 250,000 | 187,000 | | 187,000 | 96.8 |