Homeless Veterans' Reintegration Program (HVRP) Post-Award Conference: Conditions of Award (CoA), Program Compliance Notes (PCN) and Amendments

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Veterans' Employment and Training Service

Today's Speakers

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Need to Know

- This session is being recorded
- AI recording or transcription is not authorized
- Mute your microphone
- Place all questions or comments in the chat
- A copy of the questions and answers (Q&A), slide deck, and recording will be posted on www.nvtac.org

Conditions of Award (CoA)

What is a CoA?

- Accompanies initial or supplemental Notice of Award (NoA) as a supplemental narrative attachment.
- Sets forth requirements for the grant recipient, directing them to take a specific corrective action as a post-award requirement.
- Read the CoA, follow up with your Grant Officer's Technical Representative (GOTR), and comply with the instructions.

Homeless Veterans' Reintegration Grant Program (HVRP)

[redacted]

Recipient Name: [redacted]

Grant Number: [redacted]

As a condition to receiving Program Year 2026 HVRP [redacted] Funding, the U.S. Department of Labor (DOL), Employment and Training Administration (ETA), on behalf of the Veteran's Employment and Training Service (VETS) has identified area(s) of concern that may require additional clarification, confirmation, or an amendment.

In general, the areas of concern fall into two categories:

- **Condition of Award (CoA)** – A CoA requires you to take corrective action. It is incumbent upon you to carefully read and respond to the CoA within the specified timeframe.
- **Program Compliance Note (PCN)** – A PCN is important guidance intended to prevent future compliance issues. In some cases, a PCN may require you to take corrective action. It is incumbent upon you to carefully read and respond, if required, to the PCN within the specified timeframe.
    - **Important:** If you cannot respond to the CoA and/or PCN by the deadline, you must communicate immediately with your Grant Officer's Technical Representative (GOTR). Failure to respond may lead to adverse actions such as, but not limited to, temporary withholding of payments, a finding of disallowed costs, award suspension or termination in whole or in part, withholding of further Federal funds, etc.

CoA Instructions and Due Dates

- Not all conditions will require the submission of an amendment in GrantSolutions. Read your letter.
- Sets forth requirements for the grant recipient.
- **Grant recipients have 45 days from receipt of NoA to comply with the submission of an amendment in GrantSolutions or provide their GOTR with the specified documentation in the CoA letter.**
- Indirect Cost CoAs may have a greater period for submission based on the Terms and Conditions (T&C) and the CoA. Failure to comply with having a Negotiated Indirect Cost Rate Agreement (NICRA) or a Cost Allocation Plan (CAP) may result in the repayment to DOL for any/all indirect charges incurred while operating with an expired NICRA or CAP.

Specific Conditions Assigned to Awards (1 of 2)

- Grant recipients not meeting the conditions and timeline for submission run the risk of impacting their funding or having additional conditions imposed.
- To reduce some common reasons for Grant-Officer-imposed conditions, please pay extra attention to the following areas:
  - Review the Budget Narrative and ensure you are checking for allowable/reasonable costs.
  - Ensure budget items are accounted for, are relayed clearly, and are allowable, and the figures in the Budget Narrative, the Standard Form (SF)-424A, and the SF-424 match and that the math is correct.
  - If your program uses the de minimis rate, ensure your program is properly accounting for its Modified Total Direct Cost (MTDC).

Specific Conditions Assigned to Awards (2 of 2)

- Performance CoA. The grant recipient must work with the GOTR to submit a revised Attachment A VETS-704 within 45 calendar days of the federal award date (receipt of NoA) identified on the top right of the NoA. The grant recipient will initiate a SOW change amendment in accordance with Veterans' Program Letter (VPL) 04-24 in GrantSolutions (GS).
- The NoA will contain:
  - A summary of the issue;
  - A write-up that identifies the errors and required revisions to the Abstract and/or Planned Goals Chart (PGC), to include screenshots; and
  - Instructions on how to proceed, i.e., submit a revised Attachment A VETS-704 form with revisions to the number of exiters in Q2 in the Planned Goals Chart-4 tab.

Program Compliance Notes (PCN)

What is a PCN?

- Accompanies initial or supplemental Notice of Award (NoA) as a supplemental narrative attachment, like a CoA.
- Sets forth requirements for the grant recipient, directing them to take a specific action that may require further clarification, confirmation, and/or an amendment.
- Read the PCN, follow up GOTR, and comply with the instructions.

Homeless Veterans' Reintegration Grant Program (HVRP)

Recipient Name:

Grant Number:

As a condition to receiving Program Year 2026 HVRP Funding, the U.S. Department of Labor (DOL), Employment and Training Administration (ETA), on behalf of the Veteran's Employment and Training Service (VETS) has identified area(s) of concern that may require additional clarification, confirmation, or an amendment.

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What Are the PCNs in PY 2026?

PCN	Applicable HVRP Grant Recipients	Actions Required
Financial and Administrative Policies and Procedures	All First-Time DOL Grant Recipient Organizations	Submit a copy of their organization's financial and administrative policies and procedures to their GOTR as a Grant Message in GrantSolutions
50-Mile Radius	All New Awards and Continuing grants in their 2nd year	Maintain one or more physical service address locations within a 50 continuous driving mile radius of each county in their awarded service delivery area (SDA)
Financial Management Responsibility of HVRP Grant Recipients	All HVRP Grant Recipient Organizations' grant awards regardless of period of performance (PoP) year	Maintain records that sufficiently identify the amount, source, and expenditure of federal funds for federal awards. Maintain and make available all records and reports, including participant case records, and financial records. Timely and reasonable access to personnel whose time is charged to the HVRP
Staffing	All HVRP Grant Recipient awards, regardless of PoP year	Personnel time charged to award, updating % of time and vacancies

Specific PCNs Assigned to Awards (1 of 5)

All First-Time DOL Grant Recipient Organizations

Grant award recipients must submit a copy of their organization's financial and administrative policies and procedures for the internal control activities listed here, which require written procedures. The included citations provide the specific criteria that must be addressed for each internal control.

- Payments (2 Code of Federal Regulations [C.F.R.] § 200.302(b)(6) and 2 C.F.R. § 200.305);
- Allowable costs (2 C.F.R. § 200.302(b)(7) and 2 C.F.R. § 200.403);
- Procurement (2 C.F.R. § 200.318);
- Competition (2 C.F.R. § 200.319);
- Procurement Methods (2 C.F.R. § 200.320);
- Compensation - personal services and fringe benefits (2 C.F.R. § 200.430 and 2 C.F.R. § 200.431);
- Employee relocation costs (2 C.F.R. § 200.464); and
- Travel costs (2 C.F.R. § 200.475).

Note that written attestations of compliance with the above do not fulfill this requirement. Acceptance of the HVRP NoA (which contains the Terms and Conditions) implies compliance. For assistance on how to write policies and SOPs, check out NVTAC's site on Standard Operating Procedures (SOP) and Continuity of Operations Plans (COOP) Guides and Examples.

Specific PCNs Assigned to Awards (2 of 5)

All **First-Time DOL** Grant Recipient **Organizations**, submission of financial and administrative policies and procedures continued:

- Conditional approval to expend $50,000 of award listed on NoA
- Not authorized to incur costs above $50,000 until the organizational financial and administrative policies and procedures are submitted, reviewed, and approved
- A Full Notice to Proceed will be incorporated into your grant agreement as an official amendment, and all funds will be released upon meeting this condition

Document submittal does not imply approval of the submitted financial and administrative policies and procedures.

Specific PCNs Assigned to Awards (3 of 5)

All New Awards and Continuing grants in their 2nd year*, 50-Mile Radius Notice:

- Grant recipients must provide VETS with the address(es) of the location(s) where grant staff are providing services to participants that will be verified during the grant's On-Site Review.
- Sites may be co-located with American Job Centers, Supportive Services for Veteran Families (SSVF), etc.
- Grant recipients may change the address(es) that are currently listed in their Abstract if that new address is within a 50-mile radius of the county/counties that were served under the previous address.
- The verified address change must be documented in GS via a Grant Message.

50-Mile Radius Notice: (*Language for all New Awards and Continuing grants in their 2nd year*):

VETS requires Program Year (PY) 2026 HVRP awardees to maintain one or more physical service address locations within a 50 continuous driving mile radius of each county in their awarded service delivery area (SDA). The physical service address location is where Case Managers, Employment Specialists, or equivalent positions will provide services to eligible HVRP participants in the SDA. HVRP participants greatly benefit from in-person interactions. Grant recipients establishing physical service locations within their SDAs allow grant staff to be accessible and provide direct support and services to participants. Virtual services should be an alternate means of providing case management, as many HVRP participants have limited access to technology.

VETS recognizes that leasing multiple offices may not be fiscally practical for all grant recipients. Instead, grant recipients may fulfill this requirement through co-location with partner service providers via low- or no-cost agreements, such as arrangements with American Job Centers or locations funded by the Department of Veterans Affairs (VA) Supportive Services for Veteran Families (SSVF) grant. Grant recipients that use co-location must provide services at the co-located site at least once per month. If a recipient leases space using HVRP funds, it is not reasonable to incur leasing costs when the physical service address is utilized only once per month. To charge leasing costs to the HVRP grant, recipients must provide services at their physical service addresses on a regular basis to reasonably justify the expense.

*Grant recipients in their third year (initially awarded in PY 2024) do not need to meet this requirement.

Specific PCNs Assigned to Awards (4 of 5)

All New Awards and Continuing grants in their 2nd year*, 50-Mile Radius Notice:

- Within 30 days of receiving the NoA, Grant Recipients will create a Grant Message in GS documentation for every physical service address location listed in their Abstract demonstrating grant recipient HVRP occupancy:
  - Subject: 50-Mile Radius Physical Addresses
  - Category Type: Other
  - Grant recipient will provide the physical service address and phone number
  - Upload physical service address location documentation
- This is to ensure addresses remain in compliance with the 50-mile radius and VETS is formally notified of the establishment and/or changes.

FOA Reference

*Applicants **must** provide the proposed physical address(es) where grant staff will be located when they provide services. This information must be included in the Abstract (tab 1 in Attachment A). For definition of physical address, please refer to the HVRP Glossary of Terms. Utilize the StatsAmerica Big Radius Tool, which provides a list of counties within a 50-mile radius of a city (or county population center, if city is not available), to determine which counties fall within a 50 continuous driving mile radius of your physical location. The 50-mile radius is calculated based on the number of driving miles between the physical address and the most populated city in the county in the proposed SDA.*

FY26 HVRP Funding Opportunity Announcement, Section IV.C.1 Statement of Need

Specific PCNs Assigned to Awards (5 of 5)

All New Awards and Continuing grants in their 2nd year*, 50-Mile Radius Notice, keep in mind:

- Physical Service Address Location Documentation
  - Current lease, co-location agreement, correspondence (email, letter, etc.) from the building owner/occupant or the partner service provider confirming the physical service address where the HVRP recipient is co-located.
  - VETS will **not** accept written attestations of physical service address locations from the grant recipient.
- Physical Service Address Documentation Maintenance
  - Within 30 days of receiving the NoA, Grant Recipients will create a Grant Message in GS documentation for every physical service address location listed in their Abstract demonstrating grant recipient HVRP occupancy **AND**
  - Grant recipients must document any physical service address changes via a grant message in GrantSolutions within 30 calendar days of occupancy
  - In the VETS Grantee Reporting System (VGRS) quarterly performance reports Narrative module under the Activities section, grant recipients must provide updates and attest that services are provided at all physical service address locations

Specific PCNs Assigned to All Awards (1 of 4)

All HVRP Grant Recipient Organizations' grant awards, Financial Management Responsibility of HVRP Grant Recipients:

- Strict Fund Tracking (2 C.F.R. § 200.302): Maintain records that clearly identify the source, amount, authorizations, obligations, and expenditures of all federal funds.
- Budget Alignment: Details must map directly to budget categories in the SF-424A and support the award's budget narrative.
- Cost Separation: Explicitly separate direct and indirect expenses if indirect costs are included in your budget.
- Source-Supported Entries: All accounting entries must refer to records and verifiable source documentation (e.g., receipts).

Specific PCNs Assigned to All Awards (2 of 4)

All HVRP Grant Recipient Organizations' grant awards, Financial Management Responsibility of HVRP Grant Recipients:

- Budget-to-Actual Comparison (2 C.F.R. § 200.302(b)(5)): Maintain the immediate capability to present a comparison of actual expenditures against budgeted amounts to your GOTR at any time.
- Comprehensive Records Access (2 C.F.R. § 200.337): Keep all project, financial, and participant case records fully organized and available for review.
- Staff Availability: Provide timely, reasonable access to HVRP-funded personnel for interviews and discussions regarding case and financial records.
- Ensure that your participant case records match the financial expenditures reported; misalignments between participant tracking and budget draws are a common audit pitfall.

Specific PCNs Assigned to All Awards (3 of 4)

All HVRP Grant Recipient Organizations' grant awards, Staffing:

- VETS clarifies a "Personnel Position" as a position generally held by one individual whose salary and fringe benefits are charged to the grant, per the most recently approved Budget Narrative.
- The time charged for one Personnel Position must be within ±10 percent of the amount approved in the most recently approved Budget Narrative.
- Grant recipients that charge an employee's time among multiple grants awarded to their organization, cannot exceed 1.0 full-time equivalent (FTE) collectively among potential or active grants or contracts to include non-HVRP grants, such as VA grants.

Staffing continued:

- Case Managers, Employment Specialists, or equivalent positions cannot charge time to more than one HVRP grant organization.
- Grant recipients utilize VGRS to report on their budget narrative's personnel position status, including vacancy status and percentage of time charged in each quarter of an HVRP's PoP.
- The VGRS Personnel Module is not a time and attendance system. Grant recipients should not deduct a percentage of time in a quarter for any paid leave (vacation, sick, holidays) that the organization provides employees.

Specific PCNs Assigned to All Awards (4 of 4)

All HVRP Grant Recipient Organizations' grant awards, Staffing, continued:

- Grant recipients work with their assigned GOTR to add or eliminate grant staff positions and/or revise position(s) percentage of time to align with this requirement.
- VGRS will record, throughout the grant's period of performance, all positions outlined in the approved Budget Narrative in the Personnel module.
- VGRS will flag vacancies and approved positions where the total staff percentage of time deviates by more than ±10 percent.

Please see the HVRP Glossary of Terms under the Resources section of the HVRP website for Personnel-related definitions, and the VGRS Grant Recipient User Guide for more information.

Common CoAs and PCNs

Common CoAs and PCNs

Revised Document

Indirect Costs (Exceeded allowable limit - NICRA)

Indirect Costs (Exceeded allowable limit – 15% De Minimis)

VETS-700 Planned Goals Chart

Budget (Miscategorized Costs)

Budget CoA and PCN

Sample CoA Language

CoA X – Budget Clarification
Issue: Your Budget Narrative lacks sufficient detail to verify whether specific proposed costs comply with the Uniform Guidance (UG) Cost Principles and/or the leveraged resources discussed do not clearly support grant activities.

Specific costs that need clarification/detail:

-

What you must submit: A budget amendment request with an updated clear, concise, and complete Budget Narrative that demonstrates how each of the proposed costs is reasonable, necessary, allowable, allocable. The proposed costs listed in your Budget Narrative must be supported with accurate calculations and correlate to the cumulative amount specified in the SF-424A. If you shift any of the proposed costs between cost categories, you must also submit a revised SF-424A.

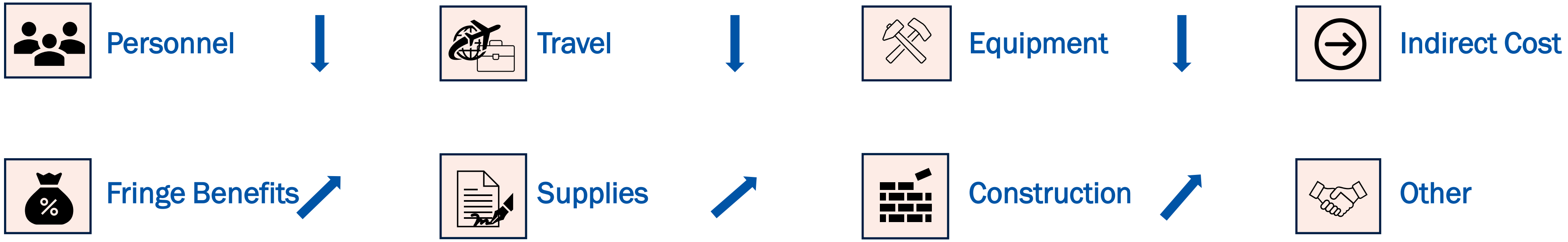
Sample PCN Language

PCN X – Miscategorized Costs
Issue: The Funding Opportunity Announcement (FOA) provided guidance for preparing the budget. Specifically, the SF-424A submitted with your grant application required that all proposed costs be classified correctly in Section B – Cost Categories. Based on our review of your Budget Narrative and SF-424A, we concluded that some budget items are listed in the wrong cost category. To ensure accurate categorization of proposed costs, we encourage you to review the relevant FOA, specifically the "Project Budget" section, and the SF-424A instructions to determine the information needed for each cost category.

Specific Items to Recategorize:

-

What you must do: Ensure these proposed costs are in the correct cost category when you submit future budget realignments.



Budget CoA or PCN (1 of 9)

Revised Documentation

- Line 18a of the SF-424, SF-424A, and Budget Narrative must reflect a one-year budget.
- The SF-424A totals must match the Budget Narrative totals.

SF-424

18. Estimated Funding ($):	
* a. Federal	1,500,000.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	1,500,000.00

SF-424A

a. Personnel	$ 153,894.00
b. Fringe Benefits	67,437.00
c. Travel	4,837.00
d. Equipment	
e. Supplies	7,394.00
f. Contractual	27,940.00
g. Construction	
h. Other	192,903.00
i. Total Direct Charges (sum of 6a-6h)	454,405.00
j. Indirect Charges	37,485.00
k. TOTALS (sum of 6i and 6j)	$ 491,890.00

Budget Narrative

Personnel:
List all staff positions by title (both current and proposed) and provide the hourly wage, the percentage of time charged to the project (100%

Job or Position Title	Hourly Wage	% of FTE	Actual Annual Salary
Program Director	$ 38.26	10.0%	$ 7,958.08
Case Manager	$ 22.00	100.0%	$ 45,760.00
Case Manager	$ 22.00	100.0%	$ 45,760.00
Employment Specialist	$ 23.20	100.0%	$ 48,256.00
			$ -
			$ -
Total Personnel			**147,734.08**
Total Personnel - Rounded to the Nearest Whole Dollar		**(must match SF-424A)**	**147,734**

Sample CoA Language

CoA X – Revised SF-424A and Budget Narrative
Issue: The SF-424A and Budget Narrative included in your application did not reflect the federal request for the first year of grant operation only.

What you must submit: A budget amendment request with a revised SF-424A and Budget Narrative that reflects the federal funding request for the first year of grant operation only.

Sample PCN Language

PCN X – Budget Discrepancies Between Forms
Issue: The cost category totals in your SF-424A and Budget Narrative do not match. Proposed costs listed in your Budget Narrative must be supported with accurate calculations and correlate to the total budget amount specified in the SF-424A.

Specific Discrepancies:

- Personnel – SF-424A shows $153,894 and Budget Narrative shows $147,734.

What you must do: Ensure your SF-424A and Budget Narrative shows identical totals for each cost category in future budget realignments. You must also ensure that the cumulative amount of the Budget Narrative and SF-424A matches.

Budget CoA or PCN (2 of 9)

Personnel

Must provide all staff positions by title (both current and proposed) including the roles and responsibilities. For each FTE position, the following should be listed:

- Annual salary;
- Percentage of time devoted to the project; and
- Amount of each position's salary funded by the grant

Sample CoA Language

Specific costs that need clarification/detail:

- Personnel – the roles and responsibilities for all staff positions listed in the budget must be provided as required in the Funding Opportunity Announcement.

Personnel: List all staff positions by title (both current and proposed) and provide the hourly wage, the percentage of time charged to the project (100%			
Job or Position Title	**Hourly Wage**	**% of FTE**	**Actual Annual Salary**
Program Director	$ 38.26	10.0%	$ 7,958.08
Case Manager	$ 22.00	100.0%	$ 45,760.00
Case Manager	$ 22.00	100.0%	$ 45,760.00
Employment Specialist	$ 23.20	100.0%	$ 48,256.00
			$ -
			$ -
Total Personnel			**$ 147,734.08**
Total Personnel - Rounded to the Nearest Whole Dollar		**(must match SF-424A)**	**$ 147,734**
Justification of Costs (max 3,225 characters including spaces)			

Budget CoA or PCN (3 of 9)

Fringe Benefits

For staff positions listed in Personnel. Provide either a rate or itemize how fringe amount is computed. May be in the form of employer contributions or expenses such as health insurance, Federal Insurance Contributions Act (FICA), retirement, paid absences etc.

Sample CoA Language

Specific costs that need clarification/detail:

- Fringe benefits – we are unable to determine how this calculation was determined. Please provide the rate, itemize how the fringe amount is computed, or provide a justification to clarify the costs.

Fringe Benefits: **Provide information on the rate of all fringe benefits used and the basis for the calculation. If not using a fringe benefits rate, itemize how the fringe benefits amount is computed in the Justification of Costs section.**			
Description	**Base**	**Rate**	**Cost**
Fringe	$ 67,437.00	100.00%	$ 67,437.00
			$ -
			$ -
Total Fringe Benefits	**Total Rate:**	**100.00%**	**$ 67,437.00**
Total Fringe Benefits - Rounded to the Nearest Whole Dollar		**(must match SF-424A)**	**$ 67,437**
Justification of Costs (max 3,225 characters including spaces)			
Fringe $67,437			

Budget CoA or PCN (4 of 9)

Travel

- For grant recipient staff listed in Personnel only
- Must justify travel expenditures that exceed 10 percent of the one-year budget.

- The following must be provided:
  - Purpose
  - Number of staff traveling
  - Location
  - Mileage
  - Estimated number of in-state and out-of-state trips
  - Per diem

Sample CoA Language

Specific costs that need clarification/detail:

- Travel – the budget narrative includes costs for out-of-state travel, however, no justification is provided that explains the purpose. A justification must be provided to determine if this cost is reasonable and allowable.

Travel (for grant recipient staff only):
This section is for grant recipient staff only. Per 2 C.F.R. § 200.475(a), applicants/grant recipients must have policies in place related to travel costs.

click here to look up the most current FY GSA per diem rates: https://www.gsa.gov/travel/plan-book/per-diem-rates

Purpose	Location	Type of Expense	Basis	Cost	Quantity	# of Staff	# of Trips	% Charged to HVRP	Total Cost
Mileage	Local	Mileage	Mile	$ 0.67	43.35	2	52	100.00%	$ 3,020.63
Tolls	Local	Other	N/A	$ 9.00	1.00	2	36	100.00%	$ 648.00
Out-of-State	TDB	Lodging	Night	$ 250.00	2.00	3	1	100.00%	$ 1,500.00
Out-of-State	TBD	Meals	Day	$ 55.00	3.00	3	1	100.00%	$ 495.00
Out-of-State	TBD	Rental	N/A	$ 65.00	3.00	1	1	100.00%	$ 195.00
Out-of-State	TBD	Mileage	Mile	$ 0.67	250.00	1	1	100.00%	$ 167.50
									$ -
									$ -
									$ -
									$ -
									$ -
Total Travel									**$ 6,026.13**
Total Travel – Rounded to the Nearest Whole Dollar						**(must match SF-424A)**			**$ 6,026**

Justification of Costs (max 3,225 characters including spaces)

Staff travel for outreach and engagement, tolls and mileage.
1 out-of-state trip

Budget CoA or PCN (5 of 9)

Equipment

- Per unit cost of $10,000 or more (1 item = $10,000)
- The following must be provided:
  - Item
  - Quantity
  - Unit cost per item
  - Need for equipment

Sample PCN Language

Specific Items to Recategorize:

- Equipment – *Printer and Copier* – items in this category must have a per unit cost of $10,000 or more. If this is a tangible item, please move to Supplies, if not, this item should be moved to Other.

Equipment :
Per 2 C.F.R. § 200.1, "equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes or $10,000. Items with a unit cost of less than $10,000 are supplies, not "equipment." DOL/VETS does not allow the purchase of motor vehicles, buildings, or land.

Item	Quantity	Cost Per Unit	% Charged to HVRP	Total
Printer and Copier	1.0	$ 4,500.00	100.00%	$ 4,500.00
				$ -
				$ -
Total Equipment				**$ 4,500.00**
Total Equipment - Rounded to the Nearest Whole Dollar		**(must match SF-424A)**		**$ 4,500**
Justification of Costs (max 3,225 characters including spaces)				
Printer and copier for staff usage.				

Budget CoA or PCN (6 of 9)

Supplies

- Tangible personal property other than “equipment”
- The following must be provided:
  - Type of supply (office supplies, laptop, etc.)
  - Cost per month (office supplies)
  - Items other than office supplies:
    - Item
    - Quantity
    - Cost per unit

Sample CoA Language

Specific costs that need clarification/detail:

- Supplies – *Laptops for staff (4) at $5,000 each* – Please review this item for reasonableness, all proposed project costs must be necessary and reasonable in accordance with Federal guidelines. Additional justification of costs is required to determine reasonableness.

Budget CoA or PCN (7 of 9)

Contractual

- Contracts and subawards must be described separately
- The following must be provided:
  - Purpose
  - Goods and/or services and how they relate to specific project objectives

Sample PCN Language

PCN X – Miscategorized Costs

Issue: The Funding Opportunity Announcement (FOA) provided guidance for preparing the budget. Specifically, the SF-424A submitted with your grant application required that all proposed costs be classified correctly in Section B – Cost Categories. Based on our review of your Budget Narrative and SF-424A, we concluded that some budget items are listed in the wrong cost category. To ensure accurate categorization of proposed costs, we encourage you to review the relevant FOA, specifically the "Project Budget" section, and the SF-424A instructions to determine the information needed for each cost category.

Specific Items to Recategorize:

- Contractual – Per the FOA, copier contracts, agreements, or leases must not be included in this section. Please move *Printer and Copier lease* to Other.

What you must do: Ensure these proposed costs are in the correct cost category when you submit future budget realignments.

Budget CoA or PCN (8 of 9)

Other

- Costs not covered under other SF-424A line-item categories
- Participant Support costs **must** be under Other
- The following should be provided:
  - Clear and specific detail, including methodology or costs and quantity.
  - May list the support costs per month

Sample CoA Language

Specific costs that need clarification/detail:

- Other – *Client Assistance* – we are unable to determine what client assistance includes based on the justification provided. Additional justification of costs is required to determine reasonableness.

Sample PCN Language

PCN X – Unallowable Costs
Issue: Your Budget Narrative and SF-424A include proposed costs that are not allowable under HVRP's guidelines. As a reminder, if a proposed cost cannot meet the criteria of reasonableness, necessity, allowability, allocability, and consistency, it is unallowable.

Specific Costs to Review:

- Other – *Professional liability insurance* – per the Funding Opportunity Announcement, professional liability insurance in unallowable in accordance with 2 C.F.R. § 200.447(b)(5).

What you must do: Review and discuss these proposed costs with your GOTR. Remove all unallowable costs in your SF-424A and Budget Narrative in future budget realignments.

Budget CoA or PCN (9 of 9)

Indirect Costs: (if applicable)

- The following must be provided:
  - Portion of each line-item in your cost allocation base.
  - Type of rate agreement (NICRA, CAP, de minimis rate of 15 percent of MTDC)
    - Ensure proper exclusions are deducted

Sample PCN Language

PCN X – Indirect Costs (15% De Minimis Rate Misapplied)
Issue: You elected to utilize the de minimis rate of up to 15% of Modified Total Direct Cost (MTDC). However, your calculation incorrectly included costs that must be excluded under the UG at 2 CFR § 200.1. Per the UG, MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $50,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of $50,000.

Incorrect indirect cost calculations may result in disallowed costs.

Specific Issue: You did not exclude participant support costs from your MTDC base when calculating indirect costs.

What you must do: Ensure you charge indirect costs in accordance with the UG requirements. Address this issue when you submit future budget realignments.

Amendments & Budget Revisions

Amendments: What are They?

- Written approvals in the form of a NoA issued by the Grant Officer (GO) for any changes to the grant award that VETS requires prior approval in order to take effect
- Are submitted in GrantSolutions at least 30 days prior to the proposed effective date
- VETS applicable Active Policy and Guidance on Requirements for amendments:
  - VPL 04-24 HVRP Award Amendments
    - HVRP Award Amendments Technical Assistance Guide
      - HVRP Award Amendments Forms and Documents Desk Guide
        - HVRP Budget Narrative Template
        - HVRP Award Amendments Change Request Form

Amendments: What Requires an Amendment?

A. Statement of Work Changes
B. Administrative Changes
C. Budget Realignment, *exceeding 10 percent budget flexibility*
D. Purchase of equipment with a unit cost of $10,000 or more

CoA – instances where the GO requires condition-specific instructions where the requirement to submit an amendment is necessary

Amendments: What Does Not Require an Amendment?

A. Change to a NICRA, CAP, or election to utilize the 15 percent de minimis rate

B. Budget Changes – No prior approval is needed for cost-related changes, including re-budgeting of funds or deviating purchases from the Budget Narrative, **unless the change results in** 1) Transfer of 10 percent or more of funds among direct cost categories, or **2) Transfer of funds budgeted for participant support costs to other categories of expense**

C. Personnel Line Changes – Changes to HVRP staff, position, or percent of time charged to HVRP do not require an amendment application unless the change results in a transfer of 10 percent or more among direct cost categories or a change to the SOW

D. For programs where the federal share of the project is below the simplified acquisition threshold (SAT) of $350,000, recipients are not required to obtain the Grant Officer's approval when transferring funds among direct cost categories unless funds are being transferred from participant support costs to another cost category.

- VETS considers the total budget period for HVRP to be a program year (PY) within the PoP, which contains three PYs. VETS considers the federal share of the project to be the total amount of funding requested for the entire three-year PoP. This is the sum of the requested funding amounts for all three years in your VETS-704 Abstract

Amendments: Prohibitions

New to PY 26

- VETS will not process Statement of Work (SOW) amendments to a grant recipient's planned goals or service delivery area (SDA) from October 1 through June 30 of any Program Year (PY), see VPL 02-26.

Why?

- The annual Funding Opportunity Announcement (FOA) calculates saturation levels for every U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC), based on the SDAs and planned enrollments of current HVRP grant recipients.

So What?

- Grant recipients may submit SOW amendments for their planned goals or SDAs between July 1 through September 30.

Exceptions?

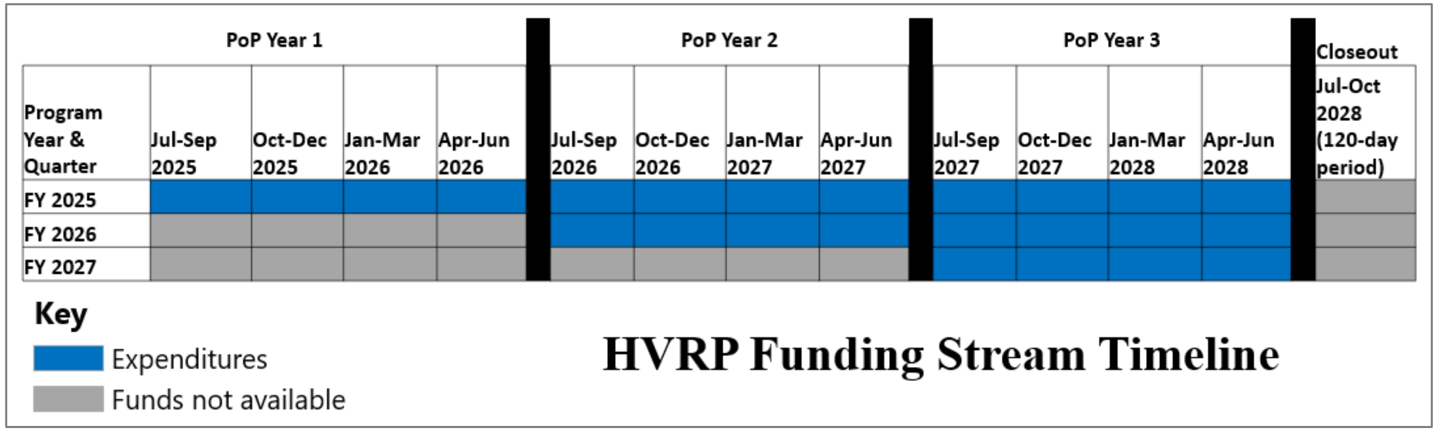
- This blackout period may only be modified or waived upon request of the grant recipient, **and only where an emergency or major disaster** – as defined in the Stafford Act for which the President has issued a declaration – makes the grant recipient unable to submit an SOW amendment between July 1 and September 30 (see 42 USC §§ 5122(2), 5141).

Amendments: FIFO and the Availability of Funds

- Grant recipients that received incremental funding for PY26 (beginning July 1) will likely carry over unspent PY25 funds into the current PY.
- Grant recipients must expend carryover funds on a first-in, first-out (FIFO) basis, per Veterans' Program Letter (VPL) 02-25. This means grant expenditures must first be charged to the funding increments awarded earliest in the period of performance (PoP) and thus have the oldest period of availability. The first increment can be identified in the Payment Management System (PMS) by a numeral after HV, i.e., HV4, HV5, HV6. The lowest numeral is your earliest funded increment with oldest availability.
- Work with your GOTR on accounting for and expending carryover.

Carryover Funding – Availability of Funds

- Example three-year PoP funding stream timeline: This graphic demonstrates when funds were awarded and are available for expenditure for a grant that was awarded a three-year PoP, incrementally funded, in PY24.



  - In the base year, an SF-424, SF-424A, and Budget Narrative were submitted, and the request was submitted for incremental funding year 1 and 2.
  - Each year's SF-424A and Budget Narrative will follow that award until all funds are expended.
  - Each incremental funding request, a new SF-424, SF-424A, and Budget Narrative that is equal to or less than the amount requested in the abstract of the initial grant application are required.

Carryover of Prior PY Funding – Budget Options

Spending Prior Year Funds

Option 1 - No change to Approved Budget

- The grant recipient must continue to **draw funds for approved budget expenditures** until the prior year's funds are exhausted or until the PoP ends, whichever comes first.
- Must adhere to costs approved in the latest NoA's Approved Budget. **Prior Year and Current Year are combined.**

Option 2

- The grant recipient could **realign** <10 percent of the total budget to other Object Class Categories*
  - See terms & conditions and HVRP Award Amendments VPL 04-24 and its Technical Assistance Guide (TAG)
- E.g., the grant recipient has $20,000 remaining in PY25 from Personnel and Fringe and 10 percent of a $300,000 award is $30,000 – so the grant recipient could move $20,000 to other categories of need for future budget purposes.
- **Be mindful of the effect on Indirect Cost calculations with Direct Cost budget realignments (i.e., increase or decrease of exclusions and inclusions from base)**

Option 3

- The grant recipient submits an amendment for changes >10 percent budget revision/realignment (or <10 if Participant Support cost is involved)
- Remember – the grant recipient cannot incur expenditures resulting from the budget revision/realignment until approved by the Grant Officer.

Carryover of Prior Program Year Funding

Scenario: Unexpended Personnel and Fringe Year 1

SF424A Object Class Category – Approved Budget	POP Year 1/PY25 NOA Section 30. Approved Budget - $300,000 July 1, 2025 -June 30, 2026 (PMS Subaccount HV5)	POP Year 1/PY25 Expenditures by Budget Category July 1-2025- June 30, 2026	POP Year 1/PY25 Unobligated Balance of Funds by Budget Object Class Category (unexpended) as of June 30, 2026	POP Year 2/PY26 July 1, 2025 - Sep 30, 2026, PY26 Quarter 1 Expenditures
Personnel	$ 202,125.00	$ 185,281.00	$ 16,844.00	$ 50,532.00
Fringe	$ 37,875.00	$ 34,719.00	$ 3,156.00	$ 9,468.00
Equipment	$ -	$ -	$ -	$ -
Supplies	$ 9,000.00	$ 9,000.00	$ -	$ -
Travel	$ 5,992.00	$ 5,992.00	$ -	$ 1,498.00
Construction	$ -	$ -	$ -	$ -
Other	$ 30,008.00	$ 30,008.00	$ -	$ 7,502.00
Contractual	$ 15,000.00	$ 15,000.00	$ -	$ 15,000.00
Total Direct	$ 300,000.00	$ 280,000.00	$ 20,000.00	$ 84,000.00
Indirect	$ -	$ -	$ -	$ -
Totals	$ 300,000.00	$ 280,000.00	$ 20,000.00	$ 84,000.00

In this scenario the grant recipient under-expended on Personnel and Fringe during POP Year 1/PY25 and have $20,000 remaining in their first established PMS Subaccount (HVXXXXXHV5) for POP Year 1/ PY25. In POP Year 2/PY26 the HVRP grant recipient incurred expenditures of $84,000. Using the principles of FIFO, grant recipient cash for expenditures from the oldest established subaccount. Therefore, the grant recipient would draw $20,000 from POP Year 1/PY25 PMS Subaccount ending HVXXXXXHV5 and $64,000 from HV00000HV6.

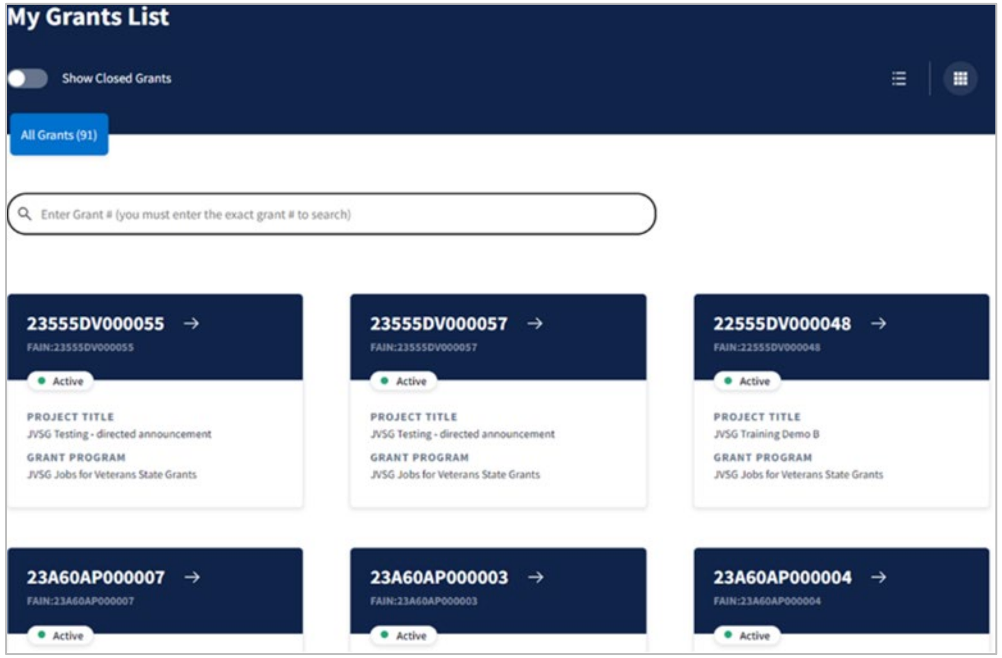
Amendments: What's Required to be Submitted?

Required Documents and Forms	Condition of Award (COA)	Budget Revision	Statement of Work Changes	Change in Key Personnel	Incremental Funding	Admin. Changes	Purchase of Equipment of $5,000 or more	PoP Extension	Self-Termination
GrantSolutions Amendment Type Selection	DOL- Budget Realignment	DOL- Budget Realignment	DOL - Statement of Work Change	DOL - Change in Authorized Signature or POC	DOL - Incremental Funding	DOL - Statement of Work Change	DOL - Equipment Approval (Non-Monetary)	DOL - No Cost PoP Extension	DOL - Decrease PoP (Non-Monetary)
Transmittal Memo	√	√	√	√	√	√	√	√	√
SF-424	√*				√				
SF-424A Form	√*	√**	√**		√				
Budget Narrative	√*	√	√**		√				
Project Narrative	√*		√*		√*				
HVRP Award Amendments Change Request Form	√**	√**	√**		√**			√**	

*If affected **If Information changed

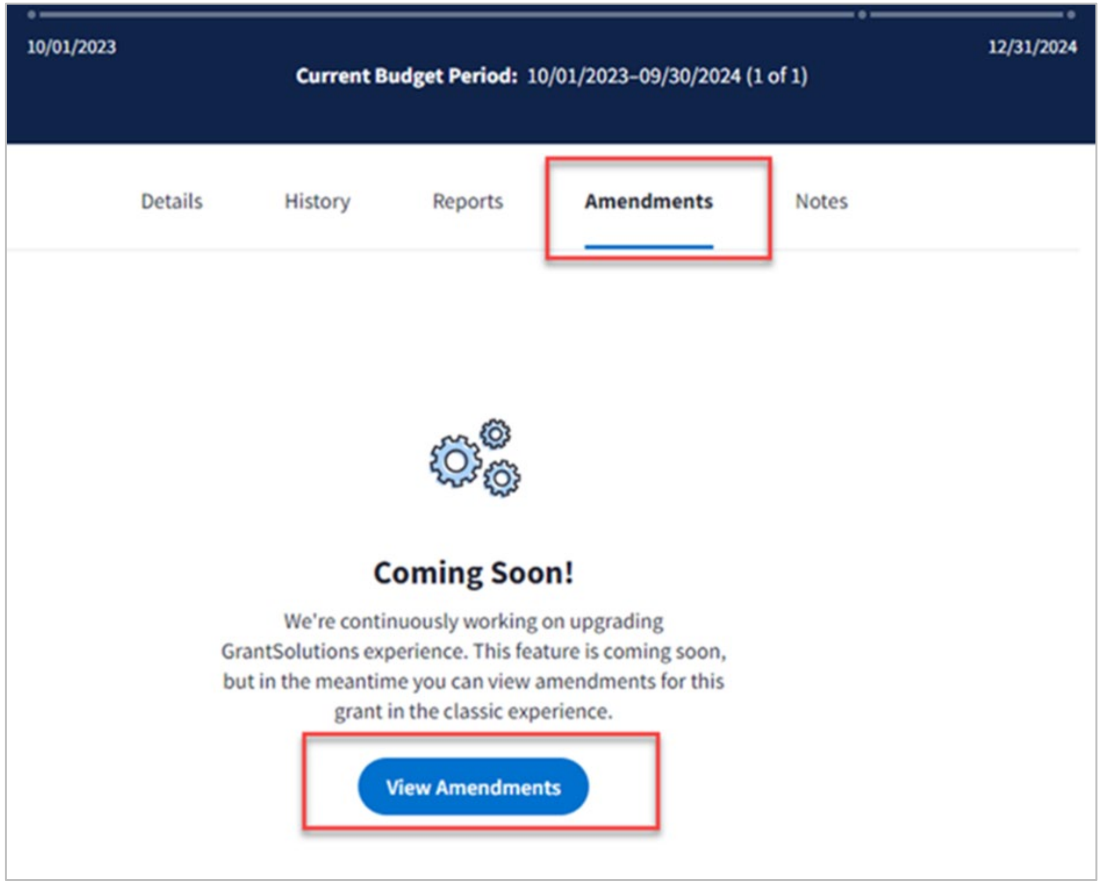
Amendments: How Are They Submitted? (1 of 3)

- Via GrantSolutions following steps provided in the GrantSolutions Grants Management Module (GMM) Grant Recipient Guide
- Log in to GrantSolutions



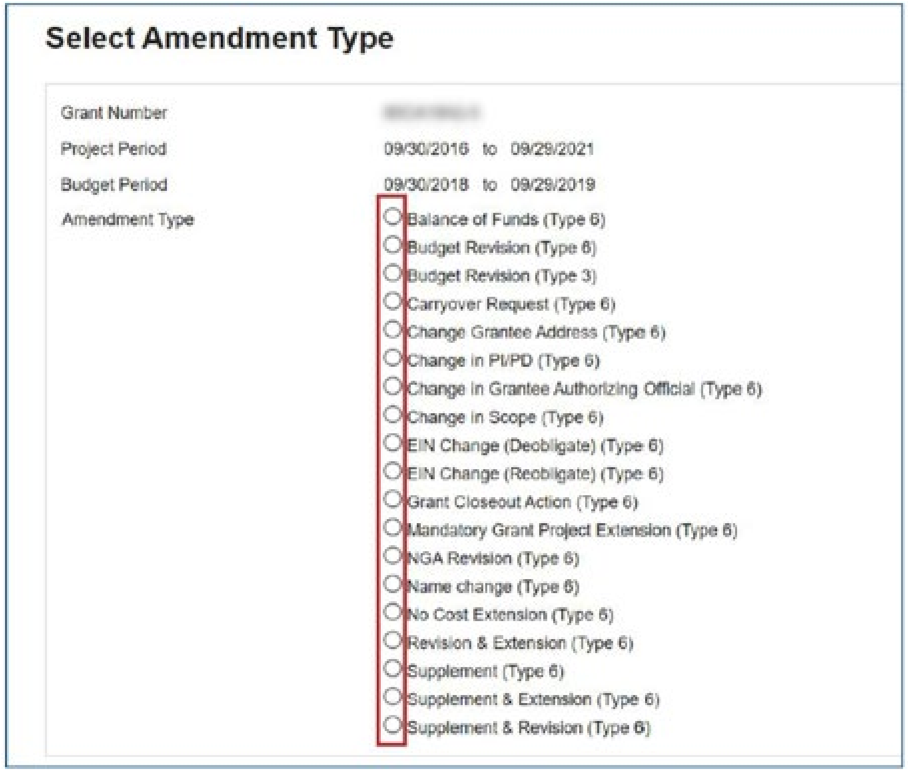
Amendments: How Are They Submitted? (2 of 3)

- Click the Amendments tab, and then click the View Amendments button.



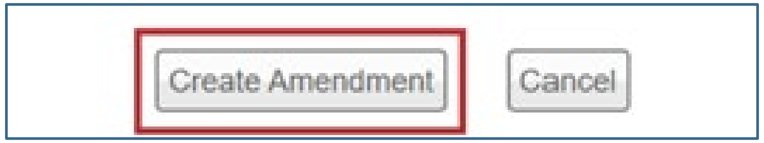
Amendments: How Are They Submitted? (3 of 3)

- Select the Amendment Type, and then click the Create Amendment button.



Select Amendment Type

Grant Number	
Project Period	09/30/2016 to 09/29/2021
Budget Period	09/30/2018 to 09/29/2019
Amendment Type	○ Balance of Funds (Type 6) ○ Budget Revision (Type 6) ○ Budget Revision (Type 3) ○ Carryover Request (Type 6) ○ Change Grantee Address (Type 6) ○ Change in PI/PD (Type 6) ○ Change in Grantee Authorizing Official (Type 6) ○ Change in Scope (Type 6) ○ EIN Change (Deobligate) (Type 6) ○ EIN Change (Reobligate) (Type 6) ○ Grant Closeout Action (Type 6) ○ Mandatory Grant Project Extension (Type 6) ○ NGA Revision (Type 6) ○ Name change (Type 6) ○ No Cost Extension (Type 6) ○ Revision & Extension (Type 6) ○ Supplement (Type 6) ○ Supplement & Extension (Type 6) ○ Supplement & Revision (Type 6)



Amendments: When Will They Be Approved?

- Amendments should be submitted at least 30 days prior to the proposed effective date of the change, but budget realignments must be submitted at least 30 days prior to the proposed effective date for the requested change.
- All amendments are proposals until approved by the GO.
- Approvals for amendments are via the issuance of an NoA.
- Review NoA Item 30 Remarks related to the details of the approval.
- **Your GOTR is not authorized to change any of the terms or conditions of the award or approve prior approval requests. Any changes to the terms or conditions or prior approvals must be approved by the GO.**

Thank you!