

**OKLAHOMA HOUSING FINANCE AGENCY  
HOME DEPARTMENT**

<b>Chapter 4</b>	
	<b>Reference: 24 CFR, Part 92.505</b>
<b>Subject: Financial Management Standards</b>	

**General Requirements**

**Notes**

Governmental entities. The requirements of OMB Circular A-87 and the following requirements of 24 CFR, Part 85 apply to state recipients and subrecipients receiving HOME funds:

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|-------|---|
| 85.6  | Additions and exceptions                                      |
| 85.12 | Special grant or subgrant conditions for “high risk” grantees |
| 85.20 | Standards for financial management systems                    |
| 85.22 | Allowable costs   |
| 85.26 | Non-federal audit   |
| 85.32 | Equipment   |
| 85.33 | Supplies  |
| 85.34 | Copyrights  |
| 85.36 | Procurement   |
| 85.44 | Termination for convenience                                   |
| 85.51 | Later disallowances and adjustments                           |
| 85.52 | Collection of amounts due                                     |

Nonprofit organizations. The requirements of OMB Circular A-122 and the following requirements of 24 CFR, Part 84 apply to subrecipients receiving HOME funds that are nonprofit organizations that are not governmental subrecipients:

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|-------|---|
| 84.2  | Definitions                                   |
| 84.5  | Subawards                                     |
| 84.13 | Debarment and suspension; Drug-Free Workplace |
| 84.16 | Resource Conservation and Recovery Act        |
| 84.21 | Standards for financial management systems    |
| 84.22 | Payment                                       |
| 84.26 | Non-federal audits                            |
| 84.27 | Allowable costs                               |
| 84.28 | Period of availability of funds               |
| 84.30 | Purpose of property standards                 |

84.31	Insurance coverage
84.34	Equipment
84.35	Supplies and other expendable property
84.36	Intangible property
84.37	Property trust relationship
84.40	Purpose of procurement standards
84.41	Recipient responsibilities
84.42	Codes of conduct
84.43	Competition
84.44	Procurement procedures
84.45	Cost and price analysis
84.46	Procurement records
84.47	Contract administration
84.78	Contract provisions monitoring and reporting program performance
84.51	Termination
84.60	Enforcement
84.62	Subsequent adjustments and continuing responsibilities
84.72	Collection of amounts due
84.73	

\ Community Housing Development Organizations (CHDOs).  
The requirements of 24 CFR, Part 84.21.

\ **OMB Circulars Consolidated into a Single Guide, Title 2  
CFR Part 200**

**Implementation**

- **12/26/2014:** Uniform implementation for all subparts except Subpart F. Applicable to new and incremental funding awarded on or after this date.
- **7/1/2015:** Beginning of FY 16. Subpart F (Audit Requirements) becomes effective.
- **7/1/2016:** Beginning of FY17.  
Procurement regulations become effective.

\ All entities shall maintain records and accounts, including property, personnel and financial records that properly document and account for all contract funds. Financial systems used to administer Oklahoma Housing Finance Agency funds and local match must conform to the following standards:

- { Accurate, current, and complete disclosure of the financial results of the OHFA programs are provided in accordance with specified state and

federal requirements.

- { Records are maintained that adequately identify the source and application of funds for each OHFA supported activity, including any applicable matching funds.
- { Effective control and accountability is maintained for all funds, property, and other assets.
- { Accounting records are maintained with adequate supporting documentation.
- { Internal controls are established to eliminate fraud and abuse.

## **Procedures**

### { Accounting System Requirements

Establish and maintain a separate set of self-balancing accounts for each OHFA HOME contract in accordance with written procedures which will permit proper accounting for all funds in conformance with Generally Accepted Accounting Principles (GAAP). The following requirements shall apply:

- { Accounting records shall include a cash receipt and cash disbursements journal and a payroll register for any employees paid with contract funds.
- { Self-balancing group of accounts should be established and maintained.
- { Accounting records must always be posted up-to-date.
- { Manual accounting records shall be maintained in ink for permanence.
- { Correction fluid (whiteout, etc.) shall not be used to cover transpositions or other errors in the accounting records. A single line should be drawn through the mistake or error and the corrected figures should be recorded and initialed by the person making the correction.

Errors found after the accounting records are closed for any given month must be corrected by journal entry.

- { Entries recorded in the cash receipt and disbursement journal must be directly traceable to appropriate source documentation.
- { Appropriate source documentation is defined as any approved original documents that clearly indicate costs that are allowable and allocable to the contract. Examples of source documentation include: Original invoices, fee contracts, progress billings and employee time sheets.
- { A financial management file must be maintained. The file should include copies of all monthly expenditure reports, requests for payment, project set up forms, and budget modifications submitted to OHFA. Any correspondence relating to the financial management of the program should also be maintained in the file.
- { All invoices must be verified for accuracy. It is recommended that a tape verifying the amounts on the invoice is attached to the invoice, signed, and dated by the reviewer.
- { All vendor invoices that allow a discount for early payment should be paid in the discount period as is administratively feasible.
- { All invoices must be approved by authorized officials prior to payment. An authorized official is defined as any officer or employee the governing board gives the authority to approve payment of invoices. **(NOTE: Approval of invoices prior to payment is not required if the invoices are for progress payments on contracts pre-approved through the council or board.)**
- { All paid invoices must be defaced by indicating the check number, date paid and "PAID" on the invoice or purchase order. A copy of the approved purchase order shall be attached to the invoice before filing if purchase orders are used.

- { Monthly expenditure reports and requests for reimbursement submitted to OHFA to document expenditures under the contract must be taken from the expenditure accounts.
- { Funds drawn down from the United States Treasury Account must be expended for eligible project costs within 15 days. Any funds drawn down and not expended within 15 days of the disbursement must be returned to OHFA.
- { Checks must be pre-numbered and signed by the proper officials as authorized by the board.
- { Blank checks and undelivered checks must be kept in a locked cabinet or file.
- { Check protector machines should be lockable, with access restricted to authorized individuals.
- { When a signature stamp is used for checks or correspondence, access to the signature stamp should be limited to authorized personnel and maintained in a lockable cabinet or drawer.
- { Bank statement reconciliation shall be performed on a monthly basis. The reconciliation must be initialed and dated. The accountant and another staff person, for internal control, should perform the bank reconciliation.
- { Individuals signing all Requests for Reimbursements must be listed on the Authorized Signature form (provided with contract).
- { Someone other than the accountant or bookkeeper shall make deposits of funds.
- { Contract funds cannot be placed in a petty cash fund.
- { Contract funds requested will be automatically deposited by electronic funds transfer in the Awardee's account designated for the program.

{ Allowable/Unallowable Costs

{ Costs charged to the contract shall be in accordance with the cost principles of OMB Circular A-122 Program Regulations Attachment, 24 CFR, Part 92.206 Eligible Costs and HUD CPD Notice 94-13.

{ Unallowable costs are any costs associated with prohibited activities as defined in 24 CFR, Part 92 and other applicable federal and state laws governing the operation of the HOME program.

( Personnel Record Keeping Requirements

(Applicable only when contract funds are used to pay any portion of the personnel costs for the Awardee's employees or when personnel costs are included in any required match funds.)

{ Personnel records to be maintained include the following:

⇒ Employee time sheets documenting hours worked and identifying the amount of time spent on the project and other projects. Time sheets must be signed by the employee and employee's supervisor.

⇒ Leave records which fully account for all absences.

⇒ Individual personnel files which include, but are not limited to: job descriptions, pay adjustment authorizations, payroll withholding declarations, and employment applications.

{ Awardees shall establish and maintain written Personnel Policies and Procedures to establish and identify requirements including, but not limited to, travel policies and procedures, job descriptions, leave, and other fringe benefits.

## **Additional Resources:**

- OMB Circular A-122 – Cost Principles for Non-profits

- 24 CFR Part 84 – Grants & Agreements with Institutions of Higher Education, Hospitals, & Other Non-profit Organizations
- OMB Circular A-87 – Cost Principles for State, Local & Indian Tribal Governments
- OMB Circular A-110 – Uniform Administrative Requirements for Grants & Agreements with Institutions of Higher Education, Hospitals, & Other Non-profit Organizations
- 24 CFR Part 85 – Administrative Requirements for Grants & Cooperative Agreements for State, Local & Indian Tribal Governments
- Super Circular