

**DEPARTMENT OF THE TREASURY
OFFICE OF INSPECTOR GENERAL**



**Emergency Rental Assistance
Government Grantee Quarterly Reporting Desk Review
Procedures**

OIG-CA-22-013

April 22, 2022

A. Emergency Rental Assistance Program Overview

Section 501 of Division N, Title V, Subtitle A, of the Consolidated Appropriations Act, 2021 (CAA, 2021) created the first Emergency Rental Assistance program (ERA1). ERA1 provides up to \$24.985 billion in assistance to States (including Washington, DC), U.S. Territories, Tribes or their Tribally Designated Housing entity (TDHE), the Department of Hawaiian Home Lands, and units of local government with populations of 200,000 or greater. ERA1 funds are to be available for vulnerable renter households negatively impacted by the 2019 Novel Coronavirus Disease (COVID-19) pandemic to pay for rent, utilities, and other housing related expenses and arrears. The American Rescue Plan Act of 2021 extended the availability of ERA1 funding through September 30, 2022.

Section 501(i) of the CAA, 2021 requires the Department of the Treasury (Treasury) Office of Inspector General (OIG) to provide oversight and monitoring in conjunction with Treasury management over ERA1 funds and authorizes our office to require repayment of funds to Treasury if we determine a grantee has failed to comply with ERA1 program requirements.

B. ERA1 Grantee Quarterly Reporting

Payments and Allocations

Grantees may use ERA1 funds to provide financial assistance and housing stability services to eligible households.

Eligible Uses

Under ERA1, eligible grantees must use not less than 90 percent of awarded funds to provide financial assistance to eligible households.

Financial Assistance includes:

- Rent
- Rental Arrears
- Utilities and Home Energy costs
- Utilities and Home Energy Costs Arrears
- Other Expenses related to housing incurred due, directly or indirectly, to the COVID-19 outbreak, as defined by the Secretary.¹

¹ For ERA1, other expenses related to housing include relocation expenses (including prospective relocation expenses), such as rental security deposits, and rental fees, which may include application or screening fees. It can also include reasonable accrued late fees (if not included in rental or utility arrears), and Internet service provided to the rental unit.

Not more than 10 percent of awarded funds received by an eligible grantee shall be used for housing stability services including case management and other services intended to keep households stably housed.

Housing Stability Services include:

- Housing and fair housing counseling
- Eviction prevention and diversion services
- Funds to provide eligible households with case management and other services related to the COVID-19 outbreak (under ERA1)

Not more than 10 percent of the amount paid to an eligible grantee under this section may be used for covering administrative costs attributed to providing financial assistance and housing stability services.²

Administrative Costs include salaries, overhead and personnel expenses associated with administering the program.³

Period of Assistance:

- An eligible household may receive up to 12 months of assistance (under ERA1)
 - o an additional three months may be received, if necessary, to ensure housing stability for the household (subject to the availability of funds)
- Financial assistance for prospective rent payments is limited to three months based on any application by or on behalf of the household
 - o the household may receive assistance for prospective rent payments for additional months that are:
 - subject to the availability of remaining funds currently allocated to the grantee
 - based on a subsequent application for additional assistance
 - o If an applicant has rental arrears, grantees may not make commitments for prospective rent payments to an eligible

² The revised award terms for ERA1 issued by Treasury permit grantees to use funds provided to cover both direct and indirect costs. A grantee may permit a subrecipient to incur more than 10 percent of the amount of the subaward issued to that subrecipient as long as the total of all administrative costs incurred by the grantee and all subrecipients, whether as direct or indirect costs, does not exceed 10 percent of the total amount of the award provided to the grantee from Treasury.

³ The revised award terms for ERA1 no longer require grantees to deduct administrative costs charged to the award from the amount available for housing stability services. Rather, any direct and indirect administrative costs in ERA1 must be allocated by the grantee to either the provision of financial assistance or the provision of housing stability services.

household unless assistance has also been provided to reduce that household's rental arrears

Eligible Household Requirements

To be eligible, a household must be obligated to pay rent on a residential dwelling and the grantee must determine that:

- one or more individuals within the household has
 - o qualified for unemployment benefits or
 - o experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the COVID 19 outbreak, which the applicant shall attest in writing;
- one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability, which may include:
 - o a past due utility or rent notice or eviction notice
 - o unsafe or unhealthy living conditions
 - o any other evidence of such risk, as determined by the eligible grantee involved
- the household income is at or below 80 percent of the Area Median Income (AMI); and
- funds made available are not duplicative of any other federally funded rental assistance provided to such household

Income Determination:

- Grantees shall consider either a household's:
 - o Total household income for calendar year 2020; or
 - o Monthly income at the time of application for assistance (grantees must re-determine income eligibility every 3 months for this determination)

Reallocation Guidance

The ERA1 statute requires Treasury to identify excess funds for reallocation from amounts grantees have not obligated from their initial ERA1 allocations. Specifically, the statute provides that beginning on September 30, 2021, Treasury must recapture excess funds, as determined by the Secretary, not obligated by a grantee for eligible ERA1 purposes, and Treasury must reallocate those funds to Grantees that, at the time of the reallocation, have obligated at least 65 percent of their initial ERA1 allocation, including a 10 percent set-aside of the initial allocation for administrative costs. The amount of any reallocation is based on demonstrated need within a Grantee's jurisdiction, as determined by Treasury.⁴

⁴ Detailed instructions for reallocating ERA funds is located in the ERA-Reallocation Guidance dated October 4, 2021. [ERA-Reallocation-Guidance.pdf \(treasury.gov\)](#)

- Consistent with these requirements, Treasury has developed the following policies and procedures for identifying the excess funds that will be available for reallocation: Treasury will rely on the following factors for identifying excess funds.⁵
 1. Insufficient Expenditure Ratio
 2. Failure to Make Required Submissions
 3. Unobligated Funds at Final Assessment
- Each factor will be applied separately.
- Treasury will notify a grantee in writing upon determining that any part of its allocation constitutes excess funds and will provide instructions for the funds’ return.
- Excess funds must be returned within 10 days of receiving such notice.

Full Quarterly Reporting Requirements

The ERA Program requires ERA grantees to certify and submit monthly and quarterly reports.⁶

- The monthly reports are brief two-question updates through which ERA grantees provide Treasury with very high-level counts of the numbers of households receiving assistance and the amounts of ERA funds distributed.
- The quarterly reports are in-depth reports with information on an array of programmatic and financial information.

ERA grantees must gather and track required information throughout each reporting period and submit required reports using Treasury’s Salesforce Portal (Portal). Grantees with both ERA1 and ERA2 awards must provide separate, independent reports for each award. Grantees with multiple ERA awards must take care to ensure that they do not commingle funds, data, or records across the two awards and to submit separate reports for each award.

The ERA reporting requirements differ by the type of ERA grantee. State, Local and Territorial (SLT) ERA1 and ERA2 grantees are required to submit monthly and quarterly reports, while Tribes, TDHE and the Department of Hawaiian Home Lands (DHHL) are required to submit only partial quarterly reports.

⁵ If Treasury identifies excess funds based on multiple factors, the amount to be reallocated from the Grantee will equal the aggregate total. Treasury will not identify excess funds from allocations to Indian Tribes, TDHEs or U.S. territories prior to April 2022.

⁶ In addition to the Monthly and Quarterly Reports, all ERA Recipients also will be required to submit final close-out reports at the end of their ERA award performance periods. Treasury will provide detailed requirements and instructions for those reports in 2022.

Monthly Reports

SLT grantees must submit brief Monthly Reports for April 2021 through June 2022. These required reports include only two data points:

- 1) the total number of participant households in the reporting period, and
- 2) total amount of ERA funds expended in the reporting period

Quarterly Reports

All ERA grantees (SLT, all Tribe, TDHE, and the DHHL Grantees) must submit Quarterly Reports. Each Quarterly Report covers one calendar quarter.

Table 1 displays the reporting deadlines for ERA1 Grantees

Table 1
ERA1 Award Reports – Reporting Periods and Submission Deadlines

SLT Grantees	Tribe, TDHE, and the DHHL Grantees	Cycle	Calendar Quarter / Month and Year	Reporting Period	Submission Deadline
Required	Not Required	Interim 1	Q1	Award Date – Mar 30, 2021	May 12, 2021
Required	Required	Partial 1	Q2 Partial	Apr 1, 2021 – Jun 30, 2021	Aug 6, 2021
Required	Not Required	Monthly 1	April Monthly	Apr 1-30, 2021	May 15, 2021
Required	Not Required	Monthly 2	May Monthly	May 1-31, 2021	Jun 15, 2021
Required	Not Required	Monthly 3	Jun Monthly	Jun 1-30, 2021	Jul 15, 2021
Required	Not Required	Monthly 4	Jul Monthly	Jul 1 – Jul 31, 2021	Aug 16, 2021
Required	Not Required	Monthly 5	Aug Monthly	Aug 1 – Aug 31, 2021	Sep 15, 2021
Required	Not Required	Monthly 6	Sep Monthly	Sep 1 – 30, 2021	Oct 15, 2021
Required	Not Required	Monthly 7	Oct Monthly	Oct 1 – 31, 2021	Nov 15, 2021
Required	Not Required	Monthly 8	Nov Monthly	Nov 1 – 31, 2021	Dec 15, 2021
Required	Not Required	Monthly 9	Dec Monthly	Dec 1 – 31, 2021	Jan 17, 2022
Required	Not Required	Monthly 10	Jan Monthly	Jan 1 – 31, 2022	Feb 15, 2022
Required	Not Required	Monthly 11	Feb Monthly	Feb 1 – 28, 2022	Mar 15, 2022
Required	Not Required	Monthly 12	Mar Monthly	Mar 1 – 30, 2022	Apr 15, 2022
Required	Not Required	Monthly 13	April Monthly	Apr 1 – 30, 2022	May 15, 2022
Required	Not Required	Monthly 14	May Monthly	May 1 – 31, 2022	Jun 15, 2022
Required	Not Required	Monthly 15	Jun Monthly	Jun 1 – 30, 2022	July, 15, 2022
Required	Required	1	Q1 2021	Award Date – Mar 30, 2021	Oct 29, 2021
Required	Required	2	Q2 2021	Apr 1, 2021 – Jun 30, 2021	Oct 29, 2021
Required	Required	3	Q3 2021	Jul 1, 2021 – Sep 30, 2021	Oct 29, 2021
Required	Required	4	Q4 2021	Oct 1, 2021 – Dec 31, 2021	Feb 1, 2022
Required	Required	5	Q1 2022	Jan 1, 2022 – Mar 31, 2022	Apr 15, 2022
Required	Required	6	Q2 2022	Apr 1, 2022 – Jun 30, 2022	Jul 15, 2022
Required	Required	7	Q3 2022	Jul 1, 2022 – Sep 30, 2022	Oct 17, 2022
Required	Required	8	Final Report	TBD	

Source: ERA Reporting Guidance: [ERA-Reporting-Guidance \(treasury.gov\)](https://www.treasury.gov/era-reporting-guidance)

Quarterly Reporting Guidance

The [ERA Reporting Guidance](#) provides in-depth instructions for complying with quarterly reporting requirements.⁷

The required Quarterly reports consist of the following eight components, each of which correspond with a tab in the ERA quarterly reporting form as shown on Treasury's portal:

1. Recipient Profile
2. Project Overview
3. Subrecipients, Contractors, and Beneficiaries
4. Recipient Subawards, Contracts, and Direct Payments
5. Expenditures
6. Project Data and Participant Demographics
7. Performance and Financial Reporting
8. Report Certification and Submission

Note: Tribe, TDHE, and the DHHL grantees are required to complete only specific sections of the Quarterly Report form, as indicated in the Quarterly Reporting description below.⁸

Recipient Profile Tab:

This tab includes the following three items:

1. Verification of Grantee Details
2. Official Points of Contacts
3. Registration with System for Award Management System (SAM.gov)

Project Overview Tab:

All grantees must use this tab to report details about the subject ERA Project including:

- Recipient (Grantee) Project ID
- Name of the Subject ERA Project
- Subject ERA1 or ERA2 Project webpage URL
- Geographic Service Area for the Subject ERA1 or ERA2 Project
- Description of the System for Prioritizing Assistance for the Subject ERA1 or ERA2 Project
- Overall Description of the Subject ERA1 or ERA2 Project

⁷ Reporting Guidance and Bulk Upload Templates and Instructions will also be available in the Portal.

⁸ Specific details for the Tribe, TDHE, and DHHL grantees can be found in Appendix 1 of the ERA Reporting Guidance. [ERA Report Guidance 052021 \(treasury.gov\)](#)

- Description of the Recipient's Use of Fact-Based Proxies for Determining Eligibility for the Subject ERA1 or ERA2 Project

Subrecipients, Contractors, and Beneficiaries Tab:⁹

- This tab is used for recording and reporting information about each Subrecipient and Contractor with which the ERA grantee collaborates to administer the ERA Project.
- The tab is also used to record required information about each entity that received significant financial assistance from the ERA Project.
- Each ERA1 and ERA2 grantee must report detailed information about each subrecipient, contractor, and beneficiary entities (other than individual tenants or unincorporated small landlords) to which it obligated \$30,000 or more of ERA funds in the reporting period. The required information includes identifying information such as the name, address, and other data need for reporting to FSRS.gov and other purposes, as follows:
 - o Unique Entity Identifier or Tax Identification Number
 - o Type of Entity (select from a pick list of entity types)
 - o Legal Name
 - o POC Email
 - o Address
 - o Whether the Subrecipient or Contractor is Registered in SAM.gov

Recipient Subawards, Contracts, and Direct Payments Tab:¹⁰

- This tab is used for recording information on the categories of transactions including amounts of ERA funds obligated to any of the above-mentioned Subrecipients or Contractors.
- Each ERA grantee must also report information on each obligation (of \$30,000 or more) of ERA funds that it awards or makes via a subaward, contract, or direct payment in the quarterly reporting period. The required information includes:
 - o Name of entity to which the Subaward, Contract or Direct Payment is directed
 - o Subaward, Contract or Direct Payment Number (to be provided by the ERA Recipient)

⁹ Specific details regarding Subrecipient, Contractors, and Beneficiaries can be found in the ERA Reporting Guidance. [ERA Report Guidance 052021 \(treasury.gov\)](#). More information and examples are found in Appendix 9 of the guidance.

¹⁰ Specific details regarding Recipient Subawards, Contracts, and Direct Payments can be found in the ERA Reporting Guidance. [ERA Report Guidance 052021 \(treasury.gov\)](#). More information and examples are found in Appendix 9 of the guidance.

- Type of Transaction (select from a pick list of types)
- Amount obligated
- Date of obligation
- Place of Performance (address)
- Performance start and end dates

Expenditures Tab:¹¹

- This tab is used to record all subrecipient and contractor expenditures (payments) using the grantee’s associated subawards and contracts and provide additional details on direct payments to beneficiaries.
- The ERA grantee must report the following information for the ERA grantee’s direct expenditures and all expenditures associated with the ERA grantee’s subawards, contracts and direct payments valued at \$30,000 or more.
 - Subaward, Contract, or Direct Payment number (the ERA grantee’s internal number reported in previous screens)
 - Name of Subrecipient, Contractor, or Beneficiary receiving the Expenditure (only beneficiaries that are businesses, corporations or non-profits receiving \$30,000 or more)
 - Expenditure Start and End date;
 - Expenditure amount;
 - Expenditure description (if Administrative Cost);
 - Expenditure Category (allowed ERA Expenditure categories are listed here):
 - Financial Assistance: Rent
 - Financial Assistance: Rental arrears
 - Financial Assistance: Utility/home energy costs
 - Financial Assistance: Utility/home energy costs arrears
 - Other housing costs related to COVID-19
 - Other housing costs (ERA 2 only)
 - Housing Stability Services
 - Administrative Costs
- All ERA Recipients must report the total (aggregate) amount of all **obligations** in amounts less than \$30,000 associated with all subawards, contracts, and direct payments recorded in the reporting period.

¹¹ Specific details regarding Expenditures can be found in the ERA Reporting Guidance. [ERA Report Guidance 052021 \(treasury.gov\)](#). More information and examples are found in Appendix 9 of the guidance.

- ERA grantees must also report the total (aggregated) amounts **expended** in the reporting period related to subawards, contracts and direct payments for which the grantee had obligated less than \$30,000.
- In addition, ERA grantees must categorize and report these aggregate obligation and expenditure amounts by combinations of up to eight authorized ERA expenditure categories and the three aggregate types (subawards, contracts, and direct payments).

Project Data and Participant Demographics Tab:¹²

- Each ERA grantee must report performance information and participant demographic data for the subject ERA1 or ERA2 Project over the reporting period.
- In addition, each SLT ERA grantee must also report certain data elements by Race, Ethnicity and Gender of the participant households’ primary applicant for assistance. See Appendix 3 of Treasury’s guidance for details about the required demographic categories.

Note: Tribe, TDHE, and the DHHL Recipients are not required to report the race, gender, and ethnicity data elements.

Performance & Financial Reporting Tab:

Each ERA grantee must provide a brief narrative describing the performance and accomplishments of the subject ERA Project over the reporting period.

Performance Reporting

- Current Performance Narrative
 - The narrative should support the performance and demographic data submitted and must include the following information:
 - Activities implemented and notable achievements over the calendar quarter;
 - Activities planned for the next calendar quarter;
 - Notable challenges and status of each challenge;
 - Details on compliance/non-compliance issues and mitigation plans;

¹² Specific details regarding Project Data and Participant Demographic can be found in the ERA Reporting Guidance. [ERA Report Guidance 052021 \(treasury.gov\)](#). More information about required demographic categories can be found in Appendix 3 of the guidance.

- Requests for additional assistance or guidance from Treasury; and
 - Other information, as appropriate do not need to repeat information provided in the Project Overview
- Effective Practices Narrative
 - Each ERA grantee may provide a brief narrative describing the ERA grantee's effective practices for administering ERA programming to share with the ERA community.

Financial Reporting

- As of Quarter 1, 2022, each ERA recipient is required to provide financial data directly into Treasury's portal, rather than uploading SF-425 forms as was required through Quarter 4, 2021. Total recipient award amount will be prepopulated in the portal. Data points from the SF-425 forms that recipients are required to report are:
 - Cumulative amount of Award Obligated as of the end of the Reporting Period
 - Cumulative amount of Award Obligated but not Expended as of the end of the Reporting Period
 - Cumulative amount of Award Expended as of the end of the Reporting Period
 - Amount of award Unobligated as of the end of the Reporting Period
 - Current Quarter Obligations
 - Current Quarter Expenditures

Participant Household Payment Data (PHPDF) File

- Each SLT ERA grantee must submit a data file containing household-level information described below for each ERA Financial Assistance payment made to or on behalf of each participant household during the reporting period.
- Recipients must use a Treasury template for providing the PHPDF.
- Required PHPDF File Elements are as follows:
 - Physical address of the participant household that received the payment (not P.O. Box).
 - Type of Payee to whom the payment was made (payee types are: Tenant; Landlord or Owner; Utility/Home Energy Service Provider; Other Housing Services and Eligible Expenses Provider)

- Category of ERA Financial Assistance provided
 - In situations where a payment is for multiple categories of financial assistance, please report the predominant category for the payment;
- Amount of payment;
- Date of the payment; and
- Start and End Dates covered by the payment (as documented in the participant household's application / records, as appropriate).
 - In situations where the period of coverage is not known, please provide a Start Date and leave the End Date field blank.

Note: Tribe, TDHE, and the DHHL ERA Recipients are not required to submit a PHPDF as part of each Quarterly Report.

Report Certification and Submission Tab:

- Treasury's portal will require a statement that the grantee's authorized representative for reporting must use to certify that the information provided is complete and accurate.
- The grantee's designated authorized representative for reporting will be required to e-sign this certification before final submission of Quarterly Reports via the portal.
- Note that the certification will be the last step in the Recipients' submission process
- In addition, to ensure that the individual currently logged-in to Treasury's portal is in fact authorized to certify and submit an ERA Quarterly Report, the portal will display the name, title, phone and email address of the currently person who is current logged-in to the system.

Table 2
Required Quarterly Reporting ERA Performance Measures of
SLT / Tribe, TDHE, and the DHHL Grantees

	ERA Performance Measures & Required Data	SLT Grantees	Tribe, TDHE, and the DHHL Grantees
1.	Number of unique households that completed and submitted an application for ERA assistance	X	X
2.	Number of unique households that received ERA assistance of any kind i. Number of unique households that received ERA assistance (#), and ii. Number of unique households that received their initial ERA assistance in the current reporting period.	X	X
3.	Number of households that received ERA assistance by type: i. Rent (#), ii. Rental arrears (#), iii. Utilities/home energy bills (#), iv. Utilities/home energy costs arrears (#), and v. Other expenses related to housing (#).	X	X
4.	Number of unique participant households at certain income levels i. Less than 30% of area median income (#), ii. Between 30% and 50% of area median income (#), iii. Between 50% and 80% of area median income (#), iv. Total number of grantee households whose income eligibility was determined based on their eligibility for other federal benefit programs (#), and v. Total number of grantee households whose income eligibility was determined using a fact-based proxy (#).	X	
5.	Total amount of ERA award funds paid to or for participant households	X	X
6.	Average number of months of rent or utility/home energy payments covered for each participant household	X	
7.	Housing stability services (#)	X	X
8.	Amounts approved for payment (obligated) and amounts paid (expended) in the reporting period: i. Total dollar amount of ERA award funds approved (obligated) to or for participating households, ii. Total amount of ERA award funds paid (expended) for administrative expenses, iii. Total amount of ERA award funds approved (obligated) for administrative expenses, iv. Total dollar amount of the ERA award funds paid (expended) for housing stability services, and v. Total dollar amount of the ERA funds approved (obligated) for housing stability services costs.	X	X

Source: ERA Reporting Guidance: [ERA-Reporting-Guidance \(treasury.gov\)](https://www.treasury.gov/era-reporting-guidance)

Table 3
Required Quarterly ERA Performance Measures and
Demographic Data Breakdown of SLT Grantees

	Required ERA Performance Measure	Required Demographic Data
1.	Number of unique households that completed and submitted an application for ERA assistance	X
2.	Number of unique households that received ERA assistance of any kind <ul style="list-style-type: none"> i. Number of unique households that received ERA assistance (#), ii. Number of unique households that received their initial ERA, and assistance in the current reporting period. 	X
3.	Number of unique households that received ERA assistance by type <ul style="list-style-type: none"> i. Rent, ii. Rental arrears, iii. Utilities/home energy bills, iv. Utilities/home energy bills arrears, and v. Other expenses related to housing. 	X
4.	Number of unique households at certain income levels: <ul style="list-style-type: none"> i. Less than 30% of Area Median Income, ii. Between 30% and 50% of Area Median Income, iii. Between 50% and 80% of Area Median Income, iv. Total number of recipient households whose income eligibility was determined based on their eligibility for other federal benefit programs, and v. Total number of recipient households whose income eligibility was determined using a fact-based proxy. 	X
5.	Total amount of ERA award paid to or for participant households	X
6.	Average Number of Months of Rent or Utility/Home Energy Payments Covered for Each Participant Household	X
7.	Housing Stability Services (#)	
8.	Amounts approved for payment (obligated) and amounts paid (expended) in the reporting period: <ul style="list-style-type: none"> i. Total dollar amount of ERA award funds approved (obligated) to or for participating households ii. Total amount of ERA award funds paid (expended) for administrative expenses iii. Total amount of ERA award funds approved (obligated) for administrative expenses iv. Total dollar amount of the ERA award funds paid (expended) for housing stability services v. Total dollar amount of the ERA funds approved (obligated) for housing stability services costs 	

Source: ERA Reporting Guidance: [ERA-Reporting-Guidance \(treasury.gov\)](https://www.treasury.gov/era-reporting-guidance)

C. Treasury OIG Emergency Rental Assistance 1 Desk Review Overview

Purpose

The purpose of this desk review guide is to assist Treasury OIG in performing monitoring of the grantees' receipt, disbursement, and uses of ERA1 funds as reported in Treasury's ERA Portal on a quarterly basis.

Objective

The objective of the desk review is to evaluate the selected grantee's documentation supporting the uses of ERA1 funds as reported in the Portal, and assess risk of unallowable use of funds. As part of the desk review, we will use other publicly available information including, but not limited to, Single Audit or other State or Local Auditor reports, to identify internal control matters that may pose a risk to or impact the grantee's appropriate use of ERA1 funds. The desk review may result in a site visit to the grantee for a more in-depth review or a recommendation for audit.

Desk Review Scope and Methodology

The scope of the desk review will include a single quarter or multiple quarters, as deemed appropriate, beginning with the first submission (Award date - March 30, 2021) due October 29, 2021, through the final submission due January 21, 2023.

The review methodology includes, but is not limited to, the following:

- Review the grantee's monthly and quarterly ERA Portal submission(s).
- Review other audit reports (Single Audit, State or Local Auditor, Government Accountability Office (GAO), and other applicable Federal agency OIG reports at Oversight.gov) for internal control or other deficiencies that may pose risk or impact the grantee's uses of ERA1 funds.
- Review the National Association of State Auditors Comptrollers, and Treasurers newsletter for issues that may pose risk or impact the grantee's uses of ERA1 funds.
- Review Office of Investigations, Pandemic Response Accountability Committee (PRAC), and Office of Counsel leads on issues that may pose risk or impact the grantee's uses of ERA1 funds.
- Select a judgmental sample of the grantee's distributions to or for participant households based on risks identified in other

audit reports, already identified ERA Portal reporting deficiencies, and anomalies identified by the Data Analytics manager.

- If necessary, consult with a statistician to identify a sampling methodology to determine the appropriate sample size for review of the grantee's reported obligations and expenditures
- Obtain and evaluate the grantee's documentation and records used to support the quarterly submission(s).
- Interview the grantee preparer(s) and certifier as deemed appropriate.
- Interview State or Local Auditors and other applicable oversight agency personnel as deemed necessary.
- Conduct site visits to the grantee, as deemed necessary.

D. Desk Review Procedures

These procedures do not exclude performing additional procedures or steps deemed necessary based on the grantee, the type of payment, and or other matters identified during the desk review and/or site visit.

- I. Identify a grantee for review considering the following:
 - a. Has the grantee exhibited difficulty in the quarterly reporting process?
 - b. Has the grantee submitted one or more quarterly reports late?
 - c. Has the grantee been noncompliant on one or more of its quarterly reports?
 - d. Do the results of any data analytic procedures performed on submission data identify anomalies that indicate potential risk or inaccurate reporting?
 - e. Document the rationale for the selection of grantee for review.
- II. Notify the grantee of the planned desk review.
 - a. Issue a notification or engagement memorandum to the grantee's authorized official explaining the purpose of the desk review. Copy Treasury, the State Auditor, or other oversight agency as appropriate.
 - b. Schedule a mutually agreeable date for an entrance conference with the appropriate management official(s) where details of the desk review will be provided.
 - c. Provide an initial document request list to the grantee.
 - i. Include a request for non-personally identifiable information to support the grantee's submission to Treasury's ERA Portal. The grantee should identify the

following items with each payment made within the PHPDF.

1. AMI indicator (< 30%, 30% < 50%, 50% < 80%)
 2. Identify if the unique participant household is receiving financial assistance for the first time under ERA in the applicable quarter.
 3. Was this household previously enrolled in other income-based federal benefit programs?
 4. Was this household deemed categorically eligible based on fact-based proxy?
- ii. Provide the guidance and communication given to both potential and actual participant households.
 - iii. Provide the ERA program's policies and procedures related to internal control functions.
 1. Include specific policies and procedures to document controls around accepting self-attestations, categorical eligibility, fact-specific proxies, or other flexibilities designed to ensure ERA funds are provided to all eligible households.
 2. Include specific policies and procedures on the eligibility application appeals process.
 - iv. Provide documentation (accounting system reports, raw data counts, other records, etc.) and a brief walkthrough (narrative explanation) to support the amounts included in the ERA portal for the following data elements. The supporting documentation should include information to discern the timeframe and parameters used to generate the report:
 1. Number of unique households that completed and submitted an application for ERA program assistance
 2. Number of unique households that received ERA assistance of any kind
 3. Number of unique households that received the following types of ERA assistance (where applicable):
 - a. Rent (#)
 - b. Rental arrears (#)
 - c. Utilities/home energy bills (#)
 - d. Utilities/home energy costs arrears (#)
 - e. Other expenses related to housing (#)
 - f. Housing stability services (#)
 4. Number of unique households at certain income levels
 - a. Less than 30% of area median income
 - b. Between 30% and 50% of area median income
 - c. Between 50% and 80% of area median income

5. Total dollar amount of ERA grant funds paid by the ERA grantee to or for participating households
6. Total dollar value of approved ERA applications that have not yet been paid
7. Total dollar amount of ERA award funds approved (Obligated) to or for participant households
8. Total amount of ERA award funds paid (Expended) for administrative expenses
9. Total amount of ERA award funds approved (Obligated) for administrative expenses
10. Total dollar amount of the ERA award funds paid (Expended) for housing stability services
11. Total dollar amount of the ERA funds approved (Obligated) for housing stability service costs
12. Current Quarter Obligations to Date
13. Cumulative Obligations to Date across all reporting periods
14. Current Quarter Expenditures to Date
15. Cumulative Expenditures to Date across all reporting periods

III. Perform Desk Review Due Diligence

- a. Review the grantee's quarterly submission(s) in Treasury's ERA Portal to identify any unresolved reporting issues.
- b. Review results of the grantee's Single Audit(s) and other audits to identify internal control deficiencies that may pose a risk and/or impact the grantee's quarterly reporting and compliance with uses of ERA1 funds requirements. Single Audit reports may be obtained from the grantee's website(s), or the Federal Audit Clearinghouse Database at <https://facweb.census.gov/>. Review reports for the following:
 1. The report's audit findings that could have a potential effect on the grantee's administration of ERA1 funds (e.g., cash management, segregation of duties, etc.). For Single Audit reports, pay particular attention to the Schedule of Expenditure and Questioned Costs and Summary Schedule of Prior Audit Findings. If the grantee's Single Audit report is not a separate report, review the Federal Program section of the State report for any findings, paying particular attention to the types of compliance requirements that caused problems for the grantee.
 2. If findings are identified, review the Management Response section of the finding and determine if a corrective action plan (CAP) has been identified. If there is a CAP, determine if any of the proposed

- actions may otherwise impact the grantee's management of ERA1 funds received. Also, note the status of corrective actions.
- c. Review audit reports related to the grantee that received Federal funding from other Federal agencies.
 1. Search websites to include:
 - <https://www.oversight.gov/>
 - <https://www.gao.gov/>
 - <https://www.pandemicoversight.gov/>
 - <https://www.hud.gov/>
 - Other Federal awarding agencies that provided Federal funds to the grantee (e.g., the top five Federal awarding agencies of the grantee, which can be collected from the Single Audit report).
 2. Search for any reports on these websites relating to ERA1 awards to the grantee using "Emergency Rental Assistance."
 - d. Review the National Association of State Auditors Comptrollers and Treasurers newsletter to identify issues that may impact the grantee's use or management of ERA1 funds.
 - e. Document reviews of other audit reports or evaluations, summarizing internal control or other deficiencies, recommendations, and conclusion as to risk and/or impact on the grantee's quarterly reporting and compliance with uses of ERA1 requirements. Include pertinent information about the report, including: name of report, link to report, name of auditor, name of government agency, and date of report.
 - f. Perform data analytic procedures and/or review the results of data analytic procedures of the grantee's portal submission(s) to analyze trends and identify anomalies, as needed. For trend analyses and identifying anomalies, consider expended and obligated amounts as well as performance metrics and participant demographics.
- IV. Perform an analytical review of the dollar amounts of each ERA assistance type (rent, rental arrears, utilities/home energy bills, utilities/home energy costs to arrears, other expenses, and housing stability services) to identify anomalies and/or outliers:
- a. Reconcile the grantee-provided data to verify completeness of data input into the Portal.
 - i. Compare the supporting data (reports) provided by the grantee and the data elements identified in Section D.II.c.iv.

- ii. Identify whether any amounts or applications were improperly included in the quarterly report(s) under our review.
 - iii. Follow up on any differences identified and document the grantee's understanding of the data element definition(s) in question.
- b. Obtain data from the PHPDF and view distribution of dollar amounts and counts by financial assistance type (see Financial Assistance types in Section B on page 2 above), if available. Review for anomalies.
 - i. Calculate or identify the following amounts for each assistance type and payee type:
 - 1. Average amount per type
 - 2. Identify the high, low, and median amounts of each financial type
 - 3. Overall percentage when compared to total expended dollar amounts of each financial type
 - 4. If the cost is related to rental or utilities arrears, calculate the average number of months of arrears assistance that was provided by dividing the average rental or utilities arrears amount by the average rental or utilities amount calculated in Section IV.b.i.1.
 - 5. Present the number of housing participants reported in the PHPDF by financial assistance amount for high, low, median, and average ranges
- c. Review subaward types and descriptions for ineligible uses.
- d. Review administrative expenses and explanations for ineligible uses.
- e. Review the number of unique participant households and total spending data for each zip code within the grantee's coverage area for anomalies.
 - i. Calculate the average financial assistance amount by general area and zip code.
 - 1. To calculate the general area average, sum the total dollar amounts of all zip codes and divide by the total number of participants.
 - 2. To calculate the zip code average, divide each zip code dollar amount by the zip code's household participants.
 - ii. Identify the high, low, and median of calculated average amounts by zip code.
 - iii. Identify the count of zip codes within each range (high, low, median, and average amounts).
 - iv. Compare the calculated rent and rental arrears by zip code with the area's 50th percentile rent data by

county for four bedrooms or greater (huduser.gov).

Identify possible anomalies and/or outliers.

- f. Determine whether the grantee had additional funds allocated due to a reallocation by Treasury and/or had funds recaptured. Confirm the amount of the reallocated or recaptured funds, if applicable.
- g. Assess whether administrative and housing stability costs limitations were exceeded when compared to allocated or expended funds.
 - i. Do administrative expenditures and obligations exceed 10 percent of total ERA1 funds the grantee has expended to date?
 - ii. Do administrative expenditures and obligations exceed 10 percent of total ERA1 funds Treasury provided to the grantee (including any approved and paid reallocated funds)?
 - iii. Do housing stability services expenditures and obligations exceed 10 percent of total ERA1 funds the grantee has expended to date?
 - iv. Do housing stability services expenditures and obligations exceed 10 percent of total ERA1 funds Treasury provided to the grantee (including any approved and paid reallocated funds)?
- V. Select a Sample of Financial Assistance Payments for Review
 - a. Select a judgmental sample of distributions the grantee made to or for participant households.
 - b. Based on the steps performed above, consider the following and review for outliers and anomalies:
 - Reporting issues
 - Reconciliation issues
 - Internal control deficiencies
 - Financial assistance amounts
 - Subaward descriptions and amounts
 - Portal reporting deficiencies that may pose risk to and/or impact the grantee’s ability to appropriately report uses of ERA1 funds
 - Potential Sample Categories include:
 - 1. Rent
 - 2. Rental Arrears
 - 3. Utilities
 - 4. Utilities Arrears
 - 5. Housing Stability Expenses
 - 6. Administrative Expenses
 - 7. Subawards / Subrecipients expenditures
 - 8. Housing Eligibility
 - i. If deemed necessary, consult with statistician to determine appropriate sample methodology and sample

- selection to review obligations and expenditures for payment types. Provide statistician with ERA Portal extracts and other information to determine approach to selecting sample records to review.
 - c. Document the sample selection to include the methodology and/or rationale for the selection.
 - i. If we consult a statistician, obtain documented sampling methodology to support sample selections or document the rationale for selection.
 - d. Send an additional data request to the grantee requesting documentation and records for the selected sample.
- VI. Review Selected Grantee's Documents/Records
 - a. Review the guidance and communication the grantee provided to both potential and actual participant households.
 - b. Review the narrative describing the grantees' plan to prioritize assistance to households with less than 50 percent of the area median income and assistance to households with one or more members that have been unemployed for at least 90 days.
 - c. Review participant household-related documentation, if applicable.
 - i. Does the documentation sufficiently support the eligibility of the participant household, in accordance with the CAA, 2021, as well as Treasury and grantee guidance?
 - d. Review the grantee documentation to determine the financial assistance type(s) the household received and the dollar amount of each, if applicable.
 - i. Does the documentation sufficiently support the dollar amount of each assistance type and the total amount provided for this household?
 - e. Review the supporting records for incurred housing stability service expenses, administrative expenses, and subawards to verify eligible expenses and amounts paid, if applicable.
 - i. Does the documentation sufficiently support the dollar amount of the incurred expense type stated above and the total amount provided for this household?
 - ii. Does the documentation sufficiently support the eligible purposes for the expense type stated above in accordance with Treasury guidance?
 - f. Summarize the results of the review and the types of documents evaluated. Discuss expanding scope with manager, Director, and Deputy Assistant Inspector General for Audit based on the results of the review.
- VII. Financial Reporting
 - a. Did the grantee submit an SF-425?
 - i. If yes, were all required fields completed?

- b. Did the grantee provide the four requisite data points described under the Financial Reporting section beginning on page 10 above and can they support the data points?
- c. Mathematically verify the four data points discussed in Section VII.b. and portal data. If differences are identified, follow up with the grantee.
- d. Mathematically verify the SF-425 reported award amounts and portal data. If differences are identified, follow up with the grantee.
 - i. Compare the Total Federal funds authorized (10.d) amount on the SF-425 to the total amount allocated and paid to the grantee.
 - ii. Compare the Federal share of expenditures (10.e.) to the Portal reported expenditure amounts (including previous quarter's reported expenses, if applicable).
 - iii. Compare the Federal share of unliquidated obligations (10.f.) to the Portal reported obligation amounts (including previous quarter's reported expenses, if applicable).

VIII. Site Visits

Site visits represent the highest level of grantee monitoring. Treasury OIG staff may initiate site visits based on information obtained during quarterly reviews and desk reviews. When an on-site field visit is not possible or practicable for either Treasury OIG staff or the grantee, a virtual site visit may be an option. Among other things, on-site visits should resolve desk review issues, allow Treasury OIG to evaluate the status of projects and/or activities as selected, and apply the desk review procedures to an expanded scope for review.

During the on-site visit, Treasury OIG will perform additional procedures to include:

- a. Conducting an entrance interview with the grantee's management officials, project personnel, or financial/accounting staff to establish expectations for the on-site visit;
- b. Interviewing key officials and staff to discuss any unresolved issues or problems that were noted during the desk review, and, if applicable and appropriate, conduct interviews with subgrantees;
- c. Performing desk review procedures above on expanded scope of obligations, expenditures, payment type, or expenditure categories as deemed necessary; and
- d. Conducting an exit conference with the grantee to discuss results and next steps.

Following the site visit, Treasury OIG staff will document the analyses completed, conclusions drawn, and any next steps or recommended corrective actions. Based on results of the site review, determine whether to refer for audit to Treasury OIG Emergency Rental Assistance Team (see attachment 1) or the Office of Investigations.

- IX. Perform Post Desk Review/Site Visit Procedures
 - a. Perform follow up effort with the grantee to resolve any variances and discrepancies identified above in our review.
 - b. Prepare a memorandum to notify the grantee of desk review results. Document next steps (i.e. audit, refer to Office of Investigations, or no other action).
 - c. If a site visit is conducted, prepare memorandum to notify grantee of the site visit review results. Document next steps (i.e. audit, refer to Office of Investigations, or no further action).

Emergency Rental Assistance Desk Review Report Cover Sheet

Grantee:	Name
Location	Full Address
Date of Desk Review	Date
Reviewers:	Name(s)
Audit Manager Signature & Date	
Audit Director Signature & Date	

Findings:

Recommendations:

Assistant Inspector General for Audit

Comments: _____

Approve: _____ Disapprove: _____ Date: _____