

(1) Accurate, current, and complete disclosure of the financial results of each federally funded project;

(2) Records that identify adequately the source and application of funds for federally funded activities;

(3) Effective control over and accountability for all funds, property and other assets;

(4) Comparison of outlays with budget amounts;

(5) Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the use of funds for program purposes;

(6) Written procedures for the determining the reasonableness, allocability and allowability of costs; and

(7) Accounting records including cost accounting records that are supported by source documentation.

(2) We will accept as evidence of your purpose, a certified copy of the organization's articles of incorporation and by-laws which includes in the organization's purposes significant activities related to providing services or housing to persons with HIV/AIDS.

(B) *Performance Benchmark Requirements.* All grantees receiving funds under this Program Section are expected to meet the following benchmark requirements. If a selected project does not meet the appropriate performance benchmark, HUD reserves the right to cancel or withdraw the grant funds.

(1) *Execution of Grant Agreement.* Selected applicants must execute grant agreements by the earlier of September 25, 2004 or the first anniversary of HUD's announcement of the awards. HOPWA grants are obligated upon grant execution and the FY 2003 Consolidated Appropriations Resolution ("FY 2003 Appropriations Act") requires HUD to obligate funds by September 30, 2004.

(2) *Disbursement of Funds.* Grantees receiving awards under this Program Section should fully expend their grants no later than three years following the effective date of the grant agreement. The National Defense Authorization Act for Fiscal Year 1991 requires expenditure of all HOPWA funds awarded under the FY 2003 Appropriations Act by September 30, 2009. After September 30, 2009, any unexpended funds (whether obligated or unobligated) shall be canceled and, thereafter, shall not be available for obligation or expenditure for any purpose.

(3) *Site Control Through Acquisition or Lease.* If you acquire or lease a site, you are required to gain site control

within one year from the date your selection letter was signed by HUD.

(4) *Rehabilitation or New Construction.* If you propose to use HOPWA funds for rehabilitation or new construction activities, you must begin the rehabilitation or construction within 18 months, all rehabilitation or construction work must be complete within 3 years from the date your selection letter was signed by HUD.

(5) *Project Operations.* If funds are used for operating costs of existing housing facilities, these funds must be used within the three year use period for the operation of this award and such activities must start no later than 12 months from the date your selection letter was signed by HUD, and completed within 36 months from this date. If funds are to be used for operating costs, in connection with the new construction or substantial rehabilitation of housing facilities, the amount of funds designated for operating costs must be limited to the amount to be used during the portion of the three-year period for which the facility will be operational and assisting eligible persons. Delays in the project's development activities, such as the planned completion of the construction or rehabilitation activities, could result in the loss of funds designated for operating costs, if such funds remain in excess after the authorized use period for this award. For example, if your project expects to take two years to complete the rehabilitation of the facility, any operating costs could only be requested for use in the remaining one year of the three year operating period for this award.

(6) *Six-Month Report.* You must provide an initial report to the Field Office and HUD Headquarters on the startup of the planned activities within six months of your selection. Outline your accomplishments and identify any barriers or issues for which the Department may provide assistance.

(C) *Program Guidance.*

(1) *Program Operating Year.* Grants awarded through this Program Section must designate the 12-month operating year, which indicates the start and end dates of the term of the grant, at the signing of the grant agreement. The operating year may begin within four months of the signing of the grant agreement or as specified by HUD at the time of award. The operating period begins the day when participants begin to receive housing or supportive services, or for capital development activities at site control or the start of rehabilitation or new construction activities. The operating period is a 12-month period for which grantees report

annual accomplishments. Grantees are required to submit annual progress reports to HUD within 90 days following the end of each operating year.

(2) *Incorporation of Mainstream Resources.* To the extent possible, HUD encourages projects to incorporate mainstream resources into their project plans to maximize the benefit of requested HOPWA funds. Mainstream resources may include private, other public, and mainstream services and housing programs that provide benefits to eligible persons. Applicants are encouraged to create community wide strategies to coordinate assistance to eligible persons through these mainstream programs. These mainstream programs include Medicaid, Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funded through the Mental Health Block Grant and Substance Abuse Block Grant, Workforce Investment Act and the Welfare-to-Work grant program. Under each part of this Program Section, as an applicant, you may be asked to address how your project is incorporating mainstream programs to benefit eligible persons.

VIII. Other Requirements

(A) *Environmental Reviews.* All HOPWA assistance is subject to the National Environmental Policy Act and applicable related federal environmental authorities. In accordance with Section 856(h) of the AIDS Housing Opportunities Act, environmental reviews for HOPWA activities are to be completed by responsible entities (including units of general local government, states, Indian tribes, and Alaska Native villages) in accordance with 24 CFR part 58. Applicants or grantees that are not states or units of general local government must request the unit of general local government to perform the environmental review. This statutory provision supersedes the environmental provisions in the HOPWA regulation at 24 CFR 574.510. HOPWA grantees and project sponsors may not commit or expend any grant or nonfederal funds on project activities until HUD has approved a Request for Release of Funds and environmental certification from the responsible entity (other than those listed in 24 CFR 58.22(c), 58.34 or 58.35 (b)). The expenditure or commitment of HOPWA or nonfederal funds for such activities prior to this HUD approval may result in the denial of assistance for the project under consideration.

(B) *Affirmatively Furthering Fair Housing.* See Section V (D) of the