



Navigating the Self-Help Grant: The Road Map to Financial Management Success

Tuesday 3/11/25

10:15 AM

National Self-Help Conference
Orlando, FL

Your Trainers Today!

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Since 2019

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Since 2017



Housekeeping

THE BUCKLE UP BUTTERCUP LIST:

- Cell phones = set to SILENT
- Participation = encouraged
- Restrooms, hydration, stretch, do your thing, just minimize distraction
- Attendance: sign in sheet, sign it!
- Evaluations: on your app, let us know your thoughts!



Navigating Self-Help Finance: The Road Map to Success



... it's paved with a little “mutual” support

Learning Objectives:

- Understand the overall journey of the Self-Help grant
- Be aware of financial roadblocks and compliance pitfalls that can arise along the way
- Know where to stop for directions and information



Preparing for the Trip

Gather your Tools & Resources!

- RCAC's Financial Tool Kit for Self-Help, and
- SH Trainings & Webinars
- RD Regulations and Guidance Forms
- SH Housing Handbooks
 - *Brand new for 2025! Check out the **Custodial Accounting Handbook for Mutual Self-Help Grantees***
- Self-Help Builder News Archives





Self-help housing resources

[SH Financial Tool Kit](#)

[SH Trainings & Webinars](#)

[RD Regulations and Guidance Forms](#)

[SH Housing Handbooks](#)

Free financial tools and trainings for grantee fiscal staff

Welcome to the Self-Help Financial Tool Kit! We hope that you will find these resources useful in your daily financial management responsibilities. If you have any questions or issues with content, please contact RCAC's main office at (916) 447-2854 and request Samantha Bowley, Financial Management Specialist.

[Homeownership Options](#) >

[Housing Development](#) >

[Mutual Self-Help Housing](#) >

[Western Region Guide](#) >

[Self Help Housing Resources](#) >

[Housing Counseling](#) >



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News & Publications



RCAC's news and publications are a compilation of timely news, announcements and accomplishments produced for the rural development world.

Browsing Category Archives

Based on *"Self-Help Builder News"*.

Self-Help Builder December 2024

Reflecting on Our Shared Accomplishments in 2024, Rural Development Compliance Review Process, Dear Sher and more!

Self-Help Builder September 2024

Threat to Section 502 Underscores the Need for Continued Advocacy, Meet Our Newest Mutual Self-Help Grantee, 5 Days of 502, Dear Sher and more!

Self-Help Builder June 2024

Celebrating Homeownership Month Through Advocacy, Dear Sher and more!

Preparing for the Trip

Gather your Tools & Resources!

- Slides for today's session:
 - *Navigating the Self-Help Grant: The Road Map to Financial Management Success!*
- 1944-I updated 10/24/24
 - w/ financial highlights
- HB-3550-Appendix 13 revised 4/19/24
- 2CFR200 (major update 10/1/24)
- Your TA Provider!



Preparing the Application



You are not alone!

Your
**Technical
Assistance
Providers** are
with you on this journey!



...and we're off!



Preparing the Application

RD Instruction 1944-I
Exhibit G
Page 1
Effective Date 10-24-2024

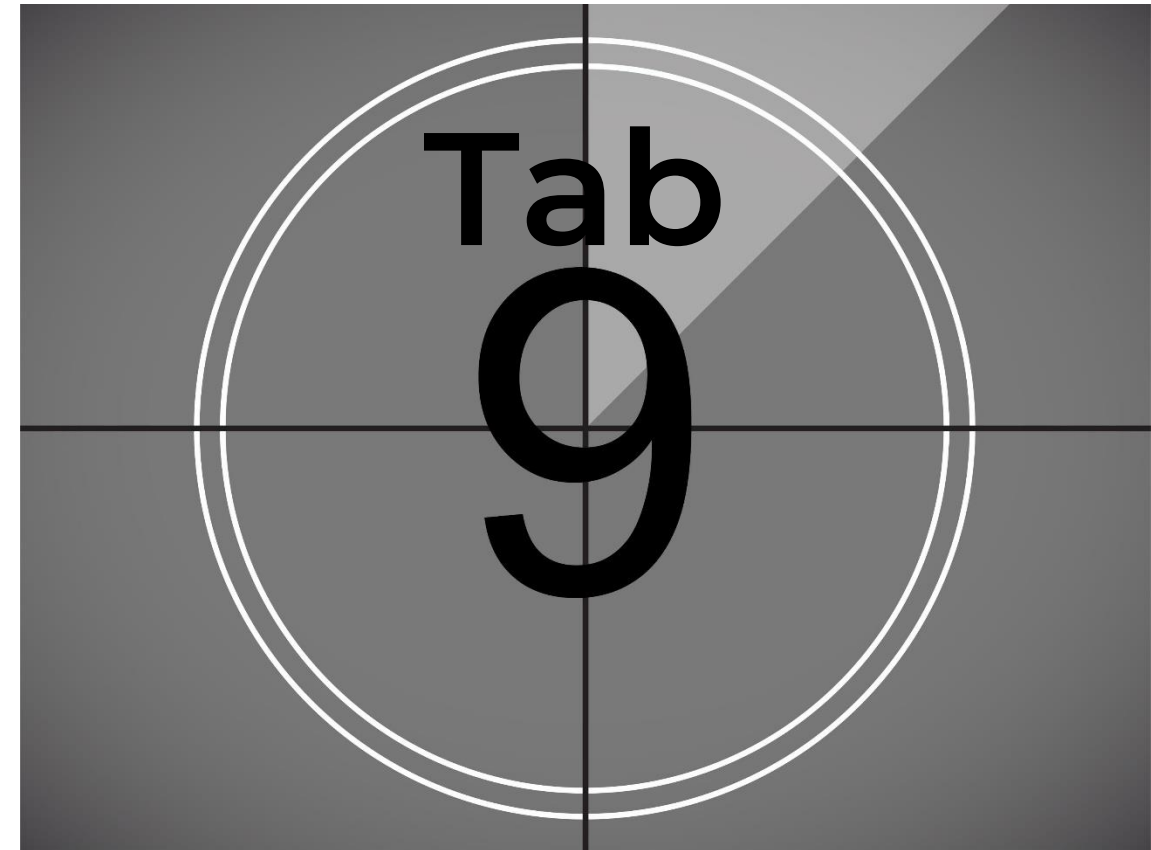
Exhibit G Self-Help Application Processing Checklist LF-Help Allocation Processing Checklist New Construction and Rehabilitation

Tab Position	Description of Documents	Form/ Instruction Number	Comments
(1)	Application for Federal Assistance Non-Construction Programs	Form SF-424 1944.410(e)	
(2)	Waiting List of Participants (Name, Contact, & demographic info) <i>Rehabilitation-Property address(es) (if identified), anticipated loan amount(s) and source(s) of funding</i>	1944.410(e)(1)	
(3)	Proof that the participants in the first group have qualified for assistance (RD HB LTR 16) <i>Rehabilitation-Proof that approximately 10% of the participants have qualified for assistance</i>	1944.410(e)(2)	
(4)	Lot options for first group	1944.410(e)(3)	



Preparing the Application

- **Your Detailed SH Program Budget**
some examples:
 - Wage/fringe: Line-item positions **with % FTE**
 - Travel: Gas, mileage, conference, etc.
 - Supplies: Office, but also tools for SH
- **Narrative:** Tell the Story of your budget beyond the numbers...
 - Weather impacts to building reduced staffing?
 - Hiring new staff?
 - COLA for year two?
 - Detailed breakdown of “other” SF424A line item
- SF424A required budget reporting tool
 - Complete last, *after the details above are ironed out*



Preparing the Application



- 523 Grant **Allowable** Budget Line Items 1944.405 *some examples*
 - Salaries & fringe
 - Office rent, utilities, supplies
 - Training
 - Liability Insurance
- Can I buy hand tools to give to participating families?
- Can I charge a tool rental fee to the families?

Preparing the Application



- 523 Grant Unallowable Costs 1944.406 *some examples*
 - Hiring personnel to perform sweat equity work for families
 - Buying land or building materials for families
 - Payoff of family builders' debts





Look Who We Ran Into...

2CFR200

The Uniform Guidance

Managing the Grant



Code of Federal Regulations

A point in time eCFR system



Title 2

[Title 2](#) / [Subtitle A](#) / [Chapter II](#) / [Part 200](#) [View Full Text](#)

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▶▶ ECFR CONTENT



▼ Title 2	Grants and Agreements	Part / Section
▼ Subtitle A	Office of Management and Budget Guidance for Federal Financial Assistance	1 – 299
▼ Chapter II	Office of Management and Budget Guidance	200 – 299
▼ Part 200	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards	200.0 – 200.521
▼ Subpart A	Acronyms and Definitions	200.0 – 200.1
▼ Acronyms		200.0 – 200.1
§ 200.0	Acronyms.	
§ 200.1	Definitions.	

Preparing the Application

More Budget Preparation considerations:

- **Equipment** \$200.313
 - Useful life of more than one year & exceeds capitalization threshold **(10/1/24 updated threshold to \$10K)**
 - Can I buy a truck? A tool trailer?...*ok, but lots of strings attached*
 - Recordkeeping, inventory management & disposition rules apply!
- Planning for **Indirect**
 - **Up to 15% de minimis** (10/1/24 updated from 10%) or NICRA
 - What's MTDC (Modified Total Direct Costs)? – excludes "Equipment"
 - Applies to 15% de minimis and *could* apply to NICRA base
 - 1944-I **Exhibit S** (was P)
 - Get help @ RCAC's [SH Financial Tool Kit](#) resources page



Preparing the Application



More Application components for 523 Grant:

- Interest Bearing Checking Account 1944.411 (g)
 - 2 bonded officials must sign all checks
- Fidelity Bonding 1944.411(e)
- ***Show us your audit!*** 1944.422
 - **Timely** audits are required of grantees in receipt of federal funds

Preparing the Application

502 Family Loan Funds §1944.425:

- Custodial Accounts
 - Single checking account for the deposits and expenses for your custodial family loan funds
 - Set up your Custodial Company & Chart of Accounts
 - Who does that money belong to? ***The Family Builders!***
 - Who has responsibility to manage? ***Your organization!***
- Supervised Bank Accounts
 - RD will open a checking account to manage each family loan and you will coordinate draws and vendor payments with them





**We got a
grant
agreement!**

Managing the Grant



We worked so hard on that application, finally we have an award and are on our way!...but wait?!

What's a

Financial Certification?

within 90 Days of grant closing

1944.411(f) "...establish a record keeping system that is certifiable that it adequately meets the Agreement"

Managing the Grant

- §200.302(b) Financial Management System MUST:
 - ✓ Identify funds received and expended
 - ✓ Disclose accurate, current and complete financial results
 - ✓ Identify source and expenditure of funds
 - ✓ Effective controls and accountability for funds, property and other assets
 - ✓ Compare budget to actual results for the award
 - ✓ **Written procedures** for federal payments per §200.305
 - ✓ **Written procedures** for determining allowability of costs



Managing the Grant

Financial Certification!

- ✓ Revisit financial material from application:
 - ✓ Audit and/or
 - ✓ Current agency P&L and Balance Sheet
1944.410(a)(3)
 - ✓ Budget Details
 - ✓ Employee dishonesty/theft insurance coverage
 - ✓ Indirect cost rate
 - ✓ Interest-bearing checking w/ 2 signers
- ✓ Current 523 BTA & sample 502 BTA



Do you think we're ready yet?

Managing the Grant

Financial Certification continued...

- ✓ Structure and processes in Accounting
 - ✓ Financial Policies & Procedures
 - ✓ Internal Controls
 - ✓ Who Reviews and approves financial reports?
 - ✓ Board involvement
 - ✓ Software, storage, backup
 - ✓ Record Retention schedules and storage
 - ✓ Assets & Inventories
- ✓ Grant Management processes
 - ✓ 523 Grant Draw schedule & comparison to production/EU's
 - ✓ Custodial fund management



Managing the Grant



Get to Know Your Auditor & §1944.422:

- ✓ In good standing? Findings? Ratios?
- ✓ Compliance timelines for audits
 - ✓ Annually
 - ✓ 30 days after receipt of audit or 9 months after end of grantees audit period/FY
 - ✓ 90 days following grant period (@ closeout)
- ✓ ***Ensure your auditor reviews the 502 Custodial Loan files as part of the audit (or AUP)!***

Managing the Grant



**Let's take
a closer
look at
our
budget**

Managing the Grant

What if I need to change something?

§200.308 Revision of budget or program plans

(f) **Prior approval required** for:

- (1) Change in scope
 - (2) Change in key personnel
 - (3) Program/project leader change for more than 3 months or 25% reduction in project time
 - (4) Adding costs that require prior approval
 - (8) Additional federal funds needed to complete project
- (i) Funder *may* restrict, if cumulative amount exceeds SAT AND exceeds 10% of total budget



Managing the Grant

For the Record

523 SAMPLE BUDGET REVISION				
EXAMPLE ORIGINAL 2-YEAR BUDGET		INCREASE	DECREASE	REVISED BUDGET
Personnel	\$ 896,524	\$ 2,140.00		\$ 898,664
Fringe	\$ 291,370	\$ 690.00		\$ 292,060
Travel	\$ 2,165			\$ 2,165
Equipment	\$ 2,675		\$ (800.00)	\$ 1,875
Supplies	\$ 5,960		\$ (1,350.00)	\$ 4,610
Contractual	\$ 5,400		\$ (680.00)	\$ 4,720
Rent/Utilities	\$ 93,480			\$ 93,480
Marketing	\$ 696			\$ 696
Insurance	\$ 13,685			\$ 13,685
Audit	\$ 13,652			\$ 13,652
Communications	\$ 2,456			\$ 2,456
Total	\$ 1,328,063	\$ 2,830	\$ (2,830)	\$ 1,328,063



Managing the Grant

Budget Management, at least quarterly, assess how is the self-help line of business doing:

- Do finances track with grant period and production? (Budget to EU comparison)
- Is the 523 grant covering all SH costs or is the organization having to supplement?
- What adjustments may need to be considered?
- Ideas for grant supplements
- Capacity consideration



Exercise

Challenges:

- Turn to your *new!* neighbor and discuss:
 - Ideas for funding supplements beyond the grant
 - Capacity consideration
 - Land development

Before We Resume:

- Exchange contact information:
 - Make a plan to follow-up on the great ideas that you shared!



Managing the Grant

The Uniform Guidance tells me so...

- **Stuff you gotta have:**
 - Financial Policies & Procedures
 - Internal Controls – big or small, what you need to do
- **Stuff you gotta understand:**
 - Capital vs. Supplies
 - Equipment conditions, restrictions, requirements, regulations, caveats
- **Stuff you gotta do:**
 - Procurement
 - Informal
 - Formal
 - Noncompetitive



Managing the Grant

Indirect, can be a bit of a rough road, choose:

1. NICRA
 2. Elect **up to** 15% de minimis
 3. Cost Allocation Plan (well, maybe, if you're government entity or tribe) see *Exhibit S 1944-1*
- Can I switch among them?
 - YES, but NICRA negotiated rate must be expired (including *Provisional*)



Managing the Grant

PROVISIONAL...

Section I: Rate

Start Date	End Date	Rate Type	Rate Details				
			Name	Rate	Base	Location	Applicable To
01/01/2022	12/31/2022	Final	Indirect	42.01 %	(A)	All	All Programs
01/01/2024	12/31/2024	Provisional	Name	Rate	Base	Location	Applicable To
			Indirect	42.01 %	(A)	All	All Programs

(A) **Base:** Total direct salaries and wages, excluding fringe benefits. The rate applies to all programs administered by the non-federal entity. To determine the amount of indirect costs to be billed under this agreement, direct salaries and wages should be summed and multiplied by the rate. All other program costs, including fringe benefits associated with direct salaries and wages, should be eliminated from the calculation.

D. Rate Type:

1. **Fixed Carryforward Rate:** The fixed carryforward rate is based on an estimate of the costs that will be incurred during the period for which the rate applies. When the actual costs for such period have been determined, an adjustment will be made to the rate for a future period, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.

2. **Provisional/Final Rate:** Within six (6) months after year end, a final indirect cost rate proposal must be submitted based on actual costs. Billings and charges to contracts and grants must be adjusted if the final rate varies from the provisional rate. If the final rate is greater than the provisional rate and there are no funds available to cover the additional indirect costs, the organization may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the organization will be required to pay back the difference to the funding agency.

3. **Predetermined Rate:** A predetermined rate is an indirect cost rate applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment.

...FINAL

Managing the Grant



NICRA Conundrums:

- PROVISIONAL rate *is* real, but what really matters is the **FINAL** rate
 - Can't submit until FY is complete and books closed
 - Your FY rate must then be applied to your grant cycle
- FY06-24, grant 4/1/24-3/31/26
 - How many different rates *could* you have?
 - The rates **do not** “wash”!
 - 4/1/24-6/30/24 is 15.39% FINAL
 - 7/1/24-6/30/25 is 15.74% FINAL
 - 7/1/25-3/31/26 is 15.69% FINAL
 - Cannot exceed rate during the period, **must pay back** any overcharges
- Negotiated ANNUALLY

Managing the Grant

Oh NICRA! Why must you be so complicated?

Start Date	End Date	Rate Type					
07/01/2023	06/30/2024	Predetermined	Name	Rate	Base	Location	Applicable To
			Indirect	20.25 %	(A)	All	All Programs
07/01/2024	06/30/2025	Predetermined	Name	Rate	Base	Location	Applicable To
			Indirect	20.25 %	(A)	All	All Programs

(A) Base: Total direct salaries and wages, including fringe benefits. The rate applies to all programs administered by the non-federal entity. To determine the amount of indirect costs to be billed under this agreement, direct salaries and wages and related fringe benefits should be summed and multiplied by the rate. All other program costs should be eliminated from the calculation.

But wait...***Predetermined?*** It's been sighted!



Grant Extension or Revision



Wait! I need a bit more time!

Extension or Revision to Grant Agreement 1944.420

- Up to one year with justification
- New budget, if requesting additional funds
- In writing at least 30 days prior to grant expiration
 - 1944.420 (e) Expired grant agreements CANNOT be modified, remaining funds will be de-obligated

1944.421 Refunding of an Existing Grantee... ...Keep On Keepin' On

Recommend
filing for
reapplication 6
months before
end of current
grant period



☒ YES! We will
have earned an
acceptable
rating on our
current grant!

Closeout

We did it! Our grant is complete!

- If applicable, return leftover funds to RD
- Expenditures must be invoiced/encumbered prior to grant expiration
payments/draws can be received 90 days post expiration
- Submit **SF425 within 90 days** (up to 120 says UG) of grant expiration
- Provide an audit with closeout, including audit of self-help borrower accounts



[View Burden Statement](#)

Federal Financial Report

(Follow form instructions)

OMB Number: 4040-0014

Expiration Date: 02/28/2025

1. Federal Agency and Organizational Element to Which Report is Submitted

2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)

3. Recipient Organization (Name and complete address including Zip code)

Recipient Organization Name:

Street1:

Street2:

City:

County:

State:

Province:

Country:

ZIP / Postal Code:

4a. UEI

4b. EIN

5. Recipient Account Number or Identifying Number
(To report multiple grants, use FFR Attachment)

6. Report Type

- ☐ Quarterly
☐ Semi-Annual
☐ Annual
☐ Final

7. Basis of Accounting

- ☐ Cash
☐ Accrual

8. Project/Grant Period

From:

To:

9. Reporting Period End Date

11. Indirect Expense

a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
g. Totals:				<input type="text"/>	<input type="text"/>	<input type="text"/>

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

[Add Attachment](#)

[Delete Attachment](#)

[View Attachment](#)



Closeout

Time to close out your build group account too:

- Custodial Loan Funds 502 must be audited (from most recent audit)
- **Best Practice:** Any remaining funds should be returned to RD to reduce the borrower's loan principal

Revisit our Learning Objectives:

- Understand the overall journey of the Self-Help grant
- Be aware of financial roadblocks and compliance pitfalls that can arise along the way
- Know where to stop for directions and information



Back at Home

Employing Strategies

- Make a plan
- What will you do differently?
- What do you need more information on?
- Put check points in your calendar
- Note your successes!



Accountability Buddy: check in with a co-worker or someone you met today!

Questions / Discussion



Session Evaluation



Don't Forget the Eval in Your App!