

HPRP Three-Year Expenditure Requirement

March 5, 2012

HUD has received a number of inquiries from HPRP grantees who are considering discontinuing their HPRP activities before expending all of their grant funds. In response to these inquiries, HUD is reiterating the three-year expenditure requirements for HPRP grants.

HUD expects every grantee to expend 100 percent of the HPRP grant within 3 years, as required by Congress. Failure to spend all funds could result in a permanent record of non-performance on a Recovery Act program designed to address the needs of the nation's most vulnerable population.

Especially because it is a part of the Recovery Act, communities who do not spend all their funds—and in particular, those who gave up trying to use the funds (even when there was time to reconsider how to spend it)—will likely be subject to critical reviews in the media and before Congress. Additionally, such non-performance often must be reported in applications for other Federal funds and could become a consideration for future funding opportunities.

Options for Spending Remaining Funds

- Re-allocate funds to subgrantees still providing HPRP services or assistance
- Re-allocate funds to the Data Collection and Evaluation activity type to add funds for eligible activities such as HPRP reporting and HMIS
- Re-open the program to serve a limited number of additional participants

Other Considerations

- Grantees must continue to report until the total of HPRP expenditures matches the HPRP grant amount, and until they have finished assisting all persons with HPRP funds. **Almost all** grantees will need to submit a Year 3 Annual Performance Report (APR) in *e-snaps*. If you were serving any program participants or have spent **any** HPRP funds after September 30, 2011, you will need to submit a Year 3 APR. HUD will be issuing further instructions about the Year 3 APR soon.
- Grantees must incur all HPRP costs before their 3-year deadline, but have up to 90 days past their 3-year deadline to continue drawing down funds from IDIS to reimburse expenditures they incurred prior to their deadline. HUD encourages grantees to draw all funds prior to the 3-year deadline as well.

Please keep in mind that all un-utilized HPRP dollars directly translate to households not helped out of homelessness or from becoming homeless. This is especially true since HUD will recapture all unexpended funds, and these funds will go directly back to the Treasury. If a grantee, after considering all of its options, is still struggling with expending funds, the grantee should contact its desk officer or local HUD field office to discuss how to proceed with the remaining funds and final reporting requirements.