



**VETERANS' PROGRAM LETTER NO. 02-25**

TO: ALL VETERANS' EMPLOYMENT AND TRAINING SERVICE  
(VETS) HOMELESS VETERANS' REINTEGRATION  
PROGRAM GRANT RECIPIENTS  
ALL VETS STAFF

FROM: JESSIE JANE DUFF  
Deputy Assistant Secretary of Policy

SUBJECT: Homeless Veterans' Reintegration Program Performance, Management,  
and Reporting

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**I. Purpose**

This Veterans' Program Letter (VPL) provides guidance on submitting and managing performance and financial reports for VETS' Homeless Veterans' Reintegration Program (HVRP) grant recipients.

**II. References**

- A. 38 United States Code (U.S.C.) Chapter 20, as amended, specifically:
  - 1. 38 U.S.C. § [2021](#), Homeless Veterans' Reintegration Programs
  - 2. 38 U.S.C. § [2021A](#), Homeless Women Veterans and Homeless Veterans with Children reintegration grant program
  - 3. 38 U.S.C. § [2023](#), Referral and Counseling Services: Veterans at Risk of Homelessness who are Transitioning from Certain Institutions
- B. [2 Code of Federal Regulations \(C.F.R.\) Part 200 § 200.301](#) Performance Measurement, [§ 200.328](#) Financial Reporting, and [§ 200.329](#) Monitoring and Reporting Program Performance
- C. [2 C.F.R. Part 2900](#), DOL-Specific Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- D. [VPL 06-24](#), Homeless Veterans' Reintegration Program Requirements and Functions
- E. Terms and Conditions attached to each HVRP grant award

### **III. Rescissions**

- A. VPL 03-24, Homeless Veterans' Reintegration Program Performance, Management, and Reporting

### **IV. Background**

HVRP grant recipients are held to the project narrative or technical proposal submitted in their approved grant application, including performance goals and budget. Grant recipients are required to submit performance and financial reports quarterly and are responsible for tracking and reporting outcomes during the 36-month period of performance (PoP).

VETS' Directors for Veterans' Employment and Training (DVET) serve as the Grant Officer's Technical Representative (GOTR). An HVRP grant recipient's designated GOTR is listed in the Program Official Contact Information within the Notice of Award (NoA). The GOTR monitors and conducts periodic on-site reviews to ensure program and financial performance by the grant recipient is acceptable and to validate reporting accuracy. GOTRs analyze grant recipients' reports to ensure that (1) grant recipients did not exceed the cost limitation requirements; (2) grant expenditures aligned with the VETS-approved budget; and (3) grant recipients complied with the terms and conditions of their grant agreement.

### **V. Records Management**

Grant recipients must follow federal requirements at [2 C.F.R. §§ 200.334–338](#) on record retention and access, including the requirement that recipients must maintain all records pertaining to grant activities for a period of at least three years from the date of submission of the final expenditure report. See [2 C.F.R. § 200.334](#) for more specific information, including information about the start of the record retention period for awards that are renewed quarterly or annually and when the records must be retained for more than three years. Additionally, performance reporting requires the collection and reporting of participant information and outcomes. Recipients must maintain a case file for each participant containing the required documentation for enrollment in the program (e.g., documenting participant information, eligibility, training and services provided, expenditures, employment verification, etc.). Please see VETS' most recent guidance on this subject for required documentation within a case file.

### **VI. Quarterly Performance Reports**

On a quarterly basis, grant recipients must submit VETS' performance reports (PR), which collect program data that compares actual performance outcomes to goals. These reports detail key milestones and achievements, challenges encountered, reasons why goals were not met, and strategies to correct poor performance. The PR facilitates the legislatively mandated grant oversight responsibilities of GOTRs. See the HVRP Quarterly Performance Report Desk Guide on the [HVRP website](#) for details and instruction.

### **VII. Quarterly Financial Reports**

Grant recipients must report expenditures on a quarterly basis for each program year's (PY) funding increment using the Federal Financial Report (FFR) SF-425 form, which is available electronically through the [Payment Management System \(PMS\)](#).

Grant recipients' funds remain available for use to support their program until they have been fully expended, or until the end of the grant's PoP, whichever occurs first. Funding increments issued in a prior year but expended in a subsequent year are referred to as "carryover funding." Grant recipients must use carryover funding on a first-in, first-out (FIFO) basis, prioritizing the charging of expenditures to any remaining funding attached to the earliest awarded increment. Per the terms and conditions of the award, grant recipients are required to submit a budget realignment amendment for prior approval from the Grant Officer (GO) if the cumulative amount of transfers between direct cost categories exceeds or is expected to exceed 10 percent of the total budget<sup>1</sup> as last approved by VETS. Additionally, in accordance with [2 C.F.R. § 200.308\(f\)\(5\)](#), an amendment is required when funds are transferred from budgeted participant support costs, regardless of the percentage, to other cost categories.

The Department of Labor's (DOL) supplement to 2 C.F.R. Part 200, found at [2 C.F.R. Part 2900](#), includes a requirement that DOL awarding agencies specify whether grant recipients will report on a cash basis or an accrual expenditure basis. For VETS' recipients, **all reported financial data must be on an accrual basis of accounting and be cumulative by fiscal year of appropriation through the entire PoP**. Grant recipients are not required to convert their accounting system if it is not on an accrual basis. In these instances, grant recipients, in accordance with [2 C.F.R. § 2900.14](#), must develop and report accrual information through best estimates based on an analysis of the documentation on hand.

## VIII. Quarterly Report Due Dates

Prior to the submission due date, grant recipients shall review and analyze all reports for completeness and accuracy. It is also highly recommended that grant recipients work with their GOTR for quality checks and technical assistance prior to the due date to ensure reports are submitted accurately and timely.

Quarterly reporting starts at the beginning of a grant recipient's PoP and continues for 12 quarters. Quarterly reports must be submitted to the GOTR via the applicable systems no later than 30 calendar days after the reporting period end date. Accurate and final submissions are required by VETS' prescribed due dates below:

Quarterly Reporting Period Start Date	Quarterly Reporting Period End Date	Grant Recipient Submission Due Date
July 1	September 30	October 30
October 1	December 31	January 30
January 1	March 31	April 30
April 1	June 30	July 30

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<sup>1</sup> In accordance with VPL 04-24 Homeless Veterans' Reintegration Program Award Amendments, or the most recent guidance on amendments, VETS considers the total budget period for HVRP to be a program year (PY) within the PoP, which contains three PYs.

The deadline to submit SF-425 financial reports does not change in instances when the reporting due date falls on a weekend or holiday. Recipients can submit reports at any time in advance of the due date.

Grant recipients on a Corrective Action Plan (CAP) or that have additional conditions imposed by a High Risk (HR) designation, must comply with the reporting conditions outlined in their CAP or HR designation letter.

## **IX. Program Risk Management**

**Corrective Action Plan (CAP).** A CAP is used to address and resolve poor performance identified through the quarterly reporting process or to resolve administrative and managerial areas of concern, such as late or inaccurate reporting, financial performance, findings from an on-site review, etc. An acceptable CAP requires grant recipients to provide a plan of action to address and resolve performance issues or other concerns identified by the quarterly reporting process or the GOTR. The GOTR will ensure all elements of the CAP are adequately addressed by the grant recipient and provide ongoing technical assistance. A CAP requires more frequent progress updates for timely monitoring of a recipient's program. CAPs for poor performance are not imposed in the final quarter of the PoP. Additionally, administrative and managerial CAPs are not automatically removed at the end of the PoP. If a grant recipient is on an administrative and managerial CAP going into the final quarter of the PoP and the grant recipient has not resolved the issue, the CAP is not removed. Please see Attachment 1: HVRP Corrective Action Plan Technical Assistance Guide for additional information on the process and requirements of a CAP.

**High Risk Designation.** If a grant recipient is unable or fails to comply with federal statutes, regulations, or the terms and conditions of the federal award, VETS will request that the GO designate the grant recipient as "high risk" (HR). Under [2 C.F.R. § 200.339](#), such noncompliance may lead the GO to impose additional conditions on the federal award or the grant recipient as described in [2 C.F.R. § 200.208](#). HR designations imposed on a federal award are designed to mitigate risk of continued non-compliance or failure to achieve the performance goals of HVRP. Please note that an HR designation may be imposed by the GO at any time for egregious non-compliance issues such as fraud or other illegal activity, or for reporting false, deceptive, or manipulated program or financial data, or other significant findings.

GOTRs will request (after receiving concurrence from their Regional Administrator for Veterans' Employment and Training (RAVET)) that the GO designate the recipient as HR for program performance, if a grant recipient fails to meet minimum performance expectations (red score) for **all three** of the following performance indicators for **three consecutive quarters**:

1. Number of Participants Enrolled;
2. Placement Rate; and
3. Cost per Placement

GOTRs may request HR designation for non-performance issues as well, including but not limited to:

- Financial performance or irregularities;
- Inability to submit timely and/or accurate reports;
- Inability to communicate with the GOTR and/or respond to inquiries timely or accurately; and
- Inability to conform to the terms and conditions of current or previous awards.

If a grant recipient has been designated as HR and has not demonstrated sufficient improvement warranting removal of the HR designation for the three consecutive quarters immediately following such designation, or if the GO determines that the issues of non-compliance that resulted in HR have not been addressed or resolved, the GO may consider further action as described in [2 C.F.R. §§ 200.339–340](#). Eligibility for a new grant may be impacted for grant recipients who have been designated as HR at the end of the PoP. Please see Attachment 2: HVRP High Risk Designation Technical Assistance Guide for further information.

**Specific Financial HR Restrictions.** The following restrictions may be imposed directly by the GO, or they may be requested by the GOTR/RAVET through the VETS National Office to the GO:

- **Drawdown Restrictions:** The GO may require payments to the grant recipient through the PMS be on a reimbursement basis, rather than advance payments (see [2 C.F.R. § 200.208](#)), which restricts cash drawdown from the PMS. The GO will issue correspondence notifying the grant recipient that drawdown restrictions have been applied to the grant. Prior to requesting a withdrawal of funds from the PMS, the grant recipient must email their GOTR and request approval. The grant recipient's email to the GOTR will include the amount of funds requested and supporting documentation for GOTR review. After the GOTR has communicated their approval of the proposed drawdown amount to the grant recipient, the grant recipient may submit their drawdown request through the PMS. **Note:** Prior to the GOTR sending their approval to the grant recipient, the GOTR/RAVET will notify the VETS National Office of their approval and the amount of funding requested in the drawdown. The VETS National Office is the representative the PMS contacts for drawdown request approvals for grant recipients on restriction. Without GOTR notification and National Office approval, the PMS will reject the request.
- **Stop Work Order:** In this instance, the GO restricts the grant recipients' authority to incur additional expenditures until receipt of evidence of acceptable performance.

Removal of financial HR restrictions is made by the GO at the request of the GOTR with concurrence through the RAVET.

## **X. End of Grant PoP Reporting**

Upon completion of the PoP, the award enters the closeout period. Grant recipients must follow instructions within their grant terms and conditions for closeout reporting and be responsive to requests and timeframes provided by the GO or Grant Closeout team. Additional information on grant closeout is available on the [Employment and Training Administration's website](#), and the grant recipients' responsibilities are outlined in [2 C.F.R. § 200.344](#).

At the end of the grant's PoP, the grant recipient submits their last quarterly performance reports, due 30 days after the end of the quarter (July 30). The PMS also generates a Final FFR for each of the grant recipient's PMS subaccounts established throughout the PoP so the grant recipient can record and certify expenditures within the timeframe provided. If any adjustments are needed, grant recipients have up to the 120th calendar day (October 28) after the end of the PoP to amend and recertify their Final FFR. Grant recipients with an approved Indirect Cost Rate (ICR) must report and complete each field in item 11 of the Final FFR. Grant recipients with a Cost Allocation Plan or electing to charge the de minimis rate of 15 percent of modified total direct costs must report their costs in item 12 of the Final FFR if any indirect costs were charged to the award during the PoP. The Final FFR must match the actual grant drawdown amount in the PMS and reflect zero unliquidated obligations.

### **Closeout Package**

DOL will contact the authorized representative and the point of contact identified in VETS' grants management system, GrantSolutions. Closeout notifications will be sent from GrantSolutions at least 15 days prior to the end of the PoP with instructions and the forms for the grant recipient to submit to complete the closeout process. Be sure any changes in personnel have been submitted to VETS for approval prior to the beginning of the closeout process to ensure notification is sent to the correct/responsible individuals for the grant. The PoP does not end early because funds are exhausted, so there may be one or more quarters between the first zero-balance FFR and receipt of the closeout package. As stated above, an FFR is required by the 30th calendar day after the end of the quarter, even if there were no charges during that quarter.

## **XI. Actions Required**

- A. Grant recipients should immediately inform the GOTR of significant developments affecting their ability to timely or accurately submit any required quarterly report or any issues that affect their capacity to manage the operational, administrative, programmatic, or fiscal implementation of the HVRP grant. GOTRs will provide grant recipients the technical assistance necessary to address and resolve any issues.
- B. GOTRs will notify their regional office of any grant recipient that does not submit their quarterly reports for each active grant operating in each PY quarter by the respective due dates.
- C. GOTRs will review the submitted quarterly performance and financial reports to ensure that each report is complete, accurate, and free of errors before submitting to their regional office.
- D. Regional offices will review and submit performance and financial reports to the National Office.
- E. GOTRs will conduct recipient monitoring in accordance with VPL 06-24, Homeless Veterans' Reintegration Program Requirements and Functions, or the most current guidance on this subject.

- F. GOTRs will follow up with grant recipients on the requirements resultant of CAPs and HR designations, as well as monitor for project compliance and progress towards improved performance.
- G. GOTRs will conduct monitoring and oversight of the grant recipient during the PoP, to include making requests for CAPs, HR designation, other restrictions, and grant closeout.

## **XII. Inquiries**

Grant recipients should direct questions to their GOTR. GOTRs should refer questions or issues that cannot be resolved at their level to the regional office. Regional offices may send questions to [HVRP@dol.gov](mailto:HVRP@dol.gov).

## **XIII. Expiration Date**

This VPL will be reviewed for relevance on or before October 2028 and will remain in effect until it is rescinded or superseded.

## **XIV. Attachments**

Attachment 1: HVRP Corrective Action Plan Technical Assistance Guide

Attachment 2: HVRP High Risk Designation Technical Assistance Guide