

## CHAPTER 5. USING LOCCS/VRS

## 5.1 OVERVIEW

LOCCS/VRS is a cash management computer software program that enables the grantees to request payment from HUD by the use of touch-tone telephones. LOCCS/VRS also provides a means for the HUD GTR/GTM to monitor grantee activity and ensure that grantees receive payments as appropriate.

The CHSP uses a modified version of LOCCS/VRS called LOCCS/BLI to disburse CHSP grant payments. GTRs establish separate budget line items (BLIs) for each service category for which assistance has been awarded. Grantees can then draw down funds by accessing the LOCCS/BLI system and entering information from the HUD-90198. This chapter provides an abbreviated description of the dollar drawdown process, but it is important for both grantees and GTRs to refer to the LOCCS User Guide for complete information.

## 5.2 GRANTEE DRAWDOWN OF FUNDS

After establishing a LOCCS account, as described in Paragraph 4.6 (d) above, CHSP grantees may draw down funds by completing form HUD-90198 and then calling LOCCS using the Voice Response System (VRS). Figure 5-1 provides helpful hints for using this system.

Figure 5.1  
TIPS FOR USING LOCCS/VRS

- o Press the pound sign (#) to indicate you are finished entering a dollar figure.
- o Press "#8" to repeat the last thing spoken,
- o Press "#9" to return to previous menu selection.
- o Press "#0" or hang up to quit immediately. All entries made up to that point will be terminated.
- o Press "9999" to indicate that there are no more line items for the given voucher.

## a. Budget Line Items

CHSP LOCCS/VRS drawdowns are directed against specific funding categories called Budget Line Items (BLIs). LOCCS associates a four-digit number with each line item. The numbers and BLIs appear on the payment voucher as follows:

1010 Case Management  
1020 Meals  
1030 Personal Assistance

- 1040 Housekeeping
- 1050 Transportation
- 1060 Other (Specify)
- 1070 Administration

These four-digit numbers are unique to the CHSP. Amounts should be entered as whole dollars.

Grantees may shift funds among budget line items without prior approval, if such changes do not exceed 10 percent of the total grant amount that has been approved for the year, as illustrated in Figure 5-2.

Figure 5-2  
ALLOWABLE SHIFTS IN BUDGET LINE ITEMS

Total Approved Budget = \$150,000

of	Expense/Service	total Approved Cost	Cumulative Transfers	Percent Total
	Case Management	30,000		
	Meals	60,000	-6,000	
	Personal Assistance	15,000	+1,500	
	Housekeeping	15,000	+1,500	
	Transportation	10,000	+1,000	
	Other	10,000	+1,000	
	Administration	10,000	+1,000	
	Total	150,000	12,000	8%

Requests for change above the ten percent limit or to add a line item require a budget amendment and a new form HUD-1044, as described in Paragraph 7.7.

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b. Grantee Call Using VRS

Exhibit 5-1 illustrates the process for a first-time user calling LOCCS using the Voice Response System. The computer system speaks messages and questions, and the caller responds using the buttons on a touch-tone telephone.

In this illustration, the caller enters data correctly the first time and does not run into any trouble such as exceeding a threshold amount or a voucher that requires review. For a more detailed description of this process, see Chapter 4 of the LOCCS User Guide, "Operation of Voice Response System." To find out how to resolve problems when using the Voice Response System, please see Chapter 5 of the LOCCS User Guide, "VRS Problem Resolution."

c. Payment Controls

LOCCS uses payment sensitivity controls called threshold

payment edits to ensure that payments are appropriate and in alignment with CHSP program guidelines. The LOCCS requested payment amount is checked against the grant's available balance in LOCCS to ensure that the request does not exceed the grant's authorized funding limits. Drawdown requests that fail the payment edits are flagged for HUD review. Procedures followed by GTRs/GTMs in such cases are described in Paragraph 5.5 below.

LOCCS will not allow more than one draw per grant per day.

d. Drawdown from U.S. Treasury Department

LOCCS will create Treasury payment tapes the same day the payment is requested by the grantee. The funds will be wired to the grantee's bank account within 48 hours of approvable telephone requests.

5.3 GRANTEE QUERIES

CHSP grantees may want to know the status of their grants or their vouchers (including information by line item) or to find out their most recent VRS numbers. The query functions in the LOCCS system allow grantees to access this information. LOCCS provides the following query functions to grantees:

a. Grant Query

LOCCS will report the total amounts currently authorized and disbursed, and the available balance for the selected grant, along with general grant status. A detailed breakdown by line item is available if the caller wishes.

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b. Voucher Query

By entering a voucher number, the status of the voucher is given. This includes when the voucher was called in, by whom, and if the voucher has been paid, canceled, or is out for review. A detailed breakdown by line item is available if the caller wishes.

c. Last Assigned VRS Grant Number

By specifying a Tax ID number, the last assigned VRS number for the selected program area is spoken. This is useful if the caller has not received the LOCCS generated letter with the assigned VRS number, but wishes to draw down funds.

More information about using query functions can be found in Chapter 4 of the LOCCS User Guide.

5.4 GTR/GTM USE OF LOCCS/BLI

The authorized LOCCS user in the HUD state or area office may be

the GTR/GTM or another designated staff person. Whichever is the case, it is important for the authorized user to follow the procedures described in this paragraph to ensure that CHSP grantees can draw down funds as needed. The GTR is responsible for following through with both the grantee and LOCCS to ensure that grantees receive their payments.

a. Sign-on to LOCCS

Accessing LOCCS will vary from office to office, depending on the menu set-up and selection. Most HUD state or area office users will be able to select LOCCS from the main menu. However, in some cases, the user must access the UNYSIS environment and open LOCCS with the \$\$OPEN TIP2 command.

After the user has successfully accessed the LOCCS Sign On Screen, he or she must enter the password and user ID assigned by the LOCCS Security Officer. Once accepted, LOCCS will require the user to provide the four character program area code. For the Congregate Housing Services Program, the LOCCS program area code is "CHSP." LOCCS will then move the user to the Program Area Menu. At this point the user will be at the menu from which all of the review and data entry functions are listed in the LOCCS/VRS program. For additional information, please refer to the generic LOCCS User Guide.

b. CHSP Budget Data Entry and Processing

Once funds have been reserved and obligated by an executed Form HUD-1044, "Grant Assistance Award," the Grant Officer will send the GTR a copy of the executed grant agreement. The GTR is then

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the executed grant agreement. The GTR is then responsible for ensuring that the authorized LOCCS user enters the appropriate amounts from the approved CHSP Budget into LOCCS/BLI on an annual basis.

(1) Grants Funded Under the 1978 Act. Grants funded under the 1978 CHSP Act are extended for one or more years at a time, as described in Paragraph 7.6. For each extended grantee, the GTR will receive a conformed copy of the amended grant agreement from the Grant Officer. The authorized LOCCS user will use information provided in this document for data input in LOCCS as instructed below:

(A) Using the HUD-91180-B, "Summary Budget, Grantees funded under the 1978 Act" (Appendix 16), the user will enter into LOCCS/BLI the annual approved amount of CHSP funds requested for each expense/service in column three (e.g., Case Management, Meals, Personal Assistance, Housekeeping, Other (specify) and Administration.)

(B) This process is done whenever the grant is amended with additional funds.

(2) Grants Initially Funded in Fiscal Year 1993 or Later. New CHSP grants are for five years. For each newly awarded grantee, the GTR will receive a conformed copy of the grant agreement from the Grant Officer. The authorized LOCCS user will use information provided in these documents for annual data input into LOCCS using the F01 function as instructed below:

(A) For new grants, using HUD-91180, "Summary Budget" (Appendix 16), the user will enter in LOCCS/BLI the annual approved amount of CHSP funds requested for each Expense/Service in column three (e.g., Case Management, Meals, Personal Assistance, Housekeeping, Other (specify) and Administration.)

(B) On an annual basis, for the remainder of the term of the grant, HUD will request grantees to submit budget amendment requests, if appropriate, or indicate that the budget amount in the grant award is satisfactory, 60 days prior to the end of each annual period.

If a grantee does not need a budget amendment, the user will enter into LOCCS the amount approved from the grant award as the next year's budget estimate.

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(C) In addition to entering the line item amounts for the year into LOCCS/BLI, the user must also enter the CHSP funds that remain in the grant but are "unavailable" to the grantee during that year, in line item 1080, using the following process:

- take the total amount for the five-year period from the HUD-91179, "Five Year Projection" (Appendix 17).
- subtract from the total the CHSP funds proposed for the present year from the HUD-91180, Line VII, Column 3).
- the amount remaining after the subtraction must be entered into LOCCS/BLI, in line item 1080, as the amount of CHSP funds "unavailable" to the grantee during the budget year for which the user has just entered BLIs into LOCCS.

This process is repeated annually for years 2 through 5 of the grant. The "unavailable" amount will decrease accordingly; unavailable funds,

theoretically, should be "0" after the fifth year's budget is entered into LOCCS. Some funds, however, may be available for carryover, upon the Grant Officer's approval.

## 5.5 MONITORING OF GRANTEE LOCCS/BLI ACTIVITY

GTRs/GTMs use LOCCS to monitor grantee drawdown requests. The GTR is responsible for monitoring grantee activity once a grant is established in LOCCS/VRS and the recipient begins to requisition funds.

### a. GTR Responses to CHSP Edits in LOCCS

In addition to allowing a GTR to review each request placed in LOCCS/BLI, LOCCS has seven CHSP edits to monitor program requirements and guard against excessive drawdowns. When an edit is activated, the Grantee's request for funds is not paid automatically, and the grantee is instructed to contact the HUD state or area office. The following is a list of grantee activities that would activate each of the CHSP edits in LOCCS and a brief description of appropriate GTR responses.

1. A grantee requests funds that are more than the total amount entered in the LOCCS/BLI system for that program year.

The maximum amount drawn down in any one year is the total amount entered into LOCCS/BLI for that year by the authorized user. This amount may not be exceeded unless the GTR receives

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a conformed grant amendment from the Grant Officer which increases the amount of the grant, consistent with extant procedures.

2. A Grantee requests funds in any line item which is more than 100 percent of the amount available in that line item.

In this situation, the GTR would need to discuss grant activity with the grantee to determine if:

- (A) the requested reimbursement level is accurate,
- (B) the activities are still consistent with the approved budget; and/or
- (C) the sum of all cumulative line item changes is no more than 10 percent of the total approved project budget.

If so, the payment may be released by the authorized LOCCS user, as described in 5.5 (b) below.

Otherwise, the requested reimbursement level means a substantive change in the budget and requires a grant

amendment request, consistent with outstanding procedures, before any reimbursement at the requested level may be approved.

3. The grantee attempts to draw-down more than 40% of the annual approved amount in one request.

In this situation, the GTR would need to discuss grant activity with the grantee to determine if:

- (A) the requested reimbursement level is accurate;
- (B) the higher level of reimbursement is justified and within the amount allowable for the year;
- (C) the activities are still consistent with the approved budget; and/or
- (D) the sum of all cumulative line item changes (if any) is no more 10 percent of the total approved project budget.

If so, the payment may be released by the authorized LOCCS user, as described in 5.5 (b) below.

4. The SF-269, "Financial Status Report" (used to monitor CHSP Program Budget on a semi-annual basis), is not submitted

In this situation, the GTR would contact the grantee to have

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the SF-269 submitted ASAP; with such agreement, the authorized user may release the payment, as described in 5.5 (b) below. However, a pattern of not submitting the SF-269s may be cause for future suspension, subject to extant procedures.

5. The SF-269 is not submitted within 30 days after the end of the last semi-annual reporting period each year.

If the last SF-269 for the year is not submitted in a timely manner, the authorized LOCCS user may NOT enter the next year's amounts into LOCCS. Also, if there are still missing SF-269s for any earlier period, or the annual report has not been submitted, the next year's budget allotment may not be entered into LOCCS.

As part of the review for new grants funded originally in FY 1993, the GTR must determine that the amount of match noted in the SF-269 is consistent with the percentage in the grant award. If it is NOT, the budget for the next year MUST be amended by the GTR to reduce the Federal share consistent with extant procedures, so that the

required match ratio is maintained.

This procedure does NOT apply to grantees funded originally under the 1978 Act.

6. The HUD-90006, "Annual Report", is not submitted within 30 days after the end of the last semi-annual reporting period each year.

If the HUD-90006 is not submitted in a timely manner, the authorized LOCCS user may NOT enter the next year's amounts into LOCCS. The GTR must contact the grantee to obtain the annual report for the grantee's prior program year.

7. The annual budget or request for budget amendment is not approved by the GTR, consistent with extant procedures.

The GTR should notify grantees of any deficiencies requiring correction or submission of additional documentation. At the time the revised submission is approved by the appropriate state or area office, the authorized LOCCS user must enter approval in LOCCS/BLI using the M10 function.

b. Queries/Actions for HUD Staff

Where LOCCS shows requisitions flagged for HUD review, the state/area office will be responsible for determining whether the voucher should be released for payment. The following selected menu options are the most frequently used options available to the authorized staff to query and act on outstanding vouchers:

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1. Obtain a Listing of Drawdown Requests that Have Failed Payment Edits (Q10 screen)

This option identifies vouchers that are suspended subject to state/area office review prior to payment. From the Program Area Menu, or any other screen with an Option prompt:

Type Q10 at the Option prompt and hit ENTER.

The system will display all drawdown requests requiring state/area office review.

Note: It is recommended that the GTR/GTM check the status report at least twice weekly to ensure that vouchers awaiting state/area office review are being evaluated and approved or rejected in a timely fashion.

2. Decide Whether to Approve or Not Approve Drawdown Requests (V32 screen)

Once the state/area office has reviewed the voucher request and determined whether the voucher should be released for payment, the authorized staff person may release or not approve the voucher for payment using the V32 Screen. From the Q10 screen:

Position the cursor next to the voucher the user wishes to either approve or reject and hit ENTER.

The system will automatically transfer the user to the V32 screen. At the Option prompt:

Type an "A" for Accept or an "R" for Reject

3. Cancel a VRS Drawdown Request at the Grantee's Request (V31 screen)

From the Program Area Menu, or from any other screen with an Option prompt:

Type V31 at the Option prompt and hit ENTER. At the prompt, enter the voucher number and hit ENTER to display the V31 screen with the voucher information. Using the tab key move the cursor to "Reason for Cancel" and type the reason for the cancellation. At the Option prompt type "C" for Cancel and hit ENTER.

Note: Since any requisitions that are rejected under LOCCS are automatically canceled, this option does not require state/area office review of the drawdown request and should only be used at the grantee's request.

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4. Record Receipt of Required Reports (M10 screen)

This option is used to confirm receipt of required financial and programmatic reports. Currently, the system will automatically flag for state/area office review all drawdown requests if required reports have not been submitted. From the menu, or from any other screen with an Option prompt:

Type M10 at the Option prompt and ENTER. Enter the project number of the recipient for whom the report(s) has/have been received and hit ENTER at the prompt.

LOCCS will display a summary of all outstanding documents for the specified project.

For those reports that have been received, tab to the disposition field located to the left of the document summary and type a "Y". Then, using the tab key move the cursor to the option prompt, type "C" to Confirm and then hit ENTER.

5. Review Project Detail (Q05 screen)

This option allows state/area office staff to review detailed information concerning the project requested, such as the Tax Identification Number (TIN), amount authorized, and amount disbursed. From the menu, or from any other screen with an Option prompt:

Type Q05 at the Option prompt and hit ENTER.

5.6 CHSP GRANTS FUNDED UNDER RHS

RHS grantees and RHS state office staff follow the procedures stated in this Handbook, except that:

- a. A GTR/GTM in the HUD state or area office is responsible for ensuring all data entry into LOCCS for the RHS grants. This may or may not be the same person currently assigned as GTR on HUD CHSP grants.
  1. The RHS GTR must send a copy of the grant agreements and the HUD-1044s to the HUD GTR (or the staff person serving in that capacity in that office if there are no CHSP grants) in order for LOCCS/BLI entries to be made.
  2. All other management responsibilities on the RHS grants remain with RHS.

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- b. The RHS grantees will submit semi-annual reports and the annual memorandum on budget changes for review and approval to the RHS state/area office.

The RHS GTR will notify the HUD GTR that the SF-269s have been received in a timely fashion, that the annual budget is approved and that no change is needed. The authorized HUD user will make the appropriate entries into LOCCS/BLI. The RHS GTR will also send copies of the SF-269s and budget documents to the HUD GTR.

- c. The RHS grantees will send payment vouchers to the RHS GTR. RHS GTRs will review and sign each HUD-90198, "Congregate Housing Services Program (CHSP) Payment Voucher" before sending the original to the HUD GTR/GTM and filing a copy. The HUD GTR/GTM will check the HUD-90198 against information in LOCCS in the same manner as for a HUD grant, and file the original from RHS.

5.7 ASSISTANCE WITH LOCCS/BLI

- a. Grantees should discuss any questions regarding LOCCS/BLI with the GTR in the HUD state or area office or RHS state office. Grantees should NOT call HUD Headquarters directly.

- b. HUD state or area office/RHS state office staff should contact the Office of Finance and Accounting (OFA) in Headquarters for assistance with LOCCS, rather than the Grants Team Members.
  - (1) For issues of user access and security, or LOCCS screens, HUD or RHS staff may call (202) 708-0614 (ext. 3765), in the Systems Maintenance Division, Office of the Chief Financial Officer at Headquarters.
  - (2) For issues regarding system policy, e.g., funds not right, funding inaccessible, call the Office of Finance and Accounting at (202) 708-0614 (ext 3758).

HUD Headquarters Grant Team Members are available to both HUD state or area office and RHS state office staff at (202) 708-0558.

#### 5.8 GRANTEE NOT DRAWING DOWN FUNDS

If a grantee has not drawn down funds for 1 year or more, HUD may question the grantee's need for HUD funds to continue the function. The GTR may then consider termination procedures as described in Chapter 6 (On-Site Monitoring) and Chapter 8 (Grant Close-Outs and Terminations).

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EXHIBIT 5-1  
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Exhibit 5-1  
SAMPLE CHSP GRANTEE CALL USING VRS TO ENTER VOUCHER DATA

Caller: dials 703-391-1400.  
VRS: Welcome to LOCCS. Please enter your six-digit USER ID.  
Caller: enters 6-digit USER ID.  
[If caller is using system for the first time:]  
VRS: This is the first time you have used your user ID. You must confirm your social security number. Please enter your nine-digit social security number.  
Caller: enters social security number.  
VRS: Please enter your six-digit password.  
Caller: enters password.  
[if caller is authorized for more LOCCS program areas other than CHSP]:  
VRS: You are authorized for multiple voice response program areas. For (program area) press 1, for (program area) press 2, etc.  
Caller: enters selection for CHSP.  
VRS: For voucher entry, press 1  
For query selections, press 2.  
Caller: enters 1.  
VRS: Please enter your pre-printed 3-digit voucher prefix from box 1 on your voucher form.  
Caller: enters 043 for CHSP.  
VRS: Your generated voucher number suffix is (6-digit number); Enter this number in Block 1 of your voucher form. To have the number repeated, Press 1; to continue, press 2.  
Caller: enters 2.  
VRS: Please enter your entire 9-digit voucher number from your voucher form.

Caller: enters 9-digit number.  
VRS: Entry Accepted. Please enter your 10-digit Voice Response Project Number.  
Caller: enters VRS grant number.  
VRS: You are requesting funds against project number (project #) for (recipient). Please enter your 1st 4-digit line item number.  
Caller: enters line item number.  
VRS: Please enter an amount for (line item title), followed by a pound sign.  
Caller: enters a dollar amount to be drawn against the line item and hits "#."  
VRS: You have entered a request for (\$\$\$). Entry Accepted. Please enter your (2nd, 3rd, 4th etc.) 4-digit line item number or four nines if you have no more line item requests.  
Caller: enters 9999.  
VRS: For project (#) you have requested funds for.  
Line Item (item number 1) for (requested \$\$) etc.  
For a voucher total of (total \$\$\$).  
To Process Voucher, press 1.  
To cancel voucher, press 2.

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Caller: enters 1.  
VRS: Voucher entry confirmed.  
To enter another voucher, press 1.  
To return to a menu selection, press 1.  
If you are finished, press 3.  
Caller: enters 3.  
VRS: Thank you for using HUD's Voice Response System. Please hang up now.

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