GREAT LAKES INDIAN HOUSING ASSOCIATION · JULY 2026

Protect Your Housing Authority

Five Things Auditors Find — and **What's About to Change**

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INTRODUCTION

Why I Care About This

- **Business Processes & Client Supply Chain** — Snyder & Associates, Tribal Housing clients
- **CEO, Balcony Insights Systems** — software built specifically for Tribal Housing partnering with HUD
- **Nonprofit & government procurement educator** — Houston, TX
- **MBA · CSCP · CPSM · CTSC · CPSD**

> *"I see the same process failures in completely different organizations. Small control failures get very expensive."*

THE PLAN

What You'll Leave With

PART 1

Five things auditors find — today

The failures I keep seeing in real files.

PART 2

What's changing — and when

Two hard dates: **9/30/2026** and **10/1/2026**.

PART 3

Where you may be overpaying

Cooperatives and unemployment.

You leave with a checklist — not a lecture. Free, and it cites every regulation.

THE 5-MINUTE VERSION

Procurement Isn't "Buying Things"

Procurement is how you **prove you spent the tribe's money correctly** . Six principles hold it up — none are about the purchase:

Competition	Fairness	Transparency	Accountability	Fiscal Responsibility	Indian Preference

10%	90% — the file
The purchase	Your procurement file is what the auditor actually sees

THE 5-MINUTE VERSION

The Regulatory Hierarchy — Which Rules Apply?

Tribal Policy & TERO
Can be more restrictive — never less

Program Rules
NAHASDA/IHBG (24 CFR 1000) · ICDBG (24 CFR 1003)

Federal — 2 CFR Part 200
The floor whenever federal dollars are involved

The most restrictive rule wins. You don’t get to pick the easier one.

Before you ask *“how did we buy it?”* ask **“what money paid for it?”** The funding source decides the rulebook.

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ISSUE #1

Your Inventory May Be Lying to You

Your financial statements assume your inventory count is true.
One quiet setting — **Unit of Measure** — can silently inflate it.

STEP 1
Purchase UOM
→
STEP 2
Receiving UOM
→
STEP 3
Stocking UOM
→
STEP 4
Issue UOM

1 CASE = 6 EACH

If any step disagrees, every transaction can multiply.

2 CFR 200.303 (internal controls) · 2 CFR 200.313 (equipment) · financial-statement accuracy

ISSUE #1 · CASE STUDY

The $1,000,000 Range

~$1M

of inventory on a real client's books that did not physically exist — driven largely by one UOM configuration error

THE SYSTEM SAID

6

ranges on hand

WHAT ARRIVED

1

range on the shelf

It wasn't one item — the error ran all through the Item Master. Don't call security. **Check the Unit of Measure first.**

Fix: verify all four UOMs on your top 25 highest-dollar items · cycle-count · written approval on large adjustments

2 ISSUE #2

You Changed the Number — Not the Process

The federal thresholds moved **twice**. Has your written policy caught up?

WHAT	WAS	IS NOW	EFFECTIVE
Micro-purchase threshold	~~$10,000~~	**$15,000**	Awards on/after 10/1/2025
Simplified Acquisition Threshold	~~$250,000~~	**$350,000**	Awards on/after 10/1/2025
What it's called	"Small Purchase"	**"Simplified Acquisition"**	10/1/2024
Single Audit threshold	~~$750,000~~	**$1,000,000**	FY on/after 10/1/2024
Equipment / capital expenditure	~~$5,000~~	**$10,000**	10/1/2024
De minimis indirect cost rate	~~10%~~	**15%**	10/1/2024

Your tribal policy can still be lower — the most restrictive number wins.

2 CFR 200.320(a); 2 CFR 200.1 (FAR-pegged) · FAR 48 CFR 2.101 · 90 FR 41872 · 2 CFR 200.501 · HUD PIH 2026-08

ISSUE #2 · THE TRAP

You Changed the Number. Did You Change the File?

Raising your micro threshold to $50,000 is a decision you have to **earn — every year.**

$15,000

BASE

No competitive quotes if price is reasonable + documented.

up to $50,000

SELF-CERTIFY — ANNUALLY

Justification + threshold ID + documentation (see below).

above $50,000

ONAP MUST APPROVE IN WRITING

Letter from Authorized Tribal Official + tribal resolution.

The self-certification must document ONE of these:

Low-risk auditee per §200.520, most recent audit

Annual internal risk assessment ONAP Monitoring Plans — Financial (A) · Internal Controls (B) · Cash Mgmt (C)

Public institution higher threshold consistent with State law

Used the higher threshold but can't prove you met the requirements? **You never had it** — every purchase gets re-graded against the lower number.

2 CFR 200.320(a)(1)(iv)–(v) · 2 CFR 200.334 · 2 CFR 200.520 · HUD PIH 2026-08 §III.A · 24 CFR 1000.552

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ISSUE #3

Your Contractor's Payroll Is Your Compliance Problem

Contractor + every sub → **Weekly certified payroll** (WH-347) → **YOUR finding. YOUR repayment.**

WHAT I ACTUALLY SEE IN THE FIELD

- ✕ Payroll submitted late — or not at all
- ✕ Staff collect payroll — nobody reviews it
- ✕ Classifications don't match the work
- ✕ Subcontractor payroll simply missing

> *"Collecting payroll is not reviewing payroll."*

NEW: full SSNs + home addresses no longer required — use last 4.

40 USC 3141–3148 · 29 CFR Parts 1, 3, 5 · 29 CFR 5.5(a)(3) (WH-347) · 29 CFR 3.3 · 40 USC 3145 (Copeland)

ISSUE #3 · THE MYTH

Don’t Let Them Play the “Owner” Game

Prevailing wage covers laborers & mechanics **regardless of the contract label** — sole proprietor, partner, LLC member, corporate officer. There is **no blanket exemption.**

HUD won’t accept a payroll where owners certify paying *themselves* out of draws. Narrow exception: a bona-fide sole proprietor with **no employees** on covered work.

WHEN THEY CLAIM “OWNER,” REQUIRE ALL THREE:

1 **Proof of bona-fide ownership — license · EIN · operating agreement**

2 **“Does this person employ anyone else on this job?”**

3 **The determination in the file — not in someone’s memory**

29 CFR 5.5(a) · 29 CFR 5.2 · HUD Labor Relations Letter LR-96-01 · DBRA final rule eff. 10/23/2023

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ISSUE #4

The Checklist Exists. Nobody Uses It.

PROCUREMENT
Solicitation & quotes

FINANCE
Invoice & payment

Who owns the complete file?

PROJECT MGMT
Contract & change orders

LABOR STANDARDS
Certified payrolls

Four drawers, four systems — the auditor gets **a scavenger hunt, not a file.**

> *A checklist done after the fact is set decoration, not a control. The point is it forces the right order* **while you work.**

2 CFR 200.318(i) (documented procurement history) · 2 CFR 200.334 (3-year retention)

ISSUE #4 · THE STANDARD

What the File Should Tell the Auditor

An auditor should understand the entire transaction **without interviewing a single employee.**

1 Why did we buy it?

2 What funding source paid?

3 What method — who could compete?

4 How did we evaluate?

5 Why did we select this vendor?

6 Was the price fair — how do we know?

7 Federal + tribal requirements met?

8 Did we receive what we paid for?

9 Was the contract properly closed?

Same arc for a **$200 micro-purchase** and a **$2,000,000 construction job.** **The depth changes — the questions don't.**

FREE checklist

Method by method · every line cites its regulation — details at the end

2 CFR 200.318(i) · 2 CFR 200.324 (cost/price analysis) · 2 CFR Part 200 Appendix II · 2 CFR 200.334

PART 2

What's Changing — and Exactly Where It Stands

Law today · Proposed — could change or die · A date on the calendar

CHANGE	AUTHORITY	STATUS	WHEN
Tribes may use their OWN procurement policies	2 CFR 200.317	IN EFFECT	Since 10/1/2024
Thresholds: $15K / $50K / $350K	2 CFR 200.320; PIH 2026-08	IN EFFECT	Since 10/1/2025
Davis-Bacon: 3 provisions vacated nationwide	AGC v. DOL (N.D. Tex.)	FINAL	**6/24/2026**
BABA: non-compliant products allowed	PIH 2024-35; Waiver 2025-12	EXPIRES	**9/30/2026**
OMB rewrite of ALL of 2 CFR 200 → "Uniform Grants Regulation"	91 FR 32198 (5/29/2026)	PROPOSED	**Target 10/1/2026**
NAHASDA Modernization — would exempt tribal housing from BABA	H.R. 8092 / S. 4276	INTRODUCED	In committee
HUD conforming rule for IHBG / ICDBG procurement	24 CFR 1000 / 1003	ANNOUNCED	TBD

PART 2 · THE BIG ONE

OMB Is Rewriting ALL of 2 CFR Part 200

PROPOSED — NOT FINAL

Published May 29, 2026 by OMB + ~41 agencies. Largest revision since 2013. Would be renamed the **"Uniform Grants Regulation."**

WAS	WOULD BE
Status: guidance — each agency adopts separately	Binding **regulation** — OMB changes apply government-wide on one date
Cost-reimbursement contracts: permitted	**"Strongly discouraged"** — notify agency + written justification; may need prior approval
Domestic preference (§200.322): aspirational	Directive to build domestic content into awards where practicable
Small business (§200.321): examples given	Streamlined — the examples are removed
E-Verify: not required	**REQUIRED** for every recipient and subrecipient
Prohibited equipment (§200.216): telecom + video surveillance	+ FASC-prohibited drones — already required since 12/22/2025

Comments closed 7/13/2026 (~49,000 filed) · Target effective **10/1/2026** · Senate Democrats asked OMB to rescind (7/1/2026) · Expect litigation — **the date may slip.**

91 FR 32198 (May 29, 2026) · Docket OMB-2026-0034 · EO 14332 · American Security Drone Act of 2023 §1825

PART 2 · HARD DATE

IN EFFECT · HARD DATE

The BABA Cliff — September 30, 2026

Build America, Buy America: domestic iron, steel, construction materials & manufactured products on federally funded **infrastructure.**

	TODAY	AFTER 9/30/2026
Manufactured products	Non-compliant OK if obligated through 9/30/2026	**NOT OK for funds obligated 10/1/2026+**
Awards / subawards ≤ $2.5M	Exempt	**Still exempt — through 1/9/2030**
Housing of 1–4 units	Treated as private homes — not subject	**Unchanged**
Housing of 5+ units	Public infrastructure — subject	Unchanged

DO THIS NOW: inventory every award obligated before 10/1/2026. The obligation date locks your treatment for the life of those funds.

WATCH: the NAHASDA bill would exempt tribal housing from BABA — but it is **not law.** Don't plan on it.

PIH Notice 2024-35 · DOI/HUD Waiver 2025-12 (issued 1/10/2025, expires 1/9/2030) · 2 CFR Part 184 · IIJA §§70901–70952

Congress and the Courts

NAHASDA Modernization Act of 2026

INTRODUCED

H.R. 8092 (Downing / Bynum, 33 co-sponsors) · S. 4276 (Murkowski / Schatz) · introduced 3/26/2026, in committee — no floor action

WOULD DO

- Exempt tribal housing projects from BABA
- Consolidate environmental review requirements
- Reauthorize IHBG through 2032 (House) / 2033 (Senate)
- 99-year leases on trust land (from 50)

Senate only: would let tribes AND tribal entities set their own procurement policies.

Davis-Bacon Litigation

FINAL 6/24/2026

AGC v. DOL — N.D. Texas, Lubbock Division · DOL did not oppose — conceded the provisions exceeded authority

VACATED NATIONWIDE

- ✕ Coverage of contractor-operated material suppliers
- ✕ Coverage of delivery truck drivers on jobsites
- ✕ Retroactive “operation of law” imposition (§5.5(e))

STILL IN FORCE: everything else in the 2023 rule — weekly certified payroll and NO owner exemption.

PART 2 · THE SLEEPER

You May Already Be Able to Use Your Own Policy

IN EFFECT SINCE 10/1/2024

"When conducting procurement transactions under a Federal award, a State or Indian Tribe must follow the same policies and procedures it uses for procurements with non-Federal funds." — 2 CFR 200.317

HAVE your own policy?

Follow it — the same one you use for non-federal funds.

DON'T have one?

You default to §§200.318–200.327.

Either way you must still follow: §200.321 small business · §200.322 domestic preference · §200.323 recovered materials · §200.327 contract provisions

READ THE FINE PRINT: §200.317 gives this option to a "State or Indian Tribe" — subrecipients of a Tribe must follow §§200.318–200.327. Whether YOUR TDHE qualifies depends on how it's organized. **Confirm with your Area ONAP in writing before you rely on it.**

PART 2 · ACTION

Your Compliance Checklist for What's Changing

Every item below is on the free checklist — with its citation.

- [ ] Update written policy to $15K / $50K self-cert / $350K · 2 CFR 200.320
- [ ] Above $50K? Tribal Official letter + resolution + ONAP approval on file · 200.320(a)(1)(v)
- [ ] Inventory every award obligated BEFORE 10/1/2026 — lock BABA treatment · PIH 2024-35
- [ ] Ask Area ONAP in writing whether your entity may use §200.317 · PIH 2026-08 §V
- [ ] Keep collecting AND reviewing weekly certified payroll · 29 CFR 5.5(a)(3)
- [ ] Watch for E-Verify enrollment — proposed for all recipients/subs · 91 FR 32198
- [ ] Date self-cert THIS year — attach low-risk auditee OR ONAP Plans A/B/C · PIH 2026-08 §III.A
- [ ] Rename "Small Purchase" → "Simplified Acquisition" throughout · 200.320(a)(2)
- [ ] Document a BABA applicability determination on EVERY project · 2 CFR Part 184
- [ ] Check every drone against the FASC prohibited list · 200.216; ASDA 2023 §1825
- [ ] Re-examine cost-reimbursement contracts if the UGR is finalized · proposed §200.320
- [ ] Calendar two dates: **9/30/2026** (BABA) and **10/1/2026** (UGR target)

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ISSUE #5 · PART 3

You're Paying for Things Nobody Has Evaluated

Procurement isn't only compliance — it's cost. **Every dollar saved stays available to serve tribal families.**

DOOR #1

Cooperative Purchasing

How you buy

DOOR #2

Unemployment Coverage

How you pay for risk

> *"I'm not telling you to switch. I'm asking whether anyone has evaluated the options."*

ISSUE #5 · DOOR #1

Cooperative Purchasing: The Bid Someone Else Already Ran

HOW IT WORKS

1. **Another government runs the competitive bid**
2. **You register — free (Sourcewell)**
3. **You buy off that awarded contract**
4. **The contract # goes in your procurement file**

Federal (NAHASDA/IHBG) dollars? **Not a free pass** — still confirm competition, price reasonableness & Indian Preference.

PROGRAMS IN THIS ROOM

Sourcewell	every state · tribes explicitly eligible · FREE
Michigan	MiDEAL — tribes eligible
Wisconsin	VendorNet Cooperative
Minnesota	State Cooperative Purchasing Venture
Iowa	DAS Cooperative Purchasing
Indiana	IDOA Quantity Purchase Awards

2 CFR 200.318(e) · competition per 2 CFR 200.319–200.320 · Indian Preference 25 USC 4114 · TERO ordinance

Unemployment: An Option Most Employers Don't Have

Federal law **requires states to give tribes a choice:** pay the tax — or reimburse actual benefits.

OPTION 1 — CONTRIBUTE (the tax)

You pay a tax rate into the state's trust fund alongside every other employer. **Your rate is set partly by the fund's health — not just your own claims.**

- Elect separately for the tribe AND each wholly-owned subdivision or enterprise
- State law controls WHEN you can convert — may require a payment bond

OPTION 2 — REIMBURSE (payments in lieu)

You pay no tax. You repay the state 100% of the actual benefits **your own former employees draw. Your cost is your own experience — nobody else's.**

- Reimbursing = 100% of benefits paid — no cap on total employer liability
- Miss a payment 90 days after notice → lose the exception, become subject to FUTA

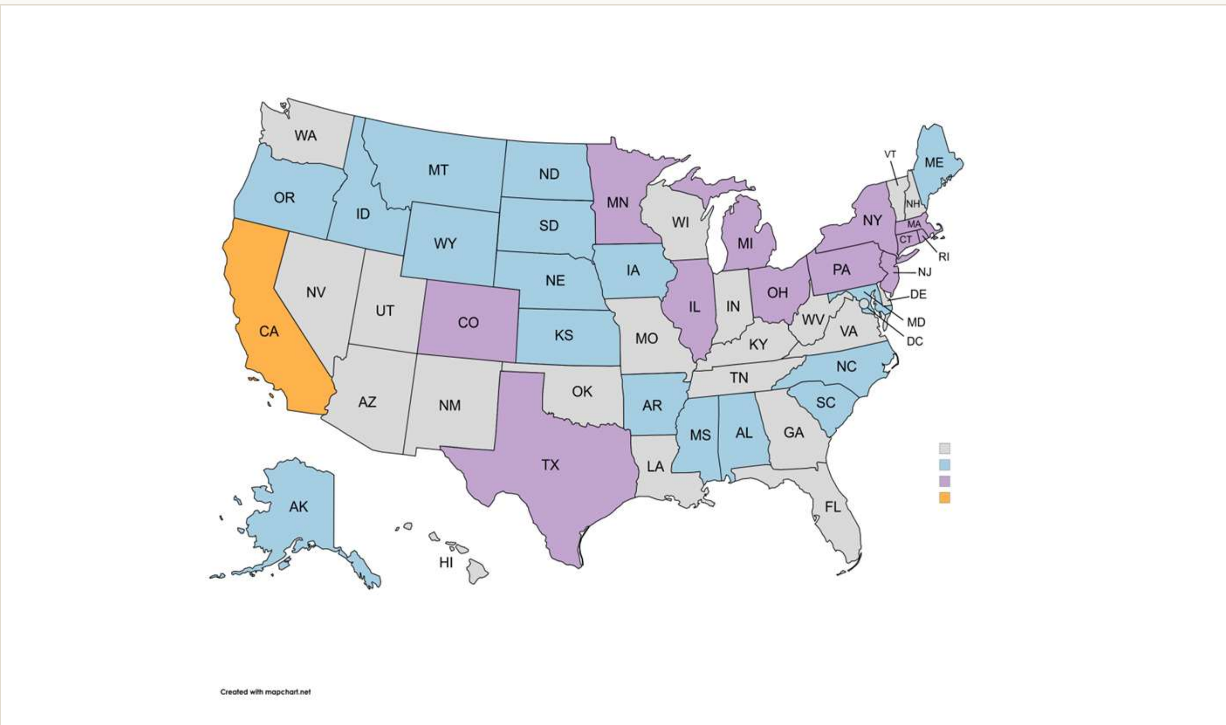
"When did anyone last independently evaluate how your Housing Authority pays for unemployment risk?"

26 USC 3309(d) & 3309(a)(2) · P.L. 106-554 §166 · DOL UIPL 14-01 · Source: First Nonprofit (educational) — ask for Marshal

ISSUE #5 · THE MAP

What "Solvency" Actually Means

U.S. state trust-fund solvency — as of February 16, 2026



AHCM = Average High Cost Multiple. How long a state's fund could keep paying at recession rates with no new money. **1.0 = one year = the federal minimum.**

- AHCM 1.0+ — healthy
- AHCM 0.50–0.99 — below standard
- AHCM ≤ 0.49 — very thin
- At risk / owes the federal gov't

YOUR STATES

Minnesota · Michigan · Wisconsin · Indiana · Iowa

4 of your 5 states are below the federal minimum.

ISSUE #5 · THE TRADE-OFF

What That Means for Your Budget

The state fund runs thin

▼

The state must refill it

▼

It raises rates on EVERY employer in the pool

▼

Your rate can rise even if YOU never had a claim

The tax is **predictable — but pooled.** Reimbursing is **your own experience — but variable.**

MINNESOTA — AVERAGE COST PER EMPLOYEE

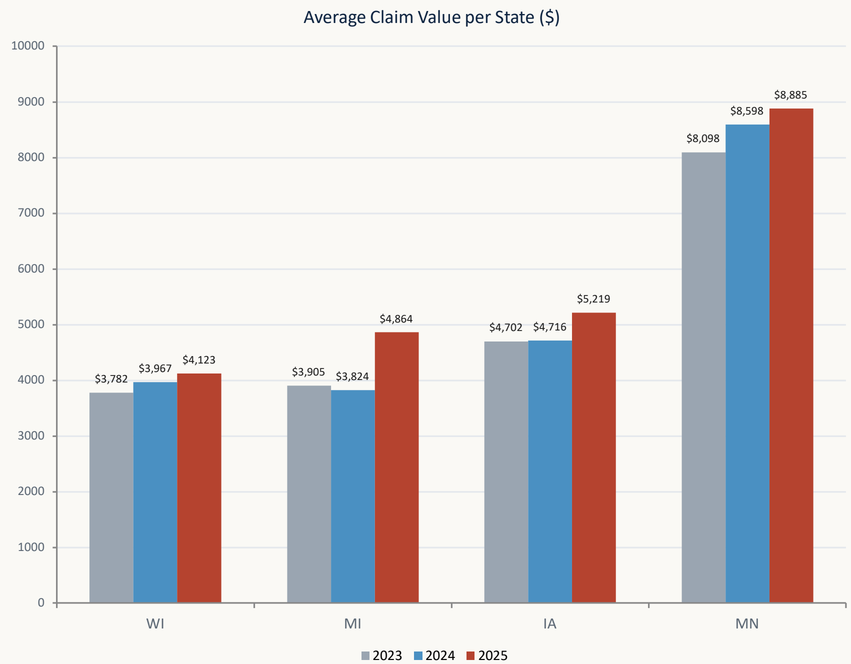
$364	→	$378	→	$559
2023		2024		2025

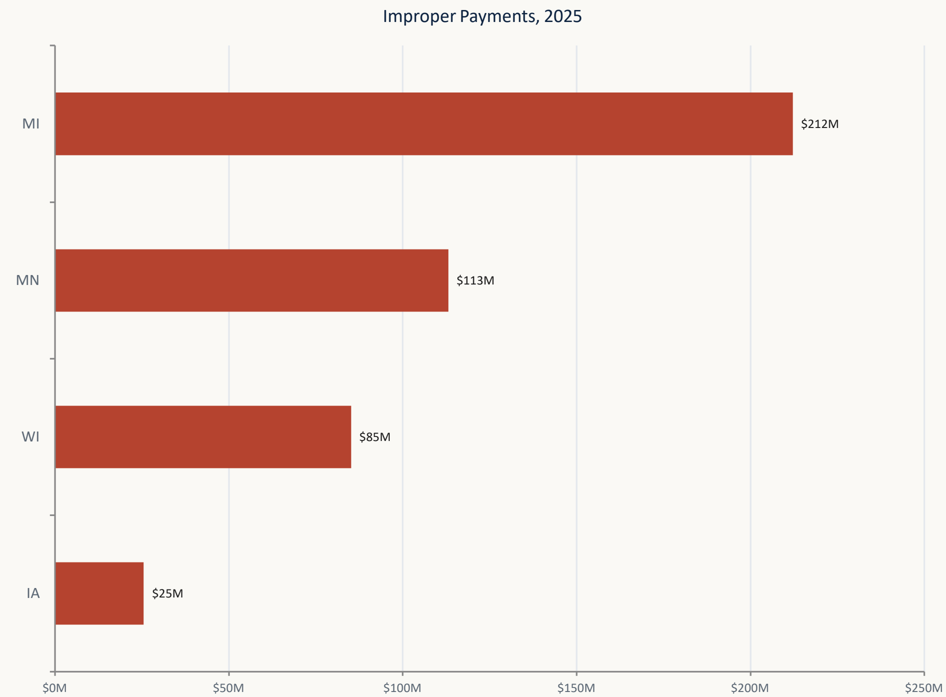
+48% in one year

Source: First Nonprofit (educational), from U.S. DOL data · state averages across all covered employers — not Housing-Authority-specific

ISSUE #5 · THE SCORECARD

The Rest of the Picture





*These are state averages — **not your number**. That IS the point: nobody should decide this off my chart. Go get YOUR number.*

REG: Source: First Nonprofit (educational), from U.S. Department of Labor data (dol.gov) · "Improper payments" = state UI benefit payments DOL identifies as improperly paid, all covered employers

ISSUE #5 · THE SCORECARD

The Honest Pros and Cons

Paying the Tax (contributing)

PROS

+ Fixed, predictable annual cost
+ No risk beyond your assigned tax rate

CONS

– The fund's solvency sets your rate
– Costs are pooled with every other employer
– Cost can rise even if YOUR experience improves
– Cash-flow strain — most tax paid by mid-year

Reimbursing (payments in lieu)

PROS

+ Often lower total cost
+ Insulated from the state fund's solvency
+ There's a limit on any individual claim

CONS

– Unlimited total employer liability
– Much harder to budget accurately
– Exposure to severe cost swings
– Internal audit responsibilities fall on you

"I'm not telling you to switch. I'm asking whether anyone has ***evaluated*** *it — the answer may be that what you do now is best, but you should know that because you looked."*

RECAP

The Five, in Plain English

1 **Your inventory may be lying to you.** Check the Unit of Measure before you blame a person.

2 **You changed the number — not the process.** $15K / $50K self-cert dated THIS year / $350K.

3 **Your contractor's payroll is your problem.** Collecting isn't reviewing. "Owner" isn't a magic word.

4 **The checklist exists. Nobody uses it.** Current, completed, and actually used — or it's decoration.

5 **You're paying for things nobody has evaluated.** Cooperatives. Unemployment. Go get your own number.

AND: the rules are moving under you. 9/30/2026 — BABA. 10/1/2026 — the rewrite.

THIS WEEK

Your Monday Morning Action Plan

Not one requires hiring a consultant or buying software. Start the first before lunch.

1	**Pull five procurement files at random.** Don't let staff pick them. Run each against a current checklist.	**1 hour · You + procurement**
2	**Put your policy next to $15K / $50K / $350K.** Does it match? Is your self-certification dated THIS year?	**30 min · You + finance**
3	**Reconcile your top 25 highest-dollar inventory items.** Count them. Verify all four UOMs. Find the CAUSE before you adjust.	**Half a day · Warehouse + finance**
4	**List every award obligated before 10/1/2026.** That date locks your BABA manufactured-products treatment.	**1 hour · Finance + PM**
5	**Keep Current on Changes Coming.**	**10 min · You**

If you do only one thing: do #1 — before lunch tomorrow.

2 CFR 200.318(i) · 2 CFR 200.320 · 29 CFR 5.5(a)(3) · PIH 2024-35 · 2 CFR 200.317

Protect Your Housing Authority.

- Update your files.
- Verify your thresholds against CURRENT rules.
- Watch your inventory.
- Hold your contractors accountable.
- Evaluate the options you've never looked at.

> *Every dollar protected through better procurement is a dollar that stays home — and serves a tribal family.*

Snyder & Associates
Impactful Solutions

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FREE PROCUREMENT CHECKLIST

Every method · Davis-Bacon & BABA · a full "what changed" tab · every line cites its regulation.

Scan or email — one condition: keep it current.