

2016 CDBG Subrecipient Grant Administration Training

June 29, 2016

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2016 CDBG Subrecipient Grant Administration Training

City of Columbia
Community Development Department
Compliance Division

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CDEAC

Community Development Entitlement, Administration and Compliance

- Provide oversight and technical assistance for Entitlement Programs (CDBG, HOME, HOPWA)
- Ensure City compliance with federal regulations
- Monitor subrecipients for compliance with federal regulations
- Prepare the 5-year Consolidated Plan, Annual Action Plan, and CAPER

Community Development Block Grant (CDBG) Program

- CDBG funded and regulated by U.S. Dept. of Housing & Urban Development (HUD)
- Authorized under Title I – Housing & Community Development Act of 1974
- 3 National Objectives
 1. Benefit Low-Moderate Income persons/households
 2. Prevent and/or Elimination of Slum/Blight
 3. Address an Eminent Threat or Urgent Need

CDBG Start-up & Completion

- Notice of Funds Available (NOFA) Process
- Award Categories
 - Public Service (Including Neighborhood Improvement)
 - Non-Public Service (Infrastructure, Housing Rehab. , Economic Development)
- Prior to Execution – Implementation Plan, Budget, Requested documents
- 1 year award – Begins July 1st , Ends June 30th

CDBG Start-up & Completion

- Initial Start-up One-on-One Technical Assistant Meeting
- Timeliness Expectations
 - Implementation
 - Expenditures
 - 50% - Dec 31st
 - 75% - March 31st
 - 100% - June 30th
 - Monthly Reimbursement & Activity Reports

Administrative Provisions

- Written Agreement
- Post Award Responsibilities
- Federal Requirements
 - (24 CFR Part 570) CDBG Code of Federal Regulations
 - (2 CFR Part 200) OMB Super Circular
- Insurance Requirements

Subrecipient Responsibility



Subrecipient Responsibility

- Carry out activities in conformance with federal requirements in a **timely manner**
- Track the progression of activities and evaluate performance
- Establish effective management practices over CDBG funded activities
- Properly document activities, procedures, expenditures, and outcomes
- Maintain effective communication with CoC staff throughout the CDBG grant period

Compliance Topics



1. Financial Management
2. Procurement and Contracting
3. Record Keeping and Monitoring
4. Other Federal Requirements
 - a) Environmental Review
 - b) Labor Standards
 - c) Fair Housing

Financial Management



Financial Management

- Internal Controls
- Accounting Records
- Allowable Costs
- Source Documentation
- Budget Controls

Internal Controls

- Internal controls should include:
 - Written accounting procedures for approving and recording transactions
 - Provision of reliable, complete, and current information and separation of duties
 - Clear set of standards for determining the reasonableness, eligibility, and timely manner for allocating costs

Accounting Records

- Accounting records should include the following:
 - Chart of accounts
 - Cash receipts journal
 - Cash disbursements journal
 - Payroll journal
 - General ledger

Allowable Costs

- A cost is allowable under the CDBG Program if:
 - Expenditure and necessary, reasonable, and directly related to the grant
 - Has been authorized by the City
 - Not prohibited under federal, state, or local laws
 - Cost can be allocated to the CDBG Program

Source Documentation

- Supporting documentation is necessary to show that the costs charged against CDBG funds were:
 - Incurred during the grant period
 - Paid out (or properly accrued)
 - Expended on allowable items
 - Approved by the responsible official(s) in the subrecipient organization

Budget Controls

- Procedures must be in place to monitor expenditures against their approved CDBG Budgets
- There must be an ongoing system to compare actual receipts, encumbrances and expenditures
- Overruns should be reviewed to determine if funds are available to complete the project

Request for Reimbursement

- Invoice for funds expended on the project
- All payment requests will be on a reimbursement basis
- Supporting documentation should include a copy of expenditure and proof of payment (i.e., copy of invoice, staff time sheets and cancelled check)
- Submitted monthly (*Due by the 15th of each month*)

Reporting Requirements

Monthly progress reports are required and designed to track subrecipients:

- Actual activity accomplishments
- Expenditures to date
- Any barriers or challenges to completing the activity in a timely manner

Provided for City of Columbia:

- Data for IDIS (Integrated Disbursement & Information System)
- Information for CAPER (Consolidated Annual Performance and Evaluation Report)

***Monthly reports due by the 15th of each month**



Reporting Requirements cont.

For ALL Activities:

- Exhibit A (due no later than the 15th of EACH month)
- CDBG Reimbursement Request Form – Due whether a disbursement is being requested or not.
- CDBG Monthly Activity Report

Reporting Requirements cont.

Additional Reporting For Construction Activities:

- Due Oct. 15th, Jan 15th, April 15th & July 15th
 - Procurement Form (Exhibit K)
 - Subrecipient Section 3 Summary Report (Exhibit L)
 - Contract & Subcontract Activity Report (Exhibit M)
 - Labor Standards Davis Bacon Employee Interview (Exhibit N)
 - Wage Determination Payroll Form – Statement of Compliance (Exhibit O)

Procurement and Contracting



Procurement and Contracting

Equipment and or Services purchasing methods are as follows:

- \$0 - \$ 500 --- Direct reimbursement with an invoice copy.
- (Small Purchases) \$500 - \$ 10,000 --- Two or more verbal quotes; written quotes if labor or detailed product or service specifications. (Please use Procurement Form [Exhibit K])
- (Competitive Sealed Bids) \$10,000 - \$ 25,000 --- Two written quotes obtained by Subrecipient agency or the City's Purchasing staff. May use "Request For Quotes", advertise, and/or use pre-bid conference.

Small Purchases

- Purchases where the estimated cost of materials, equipment, or supplies is less than \$10,000 may be made upon receipt of a minimum of three written bids and select the vendor with the lowest quote. Documentation of the quotes are to be kept in your files. Please use Procurement Form (Exhibit K)

Advertisement for Bids

All bid advertisements MUST include the following:

- - Section 3 Clause
- - Encourage/Include Women and Minority Owned Business Enterprise Participation
- - Fair Housing Logo
- - Section 504 Logo
- - Davis Bacon Federal Regulations



Competitive Sealed Bid

- Requires publicly solicited sealed bids
- Formal advertising must present a complete and adequate specification or purchase description
- Two or more responsible suppliers compete or respond to bid invitation
- A unit price contract awarded to the lowest, responsible bidder

Competitive Sealed Bid cont.

- Invitation must be clearly defined, including specifications and attachments
- All bids must be opened publicly
- Invitation for bids must be advertised for a minimum of 10 days
- Advertisement must acknowledge that funds are being provided by the Community Development Block Grant Program
- Contract award must be made by written notice to the responsible bidder

Competitive Proposals

- Requires a Request for Proposal (RFP) or Request for Qualification (RFQ)
- RFP or RFQ must identify the scope of work and evaluation factors
- Advertise the RFP or RFQ for a minimum of 10 days according to City procurement rules.
- Proposals must be evaluated by a committee using a scoring criteria
- Document process and reasons for selection

Bid and Contract Documents

- Bid and contract documents should include but are not limited to the following:
 - Scope of Work
 - Invitation to Bid
 - Advertisement
 - Bonding Requirements
 - Statement of Bidders Qualifications
 - Debarment Certifications
 - Contract Agreement

Contracts

- All contracts (i.e., administration, architectural, engineering and construction) must be submitted to the CD Staff prior to execution for review.
- Please use the Standard Agreement for Provisions of Subcontracted Services (Exhibit H)



Bid and Contract Documents

- Intent to Award
- Notice to Proceed
- Contractor's License
- Contractor Warranty
- Wage Decision
- Federal Labor Standards Provision
- Applicable City Special Provisions
- Contractor's Insurance

Monitoring and Record Keeping



Monitoring

- Monitoring or Compliance Review is technical assistance to guide agencies toward effective administration of a CDBG grant
- CD Staff will conduct on-site monitoring/TA visit at least once during the grant period
- Monitoring is also conducted by review of monthly and quarterly reports, reimbursement requests, and other information submitted to the City
- Monthly reports are due by the 15th of each month

Monitoring

- Purpose of monitoring
 - To verify appropriate documentation is being maintained related to the activity
 - To determine the level of progress made
 - To document the agency's compliance with all applicable HUD regulations

Monitoring Visit

- Notification Letter (at least two weeks in advance)
- Entrance Conference
- Review of records and project site
- Exit Conference
- Monitoring Review Letter (45 days)

Record Keeping

- Subrecipients are required to establish and maintain at least three major categories of records:
 - Administrative Records
 - Financial Records
 - Activity Files
- The records must be maintained for five (5) years after the project has been officially closed out.

Administrative Records

- 2 CFR Part 200 – OMB “Super Circular”
- Files and records that apply to the overall administration of the CDBG activity including:
 - Personnel Files
 - Property Management (Housing)
 - General Project Files (Application, Subrecipient Agreement, Grant Correspondence, etc.)
 - Legal Files (Articles of Incorporation, Bylaws, Tax Status, Board Minutes, Contracts, etc.)



Financial Records

- Chart of accounts
- Manual on accounting procedures
- Accounting journals and ledgers
- Supporting documentation (invoices, time sheets, cancelled checks, etc.)
- Procurement files
- Bank records
- Financial reports and audits
- Financial Policies and Procedures

Activity Files

- Records providing a full description of the project
- Records documenting that each activity meets one of the CDBG Program National Objectives
- Records to determine the eligibility of activities
- Records documenting compliance with environmental review, procurement, labor standards, fair housing, and equal opportunity components of the CDBG Program

Access to Records

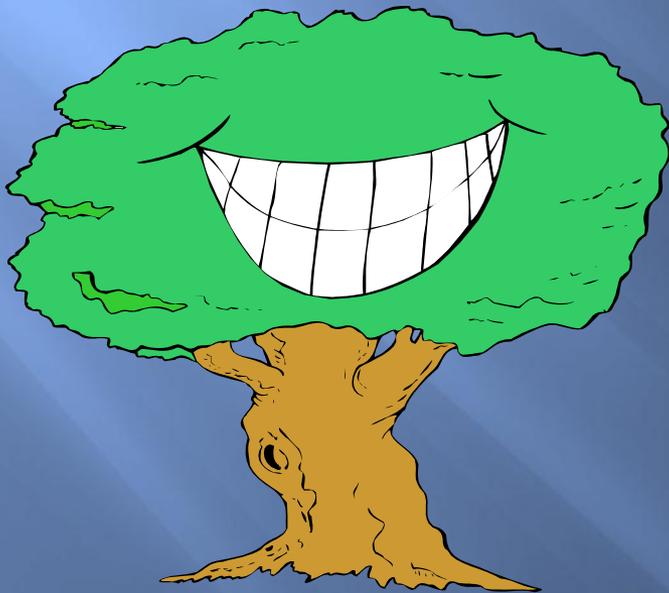
- All Subrecipient records must be made available to the City, HUD, or their representatives, at any time during normal business hours, as often as the City or HUD deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data

Other Federal Requirements

- Environmental Review
- Labor Standards
- Fair Housing (Affirmatively Furthering Fair Housing)
- Conditions of Federal Funding (Exhibit D)



Environmental Review



Environmental Review

- Subrecipients are prohibited from the commitment or expenditure of CDBG funds until the environmental review process has been completed *by the Grantee* and, if required, the grantee receives a release of funds.

Levels of Environmental Review

- Four levels of review:
 - Exempt 24 CFR Part 58.34(a)
 - Categorically Excluded 24 CFR Part 58.35
 - Categorical exclusions SUBJECT to laws and authorities at 24 CFR Part 58.5
 - Categorical exclusions NOT subject to laws and authorities at 24 CFR Part 58.5
 - Environmental Assessment 24 CFR Part 58.36
 - Environmental Impact Statement 24 CFR Part 58.37



Federal Labor Standards

Federal Labor Standards

- Trigger Threshold - \$2000 Commercial Rehab/Construction
- Key Federal Statues
 - Davis-Bacon Act
 - Contract Work Hours and Safety Standards Act (CWHSSA)
 - Copeland Act (Anti-Kickback Act)
 - Fair Labor Standards Act
 - Section 3

Federal Labor Standards

- Davis-Bacon Act - requires the payment of prevailing wage rates (determined by DOL) to all labors and mechanics on Federally funded construction projects in excess of \$2,000
- CWHSSA - requires time and one-half pay for overtime (OT) hours (over 40 hours in any given workweek) worked on the covered project.
- Copeland Act - requires every employer (contractor and subcontractor) to submit weekly-certified payroll reports.
- Fair Labor Standards Act - contains Federal minimum wage rates for construction workers, overtime requirements, and recordkeeping
- Section 3 – requires that recipients of Federal Funds, to the greatest extent possible, provide job training, employment and contracting opportunities for low-or-very low income residents in connection with projects and activities in their neighborhoods.



Labor Standard Requirements

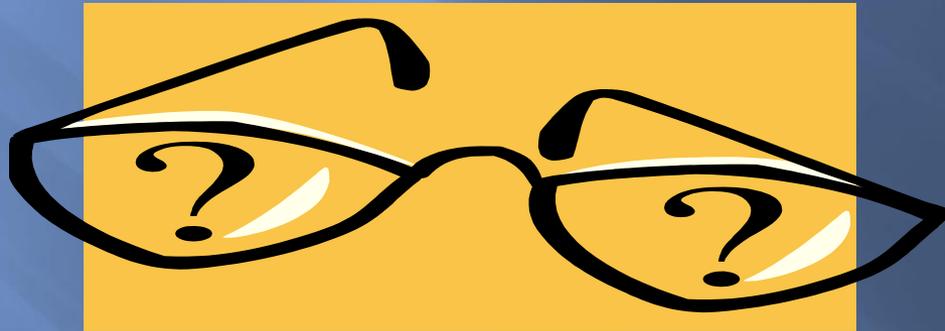
- Proper enforcement of the Federal labor standards provisions
- Ensure the wage decision and DOL posters are onsite
- Review of certified weekly payrolls
- Conduct on-site employee interviews with labors and mechanics

Fair Housing (AFFH)

New Rule AFFH Rule (Local Governments Assessment Tools)

- Title VIII of the Civil Rights Act of 1968,
- Protected Characteristics
 - Race
 - Color
 - Religion
 - Sex
 - Familial status
 - National origin
 - Disability

Questions?



Contact Information



Contact:

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Or visit our website at:

www.columbiasc.net



We Look Forward to a Successful Partnership

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