



City of Odessa

CDBG Subrecipient Monitoring Handbook

January 2022

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CDBG SUBRECIPIENT MONITORING HANDBOOK

INTRODUCTION

This handbook is designed to help subrecipient agencies understand the monitoring policy and requirements that apply to the use of Federal Funds for the delivery of CDBG programs and activities.

The Department of Housing and Urban Development (HUD) requires monitoring of Subrecipient agencies on an annual basis.

Monitoring is a means to evaluate whether Subrecipients are carrying out their CDBG program(s) in compliance with Department of Housing and Urban Development regulations, the Subrecipient Agreement terms, and conditions and policies of the City of Odessa Community Development Department (CD).

Proper documentation and record keeping systems are essential to verify programmatic and financial compliance. Examples of the monitoring process are outlined in the following pages of this handbook. Additional documentation may be required as determined by the monitor.

The contract/agreement compliance monitoring performed by Community Development staff is different from the annual audit required to be performed by a Certified Public Accountant according to the Single Audit Act. Monitoring is not an audit of the agency, but rather is focused on the “program” that is funded with CDBG grant funds.

Subrecipient Monitoring Regulatory Authority

- **24 CFR 570.501(b)** “[the grantee] is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of . . . Subrecipients . . . does not relieve the recipient of this responsibility. The recipient is also responsible for determining the adequacy of performance under Subrecipient agreements . . . and for taking appropriate action when performance problems arise...”

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- **Subpart J of 24 CFR Part 85** “Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor . . . subgrant-supported activities to assure compliance with applicable Federal requirements and that performance goals are achieved. Grantee monitoring must cover each program, function, or activity.”
- **24 CFR 200.332(d)** “Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.”

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DEFINITION OF TERMS

Acceptable Accounting Records.

Transactions must be recorded in a permanent form of record such as in the following types of journals (i.e. General Journal, Cash Disbursement Journal, Cash Receipt Journal, Payroll Register, Check Register). In addition, the journal entry should contain information showing the transaction took place (invoice, check, receipt, etc.). A copy of this proof should be available for examination.

The account information from these journal entries should be transferred to a General Ledger. Therefore, if a cash transaction had to be traced, all that had to be examined to find that transaction would be the General Ledger for "Cash".

Agreement.

Also known as the Subrecipient Agreement or sometimes called the Subrecipient Contract/agreement between the Subrecipient and the City of Odessa detailing the CDBG project and use of CDBG funds.

Allocation of Expenditures.

The dividing up of an expense to show the amount that will be reimbursed by Community Development. Example: An agency that has two programs, Program A (CD Funded) and Program B (Other Funds). The agency would like to split up the rental expense of \$1,200. Program A occupies 320 square feet, while Program B occupies 150 square feet. Therefore, Program A is responsible for \$840. (70% of that months' rent).

Appropriate Expenditure.

An appropriate expenditure must be based on the line items in the budget in the Subrecipient Agreement (Agreement), within the specified amounts of those line items, and meet HUD eligibility criteria. OMB Circular A-122 (provided in the Subrecipient Guidebook) details exactly what sort of expenditures are eligible.

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CD

Community Development or Community Development Department

Concern.

A problem noted by the monitor which has not yet put the subrecipient out of compliance with the contract/agreement but might at future date.

Contract/agreement/Agreement Term.

This is the term during which the contract/agreement/agreement is in effect and is clearly stated in each contract/agreement/agreement. Expenses requested for reimbursement must be incurred during the term of the contract/agreement/agreement. Services billed, as units must be performed during the contract/agreement/agreement term.

Costs, Eligible.

OMB Circular A-122 established the cost principles for grants, contract/agreements, and other agreements with non-profit organizations. The principles are designed so the federal government will bear its fair share of the costs allowed by law. All cost reimbursements are subject to this circular. The factors determining status of costs are:

1. Are the costs allowable?
2. Is there proper documentation? (Voucher or receipts are required for all reimbursements.)
3. Are costs approved in the contract/agreement?
4. Are costs reasonable and consistent?

Documentation.

Not only must a client meet the criteria for eligibility, but you must also have documentation to prove that eligibility is present in your files. Documentation of income and residence must be obtained for each client served under the CD program and updated every twelve months. Documents considered acceptable are outlined in the "Client Eligibility Documentation Guidelines" (attached). Should you have an eligible client whom you cannot document under these guidelines, contact CD for technical assistance. Documentation should be obtained for each client prior to providing services under the CD contract/agreement.

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Eligible Client – Income.

A client whose household income is equal to or less than 80% of the median income for the City of Odessa. Income guidelines based on household size are incorporated into your contract/agreement, and updated income guidelines are provided when they are received by CD.

Eligible Client – Residence.

A client whose permanent residence is within the city limits of the City of Odessa.

Eligible Expenses.

For an expenditure to be eligible for reimbursement, it must meet the following requirements:

1. Must be an expenditure incurred due to community development activity.
2. Must be for the funding period.
3. Must be a line item on the proposed budget.
4. The line item must have available funds.

Finding.

A deficiency in the agency's program performance regarding compliance with the contract/agreement, HUD regulations, or CD policy for which sanctions or other corrective actions are authorized. Findings are formally noted in the written report, and the agency is given a reasonable period in which to correct the findings.

Household.

All persons related by blood, marriage or adoption who reside in the same dwelling. This includes grandparents, aunts, uncles, adult children, siblings, etc.

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Limited Clientele.

HUD has granted a special status of “*presumed benefit*” to certain groups. By virtue of a client being in this group, the client is presumed to be income eligible. The following groups are limited clientele presumed benefit:

- Abused children
- Battered spouses
- Elderly persons, aged 62 years and older
- Adults meeting HUD definition of “severely disabled”
- Homeless persons
- Illiterate adults
- Persons living with AIDS
- Migrant farm workers

Programs serving **exclusively** presumed benefit populations may be determined to serve limited clientele, and their clients will be presumed to meet income criteria. Limited clientele contract/agreements clearly state this presumed benefit status.

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Observations.

Notations made by the monitor that are not related directly to contract/agreement compliance deficiencies. Observations are often positive notations, such as improved performance or exceptional organization.

Pro-ration of an Expenditure.

The splitting up of an expense to charge the current funding year for the correct portion of CDBG expenses. Example: The agency would like reimbursement for a utility bill such as electric. This bill is for the period of September 25th through October 24th and was for a total of \$93.00. Since the current funding year begins on October 1st reimbursement can only be for 24 days in October. Therefore, the agency would charge Community Development for \$74.40 of that month's electric bill.

$$\begin{array}{r} \$93.00 - \text{Total Electric Bill} \\ \times 80\% - (24 \text{ days of September out of 30-day bill}) \\ \hline \$74.40 \end{array}$$

Reimbursement.

The method used to pay subrecipients. The request for payment must be for an expenditure that has already been paid (operating expenses) or incurred (payroll expenses).

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MONITORING OBJECTIVES

1. To determine if a Subrecipient is carrying out its community development program, and its individual activities, as described in their Application for Funds and the Subrecipient Agreement.
2. To review records and determine if systems are in place to properly document the provision of services, client eligibility, and compliance with any other contract/agreement/agreement requirements.
3. To determine if expenditures of allocated funds are being made in accordance with contract/agreement/agreement requirements.
4. To determine if a Subrecipient is carrying out its activities in a timely manner, in accordance with the schedule included in the Agreement.
5. To determine if a Subrecipient is charging costs to the project that are eligible under applicable laws and CDBG regulations, and reasonable considering the services or products delivered.
6. To determine if Subrecipient is conducting its activities with adequate control over program and financial performance, and in a manner, that minimizes opportunities for waste, mismanagement, fraud, and abuse.
7. To assess if the Subrecipient has a continuing capacity to carry out the approved project, as well as future grants for which it may apply.
8. To identify potential problem areas and to assist the Subrecipient in complying with applicable laws and regulations.
9. To assist Subrecipients in resolving compliance problems through discussion, negotiation, and the provision of technical assistance and training.

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- 10.To provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected by Subrecipients, and not repeated.
- 11.To determine if any conflicts of interest exist in the operation of the CDBG program, per 24 CFR 570.611.
- 12.To ensure required records are maintained to demonstrate compliance with applicable regulations.

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MONITORING PROCESS

The City of Odessa will ensure Subrecipients comply with all regulations and requirements governing their administrative, financial, and programmatic operations. This includes assuring that performance goals are achieved within the scheduled period, budget and when necessary taking appropriate actions when performance problems arise. Monitoring is not a "one-time-event".

A risk analysis will be conducted annually on each Subrecipient to determine what level of monitoring will be conducted. High risk Subrecipients will be monitored on-site in the same fiscal year in which the risk analysis was conducted.

During the fiscal year, remote or desk monitoring will take place for all Subrecipients. Remote or desk monitoring will be conducted by evaluating various in-house materials such as: applications for funding, written agreements, reimbursement requests¹, progress reports, previous monitoring determinations and audits. This information is a part of the risk-based monitoring system that has been set-up. This will allow the City to better track program progress and provide technical assistance as needed.

The basic steps for either a formal desk review or an on-site monitoring visit include²:

Schedule Review:

The Community Development monitor will contact the agency to arrange for monitoring. Each agency will be monitored a minimum of once annually.

Notification will be made one week prior to the scheduled monitoring. This notification will list initial records to be reviewed. These records should be ready for review by the time of the monitor's arrival and available at the workspace set up for the monitor.

¹ Eligibility determination documentation on new clients are required to be attached to reimbursement request.

² Programmatic and Fiscal review steps are the same except where noted.

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Entrance Conference:

Monitors meet with agency director to answer any questions regarding the monitoring process and are introduced to appropriate staff to begin work.

Review records selected for monitoring and discuss record keeping methods with staff that maintain them. Copies of certain documents and records may be made for purposes of preparing the report. Records which will be reviewed by the monitor include but are not limited to:

- Units of service reports sent to CD for the period under review
- Daily logs, time sheets, or other documents used to derive the number of units reported.
- Any back up documents to support the tally number, such as manual worksheets.
- A list of client records will be requested after review of the unit tallies, these client records should include eligibility documentation and records of services provided.
- The agency's liability insurance policy (with the pages marked), in compliance with the required limits of liability specified in the contract/agreement/agreement, the City listed as an additional insured, and a 30-day prior notice of insurance coverage cancellation.

Records Review:

Subrecipients are required to submit reimbursement requests and reports as described in the contract/agreement. Agencies will be required to submit a monthly reimbursement request. In addition, Quarterly Reports are required and include:

- Number of Individuals/Households served (units)
- Race/Ethnicity Report
- Client Income Level
- Familial Status
- Employee Monthly Time Report (if applicable)

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Programmatic Review.

- A. The monitor will check the agency records against CD records regarding the report for the following:
- Determine if amounts in agency records reported match amounts noted in CD records.
 - Determine if the report is presented in a timely manner (by the date specified in the contract/agreement).
 - Determine if the report is completed in a satisfactory manner.
 - Determine if the quantity of units provided is comparable to the amount of allocation expended.
 - Determine if the agency is significantly behind in the provision of units.
- B. The monitor will review the documents used by the agency to derive the number of units reported to CD.
- Check system of tallies to make certain it is sound and workable.
 - Determine the method used to distinguish CD clients from clients not billed to the CD contract/agreement. Determine if this method is usable and satisfactory.
 - Determine whether the number of units reported in sample months matches the number in the backup documents.
 - Determine if units are in keeping with the contract/agreement definition.
 - If units are differentiated between types, determine that only units of the types listed in the contract/agreement are billed for CD clients.
 - Develop a list of client files to be reviewed from the sample months, listing client number, client name, date of service, number of units served and type of service.
 - Present list to staff and allow a reasonable length of time for client files to be pulled for review.

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C. The monitor will review client files for:

- Documentation of eligibility (as per CD Eligibility Documentation Guidelines, attached) that is dated within 12 months of the sample service date.
- Documentation of residence within the city limits.
- Documentation of income equal to or lower than 80% of the median income for the City of Odessa or if applicable documentation of presumed benefit clientele status on the form provided in the contract/agreement.
- Documentation of the provision of services which meet the terms of the contract/agreement
 - Determine if date of service and type of service provided which was taken from the tally log is also recorded in the client file and appears to be reasonable.
 - Review complete file for each selected client determining whether services being provided are in accordance with the contract/agreement, whether client is in contract/agreement's target population and whether there is information in the client's file which conflicts with the documentation.
 - Where applicable, determine if client notes are dated, reflect the units provided, are signed by the caseworker, complete and informative as to the client's progress

D. Throughout the course of an on-site visit the monitor will observe interactions between staff and clients and the condition of the facility.

E. The monitor will observe whether the Equal Employment Opportunity placard has been posted as required by law:

- Observe whether official placard has been posted

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- Determine if it is available for viewing by employees
- Determine if it is available for viewing by applicants for employment.

Financial Review.

- A. Property and Equipment (if applicable) – The monitor will:
- Verify invoices and payments.
 - Verify purchase of equipment is in agreement with general ledger account and financial reports.
 - Ensure that purchased equipment is allowable.
 - Verify calculation of depreciation (if applicable).
 - Make physical inspection of equipment (if applicable).
- B. Other Operating Expenses – The monitor will:
- Examine invoices and related canceled checks.
 - Review invoices for approvals and account distribution.
 - Determine if the costs are allowable.
 - Verify agency's line-item costs to amounts requested for reimbursement.
 - Verify that amounts requested for reimbursement agree with posting to general ledger.
- C. Revenue – The Monitor will:
- Prove footings of cash journals and trace posting to general ledger accounts.
 - Verify bank activity with cash receipts journal.
 - Verify check payable to cash or to bearer.
 - Compare cash receipts month end journal totals posted to general ledger account.
 - Verify amounts disbursed by City to reconcile with funds received by the agency.

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- D. Overall Accounting Review – The monitor will:
- Review the process used to record the various transactions and determine if it is effective.
 - Review the actual transactions and their supporting documentation, determining eligible reimbursement expenses. In order for an expenditure to be considered eligible for reimbursement, the following requirements must be met:
 - An expenditure must be for the current funding period.
 - Be a line item on the proposed budget
 - Have available funds for that line item
 - Be an expenditure related to CD activity
 - Review the overall agency performance to determine if it is within compliance according to the contract/agreement terms and conditions.
 - Conduct an analysis to determine if the prior year's monitoring findings have been corrected and are not being repeated.

Exit Conference:

At the end of the desk review or on-site visit the City will meet again with the key agency representatives to present preliminary results, provide an opportunity for the agency to correct misconceptions and report any corrective actions already in the works.

Monitoring Report:

Within thirty days after the completion of the monitoring visit or desk review, a written report of the results of the monitoring visit will be forwarded to the subrecipient. If the programmatic and fiscal monitoring were performed concurrently, the reports for both will be combined under a single cover letter. The monitoring report contains:

- A detailed list of the areas reviewed.
- A detailed list of findings, if any. A recommendation will accompany each finding explaining how the deficiency can be corrected.

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- A detailed list of concerns, if any. Depending on the nature of the concern, a recommendation may be included on how to eliminate the concern.
- Observations, if any, made regarding the agency's operation.
- If findings are severe, the letter accompanying the report may place a hold on further reimbursements to the Subrecipient until the findings are cleared.

Subrecipient Response.

Within 30 days after receipt of the monitoring report, the Subrecipient must submit a written response to the monitoring report. The response should include:

- A response to each individual finding and concern, if applicable.
- Copies of any documentation to back up the response to the findings (copies of corrected employee monthly time reports, etc.)

Response to Subrecipient

Upon receipt of the subrecipient's response to the monitoring report, the programmatic and fiscal monitors will review the response to determine if the findings have been satisfied. A written response to the subrecipient's response will be sent to the Agency after reviewing responses.

Those findings that have been satisfied will be noted as closed. If all findings are closed, the subrecipient's monitoring for the year under review is complete.

Findings that are not satisfied will remain open and will require further response or action on the subrecipients part. The subrecipient will be given adequate time to take any further action needed to correct the findings and respond in writing.

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If these actions are satisfactory, the findings are noted as closed and the monitoring is considered to be complete.

If these actions are **not** satisfactory, further correspondence is required until such time as all findings are closed and the monitoring is concluded. The close of the contract/agreement does not necessarily close the monitoring. Correspondence will continue until **all** findings are closed.

Any agency that has unresolved compliance issues will not be eligible to seek additional CDBG funding. Agencies who resolve their compliance issues and demonstrate an ability to meet all the federal, state and local program requirements will be eligible to seek additional CDBG funding after three (3) years.

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AUDIT REPORT

The audit report must state that the audit was made in accordance with the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", in addition to the Generally Accepted Audition Standards in "Government AI Auditing Standards". At a minimum, the single audit report should be made up of the following reports:

- The auditor's report on the financial statements of the recipient, and a set of the financial statements themselves. (General Requirements)
- The auditors report on Schedule of Federal Assistance. The federal expenditures must be shown for each federal assistance program.
- The auditor's report on the study and evaluation of internal controls systems. The report should identify significant internal accounting controls and any controls designed to provide reasonable assurance that federal programs are being managed in accordance with laws and regulations. Likewise, the report should identify the controls **not** evaluated and the material weaknesses identified as a result of the evaluations.
- The auditor's report on compliance with the laws and regulations that may have material effect on each major federal program.
- The auditor's report on compliance with certain requirements of non-major programs (if required).
- The auditor's report on the schedules of findings and questioned costs (if not presented directly in the compliance report).
- The auditor's report on fraud, mismanagement, abuse, or illegal acts (if any).

APPENDICES

COMMUNITY DEVELOPMENT DOCUMENTATION GUIDELINES

To document the eligibility of each client to receive services under your Community Development contract/agreement, an application must be completed by each client. If the client is under the age of 18, the form should be completed by the client's parent or legal guardian.

In addition to the application, actual verification on the household income must also be provided. This can include current check stubs, income tax returns, social security print outs, child support documentation, TANF documents. If the client cannot provide this information supporting forms are provided as part of the application packet so each agency can have the client sign the request form and then forward it to the appropriate agency to be completed by a representative of the agency. Some agencies choose to add information to this application to minimize paperwork. If you choose to alter the application, please make certain that none of the information we have requested in altered or deleted.

The application and supporting forms must be filled out completely and truthfully. Rather than leaving any space blank it is preferable the "none" or NA (not applicable) be noted. The client should be made to understand that they are signing a legal document, and that they are certifying the truth of the information in the whole document.

Your staff is responsible for reviewing the information to determine the client's eligibility to obtain services under the CDBG contract/agreement. You must determine the following information depending on the type of contract/agreement your agency has:

- **Standard Public Services**
 - You must determine if the client resides within the City Limits.
 - You must determine whether the client meets income guidelines, as delineated in your contract/agreement attachment "HUD Income Guidelines".

- **Limited Clientele: Presumed Benefit**
 - You must determine if the client meets the specific population characteristic under the presumed benefit eligibility terms of your contract/agreement.
 - You must determine if the client resides within the City Limits.

- **Limited Clientele: Nature and Location**
 - Forms must be completed for each client served reflecting the client's address.

Review of the client certification forms for eligibility and determining which clients may be served under your Community Development contract/agreement should be assigned to staff who have been trained in the specific requirements of your contract/agreement.

Certification forms must be on file for each client served and must be updated every 12 months. If your agency serves more than one client in a household, a single certification form may be completed for the household, but all household members must be clearly identifiable on the form.

If you encounter a unique situation wherein a client appears eligible for services, but it is not possible to obtain a certification, please contact Community Development. It may be possible to work out a method of documenting special cases if necessary.

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CDBG SUBRECIPIENT MONITORING CHECKLIST

Subrecipient:	
Project Name:	
Project Director:	
Date Desk review conducted:	
Date On-Site review conducted:	

A. National Objective and Eligibility

1. Does the project meet the Benefit to Low- and Moderate-Income Persons National Objective? (570.208)
2. Which Eligibility category does the project meet? (570.201)

B. Conformance to the Subrecipient Agreement

1. **Contract/agreement Scope of Services** – Is the full scope of services listed in the Agreement being undertaken? List any deviation.
2. **Levels of Accomplishments** – Compare actual accomplishments at the point of monitoring with planned accomplishments. Is the project achieving the expected levels of performance (number of persons served, number of units rehabbed, etc.) and reaching the intended client group? Explain any problem the subrecipient may be experiencing. Acknowledge major accomplishments.
3. **Timeliness of Performance** – Is the work being performed in a timely manner (i.e., meeting the schedule as shown in the Agreement)? Explain.
4. **Budget** – Compare actual expenditures versus planned expenditures. Note any discrepancies or possible deviations.
5. **Requests for Reimbursement** – Are requests for reimbursement being submitted in a timely manner and are they consistent with the level of work

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accomplished? Is program income properly accounted for and recorded? Explain.

6. **Quarterly Progress Reports** – Have quarterly reports been submitted on time and were they complete and accurate?
7. **Special Conditions** – Does the project conform to any special terms and conditions included in the Subrecipient Agreement? Explain.

C. Record-Keeping Systems

Records should demonstrate that each activity undertaken meets the criteria for National Objectives compliance. Such records should be found in both the grantee's project file and the subrecipient file. (570.506)

1. **Filing System** – Are the subrecipient's files orderly, comprehensive, secured for confidentiality where necessary, and up to date? Note any areas of deficiency.
2. **Documentation (activities, costs, and beneficiaries)** – Do the subrecipient records have the necessary documentation supporting the National Objective being met, eligibility, and program costs as they relate to 570.506? Do the project files support the data the subrecipient has provided for the CAPER?
3. **Record Retention** – Is there a process for determining which records need to be retained and for how long?
4. Site Visit (where applicable) – Is the information revealed by a site visit consistent with the records maintained by the subrecipient and with data previously provided to the grantee? Explain any discrepancies.
 - a. Is the project manager located on-site and running the day-to-day operations? Do the staff seem fully informed about program requirements and project expectations? Explain.
 - b. Is the project accomplishing what it was designed to do? Explain any problems.

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D. Financial Management Systems

1. **Systems for Internal Control** – Are systems in compliance with accounting policies and procedures for cash, real and personal property, equipment, and other assets? (85.20(b)(3) and 84.20(b)(3))
2. **Components of a Financial Management System** – Review the chart of accounts, journals, ledgers, reconciliation, data processing, and reporting system. Note any discrepancies.
3. **Accounting** – Compare the latest performance report, drawdown requests, bank records, payroll records, receipts/disbursements, etc. Note any discrepancies.
4. **Eligible, Allocable, and Reasonable Costs** – See OMB Circulars A-87, A-122. Pay particular attention to the time distribution records where the subrecipient has employees who work on both CDBG and non-CDBG funded activities. Note any discrepancies.
5. **Management of Program Income** – If the subrecipient generates program income, refer to 570.504 and the Subrecipient Agreement about its use. Note any discrepancies.
6. **IPA Audit Reports/Follow-up** –Determine if the subrecipient has expended \$500,000 or more in Federal funds for the subject program year. (OMB Circular A-133)

IPA Audit Required Yes___ No___ N/A___

Date Conducted_____

Any findings related to CDBG activity? Status? Explain

7. **Maintenance of Source Documentation** –Note any discrepancies in sample records, invoices, vouchers, and time records traced through the system. (85.20(b) and 84.20(b))
8. **Budget Control** – Do actual expenditures match the line-item budget? Note any discrepancies.

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E. Insurance

1. Has the subrecipient submitted a current copy of its Certificate of Insurance?
2. Is the City named as an additional insured?

F. Procurement

1. ***Procurement Procedures*** – Do the procedures the subrecipient uses for procurement of goods and services meet CDBG requirements? Review a sample number of procurements.
2. ***Conflict of Interest*** – How does the subrecipient assure there was no conflict of interest, real or apparent? Review the process and comment.

G. Equipment and Real Property

1. Has the subrecipient acquired or improved any property it owns in whole or in part with CDBG funds more than \$25,000? If yes, review for compliance with 570.503(b)(7).
2. Has the subrecipient purchased equipment with CDBG funds more than \$1,000? Does the subrecipient maintain the records required at 84.34?
3. Has a physical inventory taken place and the results reconciled with property records within the last two years?
4. If the subrecipient disposed of equipment/property that was purchased with Federal funds within the last five years:
 - a. Were proceeds from the sale reported as program income?
 - b. Did the grantee approve expenditure of program income?
 - c. Was the program income returned to the grantee?

H. Non-Discrimination and Actions to Further Fair Housing (If applicable)

1. ***Equal Employment Opportunity*** – Refer to 570.506, 601 and 602. Note any deficiencies.

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2. **Section 3** – Opportunities for Training and Employment for Local Residents – Refer to 570.506(g)(5) and 570.607(a) (affirmative action). Note any deficiencies.
3. **Fair Housing Compliance** – Refer to 570.904 and 570.601(b). Note any deficiencies.

I. Conclusion and Follow-up

1. Is the subrecipient meeting the terms of the Subrecipient Agreement and HUD regulations? Discuss both positive conclusions and any weaknesses identified.
2. Identify any follow-up measures to be taken by the grantee and/or the subrecipient because of this monitoring review.
 - a. List the required schedule for implementing corrective actions or making improvements.
 - b. List the schedule for any needed technical assistance or training and identify who will provide the training.

Project Monitor

Date

EXHIBITS

