

# **SUBRECIPIENT CDBG HANDBOOK**

**City of  
Odessa**

*Community  
Development*



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# I. COMMUNITY DEVELOPMENT BLOCK GRANT

## Summary of Regulations Governing CDBG Administration

The Community Development Block Grant (CDBG) is funded and regulated at the federal level by the U.S. Department of Housing and Urban Development (HUD) and administered locally by the City of Odessa's Community Development Department.

The key regulations that form the basic administrative requirements of the CDBG Entitlement program are summarized here to acquaint you with the various sources described throughout the remainder of this Guidebook. Regulations are developed in response to, or in fulfillment of, Federal statutes that govern the CDBG Entitlement program, both those specific to the CDBG program and those addressing other Federal laws or policies that apply to the CDBG program (e.g., National Environmental Policy Act, Americans with Disabilities Act, Davis-Bacon Act).

The basic program regulations governing management and financial systems for the CDBG program are contained in *24 CFR Part 570, Subparts J and K*.

a) **Subpart J (24 CFR 570.500–570.513)** addresses general responsibilities for grant administration, including the applicability of uniform administrative requirements, provisions of Subrecipient Agreements, program income, use of real property, record keeping and reporting, and closeout procedures.

b) **Subpart K (24 CFR 570.600–570.613)** addresses other program requirements of the CDBG program, including civil rights; labor standards; environmental standards; flood insurance; relocation; displacement; acquisition; employment and contracting opportunities; lead-based paint; use of debarred, suspended, or ineligible contractors; uniform administrative requirements and cost principles; and conflicts of interest.

In addition to the basic regulations of the CDBG program contained in 24 CFR Part 570, there are three other categories of requirements that affect the administrative systems and procedures your agency must have in place to receive support:

1. Federal regulations governing administrative and audit requirements for grants which HUD has oversight responsibilities.
2. Administrative circulars from the Office of Management and Budget (OMB) and Department of the Treasury governing cost principles, administrative systems, fiscal procedures, and audit requirements for grantees and Subrecipients.
3. Executive Orders from the Office of the President implementing various equal employment opportunity and environmental policies.

**24 CFR Part 84** “*Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations*”<sup>1</sup>: These regulations implement OMB Circular A-110 and specify standards relative to cash depositories, bonding and insurance, retention and custodial requirements for records, financial management systems, monitoring and reporting on performance, property management, and procurement.

**OMB Circular A-122** “*Cost Principles for Non-profit Organizations*”: A publication of OMB, this document establishes principles for determining costs that are allowed to be charged to Federal grants, contracts, and other agreements with non-profit organizations (except educational institutions).

**OMB Circular A-133** “*Audits of States, Local Governments and Non-profit Organizations*”: This circular defines audit requirements for both governments and non-profits receiving Federal funds. The document addresses mandated frequency and scope of audits, allowability of audit costs, and the process of auditor selection.

## Program Goals

The City’s goals for this program are in accordance with HUD’s National Objectives that seeks the development of a viable urban community through the implementation of the following goals, principally for the benefit of low-and moderate-income (LMI) persons:

**Providing decent housing** Helping homeless persons obtain appropriate housing and assisting those at risk of homelessness; preserving the affordable housing stock; increasing availability of permanent housing that is affordable to low and moderate-income persons without discrimination; and increasing the supply of supportive housing.

**Providing a suitable living environment** entails improving the safety and livability of neighborhoods; increasing access to quality facilities and services; and reducing the isolation of income groups within an area through de-concentration of low-income housing opportunities.

**Expanding economic opportunities** involves creating jobs that are accessible to low and moderate-income persons; making mortgage financing available for low and moderate-income persons at reasonable rates; providing access to credit for development activities that promote long-term economic and social viability of the community; and empowering low-income persons to achieve self-sufficiency to reduce generational poverty in federally assisted and public housing.

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<sup>1</sup> Not all the requirements of 24 CFR Parts 84 and 85 are applicable to CDBG subrecipients; 24 CFR 570.502(a) and (b) specify the sections and paragraphs of the Common Rule that apply to CDBG recipients and subrecipients.

Each year, the City of Odessa invites applications from qualified entities to apply for funding. The primary objective is to fund projects and activities that are consistent with locally developed CDBG Program Priorities and address the Consolidated Plan objectives.

The City, as approved by HUD, provides CDBG funds for **Public Services or Non-Public Service (Infrastructure, Acquisition, Demolition, Economic Development, etc.)**.

Our Public Service Partners and Subrecipients use these funds to provide services to low and moderate-income clients. HUD regulations place a 15% cap on the amount The City of Odessa may allocate towards Public Service programs. This means the City, as an entitlement agency, can only allocate that portion each year towards public services. All public services must be provided to low or moderate-income residents within the City of Odessa.

## 2 HUD NATIONAL OBJECTIVES

### National Objectives

The primary emphasis of the CDBG grant program is to ensure that each activity meets and complies with one of HUD's three broad national objectives that are:

1. Benefit to low-and moderate-income households and/or persons
2. Prevention and/or elimination of slum and blight
3. Addressing an urgent need

### I. Benefit to low and moderate-income households

#### A. Low and Moderate-Income Households and/or Individuals (LMI)

This national objective stipulates that Subrecipients' clients who benefit from CDBG funds must have low –moderate incomes as defined by HUD . In order to meet this benefit test, each Subrecipient must adhere to the following:

1. Every Subrecipient must serve persons of low-moderate income. Low-moderate income is defined as a household that does not exceed 80 percent of HUD Income Limits. HUD updates these limits on an annual basis. It is the responsibility of the Subrecipient to adhere to all new guidelines from the date they receive them. To receive the most up to date income guidelines, go to the Community Development website/CDBG Subrecipiet Resources.
2. Regardless of other income limits, requirements, guidelines and regulations that may govern a Subrecipient's activities, for the purpose of the City of Odessa' CDBG program, all Subrecipients must ensure that the income of the clients they serve does not exceed HUD's Annual Income Limits.

#### B. Low and Moderate-Income Limited Clientele Activity (LMC)

A limited clientele activity is an activity that benefits a specific group of people, rather than all the residents in a particular area. The limited clientele activities addressed in this section must benefit at least 51% low and moderate-income individuals. However, housing activities and activities designed to create or retain jobs may not qualify under this category.

**To qualify under this category, the activity must either:**

1. Benefit a clientele who are generally presumed to be principally low and moderate-income (L/M) individuals. The following groups are currently presumed by HUD to meet this

criterion: abused children, battered spouses, elderly, disabled, homeless persons, illiterate individuals, and migrant farm workers.

2. Require information on family size and income so that it is evident that at least 51% of the clientele are individuals whose family income does not exceed the L/M limit;
3. Have income eligibility requirements that limit the activity exclusively to low and moderate-income individuals; or
4. Be of such nature and location that it is obvious the clientele benefiting from the activity will be low and moderate-income individuals.

### **Example of Limited Clientele Services**

The CDBG subsidized services must be limited to individuals with low and moderate-income, or who are considered presumed eligible such as: battered spouses, abused children, elderly, disabled, homeless, or illiterate individuals, and migrant farm workers. This means that only families or individuals who qualify by income may receive CDBG subsidized services. Agencies may offer a sliding scale fee to the general population. The same principal would apply to a childcare center or any other fee based service. A clinic providing CDBG subsidized health services that are available to all individuals in a neighborhood would not qualify as a limited clientele activity.

### **C. Low to Moderate-Income Area Benefit (LMA)**

The area benefit category is the most commonly used national objective for activities that benefit a residential neighborhood. An area benefit activity is one that benefits all residents in a particular area, where at least 51 percent of the residents are LMI persons.

Examples of area benefit activities may include the following when they are located in a predominately LMI neighborhood:

1. Acquisition of land to be used as a neighborhood park;
2. Construction of a health clinic;
3. Improvements to public infrastructure like the installation of gutters and sidewalks; and
4. Development of a community center.

The activities listed above benefit all LMI residents in a service area and thus are the type of activities that may qualify under the LMI area benefit category for the purposes of meeting a national objective.

The factors that should be considered in making a determination regarding the service area include:

1. **The nature of the activity:** In general, the size and the equipment associated with the activity should be taken into consideration. A small park with a limited number of slides and benches would not be expected to serve a large neighborhood. In the same way, a larger park that can accommodate a considerable number of people would not be expected to serve just the immediately adjacent properties.
2. **The location of the activity:** In general, the immediate area surrounding a facility or improvement is expected to be included in the service area. Additionally, when a facility is located near the boundary of a particular neighborhood, its service area could likely include portions of the adjacent neighborhood as well as the one in which it is located.
3. **Accessibility issues:** Geographic barriers can separate and preclude persons residing in a nearby area from taking advantage of a facility or improvement. Other limits to accessibility can include access fees, language barriers, time or duration that an activity is available, access to transportation and parking, etc.
4. **The availability of comparable activities:** Comparable activities within the service area should be taken into account so that the service area does not overlap with the service area of another comparable activity.
5. **Boundaries for facilities and public services:** The service area for some public facilities and services are determined based on specified and established boundaries or districts. Examples of such services and facilities are Census Tracts and Census Blocks.

An area is considered to meet the test of being LMI if there is a sufficiently large percentage (51 percent) of LMI persons residing in the service area.

Finally, the service area of the activity must be primarily residential and the activity must meet the identified needs of LMI persons. This requirement does not apply to the location of the activity itself but rather the service area of the activity. As such it does not mean that activities located in commercial districts cannot be qualified under the LMI area benefit category on the virtue of their geography.

The primarily residential test is applied to the service area of the activity. For example, activities that support the infrastructure of a commercial district composed of institutions and firms that serve a national and international clientele will not qualify under LMI area benefit.

However, if the commercial district is composed of stores and businesses that serve local customers such that the service area boundaries of the commercial district is around a primarily residential area with the requisite percentage of LMI residents, the activity qualifies under the LMI area benefit category.

There are activities and facilities that are located in a service area but are designed to meet special needs. These activities cannot be qualified under this category. For example, a

senior center would qualify under the LMI limited clientele category and not the LMI area benefit category.

## **II. Prevention and/or Elimination of Slum and Blight**

The focus of activities under this national objective is a change in the physical environment of a deteriorating area. This contrasts with the LMI benefit national objective where the goal is to ensure that funded activities benefit LMI persons.

This difference in focus has an impact on the information that is required to assess the qualifications of an activity. Under the LMI benefit national objective, determining the number of LMI persons that actually or could potentially benefit from an activity is central to qualifying the activity. Under the elimination of slums and blight national objective, determining the extent of and physical conditions that contribute to blight is central to qualifying an activity.

Three categories qualify activities under this national objective:

1. Prevent or eliminate slums and blight on an area basis;
2. Prevent or eliminate slum and blight on a spot basis; or
3. Be in an urban renewal area.

## **III. Addressing Other Community Development Needs Having a Particular Urgency**

Use of the urgent need national objective category is rare. It is only for activities that alleviate emergency conditions. Examples include:

Acquisition of property located in a flood plain severely damaged by recent flooding;

Public facility improvements like the reconstruction of a publicly owned hospital severely damaged by a tornado;

1. Demolition of structures that are severely damaged by a major earthquake;
2. Public services like additional police protection to prevent looting in an area damaged by a recent hurricane;
3. Interim assistance such as emergency treatment of health problems caused by a flood; and special economic development assistance to a grocery store damaged by an earthquake.

Urgent need qualified activities must meet the following criteria:

1. The existing conditions must pose a serious and immediate threat to the health or welfare of the community;

2. The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
3. The grantee is unable to finance the activity on its own; and
4. Other sources of funding are **not** available.

## 3 ADMINISTRATIVE & REPORTING

### Written Agreement

A written agreement is required between your organization and the City of Odessa. The written agreement forms the basis for the contractual obligation between the parties to fund and implement the CDBG activity or program. The agreement will denote responsibilities attributable to each party, and shall outline in exact measure the scope of services provided, methods of accountability, and a schedule for payment. Execution of the agreement binds your organization for a specified period and revised only upon written authorization from the City.

### Post-Award Responsibilities

Upon execution of the agreement, you shall:

1. Immediately report all changes in your articles of incorporation, bylaws, or tax-exempt status to the City.
2. Ensure no member of the Board of Directors is a paid employee, agent or subcontractor.
3. Continue to include representation on the Board of Directors, the broadest possible cross-section of the community, including those with expertise and interest in the provided services, representatives from community organizations interested in the services, and users of the services.
4. Ensure all meetings of the Board of Directors are open to the public, except meetings, or portions thereof, dealing with personnel or litigation matters.

### Record Keeping and Reporting

Maintenance of adequate documentation for CDBG funded activities is critical to the effectiveness and overall performance of your program. Adequate documentation includes knowing: (1) What information needs to be collected and why, (2) When that information should be collected (and how often), (3) How the information should be acquired, organized, and stored, (4) How the information should be reported, and (5) The required retention period for records.

#### Record Keeping and Reporting Standard

The **general CDBG standard for record keeping** is that records must be *accurate, complete and orderly*.

Your organization is required to establish and maintain at least three major categories of records:

1. **Administrative records:** Files and records that apply to the overall administration of your CDBG activities. They include the following:
  - a. Personnel files.
  - b. Property management files.
  - c. General program files: files relating your application to the City of Odessa, your Agreement, program policies and guidelines, correspondence with the City and reports, etc.
  - d. Legal files: articles of incorporation, bylaws of the organization, tax status, board minutes, contracts and other agreements.
2. **Financial records:** These include the chart of accounts, a manual on accounting procedures, accounting journals and ledgers, source documentation (purchase orders, invoices, canceled checks, etc.), procurement files, bank account records, financial reports, audit files, etc.
3. **Project case files:** These files document the activities undertaken with respect to specific individual beneficiaries, property owners, and/or properties.

## File Organization and Maintenance

You should structure your project/case files and other records to comply with the general requirements specified in the preceding section and to facilitate preparation of progress and other reports, including all submissions necessary for the City's input into the Integrated Disbursement and Information System (IDIS) and its Consolidated Annual Performance and Evaluation Report (CAPER).

You must also devote attention to implementing an efficient method for compiling **cumulative data** on your activities **for inclusion in periodic reports** required by the City of Odessa. You should develop **logs for recording and totaling programmatic data** (by type of activity, for units of service, numbers of beneficiaries, etc.) as cases are initiated and as they progress to avoid searching through all of its individual case files to obtain aggregate statistics every time a progress report is due.

## Retention of Records

(570.502(a)(7)(ii))

To avoid monitoring findings and facilitate audit reviews, you are required to retain records for extended periods, even though an activity may be completed for some time.

In general, **records are to be retained for three (3) years** from the date of submission, in December, of the City’s CAPER in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues that arise from it or the end of the regular 3-year period, whichever is longer.

### **Access to Records**

Representatives of the City, HUD, the Comptroller General of the United States, or of other authorized governmental agencies have the right of access to any of your pertinent records to make audits, examinations, excerpts, and transcripts.

Consistent with applicable state and local laws regarding privacy and obligations of confidentiality, you also must provide citizens with reasonable access to records on the past use of CDBG funds.

### **Income Eligibility Guidelines**

**All persons assisted with CDBG funds must meet HUD’s guidelines for low-to-moderate income<sup>2</sup> unless clients have “Presumed Benefit” status.**

In order to document eligibility, 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. If you feel that you have special circumstances that would make reimbursement impractical for you, please discuss the situation with us.

Unless your clients are presumed, by HUD definition, to be low-income, actual verification of the household income must also be provided. You will need to obtain some form of documentation concerning the income of all persons over 18 and living in the home. A statement that the client is eligible for the school lunch program is not sufficient, in the event that income source documentation cannot be obtained.

**Presumed Benefit:** Programs whose specific clients who are abused children, battered spouses, elderly persons (age 62 and up), severely disabled persons, homeless persons, persons with AIDS, illiterate persons, or migrant farm workers are presumed by HUD to be low-income. If you provide service only to persons in these categories, you do not need to maintain income records, however all beneficial characteristics must be documented.

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<sup>2</sup> The most current income guidelines chart was provided to you during orientation and available on either the HUD or the Community Development website.

Documentation of income must be obtained for each client prior to providing services from CDBG. A recent pay stub, showing year-to-date income (including overtime), is an acceptable means to do this. Using the pay stub, you can then project their income forward for 12 months to determine annual income for purpose of the grant.

If they were paid in cash, and no other documentation can be produced, the client must sign a form, under penalty of perjury, stating their income. 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 entire document.

## **General File Management**

The federal government requires that all Subrecipients keep records for all CDBG beneficiaries. If the expenditures incurred with federal funds are not adequately documented, you will be required to refund to the City of Odessa an amount of money equal to all undocumented expenditures. To help you keep good records, the following information is provided.

### **General Required File Documentation**

- Application for funding submitted to the City of Odessa ;
- Grant agreement;
- Correspondence with the City of Odessa;
- Documentation of expenditures;
- Records demonstrating that each activity undertaken meets the National Objectives of the CDBG program of benefiting low/moderate income persons;
- Current audit; and
- Current Insurance

### **Beneficiary File Requirements:**

- File for each person or family receiving assistance;
- Documentation of eligibility using the City of Odessa designated from;
- Eligibility Certification Form, or
- Eligibility Certification Form- No proof of income;
- Complete documentation of assistance provided; and
- Full description of activity undertaken.

### **Construction Specific**

For construction projects, your files should contain the following additional information:

- Bid Documents including Documentation of contractor solicitation and selection;
- HUD Wage Determination;

- Weekly HUD payroll sheets;
- Payroll Deduction Authorizations;
- Employee Field Interviews;
- Progress and final inspections including documentation of the Subrecipient’s periodic on-site inspections and final inspection;
- Approved change orders;
- All correspondence related to construction;
- Records of disbursements made for complete and approved work. This documentation should ensure that data in the project file agrees with financial records.

## Reporting Requirements

HUD requires the City to report regarding the use of HUD funds. Therefore, you are required to submit information quarterly and annually stating progress towards the use of CDBG funds.

The City’ reporting requirements for CDBG funding are (See Exhibits):

1. Quarterly Report;
2. Subrecipient Annual Performance and Evaluation Report ; and
3. “As Required” reporting.

### Quarterly Reporting

The Quarterly CDBG Report form must be submitted within ten (10) workdays of the end of each reporting quarter.

### Subrecipient Annual Performance & Evaluation Report

No fourth quarter reports are required. Instead, your agency must submit a Subrecipient Annual Performance and Evaluation Reports (SAPER) that covers the entire program year.

This report summarizes the activity and financial accomplishments for the program year to include reporting on leveraging of funds/other sources of income.

Reported information will be used to prepare the City’s Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.

### As Required Reporting

- I. Inventory List (See Exhibits)

An inventory list with proof of purchase will be provided to Community Development thirty (30) days after property, equipment, and supplies have been purchased. This

inventory list must be updated within thirty (30) days of the purchase of any additional property, equipment, or supplies.

## 2. Salary Reimbursement

If salaries are funded, you must complete the Salary Reimbursement form and submit copies of all cancelled checks and all time sheets. Time sheets must be signed by employee and supervisor. Attach this form and all supporting documentation and submit with the Request for Reimbursement Form.

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## 4 FINANCIAL MANAGEMENT

The requirements for financial management systems and reporting are found in **24 CFR Part 84.21-28 as amended by 570.502**. The purpose of these requirements is to ensure that a Subrecipient receiving Federal funds has a financial management system sufficient to:

1. Provide effective control over and accountability for all funds, property, and other assets.
2. Identify the source and application of funds for Federally sponsored activities, including verification of the “reasonableness, allowability, and allocability” of costs and verification that the funds have not been used in violation of any of the restrictions or prohibitions that apply to this Federal assistance.
3. Permit the accurate, complete, and timely disclosure of financial results in accordance with reporting requirements of the City of Odessa or HUD.
4. Minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the Subrecipient.

### Internal Controls

**(24 CFR 85.20(b)(3) and 84.21(a)(3))**

The soundness of any organization’s financial management structure is determined by its system of internal controls. “Internal controls” consist of a combination of procedures, specified job responsibilities, qualified personnel, and records that together create accountability in an organization’s financial system and safeguard its cash, property, and other assets. Through your agency’s system of internal controls, management can ensure that:

- Resources are used for authorized purposes and in a manner consistent with applicable laws, regulations, and policies.

- These resources are protected against waste, mismanagement, or loss.
- Reliable information on the source, amount, and use of resources are secured, up-to-date, and recorded.

Accordingly, some of the basic elements that you should consider in developing a system of internal control include:

1. An **organizational chart** setting forth the actual lines of responsibility of individuals involved in approving or recording financial transactions.
2. **Written definition of the duties** of key employees.
3. **A formal system of authorization and supervision** sufficient to provide accounting control over assets, liabilities, receipts, and expenditures. This should include:
  - a. Maintenance of a policy manual specifying approval authority for financial transactions and guidelines for controlling expenditures.
  - b. Written procedures for the recording of transactions as well as an accounting manual and a chart of accounts (see Accounting Records, in the following section).
  - c. The system of authorizations should provide a way for management to ensure supervisory approval of transactions and documentation of these transactions for accounting purposes. A system of authorizations can be general, as in a procedures manual that explains how accounting functions are to be performed, or very specific, as in identifying who has the authority to sign a contract on behalf of the organization or to sell a piece of equipment.
4. Adequate **separation of duties**, so no one individual has authority over an entire financial transaction. Separation of duties specifically involves the separation of three types of functional responsibilities: (a) authorization to execute a transaction, (b) recording of the transaction, and (c) custody of the assets involved in the transaction. No one person should have control of more than one of these functional responsibilities.
5. Hiring policies to ensure that **staff qualifications** are commensurate with job responsibilities.
6. **Control over access to assets, blank forms, and confidential documents.** Physical access to records, blank forms, cash, and other assets should be limited to authorized personnel only. For example, access to accounting records should be limited to only those individuals having record-keeping or supervisory responsibility for them.
7. Periodic **comparisons of financial records to actual assets and liabilities (reconciliation)**, with corrective action taken in response to any discrepancies. As with separation of duties, this is a crucial exercise to uncover and correct inadvertent record-keeping errors in a timely manner. It is also essential for identifying potential weaknesses in an organization's system for safeguarding resources as well as possible instances of fraud or misuse of assets.

## Accounting Records

Your agency is required to have accounting records that adequately identify the source and application of CDBG funds provided to them. To meet this requirement, your accounting system should include at least the following elements:

1. **A chart of accounts.** This is a list of names and the numbering system for the individual accounts that contains the basic information about particular classifications of financial transactions for the organization. Accounts are created and, in turn, used to summarize the financial transaction data, according to some common characteristics. For example, a typical chart of accounts might have separate account categories for describing assets (cash in a checking account, accounts receivable, prepaid insurance, etc.); liabilities (loans, accounts payable, obligated funds, etc.); revenue (drawdowns from CDBG awards, cash contributions, proceeds from sales, other program income, etc.); and expenses (rent, wages, heat, telephone, etc.).
2. **A cash receipts journal.** This journal documents chronologically when funds were received, in what amounts, and from what sources.
3. **A cash disbursements journal.** This journal documents, chronologically, the expenditures of the organization (e.g., when the expense was incurred, how much was spent, to whom funds were paid, and for what purpose).
4. **A payroll journal.** This journal documents the organization's expenses on salaries and benefits and distinguishes different categories for regulatory purposes.
5. **A general ledger.** After a transaction is entered in a journal, that information also should be transferred to the proper accounts contained in the general ledger. The general ledger summarizes, chronologically, the activity and financial status of all the accounts of an organization. The process of transferring transaction information from a journal to a ledger is known as "posting." The entries in the journal and ledger should be cross-indexed to permit the tracing of any recorded transaction (i.e., an "audit trail").

Records must contain reliable and up-to-date information. The information should at least include:

1. Federal grants received by the agency.
2. Current authorizations and obligations of CDBG funds.
3. Unobligated balances (funds remaining available for distribution).
4. Assets and liabilities.
5. Program Income (if any).
6. Actual outlays or expenditures, with a breakdown of:
  - a. the grant program the funds were derived from and

- b. The “eligible activity” classifications specified in 24 CFR 570.201–570.206 (housing rehabilitation, economic development, public facilities, public services, etc.) or similar classifications which clearly indicate use of program funds for eligible activities

**Maintenance of Records** : The internal control requirements provide for the **separation of duties** and the **secure storage** of accounting records in limited access areas. In maintaining these accounting records, you should also ensure that:

- a. Journal entries are properly approved and explained/supported.
- b. Posting and trial balances are performed regularly.
- c. Fidelity bond coverage for responsible officials of the organization.

## Allowable Costs

All costs incurred as a part of CDBG financed activities must adhere to the following:

The expenditure must be necessary, reasonable, and directly related to the grant;

- a. Authorized by the City of Odessa through via the budget that approved in the contractual agreement between the City and your organization; and
- b. Expenditure cannot be prohibited under OMB circulars A-87 and A-122, as applicable to your organization.

## Financial Reporting

Your agency's financial reporting must be accurate, timely, and current and represent complete disclosure of financial activity and status of CDBG grants. Your agency must have the capacity to provide at least the following:

1. Amount budgeted;
2. Reimbursements received to date;
3. Program income and other miscellaneous receipts in the current period and year-to date; and
4. Actual expenditures/disbursements in the current period and cumulatively to-date for both program income and regular CDBG grant funds.
5. Current encumbrances/obligations in addition to disbursements.
6. Unpaid requests for payment previously submitted at time of latest drawdown.

In addition, your accounting and record-keeping system must be able to support the data included in (a) reimbursement requests, (b) its other financial and progress reports, and (c) the City's Consolidated Annual Performance and Evaluation Report (CAPER) submitted to HUD.

## 5 PROCUREMENT & CONTRACTING

### Procedures and Requirements

#### Equipment Procurement

##### Equipment v. Supplies

Equipment is defined as tangible property costing more than \$500 and having a useful life of more than one year. The purchase of equipment is generally ineligible, because equipment can be rented at a lesser cost for a short period.

Items which cost less than \$500 and which have a useful life of less than one year are considered to be supplies and are to be purchased under the General Non-Personnel Costs (Supplies) cost category, except for computer equipment, which must be inventoried and accounted for.

##### Limitation on Purchase of Equipment

Under HUD regulations, the purchase of equipment, fixtures, or furnishings that are not an integral structural fixture is ineligible except when necessary for use by the City or your agency in the administration of the overall City CDBG grant or as part of the administration of a public service program.

##### Equipment Purchase Approval Requirements

All purchases of equipment require prior City approval. Requests to purchase equipment are to be submitted to the City 45 days prior to the purchase order date. The request is to include the cost of the item, where it will be purchased, a detailed explanation of why it should be bought rather than leased or rented, and where the funds for the purchase will come from. If City CDBG funds will only be paying a portion of the purchase, list other funding sources and the respective amounts. The City will review the request and issue a decision.

##### Reversion to City

Under HUD regulations, the City has the option to obtain the equipment from the program when funding stops for the program. The review of the type of equipment to be purchased will include mention of its possible usefulness to the City. The City may also permit the Subrecipient to retain the equipment at the time the funding ends. All other equipment purchased pursuant to this agreement and not consumed shall become property of the City, unless a waiver has been granted.

## Procurement Definitions

**Price and Cost Analysis:** A price or cost analysis must be made in connection with every procurement action. Price analysis involves comparing the bottom line price quoted, with typical prices paid for the same or similar materials or services (does not apply to sole source contracts). Cost analysis means you obtain the best price with the best service.

**Purchases:** shall mean the purchase of all goods and services except for the following: construction contracts, professional services contracts, insurance contracts and depository contracts.

**Sole Source:** Procurement by noncompetitive process is solicitation from only one source. This process is rare and is acceptable only after solicitation of a number of sources is determined inadequate. Extensive documentation and justification is required to establish the audit trail.

Your agency may make the determination that competition is not feasible if one of the following circumstances exists:

1. The item is unique and available only from a single source.
2. There is a public urgency or emergency that exists that will not permit a delay resulting from a competitive solicitation.

## General Purchasing

Purchases may be made with the use of CDBG funds. The purchase must be:

1. Required for the success of the program which you have been funded;
2. An allowable cost as determined within the contractual agreement between the City of Odessa and your agency; and
3. All purchases must be accompanied by proper source documentation;
  - a. an invoice, and/or sales receipt and
  - b. copies of checks or charge slips to verify that your agency paid for the items at hand.

It is imperative that your agency keep a log of purchases charged to the grant. Below are specific purchase cost requirements.<sup>3</sup>

### **Single Quotation: Purchases less than \$ 500:**

1. Obtain at least one quote, by either fax, telephone or electronic mail. It is encouraged that several quotes are obtained to ensure the best price for any item that is obtained.

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<sup>3</sup> City of Odessa Administrative Procedure (95-01A) *Selecting Vendors for bid solicitation, inclusion on the approved vendor list, and making award.*

2. Ensure vendor information is listed on the requisition, including name, address, and telephone number, fax number, and taxpayer identification number.
3. Ensure that price quotes include all charges including any shipping, handling and/or inside delivery charges.

**Informal Quotes: Purchases between \$ 500 - \$ 14,999:**

1. Obtain a minimum of three (3) vendor quotes, either by fax, telephone or electronic mail.
2. Ensure vendor information is listed on the requisition, including name, address, and telephone number, fax number, and taxpayer identification number. These quotes should be retained in the project file.
3. Ensure that price quotes include all charges including any shipping, handling and/or inside delivery charges.
4. If you are unable to obtain three quotes, a list of the vendors contacted should be placed in the file, noting those vendors who did and did not submit quotes.
5. If there is only one vendor who makes the item to be purchased, this should be noted in the file with an explanation of how such determination was made.

**Purchases more than \$ 15,000:**

1. The Community Development Department must be contacted for assistance prior to starting the bid process.
2. Sealed bids are required.
3. Provide detailed specifications, terms, conditions and attachments.
  - Prepare the solicitation and forward it vial mail, email for facsimile to three (3) to five (5) vendors, and will publish the solicitation in the local newspaper for two (2) consecutive weeks (one day per week with the first notice being published fourteen (14) days prior to the date the bids are publicly opened and read aloud.
4. Bids will be opened and tabulated by the sub-recipient at a designated time. The results documented, specifying the lowest responsible and responsive bidder.
5. Review the bid responses and recommends award to the appropriate bidder.
6. If an “equal” product is not acceptable, a written justification must be provided and signed by your agency, stating why additional brands are not acceptable.

**Code of Conduct**

Your agency shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal Funds if a real or apparent conflict of interest would be involved. Such a conflict would

arise when the employee, officer, or agent, any immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. However, recipients' may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

### **Conflict of Interest**

The general rule is that no employee, board member, officer, agent or consultant of your agency who have responsibilities with respect to the CDBG activities, participate in decision making process or have access to inside information with regard to the activities can obtain a personal or financial interest or benefit from a CDBG assisted activity during their tenure or for one year thereafter.

Your agency should maintain a written code of standards of conduct governing the purchase of materials, product, supplies, services and awarding/administering contracts. Personnel involved in the procurement process must be trained to recognize situations that create real, or the appearance of a conflict of interest. Your agency personnel should:

1. Be familiar with your agency's code of ethics and potential conflict of interest issues.
2. Not take gifts or gratuities from persons or organizations associated with the procurement process.
3. Assure the proposal evaluators or member of their immediate families do not have financial interest in the companies.

## 6 INSURANCE & PROPERTY MANAGEMENT

### Insurance and Indemnification

Your agency must procure and maintain insurance for the duration of the contractual agreement between the City of Odessa and your agency. Insurance against claims for injuries to persons or damages to property which may arise from or in connection with the services performed or to be performed, its agents, representatives, employees, volunteers, officers, director, or subcontractors. Each agency must provide adequate proof of insurance prior to signature of the contract for funding.

**All insurance requirements are stated in detail in your contract with the City.**

### Property Management

When CDBG funds are used to acquire real property (e.g., land, buildings) or personal property (e.g., equipment, supplies, intangible property), federal regulations make your agency responsible for ensuring that:

1. the property continues to be used for its intended (and approved) purpose;
2. that the agency keeps track of it and takes care of the property, and
3. if your agency sells the property, your agency must reimburse the City of Odessa for the share of the property's value according to the contractual obligation.

#### **For all equipment (e.g., computers, furniture, hardware).**

1. Property records must be maintained that include a description of the equipment, a serial number or other identification number, the source of the equipment, who holds title, the acquisition date, the cost, the percentage of federal participation in the cost of the equipment, the date of disposal, and the sale price when the agency disposes of it.
2. A physical inventory of the equipment must be taken and the results reconciled with the property records at least every two years.
3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft shall be investigated.
4. Adequate maintenance procedures must be developed to keep the property in good condition.
5. If the property is sold, proper sales procedures must be established to ensure the highest possible return. Items with a current per-unit fair market value of less than \$5,000 may be retained, sold, or disposed of with no further obligation to the City of Odessa. Items with a

current fair market value exceeding \$5,000 may be retained or sold, and the City of Odessa shall have a right to receive a prorata share of the proceeds based on the share of the purchase price which was paid from grant funds.

6. Real property sales require reimbursement to the City if the affordability and/or national objective compliance period is not met.

## 8 SUBRECIPIENT REIMBURSEMENTS

City Community Development staff will review each request for reimbursement submitted by your agency. Questionable or ineligible expenses will be identified and will request clarifications, corrections, or additional needed information.

If any source document for an expense cannot be provided, the amount will be deducted from the reimbursement.

### Requests for Reimbursement

The City of Odessa will reimburse funds based upon information submitted by your agency. Any expenditures occurring after the effective date of the contractual agreement and release of funds by the City of Odessa are eligible for reimbursement. Expenditures must be consistent with the approved budget as stated in the agreement between the City of Odessa and your agency. Only eligible expenses will be reimbursed. Payments will be adjusted by the City in accordance with program income balances available in Subrecipient accounts, if applicable.

In order to ensure accurate billing and fund management, your agency should keep track of the following information for activities funded:

1. Funds budgeted.
2. Funds received from the City of Odessa
3. Reimbursements to-date.
4. Funds obligated in the most recent period and to-date.
5. Funds expended in the most recent period and to-date,
6. Cash on hand (including program income identified as such), if applicable.

Your agency must follow the City of Odessa's reimbursement procedures (see below) using the **Request for Reimbursement Form**<sup>4</sup> to ensure timely reimbursements. All request for final reimbursements must be submitted to the Community Development Department within 15 days after the last date of the contract.

### Reimbursement Procedure

To request reimbursement:

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<sup>4</sup> Request for Reimbursement Form is in Exhibits to the Guidebook.

1. The Reimbursement Request Form must be completed and signed by either the Executive Director or another authorized personnel.
2. Invoices/receipts for all expenditures to be reimbursed.
3. Payment receipts, copies of checks, and/or all documentation proving that payment has been made prior to requesting reimbursement.
4. For salary reimbursement, the **Time Sheet Form** must include total time worked and a breakdown of funding sources covering the salary and benefits associated.

The City of Odessa will not provide reimbursements if quarterly reports have not been submitted within the time limits stated in this Guidebook or contractual agreement between the City of Odessa and your agency.

## Spending Requirements

CDBG funds must be spent in a timely manner. Unless Community Development has approved an alternative spending plan in writing, funds must be expended in the following manner:

1. All funds must be expended by September 30 of the program year.
2. Unspent funds cannot be carried forward and are forfeited without an approved contract extension from the City of Odessa. Your request and justification for an extension to your contract must be submitted to the Community Development Director no later than September 1.

## 9. SUBRECIPIENT AGREEMENT MODIFICATIONS & EXTENSIONS

### Agreement Modifications

Contract amendment may occur at any time, provided (1) the amendment makes specific reference to the original contractual agreement between the City of Odessa and your agency and (2) are executed in writing, signed by authorized representative of both organizations.

The City of Odessa may amend contracts to conform with Federal, State or local guidelines, policies, and available funding amounts, or for other reasons. If such amendments result in a change in the funding or the scope of services, such modifications will be incorporated only by written amendment and will not become effective until signed by both, City of Odessa and your agency.

Any request for transfer of funds among the contract budget categories will require written approval from the City of Odessa before the transfer can be effective. Your agency may make transfer of CDBG funds between or among budget categories as listed in the Budget attached to the contract, without requiring a formal amendment to the contract provided.

The cumulative dollar amount of all transfers among budget categories is equal to or less than twenty percent (20%) of the total amount of the budget and:

1. The transfer will not change the scope of the project funded under this contract; and
2. Your agency submits to City of Odessa, a written statement specifying reason for transfer request; and
3. Amount of funds to be transferred and identification of effected budget categories.

All other transfer of funds will require a formal amendment.

### Agreement Extensions

All projects/activities must be completed and funds expended by September 30 of the program year.

Unspent funds cannot be carried forward and are forfeited without an approved extension from the City of Odessa.

Requests and justification for a time extension to your contract must be submitted to the Community Development Director no later than September 1.

As a minimum, the request for contract extension must include the following elements:

1. amount allocated;
2. amount reimbursed;
3. amount remaining;
4. reason/justification for request; and
5. amount of extension time requested to fully expend the remaining funds.

## 10. SUBRECIPIENT MONITORING

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 contract terms, and conditions and policies of the City of Odessa Community Development Department.

### Subrecipient Monitoring Regulatory Requirement

- **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...”
- **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.”

Monitoring performed by Community Development Department staff is different from an annual audit. Monitoring is not an audit of your agency, but rather is focused on the “program” that is CDBG funded.

### Monitoring Process

City Community Development staff will conduct an on-going monitoring process in order to review the programmatic and financial aspects of your agency’s activities. Community Development staff will review quarterly reports and reimbursement requests submitted by your agency for compliance with federal regulations regarding the use of federal funds and the implementation of the program.

The monitoring process is oriented towards resolving problems, offering technical assistance, and promoting timely implementation of programs. To this end, Community Development staff may

require corrective actions. Following are examples of significant findings that will trigger corrective action by your agency:

1. Services are not documented;
2. Goals are not being met;
3. Program files not in order;
4. Complaints by clients;
5. Required reports not complete, accurate, or submitted in a timely manner,
6. Funding not spent correctly.

Program and fiscal on-site monitoring may or may not be scheduled concurrently. In some cases, it may be necessary to perform a follow up monitoring visit.

## 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 determine if a Subrecipient is carrying out its activities in a timely manner, in accordance with the schedule included in the Agreement.
3. To determine if a Subrecipient is charging costs to the project that are eligible under applicable laws and CDBG regulations, and reasonable in light of the services or products delivered.
4. To determine if a 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.
5. 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.
6. To identify potential problem areas and to assist the Subrecipient in complying with applicable laws and regulations.
7. To assist Subrecipients in resolving compliance problems through discussion, negotiation, and the provision of technical assistance and training.
8. To provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected by Subrecipients, and not repeated.
9. To determine if any conflicts of interest exist in the operation of the CDBG program, per 24 CFR 570.611.
10. To ensure required records are maintained to demonstrate compliance with applicable regulations.

## Monitoring Reviews

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 may 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 requests, 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 five basic steps to an onsite monitoring visit include:

1. **Notification Call or Letter** -Explains the purpose of the visit, confirms date, scope of monitoring and outlines the information that will be needed to conduct the review.
2. **Entrance Conference** - Introduces monitoring visit purpose, scope and schedule.
3. **Documentation and Data Gathering** - The City will review and collect data and document conversations held with staff, which will serve as the basis for conclusions drawn from the visit. This includes reviewing client files, financial records, and agency procedures.
4. **Exit Conference** - At the end of the 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.
5. **Follow-Up Letter** - The City will forward a formal written notification of the results of the monitoring visit pointing out problem areas and recognizing successes. The agency will be required to respond in writing to any problems or concerns noted.

## Quarterly Programmatic & Financial Monitoring

Your agency must submit the following:

1. Activity progress report (Quarterly Report), detailing the implementation and administration of the activity.
2. Reimbursement request detailing the funds expended in the previous month. Subrecipients will submit both the reimbursement request and the backup documentation together.

Quarterly desk reviews will consist of:

1. Subrecipient Quarterly progress reports;
2. Subrecipient drawdown (reimbursement) requests; and
3. Subrecipient communication records.

## On-Site Monitoring:

Based on monitoring results and other criteria, City Community Development staff may hold discussions with Subrecipients whose performance does not appear to be sufficient to meet the goals and achievements as outlined in the agreement. An on-site visit may occur to discuss the service activity shortfall. On-site monitoring visits may be conducted in order to ascertain that eligible clients for whom the program was intended are being served and that in the event of an audit; the required client information is being maintained.<sup>5</sup>

## Monitoring Reports and Appeals

Within thirty (30) days after the completion of the monitoring visit or desk-top review, a written report of the results of the monitoring visit will be forwarded to the Subrecipient. If the program and fiscal monitoring were performed concurrently, the reports for both will be combined under a single cover letter.

### Monitoring Report

The monitoring report contains:

1. A detailed list of areas reviewed.
2. A detailed list of findings, if any.
3. A recommendation will accompany each finding explaining how the deficiency can be corrected.
4. A detailed list of concerns, if any.

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<sup>5</sup> CDBG Monitoring Checklist

5. Depending on the nature of the concern, a recommendation may be included on how to eliminate the concern.
6. Observations, if any, made regarding the Subrecipients operations.
7. If findings are severe, the letter accompanying the report may place a hold on further reimbursements to the Subrecipient until the findings are cleared.

### **Response to Monitoring Report**

Within thirty (30) days after receipt of the monitoring report, the Subrecipient must submit a written response to the monitoring report. The response should be addressed to the Community Development Director. The response should include:

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

### **Response to Subrecipient Response**

Upon receipt of the Subrecipient's response to the monitoring report, the program 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, to include the following:

1. Those findings which have been satisfied will be noted as closed. If all findings are closed, the
2. Subrecipient's monitoring for the year under review is considered to be complete.
3. Findings, which are not satisfied, will remain open and will require further response or action on the Subrecipient's part.
4. The Subrecipient will be given an adequate amount of time to take any further action needed to correct the findings and respond in writing.
5. If these actions are satisfactory, the findings are noted as closed and the monitoring is considered complete.
6. If these actions are not satisfactory, further correspondence is required until all findings are closed and the monitoring is concluded.
7. The close of the contract does not necessarily close the monitoring. Correspondence will continue until all findings are closed.

### **Appeals**

In the event that a Subrecipient agency and the monitor cannot come to an agreement on one or more findings of the City's monitoring visit, an appeal may be made in writing to the Community Development Department Director within 30 days. The appeal should state

clearly the finding being appealed, and the basis for the appeal and any documentation to substantiate the appeal. The Community Development Director will review the appeal and respond in writing within 30 days.

# LIBRARY OF FEDERAL REQUIREMENTS

## CODE OF FEDERAL REGULATIONS (CFR)

- ❖ **Administrative Requirements for Grants & Agreements:** [\(24 CFR 84\)](#) This document specifies standards relative to pre-awarded requirements, financial and program management, property standards, procurement standard, reports and records, termination and enforcement, and close-out procedures. 24 CFR 84 supersedes OMB Circular A-110.
- ❖ **Community Development Block Grant (CDBG):** [24 CFR Part 570](#)
  - **Sub-Part J:** [\(24 CFR 570.500- 570.513\)](#) covers general responsibilities of CDBG grant administration, including uniform administrative requirements, provisions of Subrecipient agreements, program income, use of real property, record-keeping and reporting , and close-out procedures.
  - **Sub-Part K:** [\(24 CFR 570.600 – 570.614\)](#) deals with other CDBG program requirements including, civil rights, labor standards, environmental standards, flood insurance, relocation, displacement, acquisition, employment and contracting opportunities, lead-based paint, use of debarred, suspended or ineligible contractors, uniform administrative requirements and cost principles, conflicts of interest and the American Disabilities Act.
- ❖ **2 CFR Part 200** – supersedes, consolidates, and streamlines requirements from eight (8) OMB Circulars: A-21, A-87, A-89, A-102, A-110, A-122 and A-133.
- ❖ **Administrative Requirements for Grants:** [24 CFR Part 85](#)
- ❖ **Nondiscrimination:** [24 CFR Part 146](#)
- ❖ **Procurement of Consulting Services:** [HUD CPD 96-05](#)
- ❖ **Conflict of Interest:** [\(24 CFR Part 570.611\)](#)
- ❖ **Contract Provisions:** [\(24 CFR Part 13\)](#)
- ❖ **Lead-Based Paint:** [\(24 CFR Part 570.608\)](#) [\(24 CFR Part 35\)](#)

## **FEDERAL ACTS**

- ❖ **Americans with Disabilities Act of 1990** Prohibits discrimination based on disability.
- ❖ **Age Discrimination Act of 1975** Prohibits discrimination based on age in programs and activities receiving federal financial assistance. The Act, which applies to all ages, permits the use of certain age distinctions and factors other than age that meet the Act's requirements.
- ❖ **Civil Rights Act of 1964: Title VI** Prohibits discrimination based on race, color, and national origin in programs and activities receiving federal financial assistance.
- ❖ **Civil Rights Act of 1964: Title VII** Prohibits employers from discriminating against employees based on sex, race, color, national origin, and religion. It generally applies to employers with 15 or more employees.
- ❖ **Civil Rights Act of 1968: Title VIII** Fair Housing Act.
- ❖ **Davis-Bacon Act**: Requires all on-site employees be paid fair wages, benefits, and overtime (also known as the “prevailing wage”) weekly while working on government-funded construction, alteration, or repair projects at a minimum threshold of \$2,000.
- ❖ **Davis-Bacon Act: Q&A**
- ❖ **Davis-Bacon Act: Contractor Guide**
- ❖ **HUD Section 3** - The Section 3 program requires recipients of certain HUD financial assistance, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.
- ❖ **Housing and Community Development Act of 1974** as amended: Sections 104(b) & 109 of **Title I**
- ❖ **Rehabilitation Act of 1973: Section 504** Nondiscrimination under Federal grants and programs.

## **EXECUTIVE ORDERS**

- ❖ **Equal Opportunity in Housing:** [Executive Order 11063](#) prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.
- ❖ **Equal Employment Opportunity:** [Executive Order 11246](#) prohibits discriminatory practices in hiring and employment on the part of U.S. government contractors.

## **OMB CIRCULARS**

- ❖ **OMB Circular A-87:** [Cost Principles](#)
- ❖ **OMB Circular A-110:** [Nonprofit Accounting Basics](#)
- ❖ **OMB Circular A-110:** [Administrative Requirements for Grants and Agreements](#)
- ❖ **OMB Circular A-122:** [Nonprofit Accounting Basics](#)
- ❖ **OMB Circular A-122:** [Cost Principles for Non-Profit Organizations](#)
- ❖ **OMB Circular A-133:** [Nonprofit Accounting Basics](#)
- ❖ **OMB Circular A-133:** [Audits](#)

# EXHIBITS

These forms and policies are also available online (Community Development/Subrecipient Library)

## **Exhibit A – Quarterly Report**

- A.1 Form Instructions
- A.2 Quarterly Report Form

## **Exhibit B – Reimbursement Request**

- B.1 Form Instructions
- B.2 Reimbursement Form – Public Services
- B.3 Reimbursement Form – Housing
- B.4 Salary Reimbursement Form (if required)

## **Exhibit C – Equipment Inventory Sheet**

- C.1 Form Instructions
- C.2 Inventory Sheet (if required)

## **Exhibit D – Activity Closeout Report**

- D.1 Form Instructions
- D.2 Activity Closeout Report – Public Services
- D.3 Activity Closeout Report - Housing

## **Exhibit E – City of Odessa Policies**

- E.1 City of Odessa Administrative Procedure - Allocations (95-01A)
- E.2 City of Odessa Administrative Procedure – Vendors/Bids (95-02A)