



# ICDBG/ARP PROJECT IMPLEMENTATION TRAINING

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## INTRODUCTIONS

1. WHO ARE YOU?
2. WHERE ARE YOU FROM?
3. WHAT IS YOUR ICDBG PROJECT?
4. IS THIS YOUR FIRST ICDBG GRANT?
5. WHAT WOULD YOU LIKE ADDRESSED DURING THE TRAINING SESSION?

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## TODAY'S AGENDA

1. PROJECT IMPLEMENTATION – GETTING STARTED!
2. ENVIRONMENTAL REVIEWS
3. LINE OF CREDIT CONTROL (LOCCS) ACCESS
4. METHODS OF PROCUREMENT
5. FINANCIAL MANAGEMENT
6. HUD MONITORING
7. GRANT REPORTING AND GRANT CLOSEOUT

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 **PROJECT IMPLEMENTATION**

- **ICDBG Regulations**
- **ARP Notices and Guidances**
- **Establish a filing system for your ICDBG Project**
- **Complete Special Conditions**
  - Environmental Review
  - Force Account
  - Firm Commitments



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 **PROJECT IMPLEMENTATION**

- **NOTICES AND GUIDANCES**
- PIH 2022-13 – Notice of Reallocation of Unaccepted Indian Housing Block Grant American Rescue Plan Act (IHBG-ARP) Funds to the Indian Community Development Block Grant Imminent Threat – American Rescue Plan Act (ICDBG-ARP) Program.
- PIH 2022-12 – Process for Amending ICDBG-CARES and ICDBG-ARP Grants.
- PIH 2021-22 – Indian Community Development Block Grant – American Rescue Plan Act (ICDBG-ARP) Implementation Notice.
  - HUD has Implementation presentation for this. Look on Codetalk.
- PIH 2021-14 – COVID-19 Statutory and Regulatory Waivers and Alternative Requirements – ICDBG Program

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 **PROJECT IMPLEMENTATION**

- **NOTICES AND GUIDANCES**
- PIH 2022-13 – <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2022-13.pdf>
- PIH 2022-12 – <https://www.hud.gov/sites/dfiles/OCHCO/documents/2022-12pihn.pdf>
- PIH 2021-22 – <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2021-22.pdf>
- PIH 2021-14 – <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2021-14.pdf>

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## PROJECT IMPLEMENTATION

- **PIH 2021-22 – A few reminders:**
- Allocation was \$280,000,000.00 for ICDBG-ARP
  - Grant ceilings based on IHBG-ARP \$4.5 million or more, \$3.45 million, \$1.625 million to \$4.5 million, \$1.724 million, \$1.625 million or less, \$1,035 million.
- Eligible Purposes:
  - Activities, Projects, or Programs to **Prevent** COVID 19
  - Activities, Projects, or Programs to **Prepare for** COVID 19
  - Activities, Projects, or Programs to **Respond to** COVID 19

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## PROJECT IMPLEMENTATION

- **PIH 2021-22 – A few reminders:**
- Expeditious Expenditure
  - Projects may be short to-long term but grantees are encouraged to consider short or medium-term activities or projects to best meet urgent needs and expend funds expeditiously.
  - HUD reserves the right to reject activities, projects, or programs with overly lengthy implementation timelines that cannot be justified as reasonable to prevent, prepare for, or respond to COVID-19.

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## PROJECT IMPLEMENTATION

- **PIH 2021-22 – A few reminders:**
- A couple of waivers that need to be mentioned:
  - Public Services – 15% cap is lifted
  - Citizen Participation
- Both are covered later in presentation.

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## PROJECT IMPLEMENTATION: ICDBG REGULATIONS – 24 CFR § 1003

- Subpart A – General Provisions
- Subpart B – Allocation of Funds
- Subpart C – **Eligible Activities**
- Subpart D – **Application and Selection Process**
- Subpart E – Imminent Threat Grants
- Subpart F – **Grant Administration**
- Subpart G – **Other Program Requirements**
- Subpart H – **Program Performance**

**WEB RESOURCE:**  
ICDBG Regulations: [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr1003\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr1003_main_02.tpl)

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## PROJECT IMPLEMENTATION

- 2 CFR Part 200

**WEB RESOURCE:**

- Program Guidance 2014-12:  
<https://www.hud.gov/sites/documents/2014-12OMBIRCULAR.PDF>
- 2 CFR 200 Regulations: <https://www.ecfr.gov/cgi-bin/text-idx?SID=e1d27e8afe4c076961f07c18626d4e80&mc=true&node=pt2.1.200&rgn=div5>

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## PROJECT IMPLEMENTATION: SPECIAL CONDITION –Environmental Reviews

- **120 days** to clear Environmental Review Condition
- 24 CFR § 1003.304(b)(2) – Environmental Review requirements applies to all Grants
- 24 CFR § 1003.605(a)  
Submit a certification and request for release of funds  
Comply with flood insurance, coastal barrier resource and airport clear zone requirements under per 24 CFR Part 58

**WEB RESOURCE**  
• Completing Environmental Reviews:  
<https://www.hudexchange.info/programs/environmental-review/>

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**PROJECT IMPLEMENTATION:  
SPECIAL CONDITION – Force Account Construction**

- **120 days** to clear Force Account Condition.
- **24 CFR § 1003.509** – Use of Tribal work forces for construction or renovation
- **Documentation required regarding: Capacity, Supervision, Payroll, Insurance**
- **Contracting and procurement standards apply to materials, equipment and supplies**

**WEB RESOURCE**  
 Force Account Construction Regulation: [https://www.ecfr.gov/cgi-bin/text-idx?SID=98393f52ed87149a7c4a8db1a81c0cab&mc=true&node=se24.4.1003\\_1509&rgn=div8](https://www.ecfr.gov/cgi-bin/text-idx?SID=98393f52ed87149a7c4a8db1a81c0cab&mc=true&node=se24.4.1003_1509&rgn=div8)

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**PROJECT IMPLEMENTATION:  
SPECIAL CONDITION – Force Account Construction**

- **Assign Grant Administration responsibilities**
- **Adhere to the project schedule and budget**
- **Establish materials and equipment inventory**
- **Written progress reports / work inspections**
- **Housing Construction – Carried out by CBDO**



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**PROJECT IMPLEMENTATION:  
SPECIAL CONDITION – Firm Commitments**

- **6 months** to clear Firm Commitment Condition. **No Extensions**

**ICDBG NOFA Requirement** - "A letter of commitment from a partner by which an applicant or an applicant's partner agrees to perform an activity specified in the application and demonstrates the financial capacity and conditional agreement to deliver the resources necessary to carry out the activity, either in cash or through in-kind contributions if HUD awards ICDBG funds. If a tribe is committing resources to the project the amount of such commitment should be included in the tribal resolution. If a tribal organization is the applicant, it should submit evidence of such commitment in the equivalent of a tribal resolution."

- **Rating Factor 4 – Leveraging Resources**
- **If not obtainable by the deadline an ICDBG Application amendment will be required (24 CFR 1003.305)**

[https://www.ecfr.gov/cgi-bin/text-idx?SID=b88afe92af474ba6bb65271326d8ba&mc=true&node=se24.4.1003\\_1305&rgn=div8](https://www.ecfr.gov/cgi-bin/text-idx?SID=b88afe92af474ba6bb65271326d8ba&mc=true&node=se24.4.1003_1305&rgn=div8)

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**PROJECT IMPLEMENTATION:  
SUBRECIPIENT AGREEMENTS**

**READ** Section I – Getting Started

**COMPLY** with **24 CFR § 1003.502** – Agreements with Subrecipients  
<https://www.ecfr.gov/cgi-bin/text-idx?SID=aab978c2c4b4c0f94f7bfd6c1d40657b&mc=true&node=se2.4.4.1003.1502&rgn=div8>

SEE ALSO 2 CFR 200.330 –Subrecipients  
<https://www.ecfr.gov/cgi-bin/text-idx?SID=e1d27e8afe4c076961f07c18626d4e80&mc=true&node=pt2.1.200&rgn=div5#se2.1.200.1330>

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**PROJECT IMPLEMENTATION:  
SCHEDULE AND COST SUMMARY**

**Notify and submit the following documents to ONAP if there are changes:**

**Implementation Schedule, HUD form SF-4125** - Establishes project timelines. Need to Amend if you get behind!

**Cost Summary, HUD form SF-4123** – Establishes budget / sources of funds



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**PROJECT IMPLEMENTATION:  
REVISE YOUR IMPLEMENTATION SCHEDULE**

- 60-90 days for Environmental Review
- Hire Project Manager
- Design Time
- Procurement, Bids, Preparation and Award
- Delays – Weather, Fishing

Allow time for coordination:

- With the city for utilities
- With other Federal Agencies
- With State Agencies

Grant Close-out



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**ENVIRONMENTAL REVIEWS**

**National Environmental Policy Act of 1969 (NEPA):**

\*Promote efforts that would prevent or eliminate damage to the environment and biosphere.

\*Formal process of review that examines the potentially negative or beneficial effects that result from an activity.

**Goals of an ER:**

- Ensure activities undertaken with federal funds are in compliance with NEPA.
- Ensure environmental concerns are identified and addressed prior to activity.
- Provide the public and gov't entities opportunity for input on findings.
- Protect residents, neighborhoods, communities, land, air & water.

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**ENVIRONMENTAL REVIEWS**


**24 CFR § 58**

**24 CFR § 58.5** – ALL Federal Laws & Authorities

**24 CFR § 58.22** - Limitations on Activities Pending Environmental Review Clearance

**24 CFR § 58.30** – Review Process

**24 CFR § 58.38** - Environmental Review Record



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**ENVIRONMENTAL REVIEWS**  
**Part 58 - Key Terms**

**Responsible Entity (RE)**

**Recipient**

**Certifying Officer**

**ONAP Point of Contact**

**Environmental Review Record**

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**ENVIRONMENTAL REVIEWS**  
Part 58 - Key Terms: Responsible Entity

**Who is the Responsible Entity?**

Responsible Entity (RE) is the Tribal Government / Awardee

RE assumes Federal and legal responsibility for compliance with NEPA and related laws and authorities (sec. 58.4)

**RE assumes responsibility for:**

- Environmental review
- Environmental decision-making
- Environmental action

**The RE must have the technical and administrative capability to conduct the environmental review**

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**ENVIRONMENTAL REVIEWS**  
Part 58 - Key Terms: Recipient

**Recipient = Tribal Government/Grantee**

Sub-recipient=TDHE /CBDO/TRIBAL ENTITY

Although the subrecipient may receive the ICDBG grant funds, for purposes of Part 58 only, the Tribe is the recipient & responsible entity

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**ENVIRONMENTAL REVIEWS**  
Part 58 - Key Terms: Certifying Officer

**Certifying Officer is the tribal official authorized to certify environmental reviews**

- Tribal Chairperson or other tribal official designee (with written delegation of authority from the governing body)
- Assumes the role of "responsible Federal Official" and has legal capacity to carry out NEPA / Part 58 responsibilities
- Accepts the jurisdiction of the Federal Courts for the responsible entity

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**ENVIRONMENTAL REVIEWS**  
Part 58 - Key Terms: ONAP POC

**Office of Native American Programs Point of Contact in ONAP Area Office**

- Grants Management Specialist and Grants Evaluation Specialist

**Provides guidance on:**

- HUD rules and regulations
- Contact with other agencies
- Forms and documentation required by HUD

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**ENVIRONMENTAL REVIEWS**  
Part 58 - Key Terms: Environmental Review Record (ERR)

**RE ensures all activities, receiving HUD assistance, have a written environmental review record**

**Whenever applicable, the RE must make available for public review a written record of the environmental review**

- Publishes and disseminates notices
- Receives and responds to comments

**As required, the RE certifies environmental compliance and obtains HUD approval to use funds**

**See sample forms on our ONAP's Codetalk web site - these are recommended forms – not required forms. Make sure you are using the most current forms.**

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**ENVIRONMENTAL REVIEWS**

U.S. Department of Housing and Urban Development

PH Home | About PH | Public Housing | Housing Choice Vouchers | Indian Housing | Real Estate Assessment Center | More

Home / Program Offices / Public and Indian Housing / Indian Housing's Office of Native American Programs (ONAP) / CodeTalk Home / CodeTalk - Resources and Tools

**ONAP ENVIRONMENTAL REVIEW RESOURCES**

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment, and that the property site itself will not have an adverse environmental or health effect on residents. HUD's Office of Environment and Energy (OEE) manages the overall environmental review process for HUD. You will find an overview of HUD environmental requirements, as well as regulations, formats, guidance and training materials on the [Environmental Review page](#). If you have questions about environmental review, please contact the assigned Grants Management Specialist or Grants Evaluation Specialist in your Area Office.

**TOPICS**

**TRAINING**

- Web-Based Instructional System for Environmental Reviews (WISER)**  
WISER teaches grantees how to understand and address all aspects of the environmental review process required for all HUD-assisted projects. This set of self-paced online learning modules can be completed in any order. Each module includes its own learning assessment and opportunity for obtaining a certificate of completion.
- Webinars**  
The Environmental Reviews Training webinars, held by HUD's Office of Environment and Energy, provide comprehensive information for grantees and staff on the various components of the environmental review process. All major topics are discussed by subject matter experts. HUD records all Environmental Review Training webinars; these

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**ENVIRONMENTAL REVIEW: STEPS**

**3. PUBLISH / POST NOTICE(S) –**  
 24 CFR § 58.43 & 58.44

- NOI/RROF – 7 (published)/10 (posted/mailed) days
- COMBINED NOTICE: FONSI & RROF – 15 (published)/18 (posted/mailed) days

**4. ESTABLISH THE ENVIRONMENTAL REVIEW RECORD (ERR)**



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**ENVIRONMENTAL REVIEW: STEPS**

**5. EVALUATE ANY COMMENTS RECEIVED**  
 - 24 CFR § 58.43

**6. SUBMIT NOTICE & HUD 7015.15, REQUEST FOR RELEASE OF FUNDS AND CERTIFICATION**  
 - 24 CFR § 58.71

**7. HUD APPROVES RROF (15 DAYS)**  
 - 24 CFR § 58.72



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**ENVIRONMENTAL REVIEW: STEPS**

Once you receive your approval letter from HUD and the 7015.16 Authority to Use Grant Funds... you are ready to begin!



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## electronic Line of Credit Control System (eLOCCS)

The Line of Credit Control System (LOCCS) is the U.S. Department of Housing and Urban Development's (HUD) primary grant and subsidy disbursement system that handles disbursement and cash management for the majority of HUD grant programs. Organizations and individuals have access to these grants through an internet version of LOCCS called eLOCCS, where Business Partners with appropriate authorization can access, manage, and drawdown against their HUD grant portfolios.

eLOCCS Reference Guide:  
<https://www.hud.gov/sites/dfiles/CFD/documents/eLOCCSQuickReferenceGuide03-2018rev2.pdf>

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## electronic Line of Credit Control System (eLOCCS)

[https://www.hud.gov/program\\_offices/cfo/loccs\\_guidelines](https://www.hud.gov/program_offices/cfo/loccs_guidelines)

**User Login** log | help | search | home

Secure Systems  
Single Sign On

User ID

Password

**ATTENTION:**

- Your User ID will be locked after three incorrect login attempts.
- Forgot your password? Click this link to access Reset Password and other useful information.
- There is an inactivity timeout of 30 minutes. Please save your work periodically to avoid being logged out.
- There is a session timeout of 4 hours. Once reached, you will need to re-authenticate after which you can resume work where you left off.
- This computer system, and all the systems associated with this system for User Authorization and Authentication, are protected by a computer security system; unauthorized access to these systems is not permitted; and usage may be monitored.

Content updated January 6, 2018

U.S. Department of Housing and Urban Development  
 455 7th Street S.W., Washington, DC 20410  
 Telephone: (202) 708-1111 TTY: (202) 708-1455

[Home](#) | [Privacy Statement](#)

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## electronic Line of Credit Control System (eLOCCS)

eLOCCS is accessed through the HUD internet portal called **Secure Systems**.

- Component 1 – Secure Systems Business Partner Registration
- Component 2 – Secure Systems "Coordinator" (Approving Official) Registration
- Component 3 – Secure Systems "User" Registration
- Component 4 – HUD-27054 LOCCS Access Authorization Form

If you were a LOCCS VRS user, then your existing VRS User ID/password will work in eLOCCS as long as it has not expired\*. If you are new to LOCCS, then a LOCCS Access Authorization Security Form HUD-27054 and Standard Form 1199a Direct Deposit Signup must be submitted.

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**PROCUREMENT**

**ALL EXPENDITURES MUST BE:**

The diagram is a circle divided into three equal segments by white lines that meet at the center. The top-left segment is light green and labeled 'Necessary'. The bottom segment is a slightly darker green and labeled 'Reasonable'. The top-right segment is the darkest green and labeled 'Directly related to ARP project'.

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**PROCUREMENT**

**FIRST STEP: REVIEW PROCUREMENT POLICIES & PROCEDURES**  
 – if none exist, create them and have them adopted

**MUST COMPLY WITH:**

- 2 CFR § 200 Administrative Requirements
- 24 CFR § 1003.510 Indian Preference
- 2 CFR § 200.317-326 Procurement

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**PROCUREMENT**

The diagram is a green pyramid divided into three horizontal sections. The top section is labeled 'Policies', the middle section is labeled 'Procedures', and the bottom section is labeled 'Practices'.

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**PROCUREMENT**

**MUST HAVE POLICIES COMPLYING WITH 2 CFR § 200.320 FOR THE FOLLOWING PROCUREMENT METHODS:**

- Micro Purchase
- Small Purchases
- Sealed Bids
- Competitive Proposals
- Non-Competitive Proposals



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**PROCUREMENT**

**Each procurement must comply with one of the adopted Procurement Procedures**

- **Set up Procurement Files**
- **Keep all records** of all procurements:
  - Requests for quotes
  - Successful **and** Unsuccessful quotes and bids



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**PROCUREMENT**

**THE POLICY MUST INCLUDE:**

- Code of Conduct (that was submitted or updated)
  - To include Conflict of Interest provisions
- Terms and conditions that must be in all contracts and sub-contracts-2 CFR § 200.326 (Appendix II)
- Process for making sure items are needed:
  - Reasonable, Necessary, Directly Related to ARP Project
- Recordkeeping system for each purchase
- Procedures to resolve complaints

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## PROCUREMENT

**Purchases must be made using full and open competitions per 2 CFR § 200.319**

- Cannot place **unreasonable restrictions** on companies
- Cannot require **unnecessary** experience
- Cannot require **excessive bonds**

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## PROCUREMENT

- Cannot specify only a **brand name** product
- Organizational conflicts of interest
- Cannot hire consultants on retainer without competition
- **Simplified acquisition threshold:** the dollar amount below which property or services may be purchased using small purchase methods: **\$250,000** (2 CFR 200.88)

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## PROCUREMENT

### INDIAN PREFERENCE – 24 CFR Part 1003.510

**CONTRACTS \$250,000 or greater (Sealed Bids)**

- Place advertisement for bids from Native firms (Indian Preference refer to 24 CFR 1003.510)
- Ask Native Firms if interested in bidding. If more than one will bid, limit announcement to Native Firms
- Include Section 7(b) Indian Preference clause in each contract
- Complaint procedures – as stated in 24 CFR 1003.510 – should complaints arise

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## PROCUREMENT TYPES OF PROCUREMENT

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THERE ARE THREE TYPES OF PROCUREMENT THAT ARE MOST COMMONLY USED

1. Micro purchases < (not to exceed) \$10,000
2. Small purchases < (not to exceed) \$250,000
3. Sealed bids, purchases  $\geq$  (greater than or equal to) \$250,000 – a fixed price contract is awarded per bid
4. Competitive proposals, such as for professional services: Audits, A/E firms, legal, consultants, etc.

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## PROCUREMENT

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### MICRO PURCHASE

**Not to exceed \$10,000**

- Acquisition of supplies or services
- Non-federal entities must distribute micro purchases equitably among qualified suppliers
- May be awarded without soliciting competitive quotations if price is considered to be reasonable

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## PROCUREMENT

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### SMALL PURCHASE

**Not to exceed \$250,000**

- Prepare a written description, listing what you want
- Make a written estimate
- Give all contractors/vendors the same information

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**PROCUREMENT**

**SMALL PURCHASE (< \$250,000)**

- Get at least two or three price or rate quotes (phone or written - documented)
- Buy from the lowest responsive bidder
- Keep a record (in your files) of **all** price quotes, including why you rejected the quotes you did



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**PROCUREMENT**

**SEALED BIDS**

**For contracts \$250,000 and above:**

- List what you want (Specifications)
- Estimate the cost
- Prepare the contract
- Prepare Invitation for Bids
- Prepare Bid Package
- Advertise for Bids, usually in the newspaper



**REMEMBER INDIAN PREFERENCE REQUIREMENT**

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**PROCUREMENT**

**SEALED BIDS (> \$250,000)**

**For contracts \$250,000 and above:**

- Send bid packages to interested vendors
- Keep bids **unopened** and in a secure place
- Open bids **in public** at the date, time and place that you stated in the announcement
- Review the bids, and award the bid to the lowest responsive bidder

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**PROCUREMENT**

**SEALED BIDS (> \$250,000)**

- Review and sign the firm fix-priced contract
- No awards, sub-grants or contracts to **debarred** or **suspended** parties (2 CFR § 200.212)
- Check the HUD Departmental Enforcement Center website for listing of **debarred** and **suspended** parties: [www.sam.gov](http://www.sam.gov)

**KEEP ALL RECORDS** → 

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**PROCUREMENT**

**SEALED BIDS (> \$250,000)**

**If you received less than 2 responsive bids:**

- Re-bid the contract, or
- Re-bid without Indian Preference, or
- Ask HUD's approval, if you have one responsive bid, to accept it

**KEEP ALL RECORDS** → 

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**PROCUREMENT**

**COMPETITIVE PROPOSALS**

- List the services you want
- Make an estimate of the cost
- Prepare the contract documents:
  - Request for Proposals (RFP)
  - Proposal Package
  - Contract Documents
- Advertise and send the RFP package to interested parties

**REMEMBER INDIAN PREFERENCE REQUIREMENT**

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**PROCUREMENT**

**COMPETITIVE PROPOSALS**

- **DO NOT** open the proposals in public
- Usually open proposals in the presence of proposal evaluation team
- Make a record of each proposal



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**PROCUREMENT**

**COMPETITIVE PROPOSALS**

- Evaluate the proposals
  - Use the evaluation criteria listed in the RFP
  - Use evaluation form listing proposers and scoring totals
- Negotiate services – ask questions / re-evaluate
  - Cost is usually **not** the only deciding factor
- Sign contract with party providing the best offer, based on evaluation and listed criteria
- Make sure and notify unsuccessful bidders

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**PROCUREMENT**

**BONDING REQUIREMENTS & GENERAL CONTRACT PROVISIONS**

REVIEW THE FOLLOWING:

- 24 CFR § 1003.501(a)(3) and 2 CFR § 200.100 – Applicability of Uniform Administrative Requirements / Cost Principles
- 24 CFR § 1003.501(a)(13) and 2 CFR § 200.325 – Bonding Requirements
- 24 CFR § 1003.502 and 2 CFR § 200.326 – Contract Provisions
- 24 CFR § 1003.501(a) and 2 CFR § 200.501 – Audit Requirements

Include the minimum provisions in the regulations in the bid documents as appropriate

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## PROCUREMENT

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**BONDING REQUIREMENTS**

**FOR CONSTRUCTION CONTRACTS \$250,000 or greater:**

- A Bid Guarantee of 5% of the bid, from each bidder
- A Performance Bond for 100% of the contract price
- A Payment Bond for 100% of the contract price

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## PROCUREMENT CONTRACT PROVISIONS

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**ALL CONTRACTS AND SUB-CONTRACTS MUST INCLUDE PROVISIONS FOR:**

- Energy efficiency standards
- Minority Business Enterprise (MBE) – 2 CFR § 200.321
- Retention of records
- Access to records by awarding agency, auditors
- Indian Preference – 24 CFR § 1003

**OTHER PROVISION REQUIREMENTS**

- Copeland Anti-Kickback Act
- Contract Work Hours and Safety Act
- Remedies for Breach of Contract
- Termination of Contract
- Clean Air Act / Clean Water Act

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## OTHER REQUIREMENTS

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**THE FOLLOWING REQUIREMENTS DO NOT APPLY TO ICDBG/ARP PROJECTS AND CONTRACTS:**

- The Equal Employment Opportunity requirements of 2 CFR § 200.326 Appendix II
- Davis Bacon Act - 2 CFR § 200.326 Appendix II

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 **FINANCIAL MANAGEMENT**

**WHAT YOU NEED:**

- **24 CFR § 1003.501:** Applicability of Uniform Administrative Requirements & Cost Principles
- **2 CFR § 200, Subpart D:** Administrative Requirements for Grants and Cooperative Agreements – Post Federal Award
- **2 CFR § 200, Subpart E:** Cost Principles
- **2 CFR § 200, Subpart F:** Audit Requirements

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 **FINANCIAL MANAGEMENT**

Review the financial management system in place; determine if it meets the requirements



Update and adopt a financial management system that complies with the regulations

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 **FINANCIAL MANAGEMENT**

**RECORDKEEPING**

Show how all purchases are allowable and eligible

**WHAT YOU NEED:**

- **2 CFR § 200 Subpart E, Cost Principles** – Establishes principles and standards for allowable and un-allowable costs
- **ICDBG REGULATIONS** – 24 CFR § 1003 Subpart C – Identifies eligible activities / ineligible activities
- Original ICDBG/ARP application – considered to be an integral part of the grant agreement

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**FINANCIAL MANAGEMENT**

**ELIGIBLE COSTS: A&P Cost Limits**

**ADMIN AND PLANNING (A&P) COSTS – Limited to not more than 20% of the ICDBG/ARP Award**

**May include:** (24 CFR 1003 § 206-206)

- Reasonable costs to plan and execute the project
- General management, oversight and coordination
- Budget and project schedule preparations
- Accounting services and audit services
- Utilities, office supplies and insurance
- Travel costs associated with the project

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**FINANCIAL MANAGEMENT**

**ELIGIBLE COSTS: Public Service Cost Limits**

**PUBLIC SERVICE COSTS LIMITED TO 15 % OF THE GRANT, THIS REQUIREMENT IS WAIVED.**

**May include:**

- Up to 6 months of emergency payments in the form of rental assistance, utility assistance (including internet access to allow children to engage in distance learning), food assistance, clothing, medical, and other emergency assistance.
- Placement of homeless persons in hotel/motels, and other non-congregate sheltering, to minimize infection.
- Job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
- Providing security to ensure the health and safety of community members and to secure construction sites and community facilities from theft or vandalism.

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**FINANCIAL MANAGEMENT**

**ALLOWABLE COSTS**

**SOURCE DOCUMENTATION**

This is the most common reason for costs being disallowed.



See 24 CFR § 1003.207 for Ineligible Costs under ICDBG

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**FINANCIAL MANAGEMENT**  
**ALLOWABLE COSTS**

**EXPENSES MUST BE DOCUMENTED**

Source documentation can include:

- Purchase orders and trip authorizations
- Procurement records
- Bills, invoices, timesheets, payroll records, travel vouchers, and receipts
- Check register, cancelled checks, check stubs, and bank statements

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**FINANCIAL MANAGEMENT**

**CASH MANAGEMENT**

**WHAT YOU NEED:**

- Cash receipts and disbursement journal
- Recipient must minimize the time elapsing between the transfer of funds from LOCCS and the disbursement of funds in compliance with 2CFR 200.305.



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**FINANCIAL MANAGEMENT**

**INTERNAL CONTROLS – OVER PROPERTY**

**WHAT YOU NEED to REVIEW:**

**Equipment and Supplies Regulations –**

- 2 CFR § 200.313 (Equipment) – over \$5,000
- 2 CFR § 200.314 (Supplies) – under \$5,000
- 24 CFR § 1003.501(a) 9 & 10

**Real Property Regulations –**

- 2 CFR § 200.311 (Real Property)
- 24 CFR § 1003.504 (Use of Real Property)

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## FINANCIAL MANAGEMENT

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### INTERNAL CONTROLS – OVER PROPERTY

Inventory property as it is received and then also every two years at a minimum

Establish a system to assure property is not lost, damaged or stolen – things to consider:

- Where property is kept
- Who is responsible for it
- Who can use the property
- How to keep the property in good condition
- Who investigates loss, theft or damage

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## FINANCIAL MANAGEMENT

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### BUDGET CONTROL

- The **recipient** is responsible for completing the project **within** budget
- Project **must** be completed as described in the Cost Summary, HUD-4123, submitted with the ICDBG/ARP application

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## FINANCIAL MANAGEMENT

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### SUB-RECIPIENT COMPLIANCE

- The **recipient** is responsible for overseeing sub-recipient compliance
- Sub-recipient must comply with all regulations:
  - 24 CFR § 1003.501(a) or (b)
  - 24 CFR § 1003.502 (Sub-recipient Agreement)
  - 2 CFR 200 Subpart E Cost Principles
  - 2 CFR 200 Subparts B-D (Administrative Requirements)

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 **FINANCIAL MANAGEMENT AUDITS**

**AUDITS**

Dollar Thresholds for Audit Requirement:

- Recipients that expend \$750,000 or more in a year in Federal Funds - have an audit conducted in accordance with 2 CFR 200 Subpart F (2 CFR § 200.500-520)
- If under \$750,000 a year expended, records must be available for review by the Federal Agency

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 **HUD MONITORING**

Purpose of HUD Monitoring Review -

1. Compliance with Regulations / Grant Agreement
2. Carried out activities as described in application
3. Made substantial progress
4. Continuing capacity to complete activities timely
5. Capacity to undertake specific planned activities
6. Monitoring findings, audits, corrective actions
7. Enforcement actions, complaints, correspondence



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 **HUD MONITORING**

**HUD Areas of Review -**

1. Procurement and Contract Administration
2. Relocation – if applicable
3. Lead Based Paint – if applicable
4. Sub-recipient Agreements
5. Environmental Review
6. Compliance with approved grant application activities
7. Financial Systems Expenditure Report



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## HUD MONITORING

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**HUD Areas of Review -**

8. Force Account compliance
9. Citizen Participation review – This is waived:
  - Applicants are not required to hold meetings to obtain the views of residents or to certify that the applicant has met the requirements of 24 CFR § 1003.604(a) Citizen Participation before applying for ICDBG-ARP grant funding.
  - Applicants are required, however, to meet the citizen participation requirements by publishing or posting information on their plans to use ICDBG-ARP grants, and accepting and considering comments, to the extent this can be done without risks to health and safety.

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## HUD MONITORING

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**HUD Areas of Review -**

10. Housing Rehabilitation Requirements – Cost limits, adopted policies, standards, expenditures review compared to cost summary
11. Land Acquisition – Financial Commitment for future project (within two years)
12. New Housing – CBDO Implementation, adopted construction standards

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## HUD MONITORING

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**HUD Areas of Review -**

13. Public Facilities / Improvement – Was an M&O Plan adopted, adhered to, in compliance with NOFA
14. Program Progress – Implementation Schedule
15. Minority Business Enterprise Contract & Subcontract Activity (MBE) Report-HUD 2516, by October 10 of each year

**SUMMARY:**

- Compliance with requirements
- Violations of applicable statutes, regulations, or local laws and authorities
- Corrective Actions – if needed

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 **HUD MONITORING**

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**IF YOU ARE SCHEDULED FOR A HUD MONITORING VISIT:**

**1. FOR PROGRAM PROGRESS – HAVE THE FOLLOWING INFORMATION AVAILABLE:**

- Implementation schedule
- Approved original application
- Project implementation plans

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 **HUD MONITORING**

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**BE PREPARED TO EXPLAIN:**

Any delays in the project

Any cost overruns

Changes from approved application

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 **HUD MONITORING**

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**2. FOR PROGRAM BENEFIT – HAVE THE FOLLOWING INFORMATION AVAILABLE:**

- Beneficiaries as stated in approved application – this is the benchmark
- Records showing who is actually benefiting from the project

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 **HUD MONITORING**

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**3. ENVIRONMENTAL REVIEW RECORDS**

Make sure documentation is available for each level of environmental review:

- Exempt
- Categorically Excluded NOT subject to 58.5
- Categorically Excluded SUBJECT to 58.5
- NEPA Environmental Assessment
- Request for Release of Funds



National Environmental Policy Act (NEPA)

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 **HUD MONITORING**

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**4. CITIZEN PARTICIPATION INFORMATION TO HAVE ON HAND:**

- Minutes of meeting
- Announcements of meetings
- Verification that community statement was posted
- Citizen comments for complaints
- Responses to comments for complaints

If you completed this, that is okay but for ARP this requirement was waived.

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 **HUD MONITORING**

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**5. ACCOUNTABILITY - PROCUREMENT RECORDS CLOSELY REVIEWED**

- Written and oral price quotes
- Bid announcements
- Bid evaluations
- Contracts

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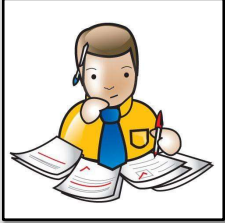

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**HUD MONITORING**

**ALLOWABLE COSTS:**

- Receipts
- Invoices
- Cancelled checks
- Bank statements
- Check register
- Tax records
- Payroll records

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**HUD MONITORING**

**MONITORING OF CONTRACTORS AND SUBRECIPIENTS –**

- Documents that show the grantee has monitored contractors and subrecipients on ongoing basis

**PERSONAL PROPERTY MANAGEMENT –**

- Property records
- Inventory of tools and equipment
- Disposition records

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**HUD MONITORING**

**FINANCIAL & OVERALL MANAGEMENT SYSTEM –**

- Property control system
- Procurement policy and procedures
- Cash receipts and disbursement journal

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**GRANT REPORTING**

**REPORTING REQUIREMENTS**

Resources:

- 2 CFR Part 200.327 – Financial Reporting
- 24 CFR § 1003.506 – Regulatory Reporting Requirements



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**GRANT REPORTING**

**REPORTING REQUIREMENTS**

Forms:

- **Form SF-425:** Federal Financial Report
- **Form HUD-2516: MBE Report** (Contract and Subcontract Activity Report)

Reports:

- Annual Status & Evaluation Report (ASER)

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**GRANT REPORTING**  
**FEDERAL FINANCIAL REPORTS (SF-425)**

Quarterly Report Periods	SF-425 Due Dates
01/01 – 03/31	04/30
04/01 – 06/30	07/30
07/01 – 09/30	10/30
10/01 – 12/31	1/30

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 **GRANT CLOSEOUT**

When are you ready to close out the grant?

- Is the project complete?
- Have responsibilities been carried out satisfactorily?
- Have all costs incurred been reconciled?
- Have grant funds and leverage funds been expensed?
- Have you drawn down all grant funds from LOCCS?

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 **GRANT CLOSEOUT**

**WHAT DO YOU NEED TO CLOSEOUT THE GRANT**

- 24 CFR § 1003.508 – Closeout Procedures
- 2 CFR § 200.333 – Retention Requirements for Records
- FORM SF-425 – Federal Financial Report (Final)
- Final Annual Status Evaluation Report (Final ASER)
- Close Out Agreement (24 CFR § 1003.508)
- Photographs of the project site



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 **GRANT CLOSEOUT**

**FINAL FINANCIAL REPORT ELEMENT**

**IDENTIFY** all expenditures by line item/source as outlined on the HUD-4123, Cost Summary (FSER)

**IDENTIFY** remaining costs to be paid, (such as audit, administration, etc.) (FSER)

**IDENTIFY** any unobligated balance to be returned to HUD (FSER)

**SUBMIT** a completed Federal Financial Report SF-425 marked "Final"

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 **GRANT CLOSEOUT**

**PROGRAM PERFORMANCE**

Subpart H of 24 CFR § 1003.700-703 describes:

- Final Review of Grantee Performance
- Final Corrective and Remedial Actions
- Final Reduction or Withdrawal of Grant
- Final Other remedies for non-compliance



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 **Any final questions?**



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