

# Athens-Clarke County Community Development Block Grant (CDBG) Program

## CDBG Subrecipient Manual

ATHENS-CLARKE COUNTY HOUSING & COMMUNITY DEVELOPMENT  
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## Table of Contents

PURPOSE OF THE CDBG SUBRECIPIENT MANUAL .....	5
INTRODUCTION TO THE CDBG PROGRAM.....	5
<b>Key Terminology and Common Acronyms</b> .....	6
<b>Eligible Activities</b> .....	7
<b>National Objectives of the CDBG Program</b> .....	7
<b>Federal Regulations</b> .....	9
<b>CDBG Program Year and Annual Action Plan (AAP) Process</b> .....	10
CONTRACTING PROCESS .....	11
<b>Contracting Procedures</b> .....	11
<b>Contract Provisions</b> .....	12
ADMINISTRATIVE AND FINANCIAL REQUIREMENTS.....	14
<b>Financial Management</b> .....	14
<b>Procurement</b> .....	17
<b>Property Management</b> .....	20
<b>Audit Requirements</b> .....	22
CLOSEOUT PROCEDURES .....	23
<b>Programmatic Closeout</b> .....	23
<b>Furniture and Equipment</b> .....	23
<b>Final Year End Reports</b> .....	23
RECORDKEEPING REQUIREMENTS.....	24
PERFORMANCE REPORTING REQUIREMENTS .....	24
<b>Monthly Program Progress Reports</b> .....	25
CONTRACT VIOLATIONS AND TERMINATIONS .....	25
<b>Terminations</b> .....	26
REIMBURSEMENT PROCESS.....	26
<b>Billing for Expenditure Reimbursement</b> .....	26
<b>Reimbursement Request Procedures</b> .....	26
<b>Supporting Documentation</b> .....	27
<b>Program Budget</b> .....	27
<b>Budget Line-Item Balances</b> .....	29
<b>Travel Policy</b> .....	29
CONTRACT MODIFICATIONS OR AMENDMENTS.....	30
<b>Budget Modifications</b> .....	30
<b>Duration of Agreement Modification</b> .....	31
<b>Budget and Time Modifications (Combination)</b> .....	31
SUBRECIPIENT MONITORING.....	31
<b>Ongoing Contract Supervision</b> .....	31
<b>Routine Desk Reviews</b> .....	31
<b>Onsite Monitoring Visits</b> .....	32
PROGRAM INCOME.....	32
POLITICAL ACTIVITY.....	33
TERMINATION OF PARTICIPATION, APPLICANT DENIAL AND GRIEVANCE.....	33
<b>Termination of Participation and Grievance</b> .....	33
<b>Denial and Grievance</b> .....	33
CONFLICT OF INTEREST .....	33
<b>Organizational Conflict of Interest</b> .....	33
<b>Other Conflict of Interest Requirements</b> .....	34

<b>FEDERAL REQUIREMENTS IN CDBG PROGRAMS .....</b>	<b>34</b>
<b>Fair Housing Activities.....</b>	<b>34</b>
<b>Section 504/Accessibility .....</b>	<b>35</b>
<b>Equal Employment Opportunity .....</b>	<b>36</b>
<b>Lead-Based Paint (applies to residential housing projects/programs) .....</b>	<b>36</b>
<b>Limited English Proficiency .....</b>	<b>37</b>
<b>Affirmative Marketing Plan.....</b>	<b>37</b>
<b>Debarment and Suspension List Verification .....</b>	<b>37</b>
<b>Labor Standards.....</b>	<b>38</b>
<b>Section 3 .....</b>	<b>38</b>
<b>Environmental Review .....</b>	<b>38</b>
<b>Displacement /Relocation.....</b>	<b>39</b>
<b>National Flood Insurance Program.....</b>	<b>39</b>
<b>Code of Conduct .....</b>	<b>39</b>
<b>Record Keeping Standards .....</b>	<b>40</b>
<b>Faith Based Activities .....</b>	<b>41</b>
APPENDIX A: CDBG Program Resources .....	42
APPENDIX B: Contract Scope of Services .....	42
APPENDIX C: Reimbursement Request Forms & Progress Reporting.....	43
APPENDIX D: Monitoring Risk Tool and Checklist.....	48
APPENDIX E: Contract Checklist .....	60
APPENDIX F: Excluded Entities Guide .....	62



**Athens-Clarke County Unified Government**  
Department Of Housing and Community Development  
375 Satula Avenue Athens, Georgia 30601  
Telephone: 706-613-3155

Dear CDBG Subrecipient,

Congratulations to your organization on receiving a grant through Athens-Clarke County's Community Development Block Grant (CDBG) program. The Department of Housing and Community Development (HCD) welcomes your partnership in achieving our community's shared goals.

This competitive program, funded by the U.S. Department of Housing and Urban Development (HUD), aims to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for people with low and moderate incomes.

As a subrecipient, your organization must be mindful of adhering to federal, state, and local regulations. Throughout the year, you will be required to submit reports on your financial and program performance. This manual is intended to be a supporting resource to allow you to be successful in carrying out your CDBG-funded projects and the related requirements; however, we also encourage you to familiarize yourself with the HUD resources referenced in this manual.

HCD staff are available to support you throughout the grant cycle. We also welcome success stories and photos that illuminate your organization's use of CDBG to enhance services, achieve your goals, and support members of our community. It's never too soon to begin thinking about projects for the next application cycle either, so please get in touch if you have ideas. Thank you for your contributions to Athens-Clarke County!

Sincerely,

Melinda Lord  
Housing and Community Development Director  
375 Satula Avenue, Athens GA 30601  
[Melinda.lord@accgov.com](mailto:Melinda.lord@accgov.com)  
706-613-3155

## PURPOSE OF THE CDBG SUBRECIPIENT MANUAL

HUD distributes federal CDBG funds to states, counties and cities to fulfill the goals of the program by:

- Providing decent housing,
- Creating a suitable living environment,
- Expanding economic opportunities, and
- Serving the most vulnerable communities

Minimum requirements applicable to any CDBG funded activity are set forth in CDBG Program Regulations 24 CFR 570 ([24 CFR part 570](#) ). CDBG regulations allow for local discretion as to the use and management of the CDBG program.

**This document is intended to satisfy the requirement for a concise policy and procedures administrative manual in the administration and implementation of CDBG funded activities.**

This CDBG Subrecipient Manual is intended as a guide, not as a substitute for thorough knowledge of state and federal laws and regulations referenced in this manual. In the event of any discrepancy, federal regulations will prevail.

The financial, accounting, internal control, and reporting principles presented in this manual are basic, and are not intended to replace acceptable existing procedures being used by your agency. Instead, these fundamental requirements represent minimum procedures and controls that must be integrated with accounting, internal control, and financial reporting system as required by Federal regulations and ACCGov policies.

Your contract with ACCGov will contain a comprehensive statement of the goals, objectives, and specific services referred to as a "scope of work" to be provided by your agency. The Contract will specify the reports and documentation required for verification of contract compliance. This manual is meant to assist your agency in complying with the provisions of the Contract but should not be used in lieu of reading the articles of the Contract. Should there be any inconsistencies between your Contract and this manual, the provisions contained within the Contract will always take precedence. Unless otherwise specified, HCD shall have the authority to represent ACCGov regarding the terms and conditions of your Contract.

### Helpful Resource

24 CFR Part 570 contains the Community Development Block Grant (CDBG) Program Regulations:  
[eCFR :: 24 CFR Part 570 -- Community Development Block Grants](#)

## INTRODUCTION TO THE CDBG PROGRAM

In 1974, the federal government enacted the Federal Housing and Community Development Act. Title I of this Act combined several previous categorical programs into a single program named the "Community Development Block Grant" (CDBG) program. Congress designed the CDBG program to enhance and maintain viable urban communities. The CDBG program accomplishes these goals by providing funding to support the development and sustainability of decent housing, suitable living environments, and expanded economic opportunities, principally for low- and moderate-income persons. The U.S. Department of Housing and Urban Development (HUD) administers the CDBG program through grants to local and state jurisdictions.

Athens-Clarke County participates in the CDBG program as an "Entitlement County" and is the recipient of annual CDBG funding. Agencies that receive sub-grants of CDBG funds are defined by HUD as subrecipients. At its discretion, Athens-Clarke County will use these federal funds to assist eligible projects to meet local community development needs. Under CDBG regulations, assisted projects must serve or be located within Athens-Clarke County.

## Key Terminology and Common Acronyms

- **Annual Action Plan:** The Consolidated Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan.
- **CAPER:** Consolidated Annual Performance and Evaluation Report. Grantees report on accomplishments and progress toward Consolidated Plan goals in the CAPER.
- **CDBG:** Community Development Block Grant Program, a federally funded, competitive grant program designed to help small cities and towns meet a broad range of community development needs.
- **CFR:** Code of Federal Regulations, is the codification of the general and permanent regulations published in the Federal Register by the executive departments and agencies of the federal government of the United States. The CFR is divided into 50 titles that represent broad areas subject to federal regulation.
- **Consolidated Plan:** The Consolidated Plan is designed to help states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from the CPD formula block grant programs.
- **Grantee:** The pass-through entity that receives a CDBG grant and administers CDBG funding (Athens-Clarke County is the grantee).
- **HCD:** Athens-Clarke County Housing and Community Development Department
- **HUD:** The United States Department of Housing and Urban Development.
- **LMI:** Low- and moderate-income. A low- and moderate- (L/M) income person is defined as a member of a family having an income equal to or less than the Section 8 Housing Assistance Payments Program low-income limits established by HUD applicable to the size of the person's family. A family is defined as all persons living in the same household who are related by blood, marriage, or adoption. An individual living in a housing unit that contains no other person(s) related to him/her is considered to be a one-person family for this purpose.
- **MBE:** Minority-owned Business Enterprise.
- **Microenterprise:** A business having five or fewer employees, one or more of whom owns the business.
- **Monthly Report:** Required documentation submitted by Subrecipients each month during the program year, to detail the progress toward accomplishments as described in the Subrecipient Agreement.
- **Presumed Benefit:** Clientele and program participants who are generally presumed by HUD to be principally L/M income persons. The following groups are currently presumed by HUD to be made up principally of L/M income persons: abused children, elderly persons, battered spouses, homeless persons, adults meeting Bureau of Census' definition of severely disabled persons, illiterate adults, persons living with AIDS, and migrant farm workers.
- **RFP:** Request for Proposal
- **Subrecipient:** An entity that receives a subaward from a pass-through entity to carry out part of a Federal award. The term subrecipient does not include a beneficiary or participant.
- **Subrecipient Agreement:** The subrecipient agreement is a contract between the Subrecipient and Athens-Clarke County, which outlines the grant award, project, and terms of the grant.
- **USC:** United States Code is the codification by subject matter of the general and permanent laws of the United States.

- **Vision Committee:** The citizen advisory committee that evaluates CDBG applications and recommends projects for funding. (Also known as the HCD Citizen Advisory Committee)
- **WBE:** Women-owned Business Enterprise

## Eligible Activities

Federal regulations limit the kinds of activities that ACCGov may carry out with its CDBG funds. The regulations governing the CDBG program provide detailed eligibility requirements.

### Helpful Resource

HUD Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities:  
[Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities - HUD Exchange](#)

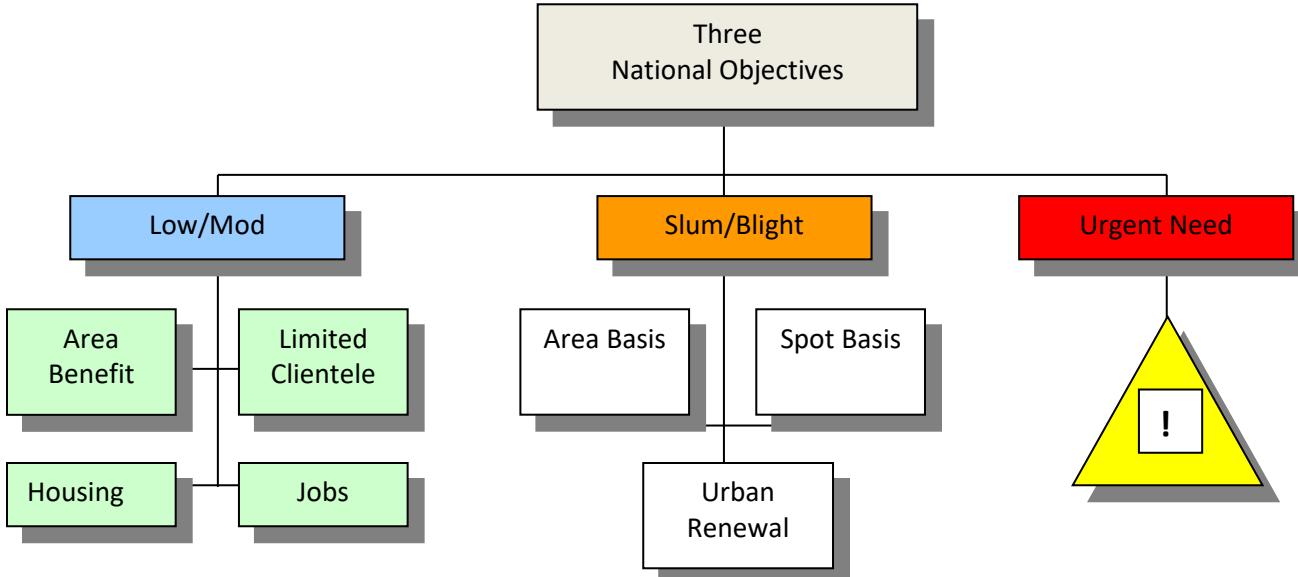
The CDBG regulations also list activities that are explicitly ineligible to receive assistance. In general, religious facilities and new housing construction projects are ineligible. Additionally, maintenance and operation expenses and equipment purchases are ineligible except as part of an eligible public service project. Ineligible projects also include construction of buildings used for the general conduct of government. The Subrecipient further agrees to utilize funds to supplement rather than supplant funds otherwise available.

A CDBG project must meet at least one of three national objectives. The project must principally serve low- and moderate-income persons, eliminate slum and blight, or address a recent and urgent health and safety need. Finally, the project must be consistent with the community development goals and objectives outlined in the ACCGov Consolidated Plan.

## National Objectives of the CDBG Program

CDBG grantees are responsible for assuring that each eligible activity meets one of three national objectives:

1. Benefit low- and moderate-income people
2. Aid in the prevention of slum and blight
3. Meet a need having a particular urgency (urgent need)



## 1. Benefit to Low- and Moderate-Income Persons

Under this objective, CDBG-assisted activities must benefit low and moderate-income persons using one of the following categories:

- Area benefit activities
- Limited clientele activities
- Housing activities
- Job creation or retention activities

Income Limits are updated annually. HCD staff are responsible for notifying all funded Subrecipients and Contractors by email when the income limits are updated. Although HCD staff are responsible for furnishing updated income limits to Subrecipients, this step is a courtesy for ease of program deployment, and failure to furnish the limits is not an acceptable excuse for Subrecipient noncompliance. Subrecipients are contractually responsible for ensuring they are using the most current income limit, which is readily available through HUD's website, "HUD Exchange".

### 2025 Athens Clarke County Income Limits

<b>Athens-Clarke County Income Limits<sup>1</sup></b>			
<b>Household Size</b>	<b>Extremely Low Income</b> <b>(0-30% AMI<sup>2</sup>)</b>	<b>Very Low Income</b> <b>(31-50% AMI)</b>	<b>Low Income</b> <b>(51%-80% AMI)</b>
1	19850	33050	52850
2	22650	37750	60400
3	26650	42450	67950
4	32150	47150	75450
5	37650	50950	81500
6	43150	54700	87550
7	48650	58500	93600
8	54150	62250	99600

<sup>1</sup>Effective April 1, 2025  
<sup>2</sup>Area Median Income (AMI)  
2025 ACC Median Family Income: \$94,300

#### **Helpful Resource**

HUD updates income limits annually. The most current income limits can be found at:

[Income Limits | HUD USER](#)

## **Area Benefit**

Area benefit is the most commonly used category for basic activities. It is an activity that benefits all residents in a particular area, where at least 51 percent of the residents are low-and moderate-income (LMI) persons.

- The service area must be primarily residential, and the activity must meet the identified needs of low and moderate-income persons.

Area benefit activity examples include street improvements, water and sewer lines, neighborhood facilities, and facade improvements in neighborhood commercial districts.

## **Limited Clientele**

- Limited clientele activities benefit a specific group of persons rather than everyone in an area generally, as long as at least 51% of the beneficiaries of the activity are low-to-moderate income persons.
- Micro-enterprise activities carried out in accordance with the HUD regulations when the person owning or developing the microenterprise is LMI. Activities that provide training and other employment support services could qualify as limited clientele even when the percentage of persons assisted is less than 51 percent LMI IF the proportion of total cost borne by CDBG is no greater than the proportion of LMI persons assisted, AND CDBG is only used in the project to pay for the job training and/or supportive services when supporting businesses rather than individuals.

Examples of limited clientele activities include: construction of a senior center; public services for the homeless; Meals on Wheels for the elderly; and construction of job training facilities for disabled people.

## *2. Elimination of Slum and Blight*

These are activities that help to prevent or eliminate slums and blighted conditions. The activities must meet the criteria of one of the two following categories:

- Prevent or eliminate slum and blight on an area basis.  
*Examples include: assistance to commercial or industrial businesses, public facilities or improvements and code enforcement.*
- Prevent or eliminate slum and blight on a spot basis. These are activities that eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area.  
*Examples include: elimination of faulty wiring, falling plaster, or conditions that are detrimental to all potential occupants; historic preservation of a public facility; and the demolition of a vacant, deteriorated building.*

## *3. Urgent Need*

Use of this category is extremely rare. It is designed only for activities that alleviate emergency conditions.

*For example, a coastal city is struck by a major hurricane within the last month and does not have any other resources to demolish severely damaged structures that pose a danger to occupants of neighboring structures.*

## **Federal Regulations**

The key federal regulations that form the basic administrative requirements of the CDBG program are summarized in this section to provide a framework for the standards referenced throughout this manual. The regulations have been developed by HUD to carry out the federal statutes that established the CDBG program. The regulations address the CDBG program itself, and other federal laws or policies relevant to the CDBG program such as the National Environmental Policy Act (NEPA), Americans with Disabilities Act (ADA), Davis-Bacon Act, etc. The acronym "CFR" stands for Code of Federal Regulations.

### *CDBG Program Management Regulations*

ACCGov receives CDBG Entitlement Program funds. The basic program regulations governing management and financial systems for the CDBG Entitlement program are promulgated by the federal government in [24 CFR Part 570](#), Subparts A, C, D, J, K, and O. These regulations are applicable both to grantee (ACCGov) and to public or private sector subrecipients:

- a. Subpart A (24 CFR 570.1-570.5) covers applicability of regulations, definitions, fund allocation, and waivers.
- b. Subpart C (24 CFR 570.200 - 570.210) covers eligible activities, special considerations, and ineligible or prohibited activities.
- c. Subpart D (24 CFR 570.300 - 570.309) is specific to CDBG Entitlement grants and covers location restrictions, float funding guidelines, urban county determinations, and subgrant guidelines.
- d. Subpart J (24 CFR 570.500 - 570.513) covers the general responsibilities for grant administration, including uniform administrative requirements, provisions of subrecipient agreements, program income, use of real property, record-keeping and reporting, and closeout procedures.
- e. Subpart 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 Americans with Disabilities Act.
- f. Subpart O (24 CFR 570.900 - 570.913) covers compliance matters such as performance reviews, monitoring, corrective actions, and remedies for noncompliance.

### **CDBG Program Year and Annual Action Plan (AAP) Process**

The program year for CDBG activities runs July 1 through June 30 of each year. HCD follows an annual schedule that include the CDBG application process, funding recommendation process, Mayor and Commission approval of project awards, submission of the Annual Action Plan (AAP) to HUD (the AAP outlines how CDBG funds will be spent in the upcoming program year), and the contracting process.

#### **Program Year Schedule**

##### **Application Period:**

Public Hearing and Application Release Meeting.....	3 <sup>rd</sup> week in October
Applications due at HCD.....	Late November

##### **Citizen Advisory Committee (Vision Committee) Meetings:**

Orientation for New Members.....	October
Application Discussion and Ranking meeting.....	Mid-to-Late January

##### **Mayor & Commission Meetings:**

Work Session Presentation of Recommendations.....	2 <sup>nd</sup> Tuesday in February
Agenda Setting Session .....	3 <sup>rd</sup> Tuesday in March (Public Hearing 1)
Voting Session/Public Hearing .....	1 <sup>st</sup> Tuesday in April (Public Hearing 2)

##### **Annual Action Plan (AAP) Submission:**

Action Plan due for 30-day Public Review .....	Mid-April
Action Plan due at HUD.....	No later than August 16

**Note:** The Annual Action Plan is finalized once HUD releases entitlement award amounts. Once the final plan with final funding amounts is submitted to HUD as the ACCGov application for CDBG funds.

### *Beginning of Program Year*

Program operation can begin July 1<sup>st</sup> with HCD staff approval, but program expenses cannot be reimbursed until contract execution. **If the contract is not able to be executed, agencies will not be reimbursed for activities conducted.**

### *Proposal Application & Evaluation Process*

ACCGov will hold public hearings for the purpose of reviewing community development programs' performance; to obtain citizens' views on programs' goals and objectives; and to respond to community development funding requests. Public hearings are held at convenient times and locations to permit broad participation, with particular consideration to low- and moderate-income persons and residents of blighted and deteriorating neighborhoods.

At the beginning of the CDBG Application process, HCD may hold a pre-application technical assistance meeting to review the procedures to be followed in the planning and preparation of grant applications. Later, HCD will hold a public hearing to identify the remaining funding schedule, an estimate of the amount of community development funds available, eligible activities, and the due date for the submission of grant applications. Upon the receipt of all CDBG grant applications, HCD staff determines eligibility and then, along with the Vision Committee, rates and ranks eligible applications.

Once your application is received by HCD, it is reviewed to determine project eligibility. CDBG funded projects must meet the CDBG program objectives, based on two main eligibility criteria:

1. Activity Eligibility -- Is the activity within the guidelines established by HUD?
2. National Objective -- Does the project primarily serve low- and moderate-income persons?

While HCD completes its internal application evaluation process, HCD presents application packets to the HCD Citizen Advisory Committee (Vision Committee) for their own reviews. Upon completion of the Vision Committee application review process, members submit their prioritizations and review forms to HCD.

HCD then prepares funding recommendations and works with the ACCGov Manager to prepare submission of these recommendations for the Mayor and Commission's consideration. HCD presents funding recommendations to the Mayor and Commission at a February or March work session, where elected officials have an opportunity for discussion and receive clarification from HCD staff. Public Hearing 1: Those recommendations are then reviewed at the Mayor and Commission agenda setting session in March, when they will be available for public review and comment. Public Hearing 2: HCD's final recommendations are reviewed at a second public hearing before the Mayor and Commission at the April voting session. Public comment is taken, and the Mayor and Commission accept, reject, or modify the proposed Annual Action Plan and direct staff to prepare and submit the final approved Annual Action Plan to HUD following completion of a 30-day public comment period.

### *Funding Notification*

HCD sends written notification to the agencies awarded CDBG funding shortly after the Mayor and Commission makes CDBG funding decisions. HCD also sends written notification to agencies who applied but were not awarded.

## **CONTRACTING PROCESS**

### **Contracting Procedures**

Once CDBG funding has been awarded to your agency by the ACC Mayor & Commission, a formal contract is executed between ACCGov and your agency in order to authorize disbursement of funds. ACCGov authorizes payment on a reimbursement basis only. That means you spend your money on the provision of services, then provide HCD copies of

invoices and payment documentation for reimbursement of eligible expenditures. Contracts correspond to the Athens-Clarke County fiscal year initiating on July 1 and ending on June 30. **Please note:** Expenditures incurred by your agency prior to the period of performance start date in your contract cannot be reimbursed by HCD, even if the funding was allocated prior to this date.

After the Annual Action Plan is adopted, and funds have been allocated to your organization, you will receive an email from HCD with your contract documents. HCD staff will request your scope of work and budget and work with your agency to revise your documents within CDBG program regulations. Once HCD staff approves the scope of work and budget for your project, your CDBG contract will be routed through ACCGov's contract routing process. The earlier the finalized scope of work and budget are submitted to HCD staff, the earlier your contract can be executed and reimbursement payments made.

Once the revised scope of work and budget have been accepted by HCD, it will be attached to two original contracts between ACCGov and your agency. The scope of work, program budget, and all required exhibits and attachments will be attached to the contracts.

Before submitting the contract for final approval and signature by the Mayor, HCD will return all originals to your agency for review and wet ink signature. Although signature by your attorney is not required, you are encouraged to obtain any needed advice from counsel. If required by your agency's by-laws, your governing board should take action to approve the signing of the ACCGov contract. Once executed by your agency, the contracts should be returned to HCD. HCD staff will deliver the contract originals to the Mayor for final execution. **The agency authorizing signature and attestation should match the CEO and Secretary currently listed on the Georgia Secretary of State website.**

#### **Helpful Resource**

You can check who is listed as your agency's CEO and Secretary here:

<https://ecorp.sos.ga.gov/BusinessSearch>

The contract term is typically 12 months beginning July 1 and ending June 30, but affordable housing or economic development contracts have the potential to be extended through September with prior approval from your HCD grant manager. No payments can be made toward the funded program until the contract is executed, so it is important that your agency quickly submits the contract attachments and budget information needed by HCD so that the money will be available when you need it.

## **Contract Provisions**

ACCGov HCD develops contracts that are used to sub-grant CDBG funds to agencies that in turn provide housing and community development programs on behalf of the local government. These contracts are standardized to consistently cover the requirements discussed in the Contract Requirements section of this manual. However, HCD customizes some portions of the contracts to cover considerations that are unique to the particular agency and program being funded. Unless otherwise specified, HCD shall have the authority to represent ACCGov regarding the terms and conditions of your contract.

The Standard CDBG Subrecipient contract provisions are as follows:

### **Preamble of the Contract**

- Identifies the purpose of the contract.
- Identifies contract start date.
- Identifies parties to the contract.

## Federal Award Identification

- Specifies the federal awarding agency information, including the federal award ID or grant number, the period of performance, and other federally required information per [2 CFR 200.332\(b\)](#).

### I. Scope of Work or Services

References Exhibit A and Attachments

### II. Notices

Identifies communications and details concerning the contract to be directed to the Director of HCD and Executive Director of the Subrecipient.

### III. General Conditions of the Contract

- A. General Compliance regarding 24 CFR 570 and 24 CFR 84
- B. Independent Contractor Statement
- C. Hold Harmless Clause
- D. Workers' Compensation Statement
- E. Insurance and Bonding Clause
- F. Grantor Recognition of HUD
- G. Good Standing Policy
- H. Amendments
- I. Suspension or Termination Clause
- J. Beneficiaries Statement Regarding ACCGov Residents and Income Eligibility
- K. Public Notices and Meetings Requirements
- L. Leveraged Resources and Agency Funding Statement
- M. Statement Regarding Reversion of Assets Upon Expiration of Agreement

### IV. General Administrative and Financial Requirements Directives

### V. Relocation, Real property Acquisition and One for One Housing Replacement Clause

### VI. Personnel and Participant Conditions Clauses

### VII. Environmental Conditions Directives

### VIII. Severability Clause

### IX. Certification and Other Regulations

### X. Duration of the Agreement

### XI. Signatories Page

## Attachments:

- Scope of Work or Services
- Budget Form
- Community Impact Assessment
- Names and Signatures of authorized signatories for reimbursement
- Board of Directors List
- GSIC E-Verify Affidavit
- SAVE Affidavit
- Insurance Requirements
  - Fidelity Bond or Commercial Crime Insurance Coverage
  - Evidence of Workers Compensation Coverage
  - Evidence of General Liability Coverage
  - Auto insurance (CSL) Coverage
  - Sexual Abuse and Molestation Coverage (if applicable)

# ADMINISTRATIVE AND FINANCIAL REQUIREMENTS

The legal and contractual requirements that your agency must meet by accepting CDBG funding are numerous and may be confusing. This section is designed to assist you in understanding federal and ACCGov CDBG requirements.

## Financial Management

The general requirements for financial management systems and reporting are found in [2 CFR Part 200](#). The purpose of these requirements is to ensure that a subrecipient agency receiving federal funds has a financial management system that will:

- Provide effective control for all funds, property and other assets;
- Identify the source and application of funds for federally sponsored activities; and
- Permit the accurate and timely disclosure of financial results in accordance with the reporting requirements of ACCGov and of HUD.

The federal regulations provide specific requirements in the following areas: internal controls, accounting records, allowable costs, source documentation, budget controls, cash management, financial reporting and audits. The first seven of these areas are discussed in this section. Auditing standards are described separately.

### *Internal Controls*

Internal controls consist of a combination of procedures, specified job responsibilities, qualified personnel, and complete records which together create accountability in an organization's financial system and safeguard cash, property and other assets. Through a system of internal controls, your agency can ensure that:

- resources are used for authorized (and eligible) purposes according to all applicable laws, regulations, and policies;
- resources are protected against waste, mismanagement, or loss; and
- reliable information on the source, amount and use of resources is secured, maintained and disclosed in the appropriate records and reports.

Some of the basic elements that your agency should develop as part of your system of internal controls are an organizational chart, written definitions of the duties of key personnel, hiring policies that ensure qualified staff, and a formal system of policies and procedures for authorizing and recording transactions.

In addition, your agency should ensure adequate separation of duties so that no one individual has authority over an entire financial transaction. Separation of duties specifically involves the separation of three types of functional responsibilities:

- Authorization to execute a transaction,
- Recording of the transaction and
- Custody of the assets involved in the transaction.

No one person should have control over more than one of these responsibilities. In organizations with very limited staff, it may be difficult to achieve optimal separation of duties. In such instances, the most critical functions to be separated are custody for cash, record keeping for cash, and control of assets easily converted into cash.

Your agency should exercise caution regarding 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 responsibilities or supervisory responsibilities for them.

Finally, your agency should periodically conduct comparisons of financial records to actual assets and liabilities. Corrective action should be taken in response to any discrepancies. This is a crucial step to uncover and correct inadvertent record-keeping errors in a timely manner. It is also essential for identifying potential weaknesses in your financial management system.

#### *Accounting Records*

Your agency is required to have accounting records that adequately identify the source and application of CDBG funds it receives. To meet this requirement, your accounting system should include a chart of accounts, a cash receipts journal, a cash disbursement journal, a payroll journal and a general ledger.

In addition to this information, your agency's files should contain complete copies of all pertinent reimbursement requests (including supporting documentation), bank statements, cancelled checks or check copies, and other pertinent disbursement records. The retention period starts from the date ACCGov submits its annual performance and evaluation report, as prescribed in [24 CFR 91.520](#), in which the service under the terms of this contract is reported on for the final time. The Consolidated Annual Performance and Evaluation Report (CAPER) is due to HUD each year on September 28.

For CDBG programs, these accounting records must contain reliable and up-to-date information about the sources and uses of funds, including federal grant awards, assets and liabilities, program income and expenditures of funds. The expenditures should be further broken down to show which funding sources were used to provide the monies for the expense.

#### *Allowable Costs*

The standards for determining the reasonableness and allowability of costs incurred as part of CDBG financed activities are found in [2 CFR Part 200 Subpart E – Cost Principles](#). Ineligible or undocumented expenditures may result in your agency's forfeiture or repayment of grant funds to the federal government. According to these guidelines, a cost is allowable under the CDBG program if:

1. The expenditure is necessary, reasonable and directly related to the grant.
  - This standard applies equally to such items as salaries and administrative services contracts, as well as to real property and equipment purchases or leases, travel and other administrative expenditures.
  - In determining whether a given cost is reasonable, consideration shall be given to factors such as whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the program; and,
2. The expenditure has been authorized by ACCGov through approval of the budget for the activity in your contract. The program budget will be outlined in the subrecipient contract for services; and,
3. The expenditure is not prohibited under federal, state or local laws or regulations; and,
4. The subrecipient applies generally accepted accounting principles in computing the cost, and utilizes the same procedures in calculating costs as for its non-federally assisted activities; and,
5. The cost must be allocable to the CDBG program. A cost is allocable to a particular cost objective (grant, program or activity) in proportion to the relative benefits received for that objective. This means that:
  - If an office is utilized by two programs during the same hours, the costs of the office should be allocated between the two programs on an equitable basis.
  - The same expense cannot be claimed against more than one grant (double-billing is prohibited); and,

6. The cost is net of all applicable credits. Any credits such as purchase discounts or price adjustments must be deducted from total costs charged. The subrecipient is not allowed to make a profit from credits against any costs charged to CDBG funds.

#### *Source Documentation*

The general standard is that all expenditure records must be supported by source documentation (see 2 CFR 200.302). Supporting documentation is necessary to show that the costs charged against CDBG funds were incurred during the effective period of your contract with ACCGov, were actually paid out, were expended on allowable items and had been approved by the responsible officials in your organization.

The source documentation must explain the basis of the costs incurred and show the actual dates and amounts of expenditures. For example:

- With respect to payroll, source documentation should include employment letters and all authorizations for rates of pay, benefits, and employee withholdings. Such documentation might include union agreements or minutes from board of directors' meetings where salary schedules and benefit packages are established, copies of written personnel policies, W-4 forms and etc. Copies of the payroll register, canceled checks to the employees, or evidence of direct deposits will document the actual outlay of funds.
- Time Sheets: For staff time charged to the CDBG program activity, time and attendance records must be submitted, indicating time charged to CDBG, as well as other funding sources (if any). If an employee's time is split between CDBG and another funding source, time distribution records must be submitted to support the allocation of charges among funding sources.
- With respect to the cost of space and utilities, space costs must be supported by documentation such as rental or lease agreements. Utilities will be supported by bills and canceled checks. If the cost of space or utilities is split between the CDBG funds and other sources, there must be a reasonable method in place to allocate the charges fairly among the funding sources.
- With respect to supplies, source documentation should include purchase orders or requisitions from the subrecipient, an invoice from the vendor that is signed by agency staff to indicate the goods were received, the canceled check proving payment, information regarding where the supplies are stored and for what program objectives they are used.

#### *Budget Controls*

Your organization must have procedures in place to monitor obligations and expenditures against your approved budget(s) for CDBG-funded activities. **ACCGov is under no obligation to reimburse you for expenditures that exceed approved budget line items or the overall budget for CDBG activities.**

Therefore, you need to have an ongoing system for comparing actual receipts, encumbrances, and expenditures against the CDBG contract budget in order to ascertain in a timely fashion that you are on track or whether it will be necessary to initiate a formal budget revision. In addition, since the contract budget reflects the subrecipient's best estimate of the resources necessary to accomplish the CDBG contract scope of services, any pattern of line-item overruns should prompt a careful re-assessment of whether the available resources will still be sufficient to achieve the agreed-upon objectives. In order to compare and control expenditures against approved budgets, you should:

- Maintain accounting records that include the amounts budgeted for eligible activities; and,
- Include unexpended or un-obligated balances for budgeted categories, as well as obligations and expenditures; and,

- Periodically compare actual obligations and expenditures-to-date against planned obligations and expenditures, and against projected accomplishments for such outlays.

These comparisons should be made on an ongoing basis, not after most of the funds have been committed. In addition, it is critical that subrecipients maintain a close watch over the progress achieved (program performance) for the amount of funds expended. It does little good to stay within the budget if the actual accomplishments lag far behind in terms of the units of service delivered. Reference your agency's Performance Benchmarks in the CDBG contract scope of services.

### *Cash Management*

Your organization needs to be able to forecast accurately what its project expenses are going to be. If its CDBG activities are relatively stable (the same type and level of activities from month to month), you can begin with the previous month's financial activity as a starting point for an estimate of current period cash needs. This estimate, however, should be modified for periodic expenses, such as insurance or seasonal variations in costs, like heating and electricity. If your agency's activities are expanding or exhibit irregular fluctuations, then it is important to devote more careful attention to predicting future cash requirements. It should be noted that a "cash requirements report" is a standard management tool for anticipating monthly (or even weekly) cash flow needs of a business. When a subrecipient is not able to track its expenditures and encounters large fluctuations in the disbursement of obligated funds (as can happen, for example, in construction activities), there is a tendency to invade other non-CDBG funds, or alternatively to "temporarily borrow" CDBG funds for non-CDBG purposes. These practices are prohibited and may result in program sanctions or termination of the CDBG contract.

### *Financial Reporting*

The financial reports prepared by your agency must be accurate, timely, current, and must represent a complete disclosure of all financial transactions and status in each Federal grant program under which assistance is received (2 CFR 200.302).

Financial reports are required monthly, and you must have the capacity to provide at least the following information for each CDBG activity:

Amount budgeted;

- Reimbursements received to date;
- Program income and other miscellaneous receipts in the current period and to date;
- Actual expenditures or disbursements in the current period and cumulatively to date, for both program income and regular CDBG grant funds;
- Current encumbrances or obligations in addition to disbursements;
- Unpaid requests for payment previously submitted at the time of the latest draw-down.

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

### *Procurement*

1. Whether a subrecipient occasionally purchases office supplies or contracts for millions of dollars of construction services, the requirements governing the purchasing process are designed to ensure that subrecipients follow a free and open competitive process in securing those products or services. **Subrecipients must document purchasing activities and decisions**, observe the special rules for particular kinds of purchases (small purchases, competitive sealed bids, competitive proposals, and sole source procurement), **properly bond and insure work** involving large construction contracts and/or subcontracts, and **contract with minority and/or women-owned**

businesses to the maximum extent feasible.

2. When it comes to spending the taxpayer's money, no matter how small the amount, it is important to ensure that the prices paid are competitive and that subrecipients (and the taxpayer) are getting good value. The rules don't require that they get a bargain every time they buy, but only that they pay a fair price and get what they paid for. This means that they should use CDBG funds to purchase what is necessary under the terms of the contract and no more. They should also be able to demonstrate the integrity of their purchasing procedures by documenting the history, results and decisions behind purchases. Sub-recipients are required to follow rules for certain kinds of transactions and to offer opportunities to disadvantaged firms to respond to purchasing needs. These requirements help to ensure that taxpayer resources are not wasted.
3. By observing the basic rules, subrecipients may find their purchasing decisions can be more efficient. For example, if they set up a standardized purchasing system for securing price quotations and preparing purchase orders, they won't have to reinvent the wheel every time they want to buy materials and supplies. These efficiencies in turn can help make their limited purchasing budgets go much farther. In addition, when they use CDBG funds to purchase materials or services, it is not sufficient simply to state that they followed the regulations. Subrecipients have to be able to prove it. Therefore, in order to avoid disallowed costs, it is necessary that subrecipients document the background, need and the details of every purchasing decision, whether it involves buying materials or hiring a contractor. At first, this may appear burdensome, but full documentation can help avoid serious problems in the long run.

#### *General Procurement Requirements*

1. The standards and procedures for procurement are intended to ensure that supplies, equipment, construction and other services acquired in whole or part with federal funds are obtained as efficiently and economically, as possible, and are procured in a manner that provides, to the maximum extent practical, open and free competition.
2. Solicitations for goods and services must be based on a clear and accurate description of the materials, products or service to be procured and cannot contain features that **unduly restrict competition**. Some of the situations considered to be restrictive of competition include placing unreasonable qualifying requirements on firms, requiring unnecessary experience and excessive bonding, **specifying only "brand name" products** instead of allowing "an equal" product, non-competitive pricing practices between firms or affiliated companies and non-competitive awards to consultants on retainer contracts.
3. Procurement contract awards are to be made to the bidder or *offeror* whose bid or offer is responsive to the solicitation and is most advantageous to an agency; price and other factors considered. Any and all bids may be rejected when it is in an agency's interest to do so. A Subrecipient agency must ensure that the award is only made to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement contract. Consideration should be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
4. The federal guidelines for contracting are designed to further ensure that contracts are structured and managed in a way that is consistent with good administrative practices and sound business judgment. General procurement requirements are detailed in 2 CFR Part 200 Subpart D - Procurement Standards, and include:
  - a. A subrecipient agency must maintain records to detail the significant history of their procurement. The agency must maintain files on the rationale for selecting the methods of procurement used, selection of contract type, the contractor selection/rejection process, and the basis for the cost or price of a contract.
  - b. Pre-qualified lists of vendors/contractors, if used, must be current, developed through open solicitation, include adequate numbers of qualified sources, and must allow entry of other firms to qualify at any time during the solicitation period.
  - c. As part of its efforts to eliminate unfair competitive advantage, a subrecipient must exclude contractors that

develop or draft specifications included in grant application, requirements, statements of work, invitations for bids and/or requests for proposals from competing for such procurement.

- d. A Subrecipient must ensure that awards are not made to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs per 2 CFR 200.214 "Suspension and Debarment".
- e. There must be written selection procedures for procurement transactions, and the procedures must be adequate to ensure compliance with federal procurement requirements.
- f. The purchase of unnecessary or duplicate items should be avoided. Where appropriate, an analysis should be made of lease versus purchase alternatives.
- g. Whenever possible, use of federal excess and surplus property, or of intergovernmental agreements for procurement or use of common goods and services, should be considered as a way to foster greater economy and efficiency.
- h. All purchase orders (and contracts) must be signed by the authorized official(s) of an agency.
- i. Items delivered and paid for must be consistent with the purchase order and/or contract for the goods or service.
- j. Timely payment to vendors must occur once the order is delivered, inspected, accepted and payment authorized.
- k. A cost or price analysis shall be performed for every procurement action, including contract modifications and documentation to that effect should be maintained in the sub-recipient files. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, sub- recipients must make independent estimates before receiving bids or proposals.
- l. Profit or fee should be negotiated separately from price where competition is lacking, or a cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of past performance and industry rates for the area.
- m. The list of provisions in 2 CFR 200.327 and Appendix II to Part 200, as appropriate, must be included in any contracts.
- n. The agency must not use "cost plus a percentage of cost" pricing for contracts; in addition, sub-recipients should use "time and material" type contracts only after a determination is made that no other contract is suitable and the contract includes a ceiling price that the contractor exceeds at its own risk.
- o. Public agencies must have protest procedures in place to handle and resolve disputes relating to their procurement and in all instances report such disputes to the grantee.
- p. There must be a documented system of contract administration for determining the adequacy of contractor performance.
- q. The agency must have a written code of conduct governing employees, officers or agents engaged in awarding or administering contracts.
- r. In accordance with 2 CFR 200.324, some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Cost analysis, as defined in the federal regulations, is the review and evaluation of each element of cost to determine reasonableness, allocability and allow-ability. Typically, the appropriate documentation would be records of written price quotations.

#### *Types of Procurement*

Depending on the scarcity of the item or service desired, and the size of the purchase, different methods of procurement are available for use by subrecipients under the federal regulations. The procurement thresholds described below align with general federal requirements. However, per 2 CFR 200.318(a), **subrecipients must follow the thresholds established by their own procurement policies**, which may be more strict or lower, but cannot be less strict or higher, than federal requirements.

1. **Small purchases - *Unless directed by HCD staff***, any contract not exceeding \$250,000 (the simplified acquisition threshold as of April 2025) may be made in accordance with the federal informal purchase procedures. A procurement of more than \$250,000 must not be broken up into smaller components solely to qualify for the less complicated procedures followed under the "small purchases" approach.
  - a. Micro-purchases are small purchases below \$2,000. Micro-purchases may be awarded without soliciting competitive price or rate quotations if the recipient or subrecipient considers the price reasonable based on research, experience, purchase history, or other information; and **maintains documentation to support its conclusion**.
  - b. Small Purchases are above \$2,000 but below \$250,000. Purchases of this amount require subrecipients to solicit written price quotations from at least 3 qualified sources.
2. **Formal Procurement – Sealed Bids** – Purchases exceeding the simplified acquisition threshold (SAT) of \$250,000 must be made in accordance with Formal Procurement Policy.
3. **Competitive Sealed Bidding** – Sealed bidding is the primary method utilized for construction contracts exceeding the SAT (\$250,000). The procurement must lend itself to a firm, fixed price contract (lump sum or unit price) where the selection can be made principally on the basis of price. The Invitation (or Advertisement) for Bid must include complete and accurate specifications and pertinent attachments, and clearly define items or services needed in sufficient detail for the bidders to respond properly. Bids must be opened publicly at the time and place stated in the Invitation for Bid. Agency must receive at least two or more responsible bids for each procurement transaction. If awarded, the contract must be given to the lowest responsive and responsible bidder. The competitive sealed bid method is the preferred approach for procuring construction services.
  - a. Bids must be opened publicly at the time and place stated in bid advertisement. If awarded, the contract must be given to the lowest responsive and responsible bidder. Competitive sealed bidding should not be used for professional services contracts.
  - b. If only one responsive bid is received from a responsive bidder, an award shall not be made unless a cost analysis verifies the reasonableness of the price.
  - c. If equal low bids are received from responsible bidders, award shall be made by drawing lots or a similar random method.
4. **Competitive Proposals** is the primary alternative to using sealed bidding for contracts above the SAT (\$250,000). It differs from sealed bidding in that it permits discussions with competing offerors and changes in their proposals (including price) and allows comparative judgmental evaluations to be made with selecting among acceptable proposals for award of the contract. Professional services such as architectural and engineering, and consultant services use the competitive proposal method. The award is not solely based on the lowest price or cost.

Among the procurement approaches described above, the competitive sealed bid results in a firm, fixed price contract. This is the preferred procurement approach when there are numerous available and qualified providers, when the requirements and specifications are thoroughly detailed and are unlikely to change, and where the sub-recipient has the opportunity to make the provider assume a large share of the risk for nonperformance. In other instances, for example, complicated rehabilitation projects or unique human service activities, other forms of competitive and non-competitive procurement may be necessary or desirable. In cases where price is not the single most important objective, it is still important to try to assure the highest possible quality of procurement at the lowest reasonable price through "open and free competition."

Procurement regulations are applicable to all purchases of goods and services with HUD funds.

## Property Management

If your agency uses CDBG funds to acquire real or personal property, federal regulations make you, the Subrecipient, responsible for ensuring that the property continues to be used for its intended and approved purpose, that you keep

track of it, that you take care of it, and that you reimburse ACCGov for the CDBG share of the property's value if you sell it.

However, the ownership, use, management and disposition of property are made somewhat more complicated by two facts. Second, the regulations also differ depending on the nature of the property. Real property (land and buildings) is treated differently than personal property (equipment and supplies).

The relevant federal regulations governing the management and disposition of property are 24 CFR 570.503(b)(7) and 2 CFR 200 Subpart D – Property Standards. For the purposes of these federal regulations, "property" is classified according to the following distinct categories:

- Real Property: Real property means land, including improvements to and structures located on the land, but excluding any movable machinery or equipment.
- Personal Property: Personal property is any kind of property other than real property.

Personal property is categorized as either non-expendable or expendable. A capital asset is considered to be tangible or intangible property having a useful life of more than one year and are capitalized in accordance with GAAP. Non-capital assets have a useful life of less than one year and are not capitalized in accordance with GAAP.

The federal requirements relating to property are organized according to title (ownership), use and disposition. In general, a subrecipient's property management system must provide for accurate records, the conduct of regular inventories, adequate maintenance and control, and proper sales procedures. This chapter will focus on the category of personal property. Should your agency need information regarding the purchase or disposition of real property, please contact HCD staff for specific requirements.

### *Equipment*

The regulations contain several requirements for the acquisition, use, maintenance, and disposition of equipment acquired with CDBG funds. It is important to remember that the purchase of equipment, in and of itself, is not eligible under CDBG regulations. However, CDBG funds may be used to purchase equipment needed to carry out an eligible public service. Procedures for purchasing equipment are addressed in the procurement section of this manual.

Title to equipment may be vested in the subrecipient agency, subject to compliance with the requirements of use, management, and disposition. Equipment purchased with CDBG funds or other forms of federal assistance must be used by your agency in the program or project for which it was acquired, and as long as needed, whether or not the program or project continues to be supported by federal funds. When no longer needed for the original program or project, the equipment may be used for other activities currently or previously supported by a federal agency. Your agency must also make the acquired equipment available for use on the other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the project or program for which the equipment was originally acquired. Your agency is prohibited from using CDBG acquired equipment to provide services that compete unfairly with private companies that provide equivalent services, unless specifically authorized by federal statute.

Equipment acquired with CDBG funds may be used as a trade-in on replacement property, only with prior approval from ACCGov. CDBG regulations require that your agency adequately manage and maintain CDBG funded equipment. For equipment (including replacement equipment) acquired in whole or in part with CDBG funds, your agency must have procedures and control systems in place to:

- Keep adequate equipment records, which must include information on property description; identification; funding source; title-holder; acquisition date and cost; Federal share of cost; location, use and condition; unit acquisition cost; and disposition data.
- Conduct a physical inventory of the property every two years, with a reconciliation of the inventory results with the equipment records.
- Maintain the equipment in good condition and ensure that adequate safeguards exist for preventing loss, damage, or theft of property.

When original or replacement equipment acquired with CDBG funds is no longer needed for the original project or program, or for other activities currently assisted with Federal funds, the following rules of disposition stated in 2 CFR 200.313 apply to subrecipients:

1. Equipment with a current per-unit fair market value of less than \$10,000 may be retained, sold, or otherwise disposed of by your agency, after notice to ACCGov. The proceeds from sold equipment are considered program income.
2. Equipment with a current per-unit fair market value of \$10,000 or more may, after notice to ACCGov, be retained or sold by your agency with ACCGov having the right to the compensation. The compensation amount is determined by multiplying the current fair market value or the proceeds from the sale by the CDBG share (percentage) in the original acquisition price of the equipment.

In addition, when equipment purchased with CDBG funds is sold, the net proceeds are considered program income (24 CFR 570.502(a)(8)).

### *Supplies*

For governmental and non-profit subrecipients: Upon termination of your agreement with ACCGov, where there is a residual inventory of unused supplies exceeding \$10,000 in total aggregate fair market value which is not needed for any other Federally-sponsored program, the agency must compensate ACCGov for the share of such supplies that was acquired with CDBG funds per 2 CFR 200.314.

### **Audit Requirements**

HCD requires that subrecipients have an audit conducted of federal funds received in accordance with 2 CFR 200 Subpart F – Audit Requirements, including the following:

1. Single Audit Threshold (200.501): The Single Audit threshold is \$1,000,000 in federal expenditures as of April 2025. This means that all non-federal government agencies and nonprofit organizations that expend \$1,000,000 or more in federal awards in a given fiscal year are required to conduct a single audit.
2. Audit Findings (200.516): Under the Uniform Guidance, the known and/or likely questioned costs that exceed \$25,000 must be reported as an audit finding.
3. Audit Services: Any costs when audits required by the Single Audit Act have not been conducted or costs of auditing grantees or recipients that are not required to have a single audit are not allowable (2 CFR 200.425).
4. Compensation- Personal Services and Fringe Benefits: 2 CFR 200.430 and 200.431 requires non-federal entities to maintain a strong system of internal controls over their records to justify costs of salaries and wages and provides additional flexibility in the processes they use to meet these standards.
5. Audits and GAGAS: Audits must be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) (2 CFR 200.514(a)).

## CLOSEOUT PROCEDURES

This section is designed to help you understand the process for ending a CDBG-funded contract with respect to:

- General issues that must be addressed;
- Specific closeout procedures typically undertaken by subrecipients;
- Adjustments made to account for final costs, cash and other asset balances; and,
- Continuing subrecipient responsibilities mandated by federal regulations.

By knowing these ahead of time, you can take appropriate steps now to assure that you and ACCGov are fully aware of the issues likely to be addressed during the closeout process. You can also clear up any documentation problems that may hinder your ability to finalize activities and deliverables under your contract.

The closeout of a contract is the process by which the grantee determines that all required work under the contract has been completed. This means that all financial, administrative and performance issues related to the activities undertaken by the subrecipient must be resolved to the satisfaction of both you and ACCGov. The following is a general listing of steps for program closeout.

### Programmatic Closeout

1. The subrecipient retains all program records for a period of five years after the closeout of the contract;
2. The subrecipient submits to ACCGov, no later than 30 days past the end of the fiscal year occurring on June 30, an audit of expenditures prepared with the following columns:
  - a. Total amount budgeted
  - b. Total expenditures
  - c. Balance - any funds remaining in your agency account at the end of the contract term will be automatically reprogrammed to the general CDBG contingency account
3. The subrecipient obtains a final audit of the agency's financial records from a certified public accountant at the end of the fourth quarter or the conclusion of the agency's fiscal year. The agency is responsible for arranging this audit and submitting it to ACCGov. The audit must meet the requirements of 570.509(b)(3) and 2 CFR 200 Subpart F – Audit Requirements.

### Furniture and Equipment

1. An inventory of furniture and equipment shall be supplied to ACCGov upon request, or in all cases, at the end of the fiscal year as part of the subrecipient's final report.
2. All furniture and equipment purchased by ACCGov for the subrecipient which has an ACCGov inventory control number must be returned to the Housing and Community Development Department immediately upon request.

On-going programs must submit a formal request to ACCGov for the continuing use of the items and justification for their continuing usage.

### Final Year End Reports

1. At the request of HCD, the subrecipient shall submit a final Year End report no more than 30 days after the program year's final date. This report summarizes the final total of unduplicated clients served by the agency. It also summarizes the agency's accomplishments toward attaining the goals and objectives of the program. A Financial Summary may also be requested.
2. The final Year End report analyzes the accomplishments and states any procedures or actions that may have increased the effectiveness of the program.

3. HCD staff may schedule an evaluation meeting to review performance. The subrecipient is evaluated on program performance and financial record keeping with respect to Contract compliance. For public service programs, a participant evaluation of the services may be required.
4. HCD staff will provide a notice of results to the subrecipient related to contract compliance if any problems are found in the operation of the agency.

## RECORDKEEPING REQUIREMENTS

Accurate recordkeeping and reporting are crucial to the successful management of your CDBG-funded activities. The failure to maintain adequate documentation of CDBG-funded activities is one of the most serious administrative issues undermining program performance and regulatory compliance of subrecipients in the CDBG program. Improper recordkeeping and reporting is a serious barrier to effective management of CDBG activities. Without adequate recordkeeping, you and ACCGov cannot track performance against your contract goals, and ACCGov cannot provide adequate management support.

Every subrecipient is required to establish and maintain at least three major categories of records:

1. **Administrative Records:** These are files and records that apply to the overall administration of the subrecipient's CDBG activities. They include the following:
  - Personnel files.
  - Property management files.
  - General program files: files relating to the subrecipient's application to the grantee, the subrecipient agreement or contract, program policies and guidelines, correspondence with grantee and reports, etc.
  - 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/Client/Beneficiary Files:** These files document the activities undertaken with respect to specific individual beneficiaries, property owners, and/or properties.

In order to avoid monitoring findings and facilitate audit reviews, your agency will be required to retain records for extended periods of time, even though the activity for which you were funded may have been completed. In general, records are to be retained for five years from the date of submission of the Consolidated Annual Performance and Evaluation Report (an annual year-end report) in which the activity was last reported. In cases involving litigation, insurance claims, or other action involving the records, the records must be retained until any such action is resolved.

All records must be accurate, complete, and orderly. ACCGov recommends that your agency establish a separate filing system for all CDBG related files in an easily accessible location for ease of monitoring. Keep in mind that representatives from ACCGov, HUD, the Comptroller General of the United States, or other authorized governmental agencies have the right of access to any pertinent records of your agency in order to make audits, examinations, excerpts, and transcripts. These files will be reviewed during the onsite monitoring visits. Please do not keep files in a separate location, such as with a board member.

## PERFORMANCE REPORTING REQUIREMENTS

By entering into a contract with ACCGov, your agency agrees to prepare and submit financial statements, program progress evaluations, and other reports as required by HUD and/or ACCGov. In addition, your agency agrees to provide

services specified in the Scope of Services of the contract (see Appendix B). Because these are public funds, it is important that they be used to maximize benefit to the public. The contract sets specific, quantifiable goals for each service program, and actual service delivery is carefully monitored. Agencies receiving CDBG funds are required to report on both a monthly and an annual basis.

## Monthly Program Progress Reports

Your agency is required to submit monthly Program Progress Reports. These reports will be submitted online using Survey 123. Your HCD grant manager will provide you with the link to this form during contracting. The purpose of this report is to demonstrate compliance with stated contract objectives and goals, and to justify the reimbursement of funds. Think of the report as a way to show ACCGov what the community is receiving for its CDBG funding.

**Your monthly report is due on the 5<sup>th</sup> business day of each month.** A separate report is required for CDBG and HOME. If your agency does not submit the monthly report on time, HCD will withhold Reimbursements until compliance is achieved.

The monthly report has three sections: a performance outcomes section, a narrative descriptive section, and a client census section (see Appendix C). In the performance outcomes section, you will report on your agency's progress in meeting the performance goals stated in your contract and/or scope of services. In the client census section, you are required, as precisely as possible, to report the units of service by race, income, female heads of households, and disability. Other data points may be added as necessary. You are required to provide an unduplicated count of all persons served for the month being reported and a Year-to-date total. An unduplicated count means that even if a person was served two or more times in a given contract year, he or she is only counted once. The report also includes a brief narrative account of each activity citing specific accomplishments and outcomes.

ACCGov is required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD each year. As part of this reporting process, each subrecipient, including your agency, will be required to submit a Year End Report. This report requires that you provide a project budget and expenditure verification, total agency funding, a partners and collaborations narrative, and an accomplishments narrative.

## CONTRACT VIOLATIONS AND TERMINATIONS

By accepting CDBG funds and entering into a contract with ACCGov, your agency agrees to abide by the requirements as outlined in this manual and in your contract. Should your agency fail to comply or otherwise violate the terms of the agreement, ACCGov may take one or more of the following actions provided under federal regulation 2 CFR 200.339:

- Withhold cash payments pending correction of the deficiency or violation
- Disallow all or part of the cost of the activity or action not in compliance
- Suspend, in whole or in part, the grant award for the program
- Withhold further awards for the agency or program
- Initiate suspension or debarment proceedings
- Pursue other legally available remedies

If such action is taken, Subrecipient will be unable to claim any unspent funds following the ending date of the agreement.

## Terminations

The contract between your agency and ACCGov may be terminated in whole or in part by either party upon receipt of a thirty-day written notice to that effect. For contracts involving improvements to the facility of the subrecipient, the contract may only be terminated by ACCGov. Costs incurred by your agency during a suspension or after termination of contract are not allowable and will not be reimbursed.

## REIMBURSEMENT PROCESS

### Billing for Expenditure Reimbursement

Under your CDBG contract with ACCGov, payment of grant funds will be made through reimbursement of monthly expenditures. As a result, grant payments will not be made to advance funds. This means that even with an allocation of CDBG funds and an active contract, your agency will not actually receive the funds prior to an expenditure on your part. The contract only permits HCD to reimburse your agency for the expenditures specifically covered by the budget exhibit in your contract as defined by your scope of services. However, minor adjustments are permitted to the budget exhibits during the term of the contract. If your agency anticipates the need for the modification to your contract budget, you must contact HCD staff prior to the incurring cost related to the modification. Otherwise, the cost is not eligible to be reimbursed.

HCD requires that you submit your reimbursement request on a monthly basis. HCD aims to reimburse subrecipients within 30 days of **complete and correct** reimbursement request submission. Reimbursement delays may occur due to missing or incorrect program progress reports, expenditure source documentation, or required signatures on time sheets or other documents.

### Reimbursement Request Procedures

Subrecipients are required to submit an invoice in our grant management software, Zoom Grants. The invoice will include the agency name, the reimbursement number and reporting period, requested amounts per budget line item, and budget for the current year of funding. To receive reimbursement for CDBG-funded expenditures, HCD has established a standard billing procedure for all agencies to follow.

Prior to the annual grant performance year start date (July 1), your agency will receive instructions and Zoom Grants training. Any forms required to be uploaded to the Zoom Grants invoice will be provided. Samples of these forms are included in Appendix C. Regardless of annual contract execution status, and because expenses are reimbursable for the period of performance (July 1 through June 30), reimbursement requests must be submitted every month. Despite HCDs inability to remit payment for encumbered costs prior to contract execution, the preparation and holding of pre-approved reimbursements prevents delay of timely payments to agencies once the contract is executed. Public Service reimbursement requests received after the annual grant close-out final submission deadline provided by HCD are not eligible for payment. Affordable Housing, Economic Development and Public Facilities & Improvements reimbursement request payments are only eligible if carryforward requests have been approved prior to the annual grant close-out final submission deadline, and only for expenses that fall within the approved carryforward period of performance.

Forms included in the appendices must be submitted on a monthly basis, along with a completed progress report through Survey 123, regardless of contract execution status:

1. Zoom Grants Invoice (required)
2. Reimbursement Request Form (optional)
3. Schedule of Documentation (required)
4. Payroll Supplemental (optional)

## Supporting Documentation

Expenditure source documents must accompany all requests for reimbursement. Two kinds of source documents are required for each cost item:

### 1. Basis of Cost Incurred

- **Invoices or Receipts** from vendors, signed by the subrecipient indicating that the goods were received (items purchased and amounts charged must be identified).
- **Cash Register Receipts** that are itemized and dated.
- **Consultant Services Invoices** specifying the contractor, the services rendered, basis of cost per the consultant contract, and the dates of service.
- **Utility Bills** –which display the service address and with only current charges allowed
- **Rental Agreements** to support payments on a monthly building lease.
- **Time Sheets** - signed and dated by employer and supervisor including hours worked and a brief explanation of the activities.

### 2. Proof of Payment Made

- **Canceled Checks** - copies of both sides and/or page of image checks supported by the corresponding bank statement. The front side showing check form, date, amount payee, account paid against or purpose of payment and signature. The back side showing that the check cleared bank processing and was paid. If a copy of the back side of the canceled check cannot be obtained, a copy of the bank statement showing that the check has been paid can be submitted instead.
- **Credit Card Statements** must be accompanied by a copy of the check that paid the balance owed.
- **ACH Payment Confirmations** must include Subrecipient name and bank account number, vendor name and bank account number (last four is fine), date, amount paid, and a unique confirmation or transaction number.

Please note that ACCGov reserves the right to hold or return reimbursement requests and withhold payments until all required reports, statements, certificates or other documentation have been submitted and approved.

## Program Budget

This section describes the various kinds of allowable program expenses applicable to each budget line item and specifies the appropriate documentation to submit in a reimbursement request.

1. **Wages:** All employees, including executive directors, regular employees and contract employees, paid in whole or in part with CDBG funds, are required to prepare weekly time sheets which describe their grant-related activities undertaken as well as time spent on grant activities. The time sheets must be signed by the employee and his or her supervisor. The executive director's time sheet must be signed by an authorized member of the Board of Directors. These time sheets together with payroll records are required for reimbursement. Payroll records can include computerized payroll printouts or copies of signed checks along with check stubs showing gross to net wages paid.
2. **Contract Services:** These cost items are typically such things as audit expenses, accounting services, professional counseling services, etc. For these items, a copy of the agreement or any amendment that identifies the monthly charge and the terms of agreement must be submitted to HCD. Thereafter, a copy of the monthly payment is sufficient. For one-time expenses, such as an audit, an invoice with a copy of the canceled check showing

payment will satisfy this requirement. For construction or engineering and design work performed for your agency, HCD staff must be consulted, as different requirements will apply.

3. **Consultant Services:** For organizations that retain outside consultant company services such as, auditors, accountants, employment agencies, payroll service companies, legal, equipment repair, specialized training, education, computers, and etc., special source documentation is required. These consultants can be individuals who have their own companies, or independent firms, and are not carried on the subrecipient's payroll. For reimbursement of payments to consultants, the following source documentation will be required prior to approval.
  - a. A copy of the contract outlining the specific services to be rendered utilizing CDBG funds; and,
  - b. A copy of the invoice from the consultant specifying the service rendered, dates of service, and a request for payment from the subrecipient; and,
  - c. A copy of the method or instrument utilized for payment (i.e.: canceled check, receipt for cash payment, etc).
4. **Space Rental:** Rental costs can be documented either as contract expenses or by submittal of invoices and copies of canceled checks on a monthly basis. If treated as a contract expense, the current rental agreement (including any amendments) must be on file at HCD. Thereafter, proof of monthly payments (copies of canceled checks) will suffice as expense documentation. Late payment penalties and disconnect and reconnect service charges for utilities are ineligible for reimbursement.
5. **Supplies:** Supplies include all tangible personal property other than those described in the *equipment* definition. Supply expenses shall be documented with itemized receipts supported by proof of payment (copies of canceled checks). Credit card receipts are not acceptable unless the card is issued in the name of the company (not an individual), and the card is used in daily business of the agency. The credit card invoice and a canceled check for the full amount are also required as proof of payment.
6. **Rental, Lease, Purchase of Equipment:** Equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost of \$10,000 or more. Office equipment, such as, file cabinets, office furniture, computers, and copiers; shelter equipment, such as, washing machines, refrigerators, and beds may be rented, leased, or purchased. Acquisition of such equipment must be justified in terms of service provision and the agency must have prior ACCGov approval. A minimum of three (3) bids must be obtained and the purchase must be awarded to the lowest bidder. Please refer to the Procurement section of this manual for guidance on purchasing procedures. Adequate documentation of an equipment purchase would include copies of comparable price quotes, invoices, and copies of canceled checks, as proof of payment. Again, credit card receipts alone are not sufficient proof of payment. For rented or leased equipment, the agency must provide copies of rental/lease agreements to ACCGov. Combined with copies of canceled checks, proving payment, the agreement will suffice as source documentation.
7. **Insurance:** Insurance payments can be documented with invoices and copies of canceled checks, as proof of payment. Late payment penalties are not eligible for reimbursement.
8. **Other:** Items typically included in the "Other" line items can include utilities, telephone, copying charges, cellular phone, internet fees, etc. Most other eligible reimbursable items not specifically falling under the previous eight line-item categories, should be listed here. These items are reimbursable with CDBG funds and can be documented with invoices and copies of canceled checks, as proof of payment. Again, late payment penalties are not eligible for reimbursement. Subsidies may be accounted for on the "Other" line items. Public Services

such as day care, recreation, and day-camp programs may be reimbursed on the basis of documenting the use of CDBG funds to reduce fees paid by program participants. The initial establishment of a subsidy program must be supported by a program cost outline and a schedule of participant fees and proposed subsidies. Appropriate documentation for reimbursement of monthly subsidy expenses would include a roster of subsidized participants and records of fees paid by them, as well as the subsidies provided.

9. **Travel:** Mileage reimbursement requests for travel outside Athens-Clarke County must be accompanied by a mileage log report. This report shall state the mileage traveled, destination, and purpose of each trip. Mileage logs must be signed by the employee and his or her supervisor. Travel reimbursement cannot exceed the travel allowance utilized by ACCGov (ACCGov utilizes the IRS Standard Mileage Rate). Travel expenditures must be supported with verification of reimbursement (canceled check) to the employee incurring the expense.

## **Budget Line-Item Balances**

Once a reimbursement is processed and approved, you will receive a check. Your reimbursement request will detail expenditures to date against the amounts budgeted for your program. Upon receipt of your reimbursement, please verify that the amount of the check corresponds to that of your reimbursement request. If corrections are made to your reimbursement request, please reconcile the data to your own records and contact HCD if you have any questions about the status of your budget.

## **Travel Policy**

If subrecipients do not have an existing travel policy in place, ACCGov's Travel Policy should be utilized. All standards used must be in compliance with 2 CFR Part 200. ACCGov's travel policy can be found here:

<https://www.accgov.com/DocumentCenter/View/53845/1-Official-Travel-Policy->

### *Authorized Travel and Expenses*

Travel and related expenses shall be authorized when an officer or employee is engaged in the conduct of official CDBG-funded activities or business and shall include the following:

**Travel to and from the location of a conference, seminar, school, or training program** which is held either outside Athens-Clarke County and which is for education or training purposes directly related to the operations of your CDBG-funded project and its official functions. Reimbursement for mileage in a personally owned vehicle is allowable.

### *Reimbursement of Expenses*

The request for reimbursement shall contain an itemized listing of all expenses incurred for such travel and must be approved and signed by your agency's executive director. If your agency fails to reconcile the account within the specified time period and an extension of time is not granted by the HCD Director, we may void such reimbursement claim. HCD is authorized to withhold any such reimbursement.

### *Documentation of Expenses*

Receipts or other documentation shall be required for all expenses.

### *Allowability and Limitations of Expenses*

Reimbursement shall be limited to the actual, necessary, and reasonable expenses incurred for authorized activities provided for in this policy. The standard for "reasonable" may be determined by the geographic location and other circumstances and the interpretation of this standard shall be made by the HCD Department Director.

## *Transportation outside of Athens-Clarke County*

**Mileage Reimbursement.** Mileage reimbursement requests for travel outside Athens-Clarke County must be accompanied by a mileage log report. This report shall state the mileage traveled, destination, and purpose of each trip. Mileage logs must be signed by the employee and his or her supervisor. Travel reimbursement cannot exceed the travel allowance released annually by the [Internal Revenue Service](#) (IRS). Travel expenditures must be supported with verification of reimbursement (canceled check) to the employee incurring the expense. If two or more persons travel to the same location in the same vehicle, only one such payment shall be made.

## CONTRACT MODIFICATIONS OR AMENDMENTS

Under the terms of ACCGov CDBG subrecipient contracts, there are three basic kinds of contract modifications that can be approved: Budget, Performance Measures, and Duration of Agreement Modifications. These can be granted only by the HCD Director or designee and can only be granted in response to a written request submitted by the subrecipient.

ACCGov may, at its discretion, amend contracts to conform with Federal, state, or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendment(s) result in a change in the funding, the Scope of Services, these amendments must be approved by the ACCGov Mayor and Commission. Modification types are described as follows:

### **Budget Modifications**

1. **Use of the Program Budget:** During the course of project implementation the program budget must be followed. Subrecipients are allowed to deviate from the approved program budget only with prior written approval from HCD. Due to this restriction, it is essential that the subrecipient develop accounting and grant management procedures which maintain tight control over obligations and expenditures to assure conformance with the program budget. The program budget should be consulted and tracked on a continual basis. HCD will utilize the subrecipient's Program Budget as a basis for monitoring project implementation particularly in assessing the subrecipient's Monthly Progress Reports. Adherence to the program budget will also be assessed during compliance reviews and audits. Failure to adhere to the Program Budget is a violation of the CDBG contract and could result in a requirement for repayment of ineligible expenses from the subrecipient's own financial resources.
2. **Performance Measures Modifications:** During the course of the project, revisions to the agency's performance measures may be necessitated by unforeseen or unpredictable factors. All such revisions require HCD's prior written approval.
3. **Program Budget Revisions:** During the course of the project, revisions to the Program Budget may be necessitated by unforeseen or unpredictable factors. All such revisions require HCD's prior approval. Reimbursement requests that reflect deviations from approved budgets cannot be processed. A budget revision must include the following:
  - A revised Program Budget that accurately displays the necessary budget breakdown to carry out the project;
  - A budget adjustment request submitted into Zoom Grants which is signed by the authorized official requesting the Budget Revision and explains the circumstances necessitating the change(s).

Budget Revisions must not significantly affect either the scope or objectives of the project. The "scope" of the project is the nature, location or magnitude of the work described in the CDBG contract. The "objectives" of the project are the

measurable performances involved in the CDBG contract including the impact and degree of benefit to the identified population and environment that the project is proposed to provide.

### Duration of Agreement Modification

A Duration of Agreement Modification should be requested when it is anticipated that the organization will need additional time to complete the service and expend the entire amount of the grant allocation as originally budgeted in the contract's budget. This request should be made on the agency's letterhead and signed by the Executive Director or a suitable individual who has been granted signing authority by either the Executive Director and/or the agency's Board of Directors. It is advised that prior to initiating this procedure that the agency contact the respective CDBG staff contact. The Duration of Agreement Contract Modification requests, as outlined above, should only be submitted if all of the following criteria are met:

1. Funding being carried forward does not exceed 15% of the program budget;
2. The contract's CDBG funding category is Affordable Housing or Economic Development. Contracts for Public Services activities cannot be carried forward into the next program year;
3. Are specifically requested by the subrecipient in writing;
4. Will not change the project goals or scope of services;
5. Are in the best interests of ACCGov and subrecipient in performing the scope of services under this contract; and,
6. Do not alter the amount of compensation under this contract.
7. Duration of Agreement extension request must be submitted at least 30 days prior to the ending date of the agreement.

### Budget and Time Modifications (Combination)

When a Budget Modification and a Duration of Agreement Modification are required, as defined above, both requests for modifying the contract can be submitted on the same letter. All provisions outlined above remain in effect.

## SUBRECIPIENT MONITORING

### Ongoing Contract Supervision

HCD staff will conduct on-going monitoring in order to review the programmatic and financial aspects of the subrecipient's activities. HCD staff will review reports as submitted by the subrecipient for compliance with federal regulations regarding the use of federal funds and implementation of the program. The monitoring process is oriented towards resolving problems and offering related administrative support. HCD may require corrective actions of the subrecipient and maintains its right to pursue all legal remedies to ensure compliance/performance pursuant to the subrecipient agreement.

### Routine Desk Reviews

HCD is responsible for conducting desk reviews of Subrecipients. This may occur with the review of submitted reimbursement requests and supporting documentation. Reimbursement requests are submitted no more frequently than once a month. Monthly program progress reports will also be reviewed to monitor program performance and assess any potential performance issues.

## Onsite Monitoring Visits

HCD is responsible for conducting onsite monitoring of subrecipients. Remotely conducted visits may be authorized by the HCD Director. It is recommended to conduct this site visit either towards the end of the contract term (after at least half of the contractual term has passed) or if issues arise, as needed.

As the Community Development Block Grant Recipient, ACCGov is responsible for monitoring subrecipient performance. This includes a full review of the subrecipient's administrative methods, program implementation and compliance with CDBG regulations. These reviews focus on the extent to which the planned program has been implemented and measurable goals achieved, the effectiveness of program management and the impact of the program. This level of monitoring is conducted by ACCGov program and finance staff at the subrecipient agency. The number of visits necessary to complete the monitoring process is determined by the timing of the CDBG-funded program and by the nature and complexity of the program.

The five basic steps to the formal monitoring visit include:

1. **10 business-day written notification in advance of the monitoring visit:** 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:** HCD will review and collect data as requested in the 10 business-day notification 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, HCD 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 within 30 days of the Exit Conference:** HCD 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 within 30 days in writing if any concerns or findings are noted or if documentation requests are made.

### Helpful Resources

The [CPD Monitoring Handbook](#) includes monitoring exhibits used by HCD and HUD staff to monitor CDBG programs. The [Managing CDBG: Guidebook for CDBG Grantees on Subrecipient Oversight](#) provides detailed information regarding subrecipient oversight and monitoring so your agency knows what to expect during a monitoring visit and what information you will need to have available for your HCD monitors.

## PROGRAM INCOME

Program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

- Any fees charged to a participant in the CDBG funded program;
- Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and,
- Interest earned on program income pending its disposition.

Program income is the net income directly generated from the use of CDBG funds by your agency. Any program income generated by your program will be returned to HCD unless otherwise approved by HCD Director.

## POLITICAL ACTIVITY

Subrecipients are prohibited from using CDBG funds or personnel employed in the administration of the program for the following: political activities, sectarian or religious activities, lobbying, political patronage, and nepotism activities.

## TERMINATION OF PARTICIPATION, APPLICANT DENIAL AND GRIEVANCE

Subrecipients must have written termination, denial, and grievance policies and/or procedures. The policies and/or procedures should be readily available to households either in written information or by posting the policy in a public place. It is important to effectively communicate these policies and/or procedures to households and ensure that they are fully understood. Subrecipients should also thoroughly document reasons for termination, denial, or grievance procedures.

### Termination of Participation and Grievance

Causes for termination may include, but are not limited to, failure to abide by any agreed upon requirements and client fraud. A grievance procedure must include:

- Written notice to the household containing a clear statement of the reasons for termination;
- A review of the decision, in which the household is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision. This may include the household's right to question or confront staff involved; and
- Prompt written notice of the final decision.

### Denial and Grievance

Causes of denial of assistance include, but are not limited to, the household's ineligibility or failure to provide verifiable evidence of eligibility, etc. Established procedures should describe:

- Circumstances in which a household may not qualify or would be denied;
- Notification of denial; and
- A household's right to review the decision

## CONFLICT OF INTEREST

The agency must have policies which prohibit both organizational conflicts of interest and other conflicts of interest in compliance with 24 CFR § 570.611. The subrecipient must have a written Conflict of Interest policy and must keep records documenting compliance with the policy.

### Organizational Conflict of Interest

An organizational conflict of interest arises when, because of activities or relationships with other persons or organizations, the subrecipient is unable or potentially unable to render impartial assistance in the provision of any type or amount of assistance under this part, or when a covered person's objectivity in performing work with respect to any activity assisted under this part is or might be otherwise impaired.

## Other Conflict of Interest Requirements

No covered person may obtain a financial interest or benefit from an assisted activity, have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity, or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or during the one year period following his or her tenure. Covered person is defined as a person who is an employee, agent, consultant, officer, or elected or appointed official of the Subrecipient and who exercises or has exercised any functions or responsibilities with respect to activities assisted under the CDBG Program, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the CDBG Program.

## FEDERAL REQUIREMENTS IN CDBG PROGRAMS

### Fair Housing Activities

Entities involved in delivering CDBG-assisted projects are responsible for taking necessary and appropriate actions to prevent discrimination in federally assisted housing and lending practices related to loans insured or guaranteed by the federal government. Further, subrecipients should strive to promote a strategy for increasing the choice of housing opportunities for low- and moderate-income persons including minorities and female-heads of households.

#### *Affirmatively Furthering Fair Housing*

Recipients shall market housing and supportive services to eligible persons regardless of race, color, national origin, religion, sex, age, familial status, or handicap; and shall provide program applicants and participants with information, in writing, on their rights and remedies under applicable federal, state, and local fair housing and civil rights laws.

Subrecipients shall submit these written materials to HCD as requested. HCD shall review these documents for potential violations of fair housing laws and shall assist Subrecipients in coming into compliance with this requirement.

### *Integration and Accessibility*

Housing and supportive services must be offered in an integrated manner, such that persons with disabilities may enjoy a meaningful life within the community. Recipients shall offer housing and supportive services to enable individuals with disabilities to interact with nondisabled persons to the fullest extent possible. Reasonable accommodations and modifications must be offered when appropriate.

### *Reasonable Accommodations and Modifications for Persons with Disabilities*

Recipients are required to provide reasonable accommodations and modifications for persons with disabilities. A reasonable accommodation is defined as changing the rules, policies, or services so that a person with a disability has equal opportunity to use and enjoy a dwelling unit or common space. Permitting a person with a disability to have a service animal is an example of a reasonable accommodation. A reasonable modification is defined as modifying a structure so that a person with a disability has the full enjoyment of the housing and related facilities. Installing a grab bar in the bathroom of a person with a disability is an example of a reasonable modification. For federally funded housing, the recipient bears the burden of paying for the modification. Recipients must inform applicants during the intake process of their right to request a reasonable accommodation or modification.

### *Discrimination Based on Household Composition*

A recipient receiving funds under the CDBG Program cannot discriminate against individuals or families based on the composition of the family, the age of any members of the family, the disability status of any members of the family, marital status, actual or perceived sexual orientation, or gender identity. However, housing may be limited to families with children who are under the age of 18.

Refer to the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, "2012 Equal Access Rule," (77 FR 5662); Equal Access in Accordance with an Individual's Gender Identity in Community Planning and Development Programs, "CPD Equal Access Rule," (81 FR 64782); and HUD's definition of family at: [24 CFR 5.403 "Family"](#)

### *Preventing Involuntary Family Separation*

In an effort to maintain family unity, for housing serving families with children, the age and gender of a child under age 18 shall not be used as a basis for denying any family's admission. Additionally, recipients may not deny admission to any member of the family (e.g., 15-year-old son).

### *Equal Access in Accordance with Gender Identity*

Subrecipients must follow HUD's requirements regarding equal access per the 2012 Equal Access Rule (77 FR 5662) and the CPD Equal Access Rule (81 FR 64782).

Projects, including single-sex emergency shelters, must provide all individuals, including transgender individuals and other individuals who do not identify with the sex they were assigned at birth, with access to programs, benefits, services, and accommodations in accordance with their gender identity without being subjected to intrusive questioning or being asked to provide documentation.

Subrecipients' policies and procedures must reflect that equal access is provided to individuals and families based on their gender identity. It is also recommended that recipients use this Notice to notify applicants and participants of the Equal Access rule requirements.

Once an individual or family is admitted for assistance, Subrecipients must take nondiscriminatory steps that may be necessary and appropriate to address privacy concerns raised by participants and as needed, update admissions, occupancy, and operating policies and procedures in accordance with the CPD Equal Access Rule (81 FR 64782).

### *Prioritized Subpopulations and Fair Housing Implications*

Recipients shall comply with applicable civil rights laws, including the Fair Housing Act. Within this framework, these standards establish subpopulations to be prioritized for housing and services that align with the identified needs of the local community and the goals of the Federal Strategic Plan to End Homelessness. Subpopulations may be prioritized as long as doing so does not discriminate against any protected class under federal nondiscrimination laws in 24 CFR § 5.105; subpopulations may also be prioritized according to who needs the specialized supportive services that are offered by the project.

### *Section 504/Accessibility*

The Americans with Disabilities Act provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and telecommunications. The Act, referred to as the ADA, states that discrimination includes the failure to design and construct (built for first occupancy after

January 26, 1993) that are accessible to and usable by persons with disabilities. The ADA requires the removal of architectural and communications barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplished, and able to be carried out without much difficulty or expense.

Section 504 Accessibility Policy (“Section 504”) was enacted as part of the Rehabilitation Act of 1973. It prohibits discrimination based on disability in all programs and activities receiving federal assistance and, in 1978, it was amended to apply to all programs conducted by the federal government. This regulation provides that no qualified individual with a disability shall, because a recipient’s facilities are inaccessible to or unusable by individuals with disabilities, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity that receives federal financial assistance.

All recipients of ACCGov’s CDBG funds are required to conduct requisite assessment and transition plans, and to ensure structures/units built or rehabilitated conform to applicable accessibility standards.

## Equal Employment Opportunity

Nondiscrimination is a requirement of employment and employment practices. Employment opportunities may not be denied on the basis of race, color, national origin, gender, gender orientation/sexual identity, age, religion, familial status, or disability. Affirmative action and equal employment opportunity policies are fundamental aspects of CDBG funded activities.

The Americans with Disabilities Act modifies and expands the Section 504 Rehabilitation Act of 1973 to prohibit discrimination against “a qualified individual with a disability” in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.

## Lead-Based Paint (applies to residential housing projects/programs)

CDBG recipients must certify that no lead-based paint will be used in residential units assisted with CDBG funds and must document that all occupants of structures built before 1978 have been notified of the hazard of lead-based paint.

The federal requirements pertaining to lead-based paint are contained in 24 CFR Part 35. A fact sheet containing information about current efforts to protect children from lead-based paint poisoning prepared by the Environmental Protection Agency can be obtained from HCD staff.

- 1. Notification Requirements:** Property owners renting units in structures built before 1978 must utilize the pamphlet entitled Protect Your Family from Lead in Your Home to notify their tenants of the potential hazards of lead-based paint. Copies of the pamphlet are available on the EPA website: [Protect Your Family from Lead in Your Home \(English\) | US EPA](https://www.epa.gov/lead/protect-your-family-from-lead-your-home-english). The pamphlet must also be used to notify buyers of homes built prior to 1978 of the hazards of lead-based paint. The landlord/seller must document that the tenant/buyer was provided the pamphlet.
- 2. Identification of Defective Paint Surfaces:** Visual inspections must be completed for defective surfaces in all properties constructed prior to 1978. All interior and exterior surfaces, including those in common areas must be examined. Surfaces identified as being defective shall require further analysis and shall require interim controls (a set of measures designed to temporarily reduce human exposure to lead-based paint hazards). The presence of lead-based paint may ultimately require lead-based paint abatement.

3. **Lead Hazard Evaluations:** Federal regulations required that Lead Hazard Evaluation be performed by licensed inspectors on all pre-1978 homes receiving over \$5,000 in federal funds. An initial inspection must be made prior to the start of any renovation work, EPA-certified firms and workers must perform the work, and a final lead clearance inspection must be conducted prior to re-occupancy of the residential units.

#### Helpful Resource

For more information and training on Lead-based Paint, please review the resources at:  
[Lead Safe Housing Rule Resources - HUD Exchange](#)

### **Limited English Proficiency**

Subrecipients must ensure meaningful access to their programs and activities by persons who do not speak English as their primary language and who have limited ability to speak, read, write, or understand English, pursuant to Executive Order 13166. This Executive Order mandates that the federal government reduce language barriers to Limited English Proficiency (LEP) persons with regard to accessing federal benefits.

In certain situations, failure to ensure persons who have Limited English Proficiency have access to CDBG programs or services may violate Title VI's prohibition against national origin discrimination.

- If 25% or more of a CDBG Activity's service clientele has limited English proficiency and speaks a non-English language, the CDBG Activity must provide key documents translated in that population's language.
- If 50% or more of a CDBG Activity's service clientele has limited English proficiency and speaks a non-English language, the CDBG Activity must make every attempt to provide assistance to a person in their designated language, either through translation services or by employing staff who speak the language.

If CDBG funds are provided for counseling, mental health services, medical services, and/or case management, these services must be provided in the client's native language, regardless of the size of the population the provider serves.

### **Affirmative Marketing Plan**

All agencies receiving funds through the ACCGov's CDBG (and HOME) Programs are required to develop and maintain an Affirmative Marketing Plan specific to the project or activity being funded. Projects with 5 or more HOME-assisted rental housing units require a more extensive plan. Please consult with HCD staff regarding this requirement.

Each recipient of CDBG funding and recipients of CDBG and/or HOME funding is required to carry out an affirmative program to attract all segments of the eligible population (especially those groups designated as least likely to apply) and all minority and non-minority groups regardless of their race, color, religion, sex, national origin, disability, or familial status. Racial groups include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. Other groups who may be subject to discrimination include, but are not limited to, Hispanic or Latino persons, persons with disabilities, and families with children. HOME and CDBG recipients shall describe in the Affirmative Marketing Plan the proposed activities to be carried out during the advance marketing and application period. The affirmative marketing program must ensure that any group(s) of persons ordinarily not likely to apply without special outreach know about the housing, program or service, and feel welcome to apply. This may include members of any of the groups listed above and those with limited English proficiency.

### **Debarment and Suspension List Verification**

ACCGov and its subrecipients may not award contracts funded by CDBG assistance to contractors, consultants, or subcontractors identified on the Federal, State, and local excluded parties/debarment list.

#### Helpful Resource

You can search for organizations on the federal debarment and suspension list here:

<https://sam.gov/content/exclusions>

You will need to sign into [www.sam.gov](http://www.sam.gov) to search these lists. Every agency should already have a sam.gov account after registering for a Unique Entity Identifier (UEI).

As part of the selection process, HCD staff and subrecipients must check the Federal System for Award Management (SAM) web site (<http://www.sam.gov/>) to verify that bidders and subcontractors are not on the debarment and suspension list. For more information on how to meet this requirement, please see the exclusions guide in Appendix F.

HCD staff, Contractors, and Subrecipients are required to maintain a print or digital copy of the SAM web page (with date stamp) that states no record was found regarding the bidder, or any of their subcontractors, on file. Such copy is also required with every funding agreement.

## **Labor Standards**

All laborers and mechanics employed by contractors or subcontractors on construction work in excess of \$2,000 and financed in whole or in part with federal funds must be paid “prevailing wages” that have been determined in accordance with the Davis-Bacon Act as amended (40 U.S.C. 276a–276a-5). The Contract Work Hours and Safety Standards Act (40 U.S.C. 327–333) also applies to such activities. These labor standards shall apply only to the rehabilitation of residential property if the property contains not less than eight (8) units.

## **Section 3**

The requirements for Section 3 of the Housing and Urban Development Act of 1968, as amended (Section 3) applies to capital projects and housing development projects awarded an excess of \$200,000 in HUD funding or an excess of \$100,000 of HUD Office of Lead Hazard Control and Healthy Homes funding. Section 3 is intended to ensure that economic opportunities, most importantly, employment generated by certain HUD assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community that receives Federal assistance.

General Contractors and Subcontractors receiving an excess of \$200,000 in federal funding will also be required to comply with Section 3 requirements. Section 3 requirements do not apply to material supply contracts (e.g., purchase of products and materials including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, janitorial supplies, and office supplies). However, the removal and installation of materials, such as windows, would be covered due to the involvement of labor. Subrecipients and Contractors that are not subject to Section 3 are encouraged to consider ways to support the purpose of Section 3.

New Section 3 regulations (24 CFR Part 75) became effective on November 30, 2020, with a compliance start date of July 1, 2021.

## **Environmental Review**

CDBG activities are subject to environmental review by HUD under 24 CFR Part 58. ACCGov's Housing and Community Development Department is the responsible entity (RE) that conducts the reviews for affected projects located with Athens-Clarke County. HCD or its subrecipient is required to carry out mitigating measures as required from the review or to select an alternate eligible property. HUD may eliminate from consideration any application that would require an Environmental Impact Statement (EIS). HCD, its contractors, or subrecipients, may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a CDBG project, until HCD has performed an environmental review under 24 CFR Part 58.

HCD's CDBG-funded programs are reviewed on the programmatic level, titled a Tier 1 review, which determines whether or not a case-by-case review is required (a Tier 2 review). Certain activities which, by their nature, are unlikely to have any direct impact on the environment may be considered exempt activities that do not require a case-by-case Tier 2 environmental review but still require a programmatic review to determine whether or not the activity is exempt from the Tier 2 process. If a project is determined to be exempt, the administering department is required to document the conditions for exemption in writing and maintain the programmatic review in the project file. Listed below are examples of activities which may be exempt from further case-by-case environmental reviews:

- Public service activities that will not have a physical impact or result in any physical changes;
- Information and financial services;
- Engineering and design costs;
- Environmental and other studies;
- Inspections and testing of properties for hazards or defects; and/or
- Technical assistance or training.

## **Displacement /Relocation**

HCD, its contractors and its Subrecipients must adhere to the requirements of 49 CFR 24 and HUD Handbook 1378 for Tenant Assistance, Relocation, and Real Property Acquisition. HCD shall ensure that all reasonable steps are taken to minimize the displacement (permanent relocation where the persons do not have the option to return to their unit after a project or program is complete) of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of CDBG activities. Subrecipients and Contractors will need to work very closely with HCD personnel if the project involves any displacement, relocation, acquisition, or replacement of housing or businesses. Approval of the relocation documentation and plan by HCD is required prior to contract execution and the start of any project involving relocation.

## **National Flood Insurance Program**

Projects must comply with the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79. The 1973 Act made the purchase of flood insurance mandatory for the protection of property located in Special Flood Hazard Areas.

If a community has had notice for more than a year that an area has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, CDBG funds cannot be spent for acquisition or construction purposes in the area unless the community is participating in the National Flood Insurance Program and such insurance has been purchased for the properties in question.

There is also a statutory prohibition against providing federal assistance to a person who had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and the person failed to obtain and maintain such insurance. (24 CFR 58.6(b)).

## **Code of Conduct**

Subrecipients must 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 member of his or her immediate family, his or her partner, or an organization which 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 subrecipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. However, subrecipients 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 subrecipient.
- The subrecipient must have a written Code of Conduct Policy and must keep records documenting compliance with the policy.

## Record Keeping Standards

Subrecipients must maintain written record keeping standards documenting minimum record keeping requirements, confidentiality, retention, access to records, and restrictions on public access to records.

Per 24 CFR 570.506, subrecipients of CDBG funding must comply with general and project specific recordkeeping requirements and must establish written policies specific to recordkeeping that are project specific for each activity conducted. Subrecipients must maintain documentation on all individuals and families seeking assistance and, if any are determined ineligible, documentation must reflect the reasons.

### *Confidentiality of Records*

Per 24 CFR 570.508, subrecipients must provide citizens with reasonable access to records regarding the past use of CDBG funds, consistent with applicable State and local laws regarding privacy and obligations of confidentiality. If a program is funded by multiple federal sources, subrecipients must abide by the strictest of the regulations regarding confidentiality.

### *Access to Records*

Per 2 CFR 200.337 and 200.338, subrecipients must provide access to HUD, the Inspectors General, the Comptroller General of the US, and HCD (or any other authorized representatives) any documents, papers, or other records which are pertinent to the CDBG award in order to make audits, examinations, excerpts and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.

The rights of access to records are not limited to the required retention period, but last as long as the records are retained.

### *Restriction on Public Access to Records*

HUD may not place restrictions on the subrecipient that limits public access to the records of HCD or the subrecipient pertinent to the CDBG award, except for protected personally identifiable information (PII) or when HUD can demonstrate that such records will be kept confidential and would have been exempted from disclosure pursuant to the Freedom of Information Act (5 U.S.C. 552) or controlled unclassified information pursuant to Executive Order 13556 if the records had belonged HUD. The Freedom of Information Act (5 U.S.C. 552) (FOIA) does not apply to those records that remain under HCDs or the subrecipient's control except as required under 2 CFR 200.315. HCD and Subrecipients which derive more than 33 1/3 percent of their general operating budget from payments from local, state, or federal governments, or political subdivisions thereof, are subject to the Georgia Open Records Act (§ 50-18-70 through § 50-18-77). Subrecipients which receive funding from local, state, or federal governments in amounts under the established threshold are not required to permit public access to their records. HCD and subrecipient records provided to HUD generally will be subject to FOIA and applicable exemptions.

## Faith Based Activities

Subrecipients shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief, including a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

Explicitly religious activities (such as worship, religious instruction, or proselytization) must take place separately (in time or location) from CDBG-funded activities and must be voluntary for participants in CDBG-funded programs.

A faith-based organization receiving CDBG funds may maintain its independence and religious character. Faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. A CDBG program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

If a program participant or prospective program participant of the CDBG program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection.

## APPENDIX A: CDBG Program Resources

### **HUD Resources**

#### **Basically CDBG for Entitlements**

<https://www.hudexchange.info/resource/19/basic-cdbg-training-guidebook-and-slides/>

#### **CDBG Entitlement Program HUD Exchange Page**

<https://www.hudexchange.info/programs/cdbg-entitlement/>

#### **CDBG Program Regulations 24 CFR 570**

<https://www.ecfr.gov/current/title-24/subtitle-B/chapter-V/subchapter-C/part-570>

#### **Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities**

[https://www.hudexchange.info/resources/documents/CDBG\\_Guide\\_National\\_Objectives\\_Eligible\\_Activities.pdf](https://www.hudexchange.info/resources/documents/CDBG_Guide_National_Objectives_Eligible_Activities.pdf)

#### **HUD Exchange Website**

<https://www.hudexchange.info/>

#### **Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems**

<https://www.hudexchange.info/resource/687/playing-by-the-rules-a-handbook-for-cdbg-subrecipients-on-administrative-systems/>

#### **Uniform Administrative Requirements 2 CFR 200**

<https://www.ecfr.gov/current/title-2 subtitle-A/chapter-II/part-200?toc=1>

### **HCD Resources**

#### **HCD Website**

[www.accgov.com/hcd](http://www.accgov.com/hcd)

#### **ACCGov Annual Action Plan | FY26**

<https://acccgov.com/DocumentCenter/View/108143/ConPlan-FY26-30-FINAL-DRAFT->

#### **ACCGov Consolidated Plan FY26-FY30**

<https://acccgov.com/DocumentCenter/View/108143/ConPlan-FY26-30-FINAL-DRAFT->

## APPENDIX B: Contract Scope of Services

### **Scope of Services Outline**

## CDBG Economic Development FY26

**Note: Most of these items can be found in your CDBG application submission. Please format your scope according to this outline.**

- I. Program Description**
  - a. Provide a brief description your organization and a summary of the services your agency will be providing with FY26 CDBG funds.
- II. Program Need**
  - a. Describe the problem(s) your program will address and the method(s) your program will use to address the problem.
  - b. List the specific services you will be providing.
- III. Target Population**
  - a. Describe the population you will be serving with your CDBG funded program.
  - b. Describe your outreach efforts: How will you reach your target population?
- IV. CDBG Eligibility and National Objective**
  - a. State the national objective your program meets
  - b. State eligibility citation for your program: 24 CFR Part \_\_\_\_\_
  - c. Describe how your agency will document client eligibility and national objective.
  - d. State the consolidated plan goal and strategy met by your program (refer to your CDBG application)
  - e. Level of Service - Will your agency be increasing the level of service or providing a new service in the community?
- V. Organizational Capacity**
  - a. Describe your agency's experience in providing services and in grant management. Do not provide staff resumes.
- VI. Performance Measures**
  - a. List your program performance measures and projected outcomes (please refer to your CDBG application)
  - b. State the number of people you expect to serve with your CDBG funded program in FY26.
- VII. Budget Narrative**
  - a. Provide a brief explanation of each CDBG funded line item in your program budget.
- VIII. Project Timeline:**
  - a. List when significant steps in your project will take place. Examples of items to identify on your timeline may include the date new staff will be hired for the project, a schedule of workshops or events and the subjects to be covered. **All timelines must include project specific milestones and goals.** Please note, the FY26 CDBG fiscal year begins on July 1, 2025 and ends on June 30, 2026.

## APPENDIX C: Reimbursement Request Forms & Progress Reporting

### CDBG Reimbursement Request Instructions

Please refer to the following list to ensure that your reimbursement requests are submitted to HCD in a correct and complete manner. This will enable HCD to process your requests as efficiently as possible. **Reimbursement Requests may not be submitted more than once per month.**

You must submit a completed:

**1. CDBG Reimbursement Request/Zoom Grants Invoice**

Log into Zoom Grants and navigate to the financial tab. Click the blue “Create a New Invoice” button. Fill out all fields, including the request amount per funded budget line item. Answer any additional questions. Attach all required source documentation, the schedule of documentation, and any other applicable documents. Digitally sign the invoice to certify that the information is true and correct and that all documentation (invoices, payrolls, schedules, etc.) supporting the amount of program income earned and the amount to be reimbursed by HCD are attached.

**2. Schedule of Documentation**

List separately each expense (i.e., receipt, requisition, contract, etc.) according to name of vendor or person and the amount for which reimbursement is requested. Attach the original of each document to the Zoom Grants invoice and submit to HCD with the reimbursement request.

**3. Monthly Progress Report through Survey 123**

Include the agency or project name, the date the report was submitted, the reporting period, who completed the report, year to date totals served, eligibility criteria, and by race and income, and an accomplishments narrative.

**4. Year End Report**

Within 30 days after the close of the fiscal year you must submit a Year End Report. The Year End Report includes the agency or project name, the date the report was submitted, contact information for who completed the report, project budget and expenditure verification, total agency funding, a partners and collaborations narrative, and an accomplishments narrative.

Additional forms may include the Payroll Summary Form or the Contract and Sub-contract Reporting Form. Examples of each HCD form follow in this Appendix.

HCD008

**ACCGov Housing Community Development Department**  
**Schedule of Documentation**

FY: \_\_\_\_\_ Period Covered: \_\_\_\_\_ Reimbursement Request #: \_\_\_\_\_

Agency Name: \_\_\_\_\_

Program Name: \_\_\_\_\_

Cost Category	Vendor/Employee Name	CDBG Amount Requested	Type of Payment	Check or Invoice #
<b>Administrative Costs</b>				
Personnel				
Personnel				
Personnel				
<b>Total Personnel:</b>		<b>\$0.00</b>		
Fringe Benefits				
Fringe Benefits				
Fringe Benefits				
<b>Total Fringe:</b>		<b>\$0.00</b>		
Materials/Supplies				
Rent				
Utilities				
Insurance				
Other				
<b>Total Operations:</b>		<b>\$0.00</b>		
<b>Non-Administrative/Direct Services Costs</b>				
Personnel				
Personnel				
Personnel				
<b>Total Personnel:</b>		<b>\$0.00</b>		
Fringe Benefits				
Fringe Benefits				
Fringe Benefits				
<b>Total Fringe:</b>		<b>\$0.00</b>		
Acquisition				
Demolition				
Rehabilitation				
Demolition				
Other				
Direct Services				
<b>Total Direct Services:</b>		<b>\$0.00</b>		
<b>TOTAL</b>		<b>\$0.00</b>		

FY: \_\_\_\_\_ Period Covered: \_\_\_\_\_ Reimbursement Request #: \_\_\_\_\_  
Agency Name: \_\_\_\_\_  
Program Name: \_\_\_\_\_

**Gross Wages Salaries:** \$0.00      **Eligible Benefits Share:** \$0.00      **Total:** \$0.00

**Gross Wages Salaries:** \$0.00      **Eligible Benefits Share:** \$0.00      **Total:** \$0.00

FY: \_\_\_\_\_ Period Covered: \_\_\_\_\_ Reimbursement Request #: \_\_\_\_\_  
Agency Name: \_\_\_\_\_  
Program Name: \_\_\_\_\_

**Gross Wages Salaries:** \$0.00      **Eligible Benefits Share:** \$0.00      **Total:** \$0.00

% of hours worked on grant (grant hours/total hours) #DIV/0! Wages eligible for reimbursement #DIV/0! Fringe Benefits/ Other Eligible for Reimbursement #DIV/0! Total Eligible Expenses for Reimbursement #DIV/0!

**Gross Wages Salaries:** \$0.00      **Eligible Benefits Share:** \$0.00      **Total:** \$0.00

% of hours worked on grant (grant hours/total hours) #DIV/0! Wages eligible for reimbursement #DIV/0! Fringe Benefits/ Other Eligible for Reimbursement #DIV/0! Total Eligible Expenses for Reimbursement #DIV/0!

Agency and Program Name: **ACCGov Housing & Community Development Department**  
 ACC FY25 CDBG Program

PO # \_\_\_\_\_  
 Period of Performance \_\_\_\_\_

Agency Name and Address: **Alpharetta, GA 30008**

Total Requested: **USDS**  
 Funding Amount Approved: **USDS**

Tel: **[REDACTED]** Fax: **[REDACTED]** Project Contact: **[REDACTED]**  
 EIN: **[REDACTED]** Date Submitted: **Submit Later** Invoice Contact: **[REDACTED]**  
[Delete this invoice](#)

Invoice Number: **[REDACTED]** Email: **[REDACTED]**  
 Telephone: **[REDACTED]**

**Account Status**

**Line Item Details**

**Expenses**

Line Item (from application)	Description	Requested	Funding Amount Approved
Administrative - Personnel (Detail in Narrative)		USDS	
Administrative - Benefits (Detail in Narrative) SUBTOTAL		USDS	
Administrative - Printing & Supplies		USDS	
Administrative - Equipment		USDS	
Administrative - Rent/Lease		USDS	
Administrative - Insurance		USDS	
Administrative - Utilities, Telephone		USDS	
Administrative - Travel		USDS	
Administrative - Other (Detail in Narrative) EDIT		USDS	
Administrative - Other (Detail in Narrative) EDIT SUBTOTAL		USDS	
Direct Service - Personnel (Detail in Narrative)		USDS	
Direct Service - Benefits (Detail in Narrative) SUBTOTAL		USDS	
Direct Service - Contract Services		USDS	
Direct Service - Acquisition Costs		USDS	
Direct Service - Rehabilitation		USDS	
Direct Service - Materials/Supplies		USDS	
Direct Service - Permit and Fees		USDS	
Direct Service - Other (Detail in Narrative) EDIT		USDS	
Direct Service - Other (Detail in Narrative) EDIT SUBTOTAL		USDS	

What type of Invoice is this?

Initial Payment Request  
 Progress Payment Request  
 Final Payment Request

Are you on schedule to complete the project on time?

Yes  
 No

Has there been a change in staff responsible for implementation of the program? If so, a Subrecipient Training session will be scheduled.

Yes  
 No

**Documents Requested \***

Backup Documentation	Required?	Uploaded Documents *
Time & Effort Documentation (time sheets)	<input type="checkbox"/>	-none-
<a href="#">Download template</a>	<input type="checkbox"/>	-none-
Case Management Logs	<input type="checkbox"/>	-none-

Schedule of Documentation

[Download template](#)

Payroll Summary

[Download template](#)

\* ZoomGrants™ is not responsible for the content of uploaded documents.

**Invoice Certification**

By signing this request, I certify to the best of my knowledge and belief that the request is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the reimbursement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise, (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812). One copy of all documentation supporting the amount of program income earned and amount to be reimbursed are attached.

Enter your name, indicating agreement with this statement

Sign here to accept:

**Submit Invoice**

[Delete this invoice](#)

## APPENDIX D: Monitoring Risk Tool and Checklist

### ACCGov Housing and Community Development Department CDBG Monitoring Risk Assessment

HCD Staff Evaluator Name: \_\_\_\_\_  
Date of Evaluation: \_\_\_\_\_

#### Agency Information

Agency Name: \_\_\_\_\_  
Program Name: \_\_\_\_\_  
CDBG Type (AH, ED, PS, PFI): \_\_\_\_\_  
CDBG Program Year: FY (July 1, 20 through June 30, 20) \_\_\_\_\_  
CDBG Program Award: \$ \_\_\_\_\_

#### Factor 1: Grant Management

##### A. Subrecipient Reporting

**Criteria:** Risk is based on the subrecipient meeting report deadlines, with primary consideration given to completeness and accuracy.

Factor	Priority	Score	Rating
Subrecipient has not been timely in submitting reports during the grant reporting year <b>AND/OR</b> reports are consistently incomplete or inaccurate and require corrections.	HIGH	5	
Subrecipient has not been timely in submitting some reports during the grant reporting year <b>AND/OR</b> some reports are incomplete or inaccurate and require some corrections.	MEDIUM	3	
Throughout the grant reporting year, subrecipient has been timely with submission of reports and reports have been complete and accurate.	LOW	0	

Comments:

##### B. Subrecipient Capacity and Program Design

**Criteria:** Risk is based on the subrecipient staff capacity and its ability to ensure programmatic compliance with the CDBG regulations, fulfill all subrecipient obligations, and operate a program appropriate to the level of capacity.

Factor	Priority	Score	Rating
--------	----------	-------	--------

During the grant reporting year, the subrecipient has experienced turnover in at least one key position within its program administration <b>AND/OR</b> subrecipient experienced excessive turnover of direct service staff <b>AND/OR</b> the program design is more complex than the current capacity and programmatic knowledge of its staff <b>AND/OR</b> this is the first year subrecipient has received CDBG funding. ("Key position" is defined as staff with assigned management or administrative responsibilities for program compliance of CDBG regulations).	HIGH	15												
Subrecipient experienced some turnover in direct service staff positions <b>AND/OR</b> has key positions that have only been staffed for a portion of the grant reporting year <b>AND</b> subrecipient has designed a program that is more complex than the current capacity and programmatic knowledge of its staff.	MEDIUM	8												
Subrecipient has not experienced key position turnover <b>AND</b> has experienced minor direct service staff turnover during the grant reporting year <b>AND</b> has designed a program that is comparable to the current staff's capacity and programmatic knowledge.	LOW	0												
<b>Comments:</b>														
<b>C. Subrecipient Open or Stalled Activities</b>														
<b>Criteria:</b> Risk is based on subrecipient's ability to carry out program activities in a way that produces successful completion of performance measure outcomes and timely expenditure of grant award funding.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Factor</th> <th style="text-align: center;">Priority</th> <th style="text-align: center;">Score</th> <th style="text-align: center;">Rating</th> </tr> </thead> <tbody> <tr> <td>Subrecipient did not successfully meet all performance measures (failed to achieve 95% or greater average performance) <b>AND/OR</b> subrecipient did not expend 98% or greater of the grant awarded funds by grant performance year close-out <b>OR</b> an AH, ED, or PFI project remaining budget balance on June 30th was greater than the 15% total budget balance eligible for carryforward activities.</td> <td style="text-align: center;">HIGH</td> <td style="text-align: center;">15</td> <td rowspan="2" style="background-color: #e0f2f1;"></td> </tr> <tr> <td>Subrecipient achieved 95% or greater performance measure success <b>AND</b> expended 98% or greater of the grant awarded funds by grant performance year close-out <b>OR</b> an AH, ED, or PFI project remaining budget balance on June 30th was no more than 15% of the total budget balance eligible for carryforward activities.</td> <td style="text-align: center;">MEDIUM</td> <td style="text-align: center;">8</td> </tr> </tbody> </table>				Factor	Priority	Score	Rating	Subrecipient did not successfully meet all performance measures (failed to achieve 95% or greater average performance) <b>AND/OR</b> subrecipient did not expend 98% or greater of the grant awarded funds by grant performance year close-out <b>OR</b> an AH, ED, or PFI project remaining budget balance on June 30th was greater than the 15% total budget balance eligible for carryforward activities.	HIGH	15		Subrecipient achieved 95% or greater performance measure success <b>AND</b> expended 98% or greater of the grant awarded funds by grant performance year close-out <b>OR</b> an AH, ED, or PFI project remaining budget balance on June 30th was no more than 15% of the total budget balance eligible for carryforward activities.	MEDIUM	8
Factor	Priority	Score	Rating											
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Subrecipient achieved 95% or greater performance measure success <b>AND</b> expended 98% or greater of the grant awarded funds by grant performance year close-out <b>OR</b> an AH, ED, or PFI project remaining budget balance on June 30th was no more than 15% of the total budget balance eligible for carryforward activities.	MEDIUM	8												

Subrecipient achieved 100% of performance measure success <b>AND</b> expended 100% of the grant awarded funds by grant performance year close-out (June 30th).	LOW	0															
<b>Comments:</b>																	
<b>D. Subrecipient Operation of Multiple Programs or Activities</b>																	
<b>Criteria:</b> Risk is based on the number of programs carried out by a subrecipient, and the number of different funding sources involved that may involve cross-cutting regulatory compliance.																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Factor</th> <th style="text-align: center;">Priority</th> <th style="text-align: center;">Score</th> <th style="text-align: center;">Rating</th> </tr> </thead> <tbody> <tr> <td>Subrecipient carries out multiple programs (4 or more) which involve one or more federal funding sources <b>AND/OR</b> subrecipient carries out one program which involves three or more funding sources with differing regulatory requirements.</td> <td style="text-align: center;">HIGH</td> <td style="text-align: center;">5</td> <td rowspan="8" style="background-color: #e0f2f1;"></td> </tr> <tr> <td>Subrecipient carries out 2 to 3 programs which involve one or more federal funding sources <b>AND/OR</b> subrecipient carries out one program which involves two funding sources with differing regulatory requirements.</td> <td style="text-align: center;">MEDIUM</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Subrecipient carries out 1 program which involves only one federal funding source.</td> <td style="text-align: center;">LOW</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>				Factor	Priority	Score	Rating	Subrecipient carries out multiple programs (4 or more) which involve one or more federal funding sources <b>AND/OR</b> subrecipient carries out one program which involves three or more funding sources with differing regulatory requirements.	HIGH	5		Subrecipient carries out 2 to 3 programs which involve one or more federal funding sources <b>AND/OR</b> subrecipient carries out one program which involves two funding sources with differing regulatory requirements.	MEDIUM	3	Subrecipient carries out 1 program which involves only one federal funding source.	LOW	1
Factor	Priority	Score	Rating														
Subrecipient carries out multiple programs (4 or more) which involve one or more federal funding sources <b>AND/OR</b> subrecipient carries out one program which involves three or more funding sources with differing regulatory requirements.	HIGH	5															
Subrecipient carries out 2 to 3 programs which involve one or more federal funding sources <b>AND/OR</b> subrecipient carries out one program which involves two funding sources with differing regulatory requirements.	MEDIUM	3															
Subrecipient carries out 1 program which involves only one federal funding source.	LOW	1															
<b>Comments:</b>																	
<b>Factor 2: Financial Management</b>																	
<b>A. Total contract award</b>																	
<b>Criteria:</b> Risk is based on the absolute amount of the subrecipient's CDBG grant award for the program year under review.																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Factor</th> <th style="text-align: center;">Priority</th> <th style="text-align: center;">Score</th> <th style="text-align: center;">Rating</th> </tr> </thead> <tbody> <tr> <td>\$175,000 or Greater</td> <td style="text-align: center;">HIGH</td> <td style="text-align: center;">5</td> <td rowspan="4" style="background-color: #e0f2f1;"></td> </tr> <tr> <td>\$40,000 to \$174,999</td> <td style="text-align: center;">MEDIUM</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Less than \$40,000</td> <td style="text-align: center;">LOW</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>				Factor	Priority	Score	Rating	\$175,000 or Greater	HIGH	5		\$40,000 to \$174,999	MEDIUM	3	Less than \$40,000	LOW	1
Factor	Priority	Score	Rating														
\$175,000 or Greater	HIGH	5															
\$40,000 to \$174,999	MEDIUM	3															
Less than \$40,000	LOW	1															
<b>Comments:</b>																	

Subrecipient's performance has not been timely in expenditure of funds in accordance with the program contractual agreements (98% or more funds not expended by grant period close-out) <b>AND/OR</b> reimbursement requests have not been consistently submitted on a monthly basis <b>AND/OR</b> reimbursement request submissions consistently contain errors and require corrections for successful processing, despite ongoing technical assistance.	HIGH	15	
Subrecipient's performance improved after receiving technical assistance, and corrective actions were implemented to ensure 98% or more of awarded funds were expended by grant program year close-out <b>AND/OR</b> an extention to expend 15% carryforward funds was approved <b>AND/OR</b> only minor corrections were required for processing of most (8 or more) reimbursement requests.	MEDIUM	8	
Subrecipient expended 99% to 100% of their grant program year funds in a timely manner throughout the contractual program year, <b>AND</b> any prior concerns were corrected early in the operating year, <b>AND</b> there were no identified financial concerns.	LOW	0	
<b>Comments:</b>			
<b>D. Financial Compliance</b>			
<b>Criteria:</b> Risk is based on current financial staff capacity of the subrecipient regarding its ability to ensure financial management practices that are compliant with the CDBG regulations, 2 CFR Part 200 and OMB circulars.			
Factor	Priority	Score	Rating
Financial management staff have demonstrated a lack of knowledge or skills sets needed to administer the financial management responsibilities of the CDBG program <b>AND</b> has had one or more violations or deficiencies of applicable 2 CFR Part 200 or OMB circulars.	HIGH	10	
Financial management staff have demonstrated a lack of knowledge or skills sets needed to administer the financial management responsibilities of the CDBG program <b>AND</b> has had no violations or deficiencies of applicable 2 CFR Part 200 or OMB circulars.	MEDIUM	5	
Financial staff have demonstrated sufficient knowledge or skill sets regarding the CDBG program <b>AND</b> have had no violations or deficiencies in applicable 2 CFR Part 200 regulations or OMB circulars.	LOW	0	
<b>Comments:</b>			

Factor 3: Program Operation Factors			
<b>A. Services and Satisfaction</b>			
Factor	Priority	Score	Rating
During the grant reporting year, the subrecipient has had citizen complaints, issues, or negative media coverage related to its CDBG program <b>AND</b> the subrecipient has failed to respond to the complaints, issues, and/or inquiries within the reporting year.	HIGH	5	
During the grant reporting year, the subrecipient has had citizen complaints, issues, or negative media coverage related to its CDBG program <b>BUT</b> the subrecipient responded adequately to the complaints, issues, and/or inquiries within the reporting year.	MEDIUM	3	
During the grant reporting year, the subrecipient has not had citizen complaints, issues, or negative media coverage related to its CDBG program.	LOW	0	
<b>Comments:</b>			
<b>B. Physical Assets and Management of Assets</b>			
<b>Criteria:</b> Risk is based on the number of physical assets (single housing, rental housing, multifamily housing units, vacant properties, congregate shelter, public facilities) acquired, rehabilitated, and/or developed (directly or indirectly) and the effective and timely completion of projects based on the National Objective.			
Factor	Priority	Score	Rating
Subrecipient used CDBG funds for the acquisition of one or more physical assets <b>AND/OR</b> subrecipient used CDBG for rehabilitation of multiple housing units <b>AND/OR</b> subrecipient used CDBG to support the development of multiple housing units <b>AND/OR</b> subrecipient used CDBG for development of a physical asset for public use.	HIGH	15	

Subrecipient used CDBG funds for rehabilitation only of one or more physical assets for public use <b>AND/OR</b> subrecipient used CDBG to only support the operations of existing affordable housing units <b>AND/OR</b> subrecipient used CDBG to support operations of one site or physical asset (shelter site, training facility) where services are provided.	MEDIUM	8	
Subrecipient used CDBG funds exclusively to support activities not related to operations of a physical asset and were only used for the provision of supportive services, case management, personnel costs and or other direct service costs.	LOW	0	
<b>Comments:</b>			

Risk Levels	
High Risk	56-100
Medium Risk	31-55
Low Risk	0-30

Factor	Maximum Score	Evaluated Points	Assessed Risk Level
F1: Grant Management	40	0	
F2: Financial Management	40	0	
F3: Program Operation Factors	20	0	
<b>TOTAL</b>	<b>100</b>	<b>0</b>	<b>Low Risk</b>

**Athens-Clarke County Housing and Community Development  
Subrecipient Monitoring Form – CDBG PROGRAM**

Date of Monitoring: \_\_\_\_\_

Time period covered: from: \_\_\_\_\_ to: \_\_\_\_\_

Subrecipient: \_\_\_\_\_

Name/title of person(s) interviewed: \_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_

**MONITORING CHECKLIST**

<input type="checkbox"/> General Performance	<input type="checkbox"/> Davis Bacon Labor Standards
<input type="checkbox"/> Record Keeping	<input type="checkbox"/> Audit Management
<input type="checkbox"/> National Objectives	<input type="checkbox"/> Project Progress
<input type="checkbox"/> Property Management	<input type="checkbox"/> Project Accessibility (Section 504)
<input type="checkbox"/> Financial Accountability	<input type="checkbox"/> Project Historical Status
<input type="checkbox"/> Procurement Procedures	<input type="checkbox"/> Section 3 Compliance

Monitor/title: \_\_\_\_\_

Signature: \_\_\_\_\_

Approved by/date: \_\_\_\_\_

**Overall Comments/List of Attachments:**

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**A. General Performance:**

	Yes	No	N/A
1. Is the project(s) being carried out in accordance with the approved agreement between the Subrecipient and the ACC? If not, why not?			
2. Is the project(s) being carried out according to the Subrecipient's implementation schedule?			
3. Does the project(s) conform to any additional terms of the contract with the Subrecipient?			
4. Does the project(s) accomplish what it was designed to do?			
5. Are agreement amendments being kept up to date?			
6. Does the Subrecipient comply with the Lobbying Certification requirements?			
7. Is the Subrecipient meeting the Drug-Free Work Place requirement?			
8. Have any complaints been issued against the Subrecipient?			

**B. Record Keeping:**

	Yes	No	N/A
1. Has the Subrecipient submitted reports required by the ACC?			
2. Is the Subrecipient meeting program record keeping requirements?			
a.			
b.			
c.			
3. Is the information revealed by this site visit consistent with the records maintained by the Subrecipient and the data previously provided to ACC?			

### C. National Objectives

1. Who are the intended beneficiaries: a. Area Benefit: <input type="checkbox"/> Census used <input type="checkbox"/> Survey used Direct Benefit: <input type="checkbox"/> Presumed benefit: _____ <input type="checkbox"/> Other: _____			
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
b. Low/Moderate Beneficiaries:			
c. Slums/Blight:			
d. Community Urgency:			

2. Is the project(s) serving the people and the numbers for which it was intended? If not, why not?
3. If this project(s) has been designated as a low/moderate income benefit project, what are the number and percentage of persons served by the project who are low/moderate income?

# \_\_\_\_\_ % \_\_\_\_\_

What documentation is available to support this data?

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4. If the Subrecipient is required to maintain a client file, [Direct benefit], does it exist? If yes, review a sample of files, if appropriate.
5. Are records being maintained by the Subrecipient as follows:

	<b>Yes</b>	<b>No</b>	<b>N/A</b>
a. Income verification if applicable:			
b. Data showing race, sex, age, and or disability status			

Suggested Action:

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### D. Property Management:

1. Does the Subrecipient maintain property records which contain all the information required by the Common Rule? a. Property description b. Identification, Number (serial #, etc.) c. Funding source d. Title holder e. Acquisition date f. Percentage of Federal participation in the original acquisition cost g. Unit acquisition cost h. Disposition data, if applicable	<b>Yes</b>	<b>No</b>	<b>N/A</b>
a.			
b.			
c.			
d.			
e.			
f.			
g.			
h.			

2. Has a physical inventory of non-expendable property been taken and the result reconciled with the property records within the last two years? Non-Real (Personal) Property (Vans, etc.) a. Identification or Serial Number: _____			
b. Does the subrecipient have a Security Plan for the protection of non-real property? If yes, explain plan. If no, set up a time table to create and implement a plan. Plan or Suggested Action: _____ _____ _____ _____			
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
3. Is the Subrecipient Coordinator, responsible for overseeing the project, familiar with the basic requirements established by HUD and the grantee for the use of these funds?			
4. Is the Coordinator overseeing the day-to-day operations of the program?			
5. When is the last time that the Coordinator was provided essential CDBG requirements (Regulations, Common Rule, Related Documents)? Date: _____			

#### **E. Financial Accountability:**

Accountability:	<b>Yes</b>	<b>No</b>	<b>N/A</b>
a. Is the project(s) operating within the approved budget? Total Approved: \$ _____ Obligated: \$ _____ Spent: \$ _____ Attach any documents deemed appropriate			
b. Are there any instances in which CDBG funding has lead to a substantial decrease in other financial support for Community Development activities?			
c. Have CDBG funds generated any additional funds from other sources for Community Development activities? List:			
d. Have any costs related to political activities been charged to CDBG?			
e. Does a review of program expenditures reveal the existence of any unallowable costs? <input type="checkbox"/> Entertainment <input type="checkbox"/> Contributions and Donations <input type="checkbox"/> Fines and Penalties			
f. Are the project costs charged to CDBG reasonable?			
g. Have requests for funds been in excess of immediate needs?			

h. Are there separate accounts for CDBG funds?			
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**F. Procurement Procedures:**

	Yes	No	N/A
Procurement procedure: a. What procedure does the Subrecipient use for procurement? _____			
b. Is it in compliance with 24 CFR 85.36/84.40-46 Common Rule? * * If the Subrecipient has been monitored before and this is on file, skip to c. Does the Subrecipient have a written code of standards of conduct governing the performance of their employees (and elected officials) engaged in the awards and administration of contracts and /or the procurement of goods and services in order to avoid a real or apparent conflict of interest? If yes, attach a copy, if no, instruct Subrecipient to prepare one. Suggested Action:			
c. Does the Subrecipient have a written Procurement Procedure? Attached copy, if not on file.			
d. Has the Subrecipient contracted out any work to be done under this project? If yes who is the contractor(s)?			
e. What method(s) of procurement were used?			
f. What is the activity?			
g. Is the procurement documentation in the Subrecipient file?			

**G. Davis-Bacon Labor Standards:**

	Yes	No	N/A
1. Have applicable labor standards been issued and followed?			
2. Was wage decision checked for current modification, if applicable? What is the number? _____			
3. Have on-site interviews been conducted on a periodic basis?			
4. Have any problems arisen which require Subrecipient action? If yes, please explain:			

**H. Audit Management:**

	<b>Yes</b>	<b>No</b>	<b>N/A</b>
1. Is there a copy of the most recent Audit Report on file? At HED office? At Subrecipient office?			
2. Receipt date at HED for most recent audit:			
3. Name, address, and phone number of contact person for audit:			
4. What period of time does the audit cover: From: _____ to: _____			
5. Is there any change from above:			
6. Does this information match current Audit Matrix? If not, please explain:			
7. Was the latest Audit Report reviewed for any material weaknesses or audit deficiencies?			
8. Did the latest Subrecipient Audit Report contain any audit deficiencies? Was a follow-up letter sent to the Subrecipient to request a plan of action for resolving any and all audit deficiencies?			
9. Have all audit deficiencies been cleared?			

**I. Project Progress:**

	<b>Yes</b>	<b>No</b>	<b>N/A</b>
1. Was an on-site visit made to inspect project(s) progress?			
2. If progress is slower than anticipated, did the subrecipient satisfactorily explain why progress was inhibited?			

**J. Project Accessibility (Section 504/ADA):**

	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Does the on-site review indicate that the CDBG project meets all federal, state, and local handicap accessibility requirements? Suggested Actions:			

**J. Project Historical Status:**

	Yes	No	N/A
1. Is the project in a Historic District?			
2. If the project was a renovation or rehabilitation to a facility: a. Is the facility on the National Register of Historic Places? b. Is the facility more than 50 years old? c. Have all historic clearances been received? State? Federal?	a. b. c.		

**K. Section 3**

	Yes	No	N/A
<b>For Projects <u>over \$100,000</u>:</b>			
1. Did the Subrecipient do an evaluation of bid (RFP or RFQ) for Section 3 Plan?			
2. Did the selection consultant submit an acceptable Section 3 Plan?			
3. Are monthly reports being completed?			
<b>For Projects <u>under \$200,000</u>:</b>			
1. Did the Subrecipient require the selected consultant(s) to comply with the ACC Section 3 Plan?  Are monthly reports being completed?			
2. Did the Subrecipient require selected the contractor to comply with the ACC Section 3 Plan?  Are monthly reports being completed?			

## APPENDIX E: Contract Checklist

### CHECKLIST OF ATTACHMENTS FOR FY26 CDBG CONTRACTS

*Please label each attachment as indicated:*

<input type="checkbox"/>	<b>Exhibit A:</b>	Scope of Services (use outline attachment document)
<input type="checkbox"/>	<b>Attachment 1:</b>	Budget Form
<input type="checkbox"/>	<b>Attachment 2:</b>	Names and Signatures of authorized signatories for reimbursement
<input type="checkbox"/>	<b>Attachment 3:</b>	Board of Directors List
<input type="checkbox"/>	<b>Attachment 4:</b>	Community Impact Assessment
<b>Insurance Requirements</b>		
<p>Any and all companies providing insurance required by this contract must meet certain minimum financial security requirements as set forth below. These requirements conform to the rating published by A.M. Best &amp; Co. ("Best") for all contracts. Regardless of size, companies providing insurance under this contract must have a current:</p> <ul style="list-style-type: none"> <li>• Best's rating not less than A-, and the rating must be current; and</li> <li>• Best's financial size category is not less than Class VIII</li> </ul>		
<p><b>Three Endorsements are required:</b></p> <ul style="list-style-type: none"> <li>• Additional Insured Endorsement</li> <li>• Primary and Non-Contributory Endorsement</li> <li>• Notice of Cancellation Endorsement</li> </ul>		
<input type="checkbox"/>	<b>Attachment 5:</b>	<p><b><i>Fidelity Bond or Commercial Crime Insurance Coverage, including:</i></b></p> <ul style="list-style-type: none"> <li>• Amount of coverage equal to, or greater than, CDBG Contract amount (aggregate amount if receiving multiple awards)</li> <li>• Coverage extends for the entire fiscal year</li> <li>• Unified Government of Athens-Clarke County listed as additional insured</li> <li>• A statement from the agency board president confirming that all employees handling CDBG funds disbursed under this contract are covered by fidelity or commercial crime insurance</li> </ul>
<input type="checkbox"/>	<b>Attachment 6:</b>	<p><b><i>Evidence of Workers Compensation Coverage, including:</i></b></p> <ul style="list-style-type: none"> <li>• Workers Compensation limits shall be per the state of Georgia's statute and employer's liability at a minimum of \$100,000 per occurrence/employee and \$500,000 per policy.</li> <li>• Unified Government of Athens-Clarke County listed as an additional insured</li> </ul>

		<ul style="list-style-type: none"> <li>• If your agency is exempt from this coverage by Georgia state law, a letter of explanation may be submitted on the company's letterhead and signed by the President of the Board</li> </ul>
<input type="checkbox"/>	<b>Attachment 7:</b>	<p><b><i>Evidence of General Liability Coverage, including:</i></b></p> <ul style="list-style-type: none"> <li>• Coverage of a minimum \$1,000,000 per occurrence/ \$1,000,000 per aggregate</li> <li>• Certificate of Insurance</li> <li>• Unified Government of Athens-Clarke County listed as an additional insured</li> </ul>
<input type="checkbox"/>	<b>Attachment 8:</b>	<p><b><i>Auto insurance (CSL) Coverage, including:</i></b></p> <ul style="list-style-type: none"> <li>• Coverage of a combined single limit of \$1,000,000.</li> <li>• Certificate of Insurance and Endorsement if agency owned, hired, or non-owned vehicles</li> <li>• Unified Government of Athens-Clarke County listed as an additional insured</li> <li>• If Agency will not be using automobiles in the performance of the CDBG contract then in lieu of Automobile Liability coverage, Agency must provide a statement on the organization's letterhead and signed by an authorized signatory attesting that no autos will be used in the performance of this contract.</li> </ul>
<input type="checkbox"/>	<b>Attachment 9:</b>	<ul style="list-style-type: none"> <li>• <b><i>Umbrella Liability in the amount of \$1,000,000</i></b></li> <li>• Unified Government of Athens-Clarke County listed as an additional insured</li> <li>• Unified Government of Athens-Clarke County listed as the certificate holder</li> </ul>
	<b>If Applicable</b>	<p><b><i>Incidental Malpractice and Liability of Medical Expenses</i></b></p> <ul style="list-style-type: none"> <li>• Excess coverage to be determined based on submitted project Scope of Work</li> </ul>
<b>Remaining Contract Attachments</b>		
<input type="checkbox"/>	<b>Attachment 10:</b>	GSIC E-Verify Affidavit
<input type="checkbox"/>	<b>Attachment 11:</b>	SAVE Affidavit
<input type="checkbox"/>	<b>Attachment 12:</b>	Nonsectarian Affidavit
<input type="checkbox"/>	<b>Attachment 13:</b>	ACCGov <a href="#">Vendor Registration Forms</a>

## APPENDIX F: Excluded Entities Guide

When using federal dollars to award subgrants or subcontracts, [2 CFR 200.206\(d\)](#) and [2 CFR 200.214](#) requires non-federal agencies to restrict Federal awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities. Before making an award, contract, subaward or subcontract with an individual or entity, non-federal entities must verify the entities or individuals have not been debarred, suspended, or otherwise excluded by searching for the individual or entity on [SAM.gov](#).

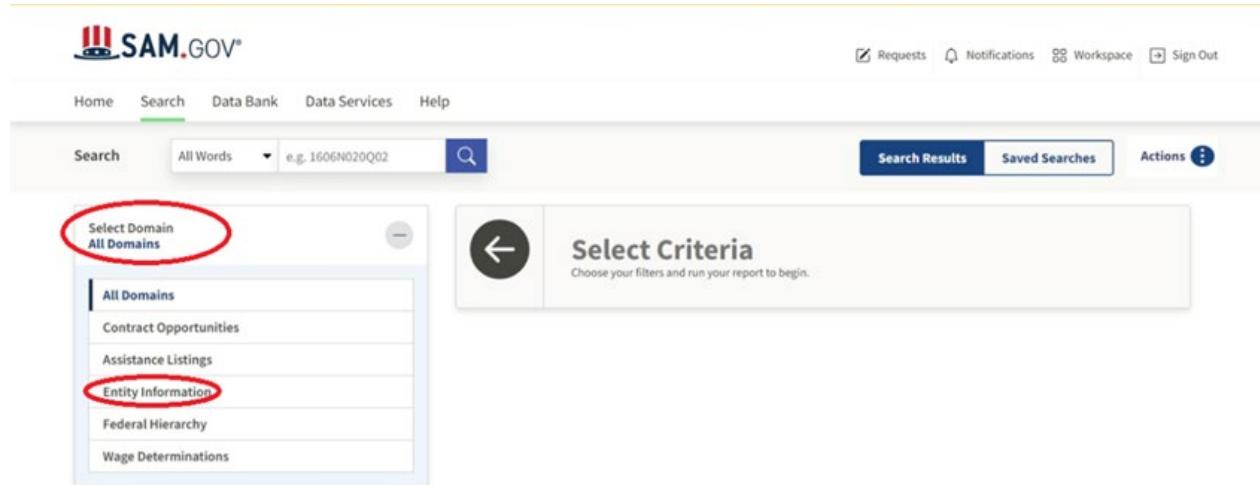
In order to conduct a search, you must create a SAM.gov account or be logged into an active account. Anyone can make a SAM.gov account.



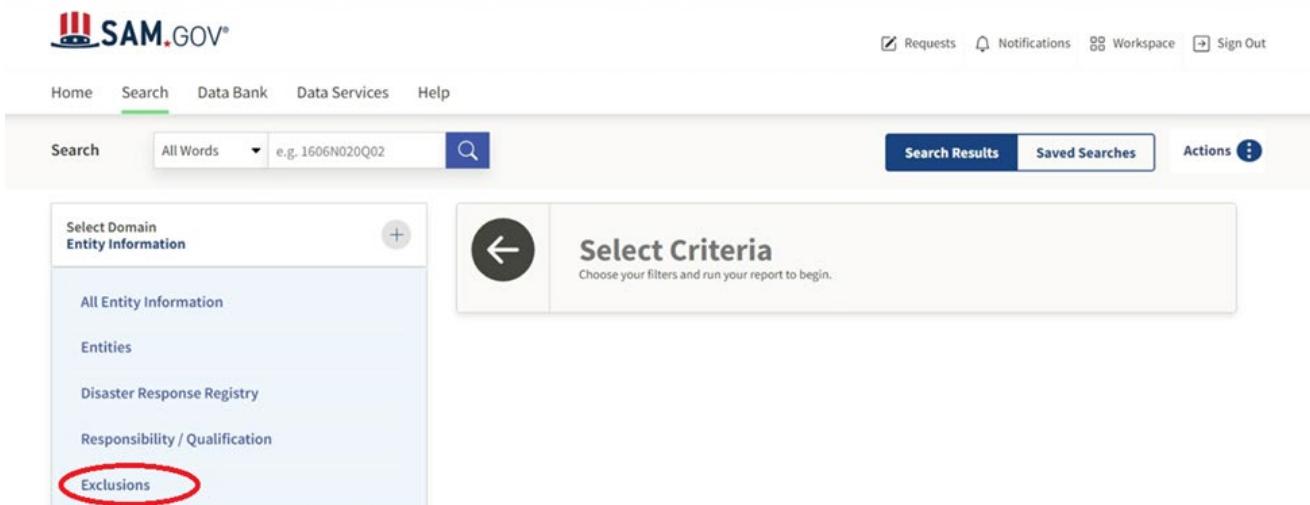
Once signed in, click on the Search tab.



Select the domain of Entity Information.

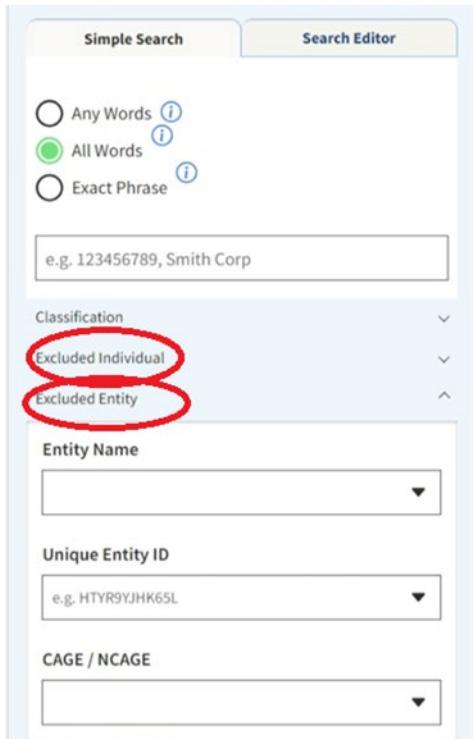


Under Entity Information, choose Exclusions.



The screenshot shows the SAM.gov search interface. At the top, there is a navigation bar with links for Home, Search, Data Bank, Data Services, and Help. The 'Search' link is underlined, indicating it is the active page. Below the navigation is a search bar with a placeholder 'e.g. 1606N020Q02' and a magnifying glass icon. To the right of the search bar are buttons for 'Search Results', 'Saved Searches', and 'Actions'. On the left, there is a sidebar titled 'Select Domain Entity Information' with a '+' icon. It lists 'All Entity Information', 'Entities', 'Disaster Response Registry', 'Responsibility / Qualification', and 'Exclusions', with 'Exclusions' circled in red. The main content area is titled 'Select Criteria' with the sub-instruction 'Choose your filters and run your report to begin.' A back arrow icon is also present.

Once Exclusions is chosen, scroll down to search by entity name or SAM UEI. SAM UEI is the preferred search method. When searching by name, be as general as possible so that variations in the entity name will be captured. It is recommended to search variations of the entity name. For example, Boys & Girls Club(s), Boys and Girls Club, etc. You can also narrow results by choosing a location or considering other factors if an initial search brought up multiple results. If you are searching for an individual, be sure to use the “excluded individual” drop down option. Once the name or UEI has been entered into the search field, press enter.



The screenshot shows the 'Simple Search' interface. At the top, there are tabs for 'Simple Search' and 'Search Editor'. Below the tabs are search mode options: 'Any Words' (radio button), 'All Words' (radio button, selected), and 'Exact Phrase' (radio button). A search input field contains the placeholder 'e.g. 123456789, Smith Corp'. Below the search input is a 'Classification' dropdown menu. The 'Excluded Individual' option is circled in red. Another dropdown menu is partially visible below it, with 'Excluded Entity' also circled in red. Further down are fields for 'Entity Name' (a dropdown menu), 'Unique Entity ID' (a dropdown menu with placeholder 'e.g. HTYR9YJHK65L'), and 'CAGE / NCAGE' (a dropdown menu).

Once you press enter, the results of your search will be displayed. If no results are found, then that individual or entity is not excluded from participating in Federal awards. If results are found, you should review the entity information to ensure the excluded entity is the same entity being considered for a federal (sub)award or (sub)contract. If the excluded entity is the same entity, they are not eligible to receive the contract or award and any federal funds dispensed to them would be disallowed. Non-federal entities should document the search regardless of the results, and note what day and time the search was conducted. This documentation should become a part of the entities program file. For information on how to download documentation of the search, visit [GSAFSD\\_kb\\_articles - GSA Federal Service Desk Service Portal](#).

The screenshot shows a search interface for the GSA Federal Service Desk Service Portal. On the left, a sidebar lists categories: 'Select Domain Entity Information', 'All Entity Information', 'Entities', 'Disaster Response Registry', 'Responsibility / Qualification', and 'Exclusions'. Below this is a 'Filter By' section with a 'Keyword Search' tab selected. The 'Keyword Search' section includes a 'Simple Search' tab, a search input field containing 'e.g. 123456789, Smith Corp', and three search mode options: 'Any Words' (radio button), 'All Words' (radio button, selected), and 'Exact Phrase' (radio button). A 'Classification' dropdown is shown. The 'Excluded Entity' section contains a dropdown menu with 'Entity Name' and a list item 'Boys & Girls Club' (highlighted with a red oval). Other fields include 'Unique Entity ID' (input field with 'e.g. 123456789') and 'CAGE / NCAGE' (input field with 'e.g. 12345'). The main search results area on the right displays a message: 'No matches found' with the subtext 'We couldn't find a match for your search criteria. Please try another search or go back to previous results.' A 'Go Back' button is at the bottom of this area.

Following these steps and documenting them will ensure regulatory compliance regarding excluded entities.