

Sub-Recipient Training Workshop

Grants Management
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June 4, 2015



Environmental Review

The City must assume the environmental responsibilities for projects under CDBG, HOME and ESG programs (24 CFR Subpart B §58.10).

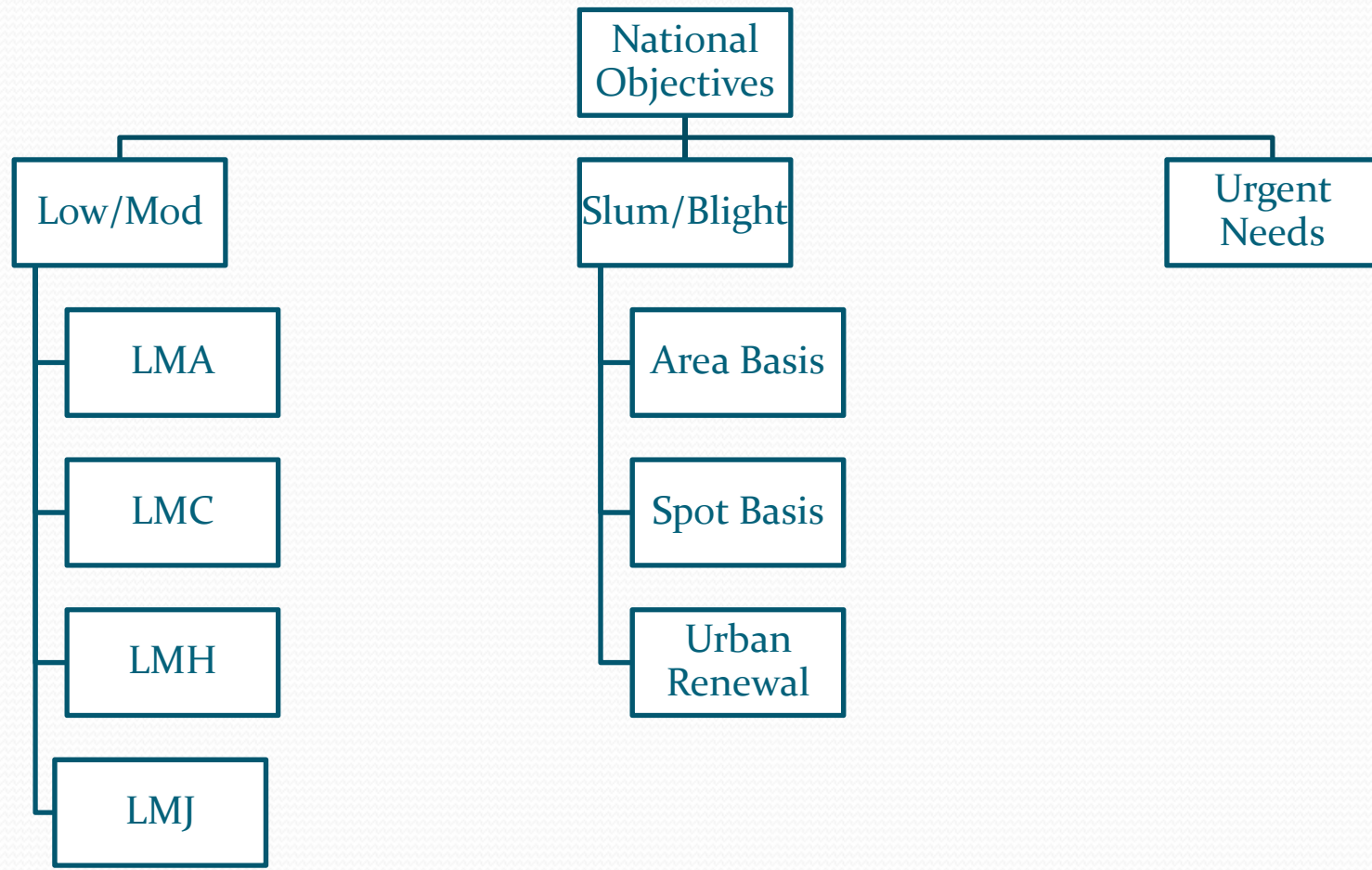
- **Environmental review** must be completed by the grantee for all project activities prior to obligating CDBG funds.
- HUD money may **not** be used to fund projects that cannot receive National Environmental Protection Act (NEPA) clearance.
- This report must be completed for every CDBG-, HOME- and ESG-funded activity to show that there is no impact on the environment or, if there is, that there is no negative impact on the environment.

CDBG Eligibility Determination

Each eligible activity **must meet one** of the 3 national objectives:

- Must Benefit principally low and moderate income (LMI) residents; or
- Aid in the prevention and elimination of slums or blight; or
- Meet a need with a particular urgency.

CDBG Eligibility Determination





Key Partners

- ❖ HUD is a **Grantor**
- ❖ The City is a Grantee/**Recipient**/Participating Jurisdiction (PJ)/Responsible Entity (RE)
- ❖ Your organization/Department or Division-Program is a **Subrecipient**

“Subrecipients are our partners, not our adversaries. Their performance, good or poor, reflects on both partners.”

~(HUD’s Guidebook for CDBG Grantees on Subrecipient Oversight)



Types of Agreement

Three types of agreement:

1. Inter-Department Agreement
2. Sub-recipient Agreement
3. Memorandum of Understanding

Sub-Recipient Agreement

The partnership between the Recipient (City) and Sub-recipient will be sealed by the Agreement for Services (contract):

1. Exhibit A - Scope of Services (Definition and Planned activities)
2. Exhibit B – Budget (Detailed description of each line item)
3. Exhibit C – Accomplishments (Quarterly and annually reporting of the accomplishments)
4. Exhibit D - Unique Appendices (HUD regulations and Administrative requirements: business license, permit, certifications, administrative and program procedures, job description, cost allocation worksheet, contract procurement, activity log ...)
5. INS-B - Insurance requirements: workers compensation, general liability insurance, auto insurance...

Sub Recipient Agreement (cont'd)

6. Terms of agreement (one year contract and no roll over funds), conditions (pre-award costs), compensation (HUD requires timely expenditure of funds), method of payment.
7. Record Keeping (financial data versus client data): timesheets, payroll records, beneficiaries information, receipts for the expenses, program income data...
8. Technical Assistance Request.



Program Procedures

Written policies and procedures related to:

- Scope of the services,
- Job description
- Financial Procedures related to internal control,
- Procurement procedures,
- Submit Reimbursement Requests (invoices) based record keeping documentation (on an ongoing basis),
- Prepare Periodic Reports (monthly for invoices and/or quarterly for IDIS updates),
- Program and Budget Changes,
- End of year Summary Report (ACR) for the CAPER.

Invoice Billing

- After the agreement is executed, a purchase order will be issued to the sub-recipient which includes all the terms of the agreement.
- Invoice the City on the monthly basis using the following sample.
- Records for documentation of the billing: payroll register or summary, pay stubs, allocation cost worksheet if costs are allocated to different centers, receipts of purchase...
- List of Oxnard clients served with beneficiaries information related to the income level, racial and ethnic information.

Invoice Format

ORGANIZATION NAME:										Invoice Number:					
Project Name:															
Contract Period: July 2015 to June 30, 2016															
Total Budget:															
Billing Period:															
Purchase Order Number: XXXXX					Agreement Number: XXXX-15-HO					HUD Agreement Number: B-15-MC-06-0534					
Line Item per Category	Budgeted Amount													Project to date Amount	Balance
Position														0.00	0.00
Salaries/wages														0.00	0.00
Employee														0.00	0.00
Benefits														0.00	0.00
														0.00	0.00
														0.00	0.00
														0.00	0.00
														0.00	0.00
														0.00	0.00
														0.00	0.00
														0.00	0.00
Administration														0.00	0.00
Total														0.00	0.00
All of the statements and claims made herein are true and correct. Pursuant to 18 USC § 1001, 31 USC § 3729, et seq., and 24 CFR Part 28, false or fraudulent statement or claims are subject to up to 5 years imprisonment and civil penalties up to \$10,000 plus up to 3 times the amount of damages sustained by the Government for each fraudulent act committed.															
Prepared By :															
Signature:															
Title:					Date:					Phone :					
Approved By:															
Signature:															
Title					Date:					Phone :					

Reporting Requirements

Various reports and/or forms are required to be submitted to City:

- Monthly Reporting to document the billing
- Quarterly Reporting to update federal financial system
- Year-end reporting to reconcile HUD reports prepared for the Consolidated Annual Performance and Evaluation Report (CAPER): Annual Progress Report, Annual Completion Report ...
- Year-end Financial Report such as single audit report, Audited Financial statements.

Performance

Warning Signs of Performance Problems:

1. Failure to meet deadlines or other contractual obligations;
2. Reports that are missing, late, incomplete, or provide questionable information;
3. Lack of responsiveness, including failure to keep the grantee informed about delays or problems;
4. Reports from the media or the public raise questions about performance and customer service; *and*
5. A sense that the sub-recipient does not see itself as an extension of the City or as a partner.

Reporting Requirements (cont'd)

REASONS:

1. The sub-recipients don't know **what** the City wants them to do.
2. They don't know **how** to do what you want them to do.
3. They **lack** the tools and resources therefore, the project cannot be done.

SOLUTIONS:

1. Written communication will improve the understanding of the scope/statement of work, establish clear expectations of performance standards and cover HUD's and the City's policies and procedures.
 - A. Orientation sessions, regular meetings, technical assistance and training should help to give the right information to the right people.
2. Training and technical assistance should be provided.
 - A. Peer-to-peer assistance (experienced sub-recipients' presentations and panel discussions) should be used, if it is available and appropriate.
 - B. Help build sub-recipient's capacity by encouraging the participation of multiple representatives (increasing the number of people in the organization to understand the program's requirements and the City's expectations).
3. Program modification and amending the written agreement through the substantial amendment of the annual action plan, if doable (public hearings and HUD's approval). The agreement may be cancelled due to mutual convenience and for the best interest of all parties involved.

Reporting Requirements (cont'd)



Pre-Agreement Visit

Please sign-up for the initial visit from Grants Division staff during the month of July 2014. This is a **mandatory** requirement for the new sub-recipients of CDBG funds.

Assistance/Monitoring Review

Training assistance:

1. Compliance with program rules and regulations;
2. HUD requirements for procurements;
3. Invoices and Reports submission; and
4. Record keeping.

Technical Assistance is provided as needed to the sub-recipient. It is designed to assist in correcting a specific weakness in performance of a particular activity or in general administration.

City's staff monitors subrecipients and projects to ensure compliance and to evaluate the performance level as well as to detect any performance issues. The ongoing (desk) monitoring is done through the review of invoices, the eligibility of requested cost reimbursements as well as periodic progress reports (quarterly reports). The monitoring review will be scheduled as an On-Site Program/Financial review, toward the end of the fiscal year (during the month of June): project sites visit, project staff interviews, review of project file and beneficiary files, timesheets and payroll records, bank statements, etc.



Year- End Process

- Respect the deadline to submit final invoices (first week of July);
- Submit quarterly reports by the established deadline;
- Submit the Annual Completion Report (ACR) by the end of July 2016, with summary of annual accomplishment data such as demographics and eligibility data and also a self- evaluation of the project/activity .

HUD Monitoring Visit

Grant Administration:

1. Uniform administrative requirements
2. Record Keeping
3. Reporting Requirement
4. Reimbursement Requests
5. Closeout procedure: year-end and ACR's
6. Enforcement
 - Performance Reviews
 - Remedial Actions
 - Sanctions

HUD may schedule a site visit of the organization if necessary.



QUESTIONS?

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