

CDBG SUBRECIPIENT TRAINING



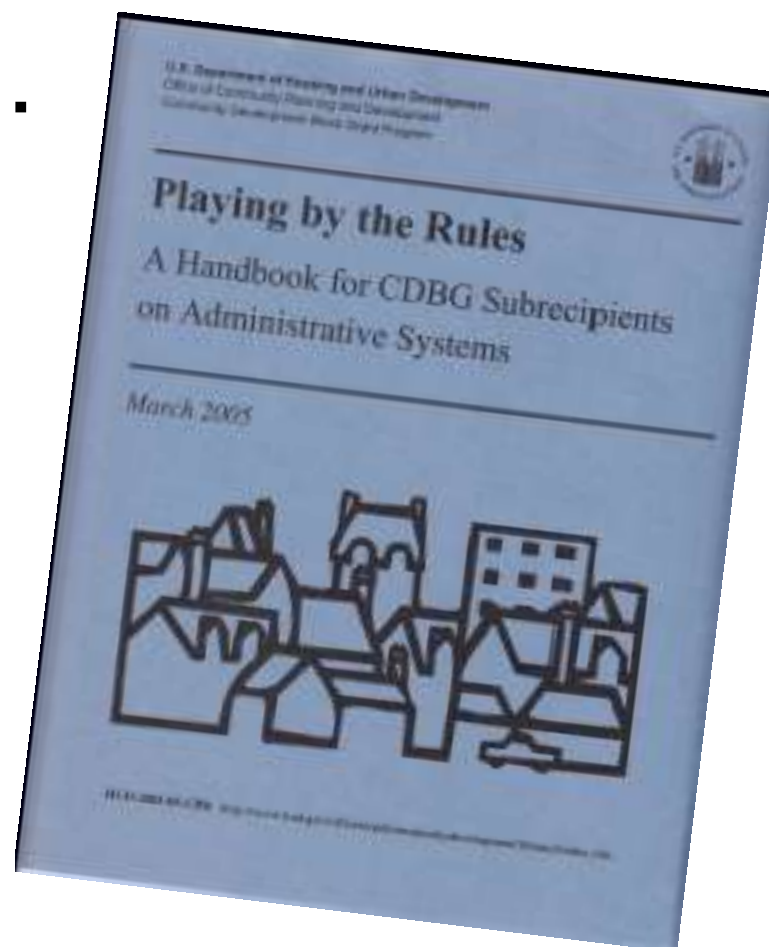
... creating a better quality of life

Community Development Department

June 20, 2018

CDBG Subrecipient Training

There is a book ...



CDBG Subrecipient Training

The book is available in .pdf format on the HUD website:

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_17104.pdf

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Public Service Grants

24 CFR 570.201(e) establishes *Public services* as **Basic eligible activities**. At the same time, Congress capped Public Service activity funding at 15% of the annual grant and 15% of any program income generated the previous year.

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For 2018-19

13 Public Service Grants

Total Allocations - \$132,224

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- Documentation

- Subrecipient Agreements

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CDBG

Done Correctly

Is about

Documentation

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- All CDBG-funded activities must meet one of three national objectives:
 - 1) Activities that benefit low- and moderate-income persons
 - 2) Activities which aid in the prevention or elimination of slums or blight
 - 3) Activities designed to meet community development needs having a particular urgency

All of Murfreesboro's activities are required to meet Objective #1

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Section I.B. of your subrecipient agreement states:

“The Subrecipient certifies that the activity carried out under this Agreement will benefit low- and moderate-income persons.”

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Public Service Activities can meet the LMI National Objective by meeting at least one of the two following **subcategories**:

Area Benefit

Limited Clientele Activity

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All of you have agreed to meet a
National Objective by providing
services to
L/M Limited Clientele.

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Limited Clientele Activity

Service used by specific group of people and of that group at least 51% are LMI.

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Three classes of L/M Limited Clientele Activities

1. Presumed Benefit
2. Nature and Location
3. Information on family size and income required

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Presumed Benefit

Exclusively benefit a clientele presumed by HUD to be principally L/M income persons. Examples:

- Abused children
- Elderly persons
- Battered spouses
- Homeless persons

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Presumed Benefit

- Kymari House
- St. Clair Center
- Mindful Care
- Domestic Violence Program
- Doors of Hope
- Boys & Girls Clubs

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Minimum Documentation Presumed Benefit

- Documentation showing that the activity is designed to be used exclusively by a segment of the population presumed by HUD to be L/M income persons.
- Demographic Information
 - Total Individuals Served
 - Race/Ethnicity
 - Total Elderly
 - Number of Female Heads of Household

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Nature and Location

Be of such nature and in such location that it may reasonably be concluded that the activity's clients will be primarily L/M income persons.

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Nature and Location

None of this year's subrecipients fit this definition.

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Information on family size and income required

Document that *at least 51%* of the clientele served are persons whose family income does not exceed the L/M income limit.

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Minimum Requirements

Information on family size and income

- Document the size and annual income of the family of each person receiving the benefit.
- Demographic Information
 - Total Individuals Served
 - Race/Ethnicity
 - Total Elderly
 - Number of Female Heads of Household

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Minimum documentation might be a pay stub, SSI statement, statement from another government agency or certification that a child is on free and reduced lunch.

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Direct Benefit Reporting

**Point of emphasis:
These standards are
minimums!**

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Your reports to the City must state:

1. How many people participate in the CDBG-assisted program.
2. How many of those participants come from households with an annual gross income less than 80% of the area median income.

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Direct Benefit Reporting

Household income documentation for “presumed benefit” clients and “nature and location” clients is not required by HUD.

Why does the City of Murfreesboro require subrecipients to collect this information?

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CDBG entitlement cities and their subrecipients are under a Congressional microscope.

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Congress is responsible for the annual CDBG allocation.

Many Tennessee members, including the member from the Fourth Congressional District, are members of a study committee which is on record as favoring the zeroing out the Community Development Block Grant program.

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Are the CDBG dollars being invested in your program being used effectively?

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The only way to prove that is being able to supply good data. That means being able to tell the public that funds are being expended on income-eligible individuals, that it is being expended in a non-discriminatory manner and that the CDBG investment is helping make a positive difference in the lives of the individuals being assisted.

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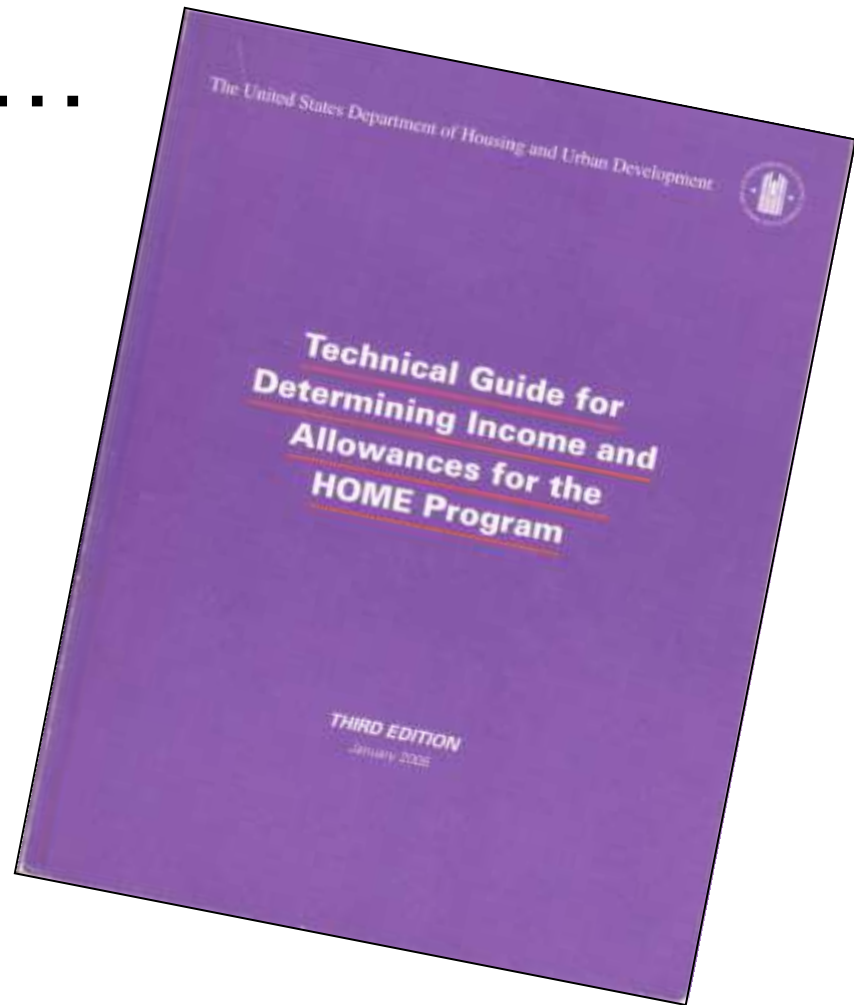
We must depend on you, our subrecipients, to give us reliable data that supports the case for the program.

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How do I know what to document?

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There is a book ...



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The book is available in .pdf format on the City website:

<http://www.murfreesborotn.gov/DocumentCenter/View/2306>

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But there is an easier way.

For our purposes, you are interested in annual gross income.

Chapter 3 covers the topic exhaustively.

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Family Size

Whom do I count?

Income limits are adjusted by household size. Count everyone who lives in the house except foster children, foster adults, live-in aides and children of live-in aides.

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Household Income

Whose income counts?

All adult (18 and older) household members except as noted on p.12 of the book.

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The book was written for HUD's HOME program. Most of the CDBG rules are the same, but not all.

Note: The HOME and CDBG Programs use the IRS definition of annual income in different ways:

- CDBG does not require use of the long form.
- CDBG allows tax returns as proof of income.
- Documentation for CDBG income qualification can be up to 12 months old.

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You've documented that your project meets the national objective of providing a service to low- and moderate-income persons.

You've provided the services as specified in the Subrecipient Agreement.

You've submitted reports as required.

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Now you want to be paid.



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The documentation you need to send with your invoice depends on what CDBG is paying for.

Goods and services – receipts notated with client name

Staff time – time sheets. If CDBG activity is only part of job, time sheet must reflect how time is divided.

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Good documentation is about creating a paper trail.



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Subrecipient Agreements

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- I. Scope of Service
- II. Time of Performance
- III. Budget
- IV. Payment
- V. Notices
- VI. General Information
- VII. Administrative Requirements
- VIII. Personnel and Participant Conditions
- IX. Severability
- X. Section Headings and Subheadings
- XI. Waiver
- XII. Entire Agreement

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I. Scope of Service

A. Activities

Program Delivery

General Administration

B. National Objectives

C. Levels of Accomplishment – Goals and Performance Measures

D. Staffing

E. Performance Monitoring

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I. Scope of Service

This section describes the activity the City is contracting with you to provide. The information in this section will be based on the information you provided in your grant application.

Does the Scope of Service described in your Subrecipient Agreement agree with your understanding of the activity you propose?

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SCOPE OF SERVICE

B. National Objectives

When your agency signs this contract, you are certifying that your activity will benefit low- and moderate income persons.

You must be prepared to prove that assertion to the City and to HUD with tangible evidence.

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SCOPE OF SERVICE

It is not unknown for an activity to evolve once it is underway. Sometimes this means a change to the scope of work.

The feds can be very, very, very, very picky sometimes. Sometimes things which logic suggests should be eligible expenses aren't.

Keep us in the loop! This is not one of those times where asking forgiveness is as good as asking permission. We can't always forgive you.

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TIME OF PERFORMANCE

All of our subrecipient agreements begin July 1, 2018, and end on June 30, 2019.

We cannot honor invoices for services rendered before July 1, 2018, or after June 30, 2019.

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BUDGET

The information in your subrecipient agreement will be pulled from your application. Is the information still correct?

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PAYMENT

Is the amount shown in this section correct?

When or how often you submit invoices is up to the agency, but invoices should be submitted in a timely manner. This allows us to be sure your submissions comply with federal regulations and provide technical assistance should you have questions.

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NOTICES

Have we identified the correct contact person for this grant?

Is the contact information correct?

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GENERAL CONDITIONS

General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations.

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The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract.

The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

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F. Grantee Recognition

“The Subrecipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source.”

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Don't forget the
microscope.

We have to tell
the CDBG story.

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ADMINISTRATIVE REQUIREMENTS

Cost Principles

The Subrecipient shall administer its program in conformance with **2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements**

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Financial Management

- Internal Controls
- Accounting Records/Source Documentation
- Procurement
- Budget Controls
- Cash Management

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Internal Controls – Policies and Procedures

Are your policies in writing?

Could a monitor track an internal process using your written procedures?

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Procurement

Is your organization aware of the procurement rules in 2 CFR 200.318 including written conflict of interest policy covering both employees and board members?

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Records to Be Maintained

These are the records you will need to produce if the City and/or HUD decides to monitor your project.

In general, records must be maintained at least four years.

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Progress Reports

“The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.”

Two reports – semi-annual and final – submitted through your ZoomGrants account.

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PERSONNEL & PARTICIPANT CONDITIONS

Civil Rights

By signing the Subrecipient Agreement, your agency is agreeing to comply with all local, state and federal civil rights ordinances and laws and that it will not discriminate in hiring, contracting or providing services.

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For clients –

Written policies and procedures covering denial of service, grievances, and/or termination of services including a process guaranteeing due process.

For employees –

Written policies and procedures covering hiring, grievances, and termination including a process guaranteeing due process.

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FAIR HOUSING

Fair housing is not optional;
it's the law!!!!!!!!!!!!!!



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FAIR HOUSING

The City needs the help of our subrecipients to educate the public about their rights under the Fair Housing Act.

Please visit the City website for more information or call us with questions.

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EEOC/AA Statement

“The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.”

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Signatures

Does your agreement list the correct person authorized to sign on behalf of your agency?

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The person authorized by your agency signs all three copies.

The authorized signature is attested on all three copies.

Return to Community Development Department.

The Mayor and other required City signatures will be added.

One copy will be returned to your agency.

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QUESTIONS?

Call the Community Development Department (615-890-4660) for any technical assistance you need. If we don't know the answer, we will get an answer from HUD.