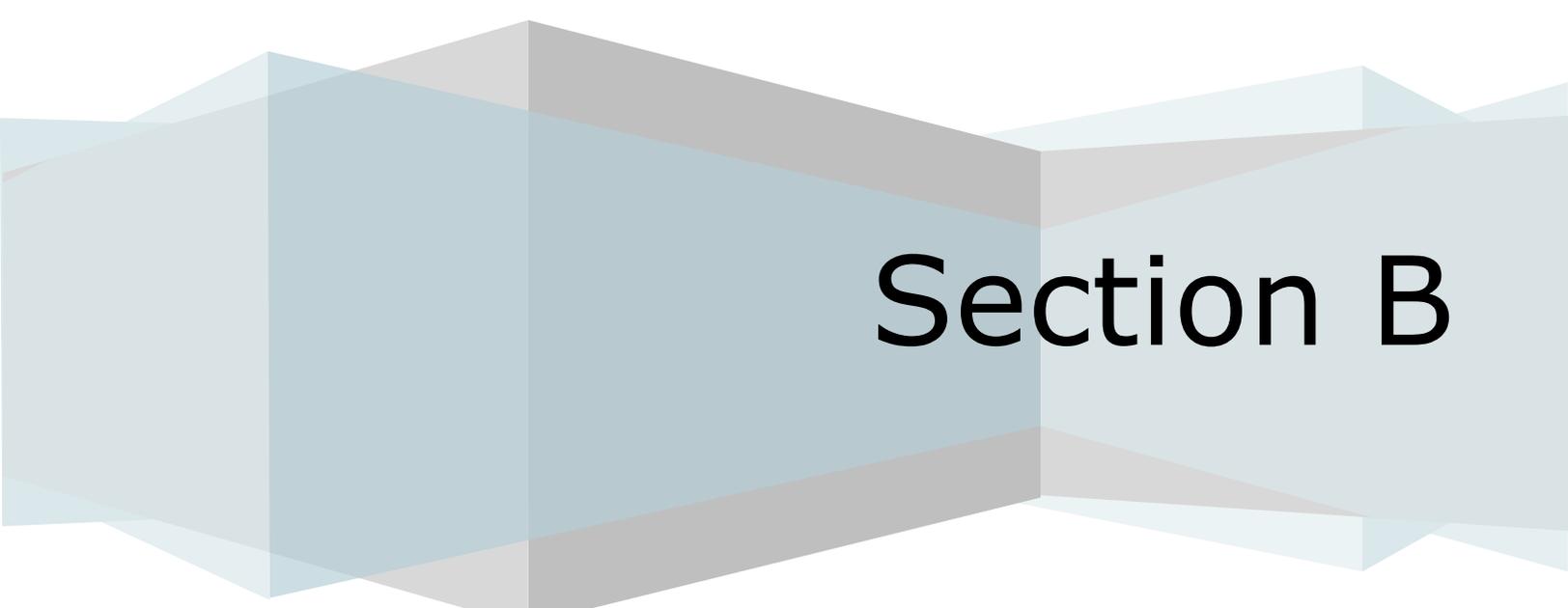


Managing Your Grant Award

CDBG/HOME Guidebook



Section B

MANAGING YOUR GRANT AWARD

This section of the Guidebook outlines steps involved in managing your CDBG or HOME grant award.

STEP 1: Receipt of Award.

STEP 2: Establishing a record keeping system & reporting

STEP 3: Preparation of the Environmental Review.

STEP 4: Development and Execution of the Contract.

STEP 5: Reimbursement submittal & processing

STEP 6: Addressing Special Federal Requirements.

STEP 7: Monitoring and Project Closeout.

1. Receipt of Award

The amount of funds awarded to your program or project will be included in the Action Plan which is approved, after a public hearing in November, by the Bremerton City Council. The Action Plan is then submitted to HUD.

The amount of funds awarded to your program or project is an estimate and will not be finalized until the City has a contract from HUD which includes final allocation amounts for CDBG and HOME. Your organization may receive an increase or decrease depending on the allocation of CDBG and HOME funds from HUD. The Action Plan contains a contingency explaining what will happen if there is an increase or decrease in funding. Your agency will receive a letter early in the program year with information about your award and when we expect funds to be available.

Funds will not be available for reimbursement until your organization has a written agreement executed with the City. This typically occurs from April to July. However, the timeline for funding availability will vary from year to year depending on when the federal budget is passed by Congress.

2. Establishing a Record Keeping System & Reporting

The City of Bremerton is responsible for collecting pertinent data from grant recipients and reporting it to HUD. Organizations must keep accurate records which conform to federal requirements as outlined in the chapters contained in the Guidebook.

Your organization must be able to fully document CDBG and HOME projects so that compliance with all applicable regulations can be demonstrated. The filing system established should provide a historic account of each project and the files should be maintained in a central location.

Filing System

The following is a suggested filing system for projects:

1. General Project File
 - a) Project Proposal(application)
 - b) Project Agreement (Contract) with the City
 - c) Environmental Review Record and Notice to Proceed
 - d) Quarterly Reports & HOME Completion Reports
 - e) Equal Employment Opportunity data
 - f) Project Correspondence
 - g) Record of monitoring visits

2. Financial Records
 - a) Notices of grant awards
 - b) Contracts
 - c) Budget revisions
 - d) Invoices for payment
 - e) Copies of reimbursement requests sent to the City.
 - f) Payroll time sheets (if costs are being covered by CDBG)
 - g) Audit records
 - h) Approved indirect cost allocation plan, if applicable.
 - i) Project budget reports
 - j) Records documenting source and amount of other project funding

3. Procurement
 - a) Written procurement policy, approved or adopted by board
 - b) Bid Advertisements
 - c) Affidavit of Publication
 - d) Requests for Proposals (RFP) or Requests for Qualifications (RFQ)
 - e) Bids/Proposals
 - f) Bid/Price Analysis
 - g) All Third Party Contracts
 - h) Preconstruction Conference Notes
 - i) Change Orders
 - j) Copies of contracts
 - k) Davis Bacon/Federal Prevailing wage documents (if applicable)
 - l) Site inspection reports
 - m) Correspondence

Reporting

Grant recipients will be required to collect data and report to the City on a quarterly basis, and for HOME funds, also at project completion. It is important to establish a system for collecting data which starts at the beginning of the CDBG/HOME program year Jan. 1st, even though you may not yet have a contract. Quarterly reports are due by the 15th of the month following the end of the quarter.

The type of project and funding will determine which type of reports your agency will need to submit.

CDBG:

Quarterly Performance Report (quarterly)
Demographics & Statistic Report (quarterly)

CDBG Economic Development Job Creation/Retention:

Quarterly Performance Report (quarterly)
Employer Statement (as required by written agreement)
Employee Statement (as required by written agreement)

HOME:

Quarterly Performance Report (quarterly)
HOME Completion Reports (at project completion when beneficiaries occupy the HOME units)

For more information on the type of information needed to complete required reports please see **Section D: Reporting and Monitoring** in the Guidebook.

Report forms are available from your project contact person and will be sent via email. Information collected in the reports is input into HUD's reporting system and used by Block Grant staff to track projects for timeliness and compliance with contract requirements.

3. Preparation of the Environmental Review

CDBG and HOME regulations require the preparation of a project Environmental Review Record (ERR) and environmental clearance before **any** funds (federal or otherwise) are expended or costs incurred. The environmental review process covers all phases of the project, whether the project is funded in whole or in part by CDBG or HOME funds. The overall governing regulation is the National Environmental Policy Act (NEPA).

Some activities, such as public services that will not have a physical impact or result in any physical change to the environment, are Exempt. The environmental

review for these types of activities will be completed by staff at the beginning of the program year so projects may begin to incur costs.

Most other types of activities will require some level of review and grant recipients may be asked to assist in the development of the ERR by providing additional information, maps, site data or specialized study or site assessment. The level of review will depend on the type of activity. For more information on the Environmental Review process and timeline please see **Section F: Environmental Review** in this Guidebook.

Some capital projects which require permits through the County or City may also trigger an environmental review under the State Environmental Policy Act (SEPA). For these types of projects special conditions and mitigation measures required by the SEPA will be included in the NEPA review. These reviews can run concurrently however the NEPA requires additional time for public comment and issuance of an Authority to Use Grant Funds before the project can proceed.

4. Development and Execution of the Agreement

In order for your organization to receive funds an agreement (contract) must be executed between the City and your organization. The contract contains the scope of services and financial conditions as well as federal, state and local regulatory requirements.

Once the City has received their actual allocation of funds from HUD, we will begin working with agencies on contracts. Your agency will receive an email with forms for contract language and budget to be filled in. If your project or program has been funded by both the City and County, you will have two separate contracts. The contracting requirements of the City and County are slightly different and you will receive a letter from the appropriate agency with instructions to begin the contracting process.

There are a number of forms that must be submitted and these will be outlined in the letter. Contracts will not be executed without the requested information. The timeline for executing a contract will vary depending on the complexity of the agreement, receipt of all necessary information from the grant recipient and work load of staff reviewing the contract.

5. Reimbursement Submittal & Processing

CDBG and HOME funds awarded are paid on a reimbursement basis only. Once your agency has an executed contract and a Notice to Proceed, you will be able to submit reimbursement requests for allowable costs.

A properly documented reimbursement request will typically take a minimum of two weeks to process. Once processed through the City, funds will be issued by check and mailed. Agencies with multiple contracts with Kitsap County

may have an electronic transfer of funds agreement in place, in this case funds will be transferred electronically and a direct deposit made to your financial institution.

Additional information about financial procedures including authorizations, allowable costs, reimbursements & source documentation, is included in this Guidebook under **Section C: Financial Management**.

6. Addressing Special Federal Requirements

In addition to the rules and requirements imposed by CDBG and HOME program regulations, there are several additional broad Federal rules that organizations must be aware of, and in compliance with, when a project is funded with CDBG or HOME. These Federal requirements include:

A. Fair Housing, Equal Opportunity and Accessibility

- Title VI of the Civil Rights Act of 1964
- The Fair Housing Act
- Equal Opportunity in Housing
- Age Discrimination Act of 1975
- Equal Employment Opportunity
- Section 3 of the Housing and Urban Development Act of 1968
- Minority/Women's Business Enterprise
- Americans with Disabilities Act
- Section 504

For information on compliance with these Federal requirements please see **Section G: Equal Opportunity & Accessibility** of this Guidebook.

B. Acquisition, Relocation and Demolition

If your project includes acquisition of real property, relocation of existing residents, tenants in a business, or demolition, your project is subject to specific requirements under the Uniform Relocation Assistance and Real Property Acquisition regulations at 49 CFR Part 24. For more information on applicability and compliance see **Section H: Acquisition & Relocation**.

C. Procurement

If your project includes the purchase of goods or services you will need to have written procurement policies that address federal requirements. The requirements are detailed in **Section E: Procurement**.

D. Labor Standards

If your project includes construction you will need to be aware of specific requirements under Davis Bacon as well as regulations regarding hazardous materials such as lead and asbestos. These requirements are covered in **Section I: Labor Standards and Construction**.

7. Monitoring & Project Closeout

The City Block Grant Programs conduct monitoring of all grant recipients annually. The City and Kitsap County conducts joint on-site monitoring visits for agencies which have open contracts with both. Typically these visits will be scheduled in January or February. During the on-site monitoring staff will review some or all of the following areas, depending on the activity type and issues that may have come up over the contract period.

- Contract Management Systems Review
- Project Status
- Eligibility Requirements
- General Record Keeping
- Financial Management Systems
- Cost Eligibility
- Procurement Standards & Bid Requirements
- Section 504 Compliance
- Environmental review Compliance
- Property Acquisition/Relocation
- Property Standards
- Rent, Occupancy & Income Requirements for Housing

After the on-site monitoring visit a letter will be sent to the agency. If concerns or findings of non-compliance with federal regulations are identified, staff will send the agency instructions for corrective action in the monitoring letter.

Projects will not be closed out until all monitoring issues are resolved and all reimbursements have been processed. Agencies will receive a letter when the project is closed out.

HOME funded projects remain open through the period of affordability. In addition to annual monitoring of open contracts, County and City staff conduct annual period of affordability monitoring of HOME funded projects. On-site monitoring is conducted annually, biannually, or every third year depending on the project. These visits, which may also include unit inspections, are typically scheduled in November and December.

For additional information on project closeout and monitoring please see **Section D: Reporting & Monitoring** and **Section J: Project Closeout & on-going monitoring**.