

Community Development Block Grants (CDBG) 301

DAY 3: OCRA & GRANT SERVICES





Housekeeping

BEFORE WE GET STARTED, LET'S GO OVER SOME INFORMATION THAT WILL BE HELPFUL TO KNOW DURING THE COURSE.



We ask that raise your hand to ask questions.

Presenters will take questions as they walk through their presentations.

You may write down any questions you have and Armica Bash Gaspar, CDBG Program Manager, will get them to the team.

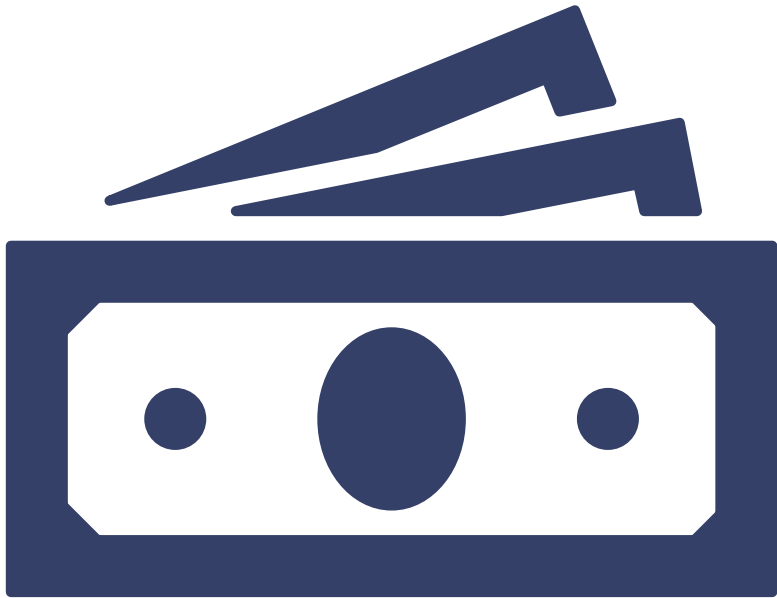
Agenda Day 3

8:30 – 9 a.m.

- Registration
- Breakfast

9 a.m. – 5 p.m.

- Welcome
- Release of Funds
- Labor
- Financial Management
- Review



Release of Funds (ROF)

Release of Funds Checklist

Release of Funds (ROF) is requested by completing the ROF status report in eGMS. This report should be submitted after the Pre-Release of Funds (Pre-ROF) report has been submitted and approved. The ROF status report must be submitted on or before the ROF deadline to remain in compliance.

All fields in the status report should be completed with accurate dates and information. Check box fields serve as a checklist for file uploads. If applicable, check the box to indicate you uploaded the corresponding file. The following items must be uploaded to the Files widget in the ROF status report. All scans must be clear and legible. Failure to adhere to this guidance may result in processing delays.

General Information

- Local Match Documentation
 - Statement acknowledging no change to match since the application
OR
 - Statement with documentation showing an increase or decrease in match
 - For increases in match, documentation of additional source(s)
- Certification of Professional Services Providers (Financial Form 6.4), signed by Engineer and Grant Administrator
 - Must list the contractor name, contract amount, and be dated

Acquisition

- Recorded Easements or Deeds not previously collected

Contractor Cards – to be created in the ROF status report

- Contractor Card for each Prime Contractor
 - Copy of sent certified mail receipts, of which at least two (2) must be sent to M/WBE State Certified firms
 - Receipts to certified M/WBE firms must be clearly labeled as such to distinguish them from non-M/WBE firms solicited
 - M/WBE firms must have current certification with IDOA, not expired
- Contractor Card for the Grant Administrator
 - Copy of signed professional services contract with Federal/State Third-Party Provisions (regardless of funding source)
 - Additional documentation noted below when using grant funds for procurement of these services
- Contractor Card for the Engineer/Architecture
 - Copy of signed professional services contract with Federal/State Third-Party Provisions (regardless of funding source)

ROF Checklist

- Additional documentation noted below when using grant funds for procurement of these services

When grant funds are used for Grant Administration and/or Engineering services, the following items must also be uploaded to the respective Contractor Cards

- RFP/RFQ Newspaper Notice and Publisher's Affidavit
 - Publication date and entire ad must be visible
 - If ad is unreadable, provide a typed copy with the original ad
- Copies of Solicitation Letters and Certified Mail Receipts w/ at least two (2) M/WBE receipts that are clearly marked as such
- List of all firms that responded to the RFP/RFQ
- List of evaluation/scoring team members with name and titles
- Signed evaluation score sheets from proposal review, if applicable
- Letters to those firms not selected for interview
- Letters to those firms shortlisted and selected for interview
 - Letter must confirm time and location of interview
- Signed evaluation score sheets from interviews, if applicable
- Letters to firms interviewed but not selected
- Letter to selected firm, awarding the contract
- If only one (1) response was received, selection documents
 - Letter from CEO selecting the one respondent
 - Letter to OCRA justifying why the selection was made



Secure Local Financing:

Once the project has a bid and a contractor/bid amount is recommended, the Grantee must secure their local financing.

OCRA is unable to issue Release of Funds for the project if total contract amounts exceeds the total amount of funds available in the budget.

The Grant Administrator will need to coordinate with the Grantee CFO, Rate Consultant, Local Attorney and Bond Counsel (if the local match needs to be borrowed) to:



REVIEW / UPDATE
PROJECT BUDGET.



VERIFY PROJECT LINE-ITEM
ELIGIBILITY UNDER EACH
FUNDING SOURCE.



DEVELOP BORROWING
TIMELINE / INITIATE
BORROWING PROCEDURES.

Release of Funds (ROF) - Contractor Cards

****Prime Contractor
Contracts are not to
be signed until after
ROF is approved.***

With your Release of Funds report you will also create contractor cards for Grant Administration, Engineering/Architecture & Prime Contractors.

Check the following before submitting the Release of Funds packet:

- Federal Third-Party Provisions
(OCRA Website Other Resources)
- Certificate of Liability Insurance / Errors & Omission (if applicable)

Only two types of contracts are permitted under CDBG regulations

A Firm, Fixed Price Contract (Lump-Sum Contract)

- Requires that the contractor deliver the product or service for the agreed upon price
- Construction Contracts Are Always Lump-Sum

A Cost Reimbursement Contract

- May be awarded for professional services when the level of work to complete a specific task is unknown
- This type of contract **MUST** include a “Not To Exceed” limit

Required Construction Contract Attachments

For Contracts over \$100,000.00:

100% of Contract Price Performance Bond

100% of Contract Price Payment Bond

Certificate of Liability Insurance

Federal Labor Standards Contract Provisions (HUD 4010)

Applicable Davis Bacon-Wage Determination

Third Party Contract Provisions (when applicable)

Construction Release



VERIFY CONTRACTOR
ELIGIBILITY



PRE-CONSTRUCTION
MEETING



WAGE/FRINGE REVIEW
(DAVIS-BACON PREVAILING
WAGES)



APPROVAL TO DRAW
CONSTRUCTION FUNDS

The Wage Determination can only be held for 90 Days

Contracts that are signed 90 days after the bid opening date, the wage determination that is in-effect on the day the contract is signed will go into effect.

Note: You do not have to rebid. You are only working with the contractors who were awarded from the bid. This may increase the bid price, but it is not an allowable change order expense.



Finding Your Wage Determination

To find your wage determination you need to go to <https://sam.gov/content/home>



Activity



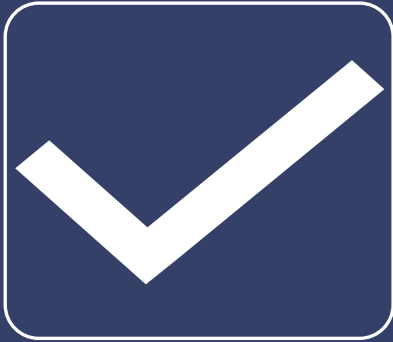
Pre-Construction Meeting

The pre-construction meeting is **mandatory**

Participants:

- Engineer/Architect
- Grantee Representative
- Prime Contractor & any known sub-contractors
- Labor Standards Officer

The architect/engineer should review:



The project scope



General housekeeping items such as start time, stored materials, change orders, invoice processing, etc.

Labor Standards Officer



Obtain a
Sign-In Sheet



Provide the HUD,
"Davis-Bacon Labor
Standards, A
Contractor's Guide
to Prevailing Wages"



Review and complete
Labor Standards Form 8:
Pre-Construction
Conference
Acknowledgement,
answering any questions



Obtain /complete
meeting minutes
(engineer or clerk may
take minutes).

Labor Standards for OCRA/CDBG Program Projects

Davis-Bacon Wage Act

Contract Work Hours & Safety Standards Act

Fair Labor Standards Act

Copeland Act (Anti-Kickback Act)

The Davis-Bacon (DB) Act

-Prevailing Wage Rates

-Determined by DOL

-Federally Funded Construction
Projects >\$2,000.00

- Protects communities and workers from non-local contractors underbidding local wage levels
- U.S. Department of Labor (DOL) determines local "prevailing wages" and "fringe benefits"
- Wage rates are determined by classification
- Applies to federal contracts over \$2,000.00 for construction, alteration and/repair of public building or public works

The Contract Work Hours and Safety Standards Act (CWHSSA)

-Contracts
>\$100,000.00

The Fair Labor Standards Act (FLSA)

Regulates overtime compensation.

Defines overtime as all hours worked (on all projects) in excess of 40 hours in one work week.

Requires payment of time and one-half times the basic rate of pay for hours (including straight fringe) worked in excess of 40 in a workweek on covered contracts; and

Regulates back wages for unpaid OT hours:

- Withholding of funds due;
- Liquidated damages; and
- Debarment action.

Stipulates federal minimum wage, overtime, recordkeeping and child labor standards.

These standards may be pre-empted by more stringent federal standards such as the Davis-Bacon and CWHSSA.

No one under the age of 16 is permitted to work.

The Copeland Act (Anti-Kickback Act)

-Federal crime for employers
to require employees to pay
back wages

Requires contractors and subcontractors to submit weekly certified payroll reports.

Regulates permissible payroll deductions.

Requires that all contractors and subcontractors keep accurate payroll records and maintain those records for a minimum of three years following completion of the project.

Prohibits contractors or subcontractors from paying workers with an I.O.U., equipment, or any other form of barter.

Prohibits contractors from requiring workers to pay back wages or fringe when Davis Bacon wages exceed local wage rates.

All payments must be in the form of a weekly check written to the employee, or a direct deposit into the employee's account.



Exceptions to Davis Bacon

Exceptions to Davis-Bacon

Teamster – Special Circumstances Material Delivery Truck Drivers

- Drivers of a contractor or subcontract traveling between a Davis Bacon job and a commercial supply facility while they are off the “site of work” are subject to Davis Bacon
- Truck drivers whose time spent on site of work is minimal, such as only a few minutes at a time merely to pick up or drop off materials and supplies.

Apprentices- The Agency pay rate/Apprenticeship Program/Collective Bargaining Agreement dictates Apprentice pay regardless of Davis-Bacon Prevailing Wages.

Site of Work-

Employees working off the “site of work” such as in fabrication plants, tool yards, batch plants, borrow pits, job headquarters, etc. are not subject to DB wages **Unless they are fabricating or transporting items specifically for the project from a site that is in close proximity to the project site.*

Construction Projects at or Below \$2,000

Rehabilitation or New Construction of Residential Structures Containing Less than 8 Units

Foreman or Supervisors who do not spend more than 20% of their time performing actual construction work.

Company owners that have $\geq 20\%$ ownership stake in the company are exempt from the Davis Bacon.

Free Standing Building Demolition Only



vs.



If a building(s) is being demolished and there will not be any reconstruction, or skilled labor the project is not subject to the prevailing wage requirements for DB.

DB is not triggered/does not apply when:

1. the building is free standing and being completely blighted/or demolished or,
2. when the building needs asbestos abatement that will be demolished, is not subject to DB. *The removal of asbestos is not considered alteration /repair for a building that will be blighted.*

Force Account Work

-City/Town Employees work on Federally funded projects.

- For Example, the letter submitted prior to the application being submitted might state: “The City Utility Employees have sufficient manpower to install the replacement light fixtures. Our Utility Superintendent anticipates that it will take approximately 90 hours (three employees at 30 hours each) at a cost of \$2,250 (90 hours x \$25.00 per hour).
- We are therefore requesting to use \$2,250 in Force Account Labor In-Kind local match.

Required to be approved by OCRA

Volunteer Labor

Volunteer Labor is always calculated at \$10.00 per hour for in-kind match purposes.

Must perform services on a volunteer basis only.

Absolutely NO compensation may be paid for the services.

Must provide a signed letter from volunteer stating that they are volunteering their services and are expecting no compensation.

Utilize Labor Standards Form 17: Sample In-kind Volunteer Letter.

Must be pre-approved by OCRA and the letter of approval must be included in the application for funding.

Must be approved by HUD prior to the Start of Construction

Labor Standards Form 18: Persons Approved to Complete In-Kind Labor

Labor Standards Form 19: In-Kind Donation Tracking Sheet

Required to be approved by OCRA



Project Implementation

Project is put into motion

Communicate with stakeholders

Monitor project progress



Break



Start of Construction



Keep Organized

Establish file system for labor

- Construction
- Contractors
- Payroll

Best Practice: Creating an individual file folder/binder for each prime contractor and sub-contractor on the project.

Copy of construction contract

Listing of subcontractors to be utilized

Wage/fringe benefit certification

List of all employees performing work on project, for all contractors

Contractor or sub-contractor certification

Fringe verification

Apprenticeship documentation (as applicable)

Certified payrolls

Employee interviews

Restitution documentation (as applicable)

Submit Construction Release Checklist in GMS

In order to process submit a request to draw funds process a draw request.

Approvals of Construction Release (grant awarded funds) requires the following:

Labor Standards Form 7: Notice of Contract Award- This is in GMS.

Labor Standards Form 8: Pre-Construction Conference Acknowledgement with Minutes of Pre-Construction Meeting & Sign-In Sheet

Labor Standards Form 9: Wage/Fringe Benefit Certification with Fringe Verification Information

Labor Standards Form 12: Notice of Start of Construction – This is in GMS.

[Construction Release Report - GMS Guide](#)

Best Practice: create subcontractor cards for large scale projects

Contractor Cards

For projects that will have multiple subcontractors create a contractor card per sub

-Upload the following documents into the file section in each contractor card:

-Signed contract with Federal Provisions, Wage Determination and Labor Standards attached

-SAM.gov Active Registration with Active Exclusions

-HUD Limited Denial of Participation (HUD Funding Disqualifications List)

-Wage Fringe Benefit Certification and supporting documentation

-Any other supporting documentation (Apprentice Certificates, Union Collective Bargaining Agreement etc..)

Labor Standards Form 9

Wage/Fringe Benefit Certification

Review information prior to submitting for Construction Release

If Fringe Benefits breakdown are not clear Labor Standards Officer will request documentation to ensure DB Wages are being met

Wage/Fringe Benefit Certification							
Grantee: Complete this		Project Number: XX-XX-XXX			Project: Complete this		
This is to certify that (contractor) Fill this in plans to use the following classifications of workers on the above referenced project:							
				What the Contractor is Paying			
Classification (From the WD)	IN20XX00XX X Mods Date: From Applicable Wage Decision			Fringe Benefits to be Provided by Contractor			
	Base Wage Due	Fringe Benefit Due	Total Package Due	Base Wage to be Paid by Contractor	Type of Benefit	Hourly Amount	Total Package to be Paid by Contractor
IRONXXXX-XXX	\$30.42	\$23.15	\$53.57	\$30.42	Paid in Cash	\$20.15	\$53.57
					Health Ins	\$3.00	
CARPXXXX-XXX	\$27.06	\$21.77	\$48.83	\$35.00	Cash	\$10.00	\$48.83
					Health Pension	\$2.00 \$1.83	
ENGXXXX-XXX Group 1	\$34.80	\$15.13	\$49.93	\$40.00	Cash	\$9.93	\$49.93
LABOXXXX-XXX Grp 2	\$23.88	\$16.00	\$39.88	\$25.75	Cash	\$5.13	\$25.75
					Health Ins	\$1.00	
					Pension	\$2.00	
					Life Ins	\$3.00	
Certified by: _____ Title: _____ Date: _____ (contractor)							

Bona-fide eligible fringe benefits

Does the contribution benefit the employee directly?

Does the contribution benefit the contractor indirectly or directly?

NOT ALL UNION FRINGE IS ELIGIBLE



Health/Life Insurance Premiums



Pension/retirement contributions recognized by the IRS



Vacation and other paid leave



Apprentice and training programs

Conformance Rates for Wage Determination

-classifications or counties not included on the Wage Decision

-Request must be made in writing to Grant Services, Labor Specialist

-submitted to Wage & Hour Division by Grant Services

-HUD DOL processing up to 90 days

Identify the missing county or work classification and a description of the work to be performed, materials/tools/equipment being used

Labor Standards Officer will be notified in writing of the conformance rate and will provide information to the prime contractor.

Plan ahead to avoid issues of restitution

Review payroll
throughout the project



The **prime contractor** must keep a complete set of all the payrolls for every contractor (including subcontractors) for at least three years after completion of the project.

Contractors/Subs must keep a complete set of their own payrolls and other basic records

- employee addresses and full SSNs,
- time cards,
- tax records,
- evidence of fringe benefit payments—for a Davis-Bacon project, for at least three years after completion of the project.



Lunch Break



Certified by the U.S. Department of Labor

Date Issued: 6/16/2020



INDIANA STATE AFL-CIO

Apprentice

Person registered in a bona-fide apprenticeship program registered with DOL or a DOL approved State Apprenticeship Agency.

The agency pay rate/Apprenticeship Program/Collective Bargaining Agreement dictates Apprentice pay regardless of Davis-Bacon Prevailing Wages.

When an apprentice is found on payroll by themselves, they will be entitled to full journeyman wages.

Overtime

All employees who work more than 40 hours in one (1) work week must receive overtime plus straight fringes pay.

-If the overtime occurs on other jobs, the overtime should be calculated at the employee's regular rate of pay. (Certified Payroll should only include hours for the specific project)

-If violations of this or any other labor law are suspected, they may be reported to the DOL.

Employee Interviews

Interviews conducted in person, on-site (written approval needed per project to deviate from in-person interviews)

Conduct 10% of the total number of workers for each classification on the entire project

i.e., project has:

15 laborers = 2 laborer Interviews

22 Operators = 2 Operator interviews

4 Iron workers = 1 Iron Worker Interview

Record of Employee Interview

U.S. Department of Housing and Urban Development
Office of Davis-Bacon and Labor Standards

OMB Approval No. 2501-0

(exp. 12/31/21)

The public reporting burden estimate for this collection of information is 15 minutes per response on average. This includes reviewing instructions, searching existing data sources, gathering, and maintaining the data, and completing the collection of information. This information may not be collected, nor are you required to provide, the information requested unless it displays a currently valid OMB control number. The information collected ensures compliance with the Federal labor standards through recording interviews with construction workers. Information collected assists HUD in compliance monitoring of Federal labor standards. Any information collected is covered by the Privacy Act of 1974 and by 29 CFR 5.6(a)(5). Individuals and agencies collecting this information must maintain these records in a manner that protects the individuals on whom the information is maintained. The information collected herein is voluntary, and any information provided shall be kept confidential, but failure to provide the information collected may delay enforcement of any possible Federal labor standards violation the information would have identified any. Comments concerning this burden statement, or this collection should be sent to: National Director, Office of Davis-Bacon and Labor Standards, 451 7th Street SW, Room 7108, Washington, DC 20410. When providing comments, please refer to OMB Approval 2501-0009.

Pursuant to 5 U.S.C. § 552a(e)(3), this Privacy Act Statement serves to inform you of the following concerning the collection of the information on this form.
A. AUTHORITY: Collection of the information solicited on this form is authorized by the Davis-Bacon Act as promulgated through Department of Labor Regulations under 29 CFR Part 1.
B. PURPOSE: The primary purpose for soliciting this information is to determine if the wages paid by an employer on a project covered by the Davis-Bacon Act are in compliance with Federal labor standards.
C. ROUTINE USES: The information collected ensures compliance with the Federal labor standards through recording interviews with construction workers on topics related to wages on the project. The information is reviewed by HUD authorized personnel to ensure compliance with Federal labor standards under the Davis-Bacon Act on covered projects. If violation found, the information collected is used to conduct enforcement actions to ensure restitution is paid to workers of covered projects are paid proper wages under the Davis-Bacon Act.
D. CONSEQUENCES OF FAILURE TO PROVIDE INFORMATION: The information collection is voluntary. Refusing to give information will not impact your status with your employer or government. Failure to provide the information will limit the ability of HUD to determine if you were paid proper wages under the Davis-Bacon Act, and will limit the ability for HUD to restitution for you in the event a violation is found.

1a. Project Name			2a. Employee Name		
1b. Project Number			2b. Employee Phone Number (including area code)		
1c. Contractor or Subcontractor (Employer)			2c. Employee Home Address & Zip Code		
			2d. Verification of identification?		
			Yes <input type="checkbox"/> No <input type="checkbox"/>		
3a. How long on this job?	3b. Last date on this job before today?	3c. No. of hours last day on this job?	4a. Hourly rate of pay?	4b. Fringe Benefits?	4c. Pay stub?
				Vacation Yes <input type="checkbox"/> No <input type="checkbox"/> Medical Yes <input type="checkbox"/> No <input type="checkbox"/> Pension Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. Your job classification(s) (list all) --- continue in block 18 if necessary					
6. Your duties --- continue in block 18 if necessary					
7. Tools or equipment used --- continue in block 18 if necessary					
8. Are you an apprentice or trainee? Yes <input type="checkbox"/> No <input type="checkbox"/>			10. Are you paid at least time and 1/4 for all hours worked in excess of 40 in a week? Yes <input type="checkbox"/> No <input type="checkbox"/>		
9. Are you paid for all hours worked? Yes <input type="checkbox"/> No <input type="checkbox"/>			11. Have you ever been threatened or coerced into giving up any part of your pay? Yes <input type="checkbox"/> No <input type="checkbox"/>		
12a. Employee Signature			12b. Date		
13. Duties observed by the Interviewer (Please be specific.)					
14. Remarks --- continue in block 18 if necessary					
15a. Interviewer Name (Please Print)			15b. Signature of Interviewer		15c. Date of Interview

Restitution

DB wages are not being met; restitution is owed to the employees.

This will include the following documentation:

- Labor Standards Form 15: Wage Compliance Report
- Corrected Certified Payroll Report
- Proof that Restitution was paid, and payment was for restitution
- Direct Deposits for existing employees with line item that states "Restitution for PPE XX/XX/XXXX"

Documentation needed for Terminated Employees:

- Corrected Certified Payroll Report
- Copy of check or paystub that states "Restitution for PPE XX/XX/XXXX" and signature of employee that employee received funds

OT PAY at 1.5 & STRAIGHT FRINGE IS REQUIRED FOR RESTITUTION

There is NO minimum limit for restitution.

ALL restitution is required to be paid.

Final Wage Compliance Report
(To be completed and submitted at the end of the project.)

Date:	
To:	Labor Standards Officer
	Grant Services
	Indiana Office of Community and Rural
	One N. Capitol, Suite 800
	Indianapolis, IN 46204-2288
From:	
Grantee:	
Grant Number:	

Project Information

While you or your representative were reviewing the contractor's weekly payrolls, were any laborers or mechanics paid less than the minimum wage rate plus fringe benefits as specified in the Secretary of Labor's Wage Decision that applied to this project?			
	Yes		No
<i>(If yes, fill out the remaining portion of this form.)</i>			
Total amount of restitution paid:			
Method of restitution paid by contractor:			
Method of restitution paid by Grantee with funds withheld from payment:			

Restitution

Workers unable to be found/paid for restitution payments

Provide copy of restitution payment (check)

- Provide letter from contractor stating significant multiple (*over 4*) attempts were made over *30 business days* to contact employee.
 - Certified Mail, Email, Phone, Texts, Social Media, Last known address etc.
- If unable to find the worker, please contact Grant Services for guidance

OT PAY at 1.5 & STRAIGHT FRINGE IS REQUIRED FOR RESTITUTION

There is NO minimum limit for restitution.
ALL restitution is required to be paid.

Digital Payments- fees paid by employees that are associated with using Venmo/Zelle/Cash App/PayPal etc.. will need to be documented.

Fees for electronic payments will be counted as pay and can jeopardize conformance with DB.

Please keep records of any payments made with these platforms





Activity



Break



Labor Standards Knowledge Check

[CLICK HERE](#)

Modifications

Category 1: Time

ER, BID, ROF, Completion Deadlines

Category 2: Budget/Scope

Reallocating funds from one category to another (>10%)

Modify the grant goals to by $\geq 10\%$

Category 3: Location/Participants/Additional funding

$\leq 10\%$ Change in objectives/scope of awarded project

Indiana CDBG Handbook

Community Development Block Grants

Downtown revitalization · drinking water · sanitary sewer · quality of life · community centers · comprehensive and strategic planning · quality of life



Best resource for modification documentation, and forms

Change Orders

Changes to scope $\leq 20\%$ of the bid amount

No change orders are permitted prior to the onset of construction work, (OCRA may approve extenuating circumstances).

Total number of change orders are not to exceed 20% of original contract amount.

Prepared by the project architect or engineer and approved by the grantee's governing board, in writing.

Changes may never be made to the project area or beneficiaries without the express written consent of the Office of Community and Rural Affairs.

Previously quoted materials must be at the same cost as quoted in the original contract.

Refer to CDBG Handbook for guidance and documentation procedures



This Photo by Unknown Author is licensed under [CC BY-SA](#)

Financial Management



Financial Management is overseeing the receipt, disbursement and accounting of federal funds and records of all transactions.

Occurs during project development.

Crucial to the successful management of a CDBG project.

Note: Grantees must spend CDBG and local match funds on a pro-rata basis.

The state has three options for establishing the local government financial management requirements.

The state may apply its own requirements

The state may establish new requirements

The state may adopt Part 85 of CFR 24.

Fiscal control and accounting procedures of local recipients must be sufficient to:

Provide information for the preparation of reports required by statute and regulation.

Permit tracking of funds to establish they have not been used in violation of any statutory or regulatory restrictions.

Provide budget controls with actual expenditures compared with budgeted amounts.

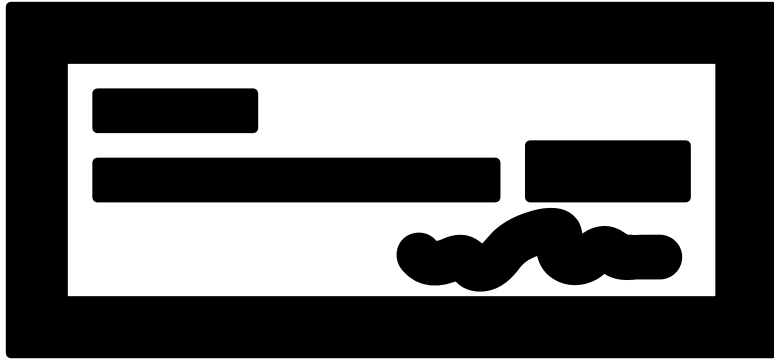
Use of OMB cost principles (Circular A-87, now 2 CFR 225) in determining the reasonableness, allowability and verify how funds were allocated.

Include complete source documentation for all accounting records.

Provide effective cash management to maximize timeliness of spending.



Determining Allowable Project Costs



Local grant recipients must ensure that costs charged to the CDBG grant are allowable.

Recipients should use OMB Circular A-87 to guide their determination of allowable costs.

Allowable costs under CDBG, must:



Be necessary and reasonable.



Be allocated according to the CDBG contract.



Be authorized or not prohibited under state/local laws and regulations.



Conform to limitations or exclusions (laws, terms, conditions of award, etc.).



Be consistent with policies, regulations and procedures.

Limited Listing of Ineligible Expenses



State CDBG program regulations at 24 CFR 570.489

Allow for reimbursement on certain professional fees incurred prior to release of funds:



Architecture/Engineering (final design)



Environmental Review



Grant Administration

Other Financial Considerations

All accounting records must be supported by source documentation.

CDBG costs must be incurred during grant period.

Funds must be expended for costs identified in the project budget.

Expenditures must be approved by responsible grantee official.

Documentation must explain the basis of costs incurred.

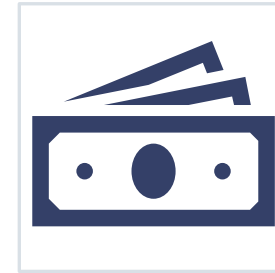
Administrator's Responsibilities: Project Design Phase



Set-Up Financial File with CFO. Discuss each persons' recordkeeping responsibilities and the overall process;



Determine if there were any eligible pre-project costs and post accordingly;



Remember to go over the 5 day / \$5,000 rule.

The 5 Required Financial Management Forms

Federal Cash Control Register

Contractor Obligation Control Ledger

Contractor Expenditure Ledger

Local Match Ledger

Property Inventory Form



A federal cash control register tracks the disbursement and payment of federal expenditures.

Federal Cash Control Register Guidelines:

Use Financial Form 1- Federal Cash Control Ledger.

Prepare Claim Voucher (Drawdown) to Obtain Funds /Submit Claims
in GMS.

Expend deposited funds within 5 business days of deposited.

Draw CDBG funds and expend them within the timeframe specified within
the Grant Agreement (Expiration Date).

Federal Cash Control Register - Federal Fiscal Year

(Record all federal transactions on this form.)

Drawdown No.	Date Drawdown was Deposited	Amount Deposited	Cumulative Amount Deposited	Date Disbursed	Warrant No.	Amount Disbursed	Balance
--------------	-----------------------------	------------------	-----------------------------	----------------	-------------	------------------	---------

Sample Register

1	10/1/2010	\$ 50,000.00	\$ 50,000.00				\$ 50,000.00
2	10/3/2010	\$ 50,000.00	\$ 50,000.00				\$ 100,000.00
				10/4/2010	123456	\$ 75,000.00	\$ 25,000.00
				10/5/2010	123457	\$ 25,000.00	\$ -
3	11/12/2010	\$ 50,000.00	\$ 50,000.00				\$ 50,000.00
				11/16/2010	123458	\$ 50,000.00	\$ -

Actual Register

							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -

Status
New

FUNDS AWARDED	FUNDS RELEASED	FUNDS CLAIMED	FUNDS REMAINING	FUNDS P
\$2,036,606.00	\$2,036,606.00	\$2,036,606.00	\$0.00	\$0.00
\$36,606.00	\$36,606.00	\$0.00	\$36,606.00	\$0.00
\$2,073,212.00	\$2,073,212.00	\$2,036,606.00	\$36,606.00	\$0.00

st of my knowledge and belief that the report is true, complete and accurate and the expenditures, disbursements and cash receipts a
at any false, fictitious, or fraudulent information or the omission of any material fact, may subject me to criminal, civil, or administrativ

Completion of Claim Form / Financial Form 7 – Claim Form

Helpful Tip: Write down the date you submit the claim voucher. Approximately 30 days later call the Clerk and ask that they check the account.

If the funds have not arrived email Accounting@lg.IN.gov to obtain an estimated pay date

Other Federal Cash Control Considerations

Funds will be electronically transferred to Grantee's checking account within 15 business days.

CDBG funds drawn in error must be returned to OCRA in a timely manner.

Contractor Obligation Control Ledger – Financial Form 2

Contract Obligation Control Ledger

(List all project contracts, i.e. engineering, administration, construction, etc. Please indicate whether contract is being paid from CDBG funds, local funds or both.)

Contract Identification Number	Firm/Contractor	Contract Execution Date	CDBG Portion (Dollar Amount)	Local Funds Portion (Dollar Amount)	Total Contract Amount
--------------------------------	-----------------	-------------------------	------------------------------	-------------------------------------	-----------------------

Sample Ledger

1	ABC Grant Administration	10/10/2010	\$ -	\$ 38,000.00	\$ 38,000.00
2	AAA Engineering	10/10/2010	\$ 350,000.00	\$ 50,000.00	\$ 400,000.00
3	123 General Contracting	2/10/2011	\$ 1,500,000.00	\$ 1,000,000.00	\$ 2,500,000.00

Actual Ledger

					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -

This form identifies all the contracts executed under the project by vendor, date of contract signing, total contract amount and source of funding.

Contractor Expenditure Ledger- Financial Form 3

This form identifies all of disbursements and contract changes under each contract line item.

Contractor Expenditure Ledger									
(Maintain an individual ledger for each contract under the project, i.e., engineering, administration and construction, etc.)									
Contractor					Contract Number				
Date Contract Executed					Total Contract Amount				
Description of Work Performed									
Invoice Information		Warrant Information		Payment Information			Change Order/Amendment		
Invoice Number	Invoice Date	Check Number	Check Date	Grant Portion (\$ Amount)	Local Portion (\$ Amount)	Total Amount Paid	Number	Amount of Increase/ Decrease	Remaining Contract Balance
Sample Ledger									
Beginning Balance									\$ 2,050,039.00
1	10/1/2010	12345	10/1/2010	\$ 50,000.00	\$ 25,000.00	\$ 75,000.00			\$ 1,975,039.00
						\$ -	1	\$ 50,000.00	\$ 2,025,039.00
						\$ -	2	\$ (50,000.00)	\$ 1,975,039.00
2	11/1/2010	12346	11/2/2010	\$ 100,000.00	\$ 50,000.00	\$ 150,000.00			\$ 1,825,039.00
Totals:				\$ 150,000.00	\$ 75,000.00	\$ 225,000.00			
Actual Ledger									
Beginning Balance									
Totals:				\$ -	\$ -	\$ -			

Financial Man

Local Match Ledger

Cal- Lidged	Brief Description of Expenditure (Legal, Engineering, Construction, Rate Consultant, etc.)	Check #	Disbursements	R

Local Match Ledger- Financial Form 5

THIS FORM CALCULATES
THE LOCAL MATCH
REQUIREMENT.

Property Inventory Form – Financial Form 4

Property Inventory Ledger							
(List any small purchases made with CDBG funds (i.e., office equipment, furniture, vehicles, etc.))							
Item Description	Item Code Number	Date Acquired	P.O. Number	Total Cost of Item	Federal Funds Used to Purchase Item	Location	Disposition
Sample Ledger							
N/A				\$ -	\$ -		
				\$ -	\$ -		
Actual Ledger							
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		
				\$ -	\$ -		

This form identifies any small purchases / property purchased utilizing CDBG funds.

Completion of Property Inventory Form

Financial Form 4 – Property Inventory Ledger



Financial
Management

Knowledge Check

[CLICK HERE](#)



Break

Monitoring & Administrative Closeout

CLOSEOUT REQUESTS , MONITORING , ADMINISTRATIVE
CLOSEOUT & 5-YEAR FOLLOW-UP VERIFICATION

Closeout Requests

The closeout process is the final phase of the Community Development Block Grant (CDBG) project administration. It is the responsibility of the Grantee, with the assistance of the grant administrator, to initiate the closeout process no later than the project completion date and after the last CDBG claim has been approved.

This process begins in eGMS system. To **request a closeout** in eGMS, (Only once the final beneficiaries have been completed), you will need to follow the prompts in the system.

An exact outline of the process, can be found on pages 50-52 of the eGMS Technical Guide. <https://www.in.gov/ocra/cdbg/files/GMS-Technical-Guide-2022-05-27-22.pdf>

Monitoring

The purpose of the monitoring is to verify that the project has met the stated goals and objectives and all of the federal CDBG regulations and that all contractors, subcontractors and suppliers have been paid in full and provided final lien waivers.

Successful monitoring meetings largely depend upon the organization and accuracy of recordkeeping by the grant administrator.

All monitoring materials **MUST** be available within 60 days of closeout.



Monitoring Checklists

Planning Monitoring Desk Review Checklist

https://www.in.gov/ocra/cdbg/files/Planning-Monitoring-Desk-Review-Checklist_Rev-March-2022.pdf

Construction Grant Monitoring Checklist

https://www.in.gov/ocra/cdbg/files/Construction-Grant-Monitoring-Checklist_Rev-March-2022.pdf

What happens if the requested materials aren't provided?

If required materials are not available on the date of the monitoring, Grant Services will request the Grantee or grant administrator submit the required documentation within 30 days. If not submitted within 30 days, the issues will be listed on the official monitoring letter as a finding.

The Grantee will be ineligible for CDBG funding on any project until such issues are resolved.

Within 30 days after the monitoring meeting or desk review, Grant Services will forward a letter to the Grantee informing them of their grant status.

This letter issued (via email) after monitoring will state one of the following results:

No Findings: If the Grantee's performance was found to be in compliance with all CDBG and OCRA regulations, Grant Services will state that the project had no findings and inform the Grantee to proceed to the next step of the closeout process.

Unresolved Findings: If compliance issues were raised at the monitoring meeting, Grant Services will address these issues in writing. The Grantee will then have 30 days to resolve these issues. After Grant Services reviews the submitted documentation, Grantee will be advised how to proceed with the closeout process.

Until the Grantee has resolved all findings, the Grantee will not be eligible to apply for or receive any other CDBG funding.

Administrative Closeout

When it has been determined that the Grantee has no findings or all findings have been resolved, the Grantee will be advised to submit Closeout Form 2: Financial Settlement/Expenditure & Administrative Closeout Report.

With the exception of infrastructure, the intended use or purpose of CDBG funding must be maintained for five years after closeout and will be monitored by OCRA staff.

Closeout Monitoring Forms

**Closeout Monitoring
Form 1: Grantee's
Acknowledgements &
Certifications For
Monitoring and Audit**

<https://www.in.gov/ocra/cdbg/files/Closeout-Monitoring-Form-12-01-2021.pdf>

**Closeout Monitoring
Form 2: Financial
Settlement/Expenditure
& Administrative
Closeout Report**

https://www.in.gov/ocra/cdbg/files/Closeout-Monitoring-Form-2-Financial-Settlement-and-Admin-Closeout-Report_12-01-2021.pdf

Final Closeout

The final stage of the closeout process is the issuance of a Certificate of Project Completion. This certificate is issued when OCRA has received the Single Audit from the Indiana State Board of Accounts covering all years that CDBG funds were expended by the Grantee.

For Most CDBG Grants, the Certificate of Completion will not be Issued until 5 years from the date of the Administrative Closeout. Grantees should be advised that the record retention period could exceed ten years.



Monitoring and
Closeout

Knowledge Check

[CLICK HERE](#)



After this course, you have learned to do the following:

Review the overall CDBG Granting Process and Outline the Role of Application Management.

Define all key milestones and required activities to successfully administer an OCRA CDBG funded project.

Employ more advanced knowledge of all CDBG funded planning and construction grant administration procedures.



Review Time: Liked, Learned and Challenged.

Take 2-3 minutes and analyze today's presentation.

Name one thing:

- you liked,
- you learned,
- you found challenging to understand.

When you are ready, please raise your hand.

Thank You for
Attending CDBG 301
Day 3.