



*Pat Brister*  
*Parish President*

# Community Development Block Grant Disaster Recovery Administrative Manual

St. Tammany Parish Government  
Grants Department

**Contents**

1.0 Grant Administration - Introduction ..... 1

2.0 Definitions, Acronyms, Terminology, or References ..... 2

3.0 Meeting a National Objective ..... 3

4.0 Duplication of Benefits ..... 4

5.0 Complaints ..... 5

6.0 Amendments ..... 6

7.0 Reporting..... 7

8.0 Citizen Participation..... 8

9.0 Management of Subrecipients..... 9

10.0 Construction Contract Administration Requirements ..... 10

11.0 Grant Implementation – Introduction ..... 15

12.0 Grant Implementation Checklists..... 16

13.0 Records Management..... 21

14.0 Financial Management..... 30

## **1.0 Grant Administration - Introduction**

The purpose of this manual is to describe the criteria for grant administration of Disaster Recovery Community Development Block Grant (CDBG-DR) funds. This manual starts at a point where St. Tammany Parish Government's (STPG) grant application and/or Action Plan has been approved by the funding agency, whether it be the Disaster Recovery Unit of the Louisiana State Office of Community Development or the U.S. Department of Housing and Urban Development.

### **1.1 General**

St. Tammany Parish Government (STPG) is responsible for:

1. Day-to-day program management;
2. Subrecipient monitoring;
3. Contractor management;
4. Beneficiary data;
5. Internal audit function;
6. Record keeping;
7. Privacy; and,
8. Freedom of Information Act (FOIA) Requests

## 2.0 Definitions, Acronyms, Terminology, or References

1. CFR – Code of Federal Regulations – Identifies rules and regulations published in the federal register
2. DOG – Department of Grants
3. FOIA – Freedom of Information Act
4. HUD – U.S. Department of Housing and Urban Development
5. LMI – Low to Moderate Income – Family or household annual income less than the Section 8 Low Income Limit, generally 80 percent of the area median income, as established by HUD. LMI limits are set annually by HUD.
6. OCD/DRU – Louisiana State Office of Community Development Disaster Recovery Unit
7. STPG – St. Tammany Parish Government
8. CDBG DR – Community Development Block Grant Disaster Recovery

St. Tammany Parish manuals or guides referenced in this document include the following:

1. Department of Grants Procedures Manual
2. Anti-Displacement and Relocation Plan
3. A Compliance Guide: Davis Bacon Requirements
4. A Compliance Guide to Section 3 Requirements
5. A Compliance Guide to Section 504 Requirements
6. Federal Programs Procurement Guide
7. CDBG Subrecipient Procurement Manual
8. CDBG Subrecipient Manual
9. Monitoring Plan: Ensuring CDBG Compliance

*Note: All manuals and guides are available upon request.*

### 3.0 Meeting a National Objective

Before any activity can be funded in whole or in part with CDBG funds, a determination must be made as to whether the activity is eligible under Title I of the Housing and Community Development Act (HCDA), as amended. Activities must also meet one of the three national objectives. All projects funded under CDBG must address at least one of the following three national objectives of the CDBG Program:

1. Benefit low-and moderate-income (LMI) persons
2. Aid in the prevention of slums or blight
3. Meet other community development needs having a particular urgency

Activities must not benefit moderate-income persons to the exclusion of low-income persons. A determination of the eligibility of an activity is made by either HUD or OCD/DRU depending on the funding agency. However, a project is not considered as meeting a national objective until it is complete.

### 3.1 National Objective Documentation and Records

DOG and any subrecipients must maintain records showing that funded activities meet one of the national objectives. Depending on the national objective, files must contain, at a minimum, the specific documentation in the table below. This specified documentation may also be used in reporting performance measures information.

Documents required to be maintained for purposes of proving that a national objective was met:

National Objective	Required Documentation
Low/Mod Area Benefit	<ol style="list-style-type: none"> <li>1. Boundaries of service area</li> <li>2. Census data including total persons and percentage low/mod</li> <li>3. Evidence area is primarily residential</li> <li>4. Survey documentation (if applicable)</li> </ol>
Low/Mod Limited Clientele	Documentation that the beneficiaries are low/mod or are presumed to be LMI including source documentation
Low/Mod Housing	Income verification of households (using the Section 8 definition) including source documentation
Low/Mod Job Creation and Retention	<ol style="list-style-type: none"> <li>1. Number of jobs created or retained</li> <li>2. Type and title of jobs created or retained</li> <li>3. Income of persons benefitting from the jobs created or retained</li> </ol>
Slum and Blight	<ol style="list-style-type: none"> <li>1. Area designation (e.g. boundaries, evidence area meets slum/blight requirements)</li> <li>2. Documentation and description of blighted conditions (e. g. photographs, structural surveys, or development plans)</li> <li>3. Evidence that property meeting spot designation requirements (if applicable)</li> </ol>
Urgent Need	<ol style="list-style-type: none"> <li>1. Documentation of urgency of need and timing</li> <li>2. Certification that other financing resources were unavailable and CDBG had to be used</li> </ol>

## **4.0 Duplication of Benefits**

For all activities funded with CDBG-DR funds, STPG will work with FEMA and other applicable agencies that may have provided recovery funds to the project in order to prevent duplication of benefits. Sources of recovery funds may include FEMA Public Assistance. In any instance in which a duplication of benefits is identified, STPG will work with all applicable partners to ensure the recapture of the funds.

## **5.0 Complaints**

Any complaints regarding local CDBG-DR program administration, management, or operational procedures should be submitted to the Director of the St. Tammany Parish Government Department of Grants. All complaints will receive an acknowledgment of receipt within 72 hours of submission.

For complaints regarding civil rights violations in grant programs, they should contact the HUD Office of Fair Housing and Equal Opportunity at 1-800-669-9777.

Complaints about fraud, waste, and abuse related to grant programs that represent criminal wrongdoing may be submitted to the Office of Inspector General at 1-800-347-3735.

Section 3 of the HUD Act of 1968 complaints are required to be filed at the appropriate HUD FHEO Regional Office in which the violation occurred within 180 days from the date of the action or omission upon which the complaint is based.

## **6.0 Amendments**

### **6.1 Substantial Amendments to the Action Plan**

A substantial amendment to a CDBG-DR Action Plan may be defined as:

1. Addition or removal of any allocable activity as described in the Plan;
2. A change of more than 10 percent in the original proposed funding allocation between the various activity categories.
3. Significant changes in the number of proposed project beneficiaries.

Only those amendments that meet this definition of a substantial amendment are subject to St. Tammany Parish's citizen participation process.

A summary of the proposed substantial amendment will be published on the Parish's Website and will also be available for viewing in St. Tammany Parish Government's Department of Grants office. The Parish will include a time frame for comment submissions which will allow no less than seven days. All written comments may be submitted to St. Tammany Parish Government, the Department of Grants, P.O. Box 628, Covington, LA 70434. A summary of all comments received will be attached to the amendment and submitted to HUD.

### **6.2 Amendments to Projects Funded by OCD/DRU**

If STPG wishes to change any aspect of a project from the original agreement with OCD/DRU, an amendment will be requested from OCD/DRU. The types of amendments that may be requested are:

1. Extension of Time – This will be requested if STPG determines that all project work cannot be completed prior to the project expiration date.
2. Budget Revisions – This will be requested when:
  - a. A need exists for line item revisions within the administration budget which will exceed 10 percent of the total Disaster Recovery CDBG administration budget.
  - b. STPG or subrecipient wants to transfer administrative funds to an approved project activity.
  - c. STPG or subrecipient decides not to implement an approved activity.
  - d. STPG or subrecipient wants to transfer unobligated funds from a completed activity to another activity.
  - e. A need exists to make line item revisions which will exceed 10 percent of the total project budget, excluding administration.
3. Scope of Work – This would be requested when expanding or reducing an approved scope of work to be performed.
4. Special Conditions – This type of amendment would be requested if STPG wishes to seek approval to modify, eliminate, or extend the time of a special condition on the grant award.

Requests for amendments, especially for extension of time, will be submitted to OCD/DRU no later than 30 days prior to the project expiration date. All amendments will be submitted on the appropriate form and will be signed by the Parish President or his/her representative who also signed the CEA.

## **7.0 Reporting**

STPG will fully document compliance with applicable program and statutory requirements and associated regulations for the CDBG-DR program.

## **8.0 Citizen Participation**

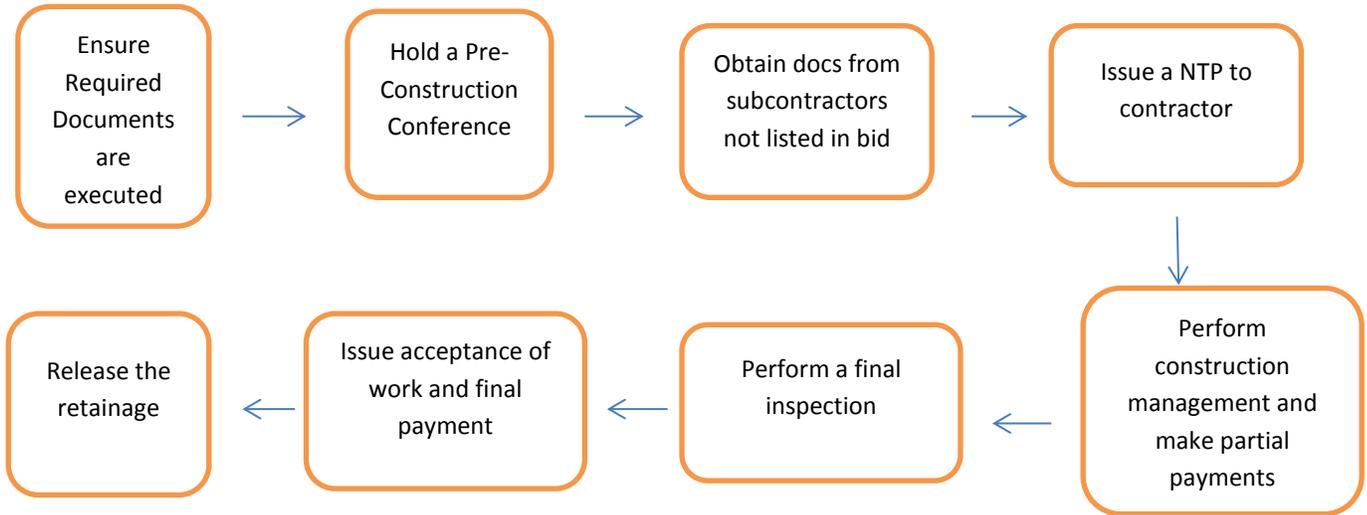
STPG will adhere to all citizen participation requirements as dictated by HUD or OCD/DRU, depending on the grant and applicable granting agency. STPG also maintains a CDBG Citizen Participation Plan that meets all requirements as listed in 24 CFR 570.486.

## **9.0 Management of Subrecipients**

If STPG utilizes subrecipients to carry out activities funded with CDBG-DR funds, proper management of these subrecipients will be executed. Management of subrecipients will be conducted according to *HUD's Managing CDBG: A Guidebook for Grantees on Subrecipient Oversight* and *Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems*. STPG also provides its subrecipients with manuals for compliance with procurement requirements, general CDBG program management, Section 3, Davis Bacon, and Section 504.

## 10.0 Construction Contract Administration Requirements

STPG takes steps to ensure that each construction contract and/or project is in compliance with required laws, rules, and regulations. All contractors will be procured according to federal, state, and local rules and regulations. STPG's Federal Programs Procurement Manual will be followed. The post-procurement steps are as follows:



### 10.1 Execute Required Documents

Following award of the contract, the contract documents and applicable bonding and insurance requirements must be completed and executed. Contract documents include:

1. All the items contained in the bid package
2. Executed contract
3. Bid proposal
4. Contractor certifications
5. Bonding and insurance forms
6. Verification of the status of surety or insurance companies and the date and method of verification must be clearly documented in the files.
7. Documentation proving that the agent selling the bond is licensed in Louisiana.

The contract file and associated compliance files will be reviewed to make sure that documentation is complete. The following is a list of construction file requirements:

1. Preliminary design and cost estimates;
2. Final design documents and cost estimates
3. Evidence that all necessary land or easement acquisition has been completed prior to advertising for bids
4. Bid documents
5. Documentation of submittal to and approval of plans and specifications by the cognizant state/federal agency having jurisdiction over the project;

6. Certification of compliance with Architectural Barriers Act, if applicable;
7. Proof of publication/copy of advertisement for bids;
8. Minutes of public bid opening;
9. Tabulation of bids;
10. Recommendation for award;
11. Notice of contract award;
12. Executed contract document;
13. Certification of insurance/bonding; and
14. Notice to Proceed.

## **10.2 Pre-Construction Conference**

A pre-construction conference or other means of notification will be accomplished immediately upon contract execution to inform the prime contractor(s) of his/her responsibilities. Others who must be aware of these responsibilities are the foreman or construction superintendent, the person who will be preparing payrolls, and all subcontractors identified in the bid. These responsibilities include:

1. Labor standards
2. Other state and local provisions
3. Technical job requirements
4. Equal opportunity

## **10.3 Subcontractor Documentation**

Any subcontractors not identified in the bid should provide the data necessary to verify eligibility, sign required certifications, prepare a written plan to ensure compliance with Section 3, etc. All of these contractor/subcontractor responsibilities should be complete prior to start of construction.

## **10.4 Notice to Proceed**

After execution of the contract documents and notification of the contractor(s) and subcontractor(s) responsibilities, a Notice to Proceed should be issued to each prime contractor. The notice should state the construction start date and the scheduled completion date.

## **10.5 Monitoring Contractor Progress and Making Process Payments**

The purpose of this task is to monitor construction contracts to insure compliance with technical specifications and state and federal requirements, maintain adequate cost and budget controls, and process necessary contract changes in order to bring the contract to completion.

### **10.5.1 Cost Breakdown**

Upon receiving the Notice to Proceed, the contractor must submit a cost breakdown showing the amount assigned to each portion of the work.

1. This breakdown is not required when per unit prices form the basis of payment under the contract.
2. This breakdown must be reviewed by the grantee and the grantee's architect/engineer and used as the basis for requests for payment.
3. The breakdown should be submitted within 5 – 10 days of receipt of the Notice to Proceed.

### **10.5.2 Monitoring and Construction Management**

During construction, STPG will monitor labor standards and equal opportunity requirements. A qualified Parish representative will perform construction management for the project, which will include inspection and general supervision of construction to check the contractor's work for compliance with drawings and specifications and quantity and quality control. The construction project manager from the applicable department (i.e. engineering, public works, or environmental services) will review and approve project invoices and work prior to submitting to the DOG for processing and payment.

Subtasks that are a part of construction management include:

1. General supervision – must include monitoring construction to alert the grantee of the need for adjustments in design as dictated by actual field conditions and the need for contract amendments. All contract amendments affecting alignment and detail or dimensions shown on drawings must include revised drawings.
2. Quality Control – must include quality tests as necessary to verify conformance with technical specifications concerning minimum quality requirements.
3. Quantity Control – must include verification of in-place quantities and other records reflecting an as-built facility.
4. Certification of Pay Estimates – must include inspection reports and copies of field measurement notes; test results used to verify contractor's periodic pay estimates for partial payments should be attached to and filed with the periodic estimate for partial payment.
5. General – construction management may involve other responsibilities including, but not limited to, providing horizontal and vertical control in the form of benchmarks and baselines to be used by the contractor in staking the construction, review, and approval of drawings and project coordination.
6. Construction management may be done by the architect/engineer and, if so, should be included in the scope of services of the professional services contract.

### **10.5.3 Partial Payments**

Upon receipt of requests for partial payment and necessary documentation, the grantee must check equal opportunity and labor standards compliance files to insure that all payrolls have been received and checked, any restitution paid, employee interviews have been conducted, and all discrepancies corrected.

### **10.5.4 Change Orders**

In accordance with the Public Bid Law, all change orders must be in writing. If any of the following circumstances will be affected by the change order and OCD/DRU is granting agency, they will need to review and approve it prior to execution:

1. The project eligibility
2. The scope of the project outside of the approved project application; or,
3. The project's environmental clearance.

The following steps will be taken for all change orders:

1. Change orders must be prepared and recommended by the architect/engineer.
2. The costs of all change orders must be assessed for cost reasonableness.
3. Each change order must be accompanied by a supporting statement which describes why the proposed change order is deemed necessary.
4. The fully executed change order must contain the signatures of the architect/engineer, contractor, and STPG.
5. A copy of the fully executed change order must be maintained within the project file.

## **10.6 Inspecting and Accepting the Work and Making Final Payment**

This section provides guidance to ensure construction projects are properly inspected prior to closing out the project and the final payment is made.

### **10.6.1 Inspecting and Accepting Work**

When construction work has been completed, the following steps must be taken:

1. The contractor must certify completion of work to STPG and submit final request for payment.
2. STPG must then arrange for final inspection.
3. STPG or the project architect or engineer should attend the final inspection and prepare a written report of the inspection prior to the grantee's issuance of a final certificate of payment.
4. If the project involved the construction of a building, the State Fire Marshal, Code Enforcement, and Building Safety must issue a Certification of Occupancy.

Before making final payment (less retainage), STPG must ensure that:

1. All weekly payrolls and Statements of Compliance have been received, checked, and any discrepancies resolved;
2. All discrepancies identified via on-site interviews must have been resolved;
3. All other required equal opportunity and labor standards provisions must have been satisfied;
4. All contract submissions must have been received;
5. All claims and disputes involving the contractor must have been resolved; all files must be complete.
6. As-built information has been provided to the engineer; and,
7. A Final Wage Compliance Report is drafted and placed in the Labor Standards Compliance file.

### **10.6.2 Final Payment**

Once the final work is inspected and all documents are properly executed and submitted, STPG can issue acceptance of work and final payment, less the retainage.

### **10.7 Retainage**

After 45 days from the filing of the acceptance and upon submission of a clear lien certificate by the contractor, the grantee may release the retainage to the contractor. If any claims or liens remain after the 45 day lien period, STPG must take appropriate action for disposition of the retainage and all claims against the bonds in accordance with state law.

In accordance with State law, the grantee may withhold a maximum of ten percent retainage on construction contracts which are less than \$500,000 and a maximum of five percent retainage on construction contracts which are \$500,000 or more.

## **11.0 Grant Implementation – Introduction**

The Grant Implementation Checklist is provided as a guide for the implementation of approved CDBG-DR activities.

### **11.1 Grant Implementation Process Flow**

The general steps to implement a CDBG-DR grant are as follows:

1. Receive award letter from HUD or OCD/DRU
2. Attend any necessary trainings
3. Assign or hire grant administrator
4. Develop, review, and/or refine applicable policies and procedures
5. Determine services that need to be procured
6. Establish records management system
7. Establish CDBG funds account
8. Establish internal control system for financial management
9. Procure services according to correct method
10. Establish contracts with applicable requirements
11. Conduct adequate monitoring
12. Ensure compliance with federal, state and local laws
13. Maintain property, as required, conduct annual inventory
14. Submit required report(s)
15. Submit final report
16. Conduct closeout audit

## 12.0 Grant Implementation Checklists

### 12.1 Grant and Project Approval

Action	Completed	N/A
Receive CDBG-DR Allocation		
Receive notification of eligible programs		
Procure Project Administration		
Execute contract with project administrator		
Obtain Citizen Participation on Programs		
Receive approval of Action Plan or Projects		
Procure Project A&E (if required)		
Execute A&E Contract (if required)		
Submit requests for any amendments		
Execute change orders as needed		
Submit change orders to grantor if CO will affect the project eligibility, scope, or ERR		
Maintain proper and required documents		

### 12.2 Administrative Set-Up

Action	Completed	N/A
<b>Establish Written Policies and Procedures</b>		
Develop citizen participation procedures		
Complaints procedures		
Monitoring Plan		
Procurement policy and procedures		
Voluntary acquisition policies and procedures		
Property management procedures		
Establish internal control system for financial management		
Written policy manual specifying approval authority for financial transactions and guidelines for controlling expenditures		
Written procedures for recording financial transactions		
Establish an accounting manual and chart of accounts		
Establish hiring policies that ensure financial staff qualifications are equal to job responsibilities		
Establish Records management filing system		
<b>Establish the Disaster Recovery Funds Account</b>		
Receive CEA		
Submit Authorized Signature Form (if grantor is OCD/DRU)		
Establish non-interest bearing account		
Publish notice of release of funds or combined notice		
Maintain documents		

### 12.3 Construction Management

Action	Completed	N/A
Execute contract documents and applicable bonding and insurance requirements		
Review the contract file and associated compliance files to ensure that documentation is complete		

Request approval from OCD/DRU if garage space is to be constructed that exceeds minimum size		
Inform the prime contractor(s) of his/her responsibilities		
For any subcontractors not identified in the bid, obtain the data necessary to verify eligibility, signed required certifications, and written Section 3 Compliance Plan		
Issue a notice to proceed to each prime contractor		
Check equal opportunity and labor standards compliance files prior to making partial payments		
Monitor contract progress, make progress payments		
Perform a final inspection upon receipt of the contractor's final request for payment		
Receive all weekly payrolls and statements of compliance; resolve discrepancies		
Issue acceptance of work and final payment, less the retainage		
Prepare and submit the final wage compliance report		
Release the retainage upon receipt of a clear lien certificate from the contractor		
Utilize the comprehensive construction checklist to ensure all steps are taken		
Maintain documents		

## 12.4 Procurement

Action	Completed	N/A
Write and adopt procurement policy to meet all requirements in 24 CFR 85.36		
Establish a contract administration system		
Advertise as an EEO		
Document efforts to solicit MBE's		
Verify contractor clearance for awarding a construction, consulting, or A&E contracts		
Make sure all contractors advertise as EEO's		
Maintain records to document history of procurement		
Make sure all contractors and subcontractors develop written employment policies & procedures		
Determine appropriate procurement method		
<b>Small Purchase Procurement</b>		
Obtain at least 3 quotes		
Perform cost/price analysis		
Maintain written documentation for firm selection		
Execute appropriate contract		
Submit a notice of contract award to OCD/DRU		
Maintain documents		
<b>Procurement by Sealed Bid</b>		
Submit final plans, specifications, and cost estimate (for construction)		
Technical bid specs have been stamped by an architect or engineer		
Obtain approval from OCD/DRU (if OCD/DRU is grantor) to advertise for bids		
Publish an advertisement for bids		
Submit a copy of the bid ad to OCD/DRU		
Send all bid documents addendum to OCD/DRU		
Hold public bid opening		
Review and tabulate bids		
Contact grantor if the lowest bid received will exceed the amount of funds allocated for the project		
Maintain documentation regarding bid selection		
Submit an itemized bid tabulations to OCD/DRU		
Perform cost/price analysis		
Award contract to lowest responsive bidder within 45 days of bid opening		
Submit a notice of contract award to OCD/DRU		

Maintain documents		
<b>Procurement by Competitive Proposals</b>		
Draft the RFP/RFQ for materials or services to be procured		
Advertise the RFP/RFQ		
Solicit responses to the RFP/RFQ from an adequate number of qualified sources		
Conduct a technical evaluation of the proposals received		
Maintain written documentation		
Perform cost/price analysis		
Award the appropriate contract to the firm with the winning proposal		
Submit a notice of contract award to OCD/DRU		
Maintain documents		

## 12.5 Labor

Action	Completed	N/A
Designate a Labor Compliance Officer (LCO)		
Determine effective wage decisions		
Verify wage decision		
Ensure prime contractors clear subcontractors		
Inform the prime contractors of their responsibilities		
Conduct employee interviews and periodic field inspections to ensure labor compliance		
Obtain notification from prime contractor of contract awards to any subcontractor prior to subcontractor beginning work on the project		
Ensure all payroll statements are properly submitted and reviewed		
Notify prime contractor if back wages are required		
Verify fringe benefits if problems are suspected		
Document when no work is performed to reflect no payrolls received		
Submit the labor standards enforcement report to OCD/DRU		
Contact OCD/DRU if restitution is not paid within 30 days of the second notice of underpayment or if there is a disagreement regarding the finding of the wages owed		
Notify grantor if intentional falsification by a contractor is suspected.		
Maintain documents		

## 12.6 Civil Rights

Action	Completed	N/A
<b>Employment</b>		
Publish an annual statement of nondiscrimination		
Develop or implement an affirmative action plan		
Develop plan to ensure compliance with Section 3		
Display EEO posters prominently		
Notify grantor if complaints are registered		
<b>Contracting</b>		
Advertise as an EEO in bid solicitations		
Solicit bids from minority, women, and locally owned businesses		
Maintain a list of locally owned businesses that were awarded contracts		
Require a Section 3 clause in all contracts		
Inform contractors of EEO		
Require contractor to submit monthly utilization reports		
Monitor contractor compliance at work site		
<b>Housing</b>		

Disseminate information concerning housing services and activities to agencies and organizations that routinely provide services to protected groups		
Evaluate criteria for selecting recipients of housing assistance for any discriminatory effects		
Participate in fair housing activities		
Conduct at least one fair housing activity during the project period		
<b>Section 504 of the Rehabilitation Act of 1973</b>		
Publish a statement of compliance with Section 504		
Have a method for communication with hearing impaired persons		
Maintain summary of actions taken to achieve compliance with Section 504		
Execute and submit Section 504 assurance to OCD/DRU		
Complete a self-evaluation of current policies and practices to determine if they meet the requirements of being accessible to individuals with disabilities within 6 months of grant award		
Develop a transition plan for those areas which cannot be made accessible administratively		
<b>Section 3 of the HUD Act of 1978</b>		
Include Section 3 clause in all Section 3 covered contracts		
Employ and document efforts to assist in reaching Section 3 residents and businesses for employment opportunities		
Employ and document efforts to assist in reaching Section 3 residents and businesses for contracting opportunities		
Maintain data to report compliance with Section 3		
Maintain documents		

## 12.7 Environmental Review

Action	Completed	N/A
Group together all individual activities which are related either geographically or functionally, or are logical part of a composite or contemplated action		
Create and maintain an ERR for all aggregated activities		
<b>Exempt Activities</b>		
Prepare and execute Certificate of Exemption (submit to OCD/DRU; if HUD funds, keep on file)		
If OCD/DRU funds, obtain "Notice of Acceptance of Exemption" from OCD/DRU		
Obligate or incur the costs as listed on Certificate of Exemption		
<b>Categorically Excluded Activities Subject to 58.5</b>		
Prepare and execute Certification of Categorical Exclusion (submit to OCD/DRU; if HUD funds, keep on file)		
Prepare and execute the Statutory Checklist for CE project only (submit to OCD/DRU; if HUD funds, keep on file)		
Prepare a "Notice of Intent to Request a Release of Funds" (NOI/RROF)		
Send a copy of the request for release of funds and affidavit to grantor		
Receive approval from RROF from OCD/DRU or HUD		
Begin to obligate funds and incur costs		
<b>Categorically Excluded Activities Not Subject to 58.5</b>		
Prepare and execute "Certification of Categorical Exclusion" (Not subject to 58.5) (submit to OCD/DRU; if HUD funds, keep on file)		
If OCD/DRU funds, receive the notice of acceptance of Categorical Exclusion from OCD/DRU		
Begin to obligate or incur costs and request payment of funds		
<b>Environmental Assessment</b>		
Complete the Statutory Checklist		
Complete the Environmental Assessment (EA)		
Post/publish combined notice which merges the FONSI and the RROF		
Complete and submit the Request for Release of Funds		

Submit a copy of the affidavit of the published public notice		
Begin to obligate or incur costs and request payment of funds		
Maintain documents		

### 12.8 Residential Temporary Relocation

Action	Completed	N/A
Send Notice of Non-displacement to tenant		
Determine if relocation is needed		
Send temporary relocation notice		
Inspect temporary relocation unit		
Provide temporary relocation benefits		
Maintain documents		

### 12.9 Property Management

Action	Completed	N/A
Obtain title to property		
Maintain adequate records documenting the proper use of property		
Conduct a physical inventory of the property at least once per year		
Properly dispose of equipment		
Document the proceeds of the sale of CDBG-DR property as program income		
Request approval from OCD/DRU to use equipment acquired with CDBG-DR funds as a trade-in on replacement property		
Maintain property control tracking log		
Maintain documents		

### 12.10 Lead-Based Paint, Asbestos, and Mold

Action	Completed	N/A
Perform Lead-Based Paint assessment , as applicable		
Disclose LBP Hazards to tenants		
Inspect structures and ensure demolition and/or renovation practices comply with OSHA if asbestos is found and will be disturbed		
Follow guidelines established by the U.S. EPA regarding the identification and remediation of mold		
Ensure compliance with location construction code enforcement agencies for buildings containing mold		
Maintain records		

## **13.0 Records Management**

### **13.1 Grant and Project Approval Files to Maintain**

- Grant award letter
- Contract agreement
- Contract amendments
- Correspondence

### **13.2 Citizen Participation**

- Affidavits of all public notices/ proof of publication
- Lists of persons who attend public hearings
- Meeting minutes
- Citizen inquiries, complaints, and correspondence
- Citizen Participation Plan (CPP) with adopting resolution
- Records documenting compliance with CPP
- Citizen complaint procedures

### **13.3 Project Activity Files**

- Applications providing a full description of the activity
- Records demonstrating that each activity undertaken meets one of the National Objectives

### **13.4 Construction Project Files**

- Special studies, surveys, investigations, test results, etc.
- Copy of preliminary design and cost estimates
- Final design documents and cost estimates
- Evidence that all land, rights-of-ways, and easements have been obtained prior to advertising project for bids; should include highway permits and railroad crossing permits as applicable
- If OCD/DRU is grantor, have proof of transmittal of plans and specifications to OCD to review
- If OCD/DRU is grantor, have receipt and authorization from OCD/DRU to advertise
- Advertisement for bids
- Bid documents
- Evidence of submittal to and/or review by cognizant state or federal agency having jurisdiction over project
- Conformance with Architectural Barriers Act, if applicable
- List of proposed bidders and suppliers receiving copies of the bid documents
- Minutes of public bid opening
- Tabulation of bids with copy of the bid proposal
- Bidder qualification information; verification of contractor license
- Notice of award of the contract to the lowest responsible bidder

- Notice to proceed
- Cost breakdown, if required
- Evidence of contractor and subcontractor verification of eligibility and approval
- Architect/engineer inspection reports or project status reports, field measurements and test results
- Records of claims, disputes, etc.
- Change orders and field orders with supporting documentation and justification
- Final inspection and acceptance of project
- Clear lien certificate and final payment to contractor
- As-built drawings
- Correspondence, memoranda, and other records that may relate to construction contracts
- Verification of contractors' compliance with Section 3 regulations
- Comprehensive Construction Contract Checklist

### **13.5 Financial Management Files**

- Authorized signature form
- Financial management questionnaire
- Electronic funds transfer enrollment form
- Process to change forms
- Requests for payment
- General-purpose financial statements (statement of revenues, expenditures and changes in fund balance and a balance sheet)
- Record of commitment of other funds
- Source documentation (contracts, purchase orders, vouchers, invoices, requests for partial payment, etc.)
- Support documentation (canceled checks, deposit slips, monthly bank statements, etc.)
- Grantee Code of Ethics
- Grantee audits

### **13.6 Audit Files**

- Method utilized to procure audit firms
- Professional services agreement with independent CPA
- Financial reports
- Information relating to financial report costs
- Data collection form and reporting package add
- Financial reports required if single audit is not done
- Independent audit results, supportive documentation, and corrective actions

### **13.7 Procurement Files**

- Adopted procurement policy
- All contracts

- Amendments to contracts
- Task orders and/or change orders
- Methods and procedures for procurement transactions
- Negotiation methodologies
- Bid procedures for when bids exceed cost estimates
- Evidence of grantee's attempt to identify and solicit minority contractors and vendors and documentation to support "good faith effort"
- Cost and price detail summaries
- Notice of contract awards
- Verification forms
- Contractor certifications
- Bonding and insurance forms

#### Small Purchase Method

- Price of rate quotations from at least 3 sources
- Written documentation of businesses contacted and basis for selection

#### Competitive Sealed Bids Method

- Bid package
- Minutes from public bid opening
- Written reason for rejecting any or all bids

#### For all services procured through Competitive Negotiation

- RFQ and/or RFPs, if applicable (professional services only)
- Advertisement of RFP/RFQ
- All responses to advertisement, RFQ and/or RFPs received
- Written review and evaluation of responses received

#### For all services procured through Non-Competitive Negotiation

- Written approval from OCD
- Advertisement of RFP/RFQ
- Response to advertisement, RFQ/RFP received
- Written review and evaluation of responses
- Written documentation of negotiation with firm

### **13.8 Labor Standards Files**

- Designation of a local labor compliance officer
- Federal labor standards provisions
- Evidence of apprenticeship/trainee registration and certification if apprentice or trainee rates were paid

- Employee interviews
- Evidence indicating that the federal wage determination and the labor, EO, and safety posters were posted
- Complaints from workers, if any, and actions taken
- Labor standards compliance reports
- Final wage compliance report
- Traceable correspondence of liquidated damages
- Supplementary statement
- Labor standards enforcement report
- Grantee notification of underpayment or withholding

#### Wage Determination

- Request for wage determination
- Wage rate decision
- Project wage rate sheet(s)
- Evidence of the 10-day call
- Wage determinations modifications and additional classifications with supplemental agreement

#### Payroll

- Payroll deduction authorization
- Evidence of restitution, if any
- Apprenticeship papers for all contracts/subcontractors utilizing apprentices
- Trainees papers for all contractors/subcontractors utilizing trainees
- Contractor's/subcontractors new employee information form
- Contractor's/subcontractor's existing employee information form
- Contractor's and subcontractor's weekly payrolls
- Corrected payroll, if applicable
- Certified correction payroll, if applicable
- Statements of compliance signed by an officer of the company
- Fringe benefit verification
- Payroll form/statement of compliance; fringe benefits must be marked
- Supplementary signed statement for fringe benefits if not using previous

### **13.9 Civil Rights Files**

#### Section 3

- Section 3 Complaint Form
- Fair housing activity
- Section 3 employment activity
- Section 3 contracting activity

#### Equal Opportunity

- Equal opportunity records
- Employment and training, construction and non-construction report

#### Section 504

- Self-evaluation with all areas examined
- List of interested persons consulted
- Transition plan (if applicable)
- Summary of previous actions taken to achieve compliance with Section 504
- Description of modifications made, or to be made, whether administratively or physically
- Designation of responsible person to coordinate Section 504
- Grievance procedure – relating specifically to Section 504
- Notices required
- Statement of policy to be used with published or recruitment materials or publications of general information
- Method for ensuring participation by those likely to be affected by the CDBG-DR program who have visual or hearing impairments
- Procedures which ensure that interested persons can obtain information on the existence and location of accessible services, activities, and facilities
- Employment/personnel practices
- Data which shows the extent to which handicapped individuals are benefitting from the CDBG-DR program
- Section 504 assurance

### **13.10 Environmental Review Files**

- Environmental review record (ERR)
- Certified environmental findings and records
- Finding of exemption
  - Documentation
  - Certification of exemptions for HUD-funded projects
  - Confirmation from the OCD/DRU
- Finding of categorical exclusion
  - Documentation
  - Confirmation from the OCD/DRU
- Statutory checklist
- Project description
- Environmental assessment checklist
- ERR project map with boundaries marked
- Floodplain map
- Floodplain notices/8-step documentation (if applicable)
- US Corps of Engineers letters
- State Historic Preservation letter
- Farmland conversion impact rating form

- Historic preservation housing rehab certifications (for housing activities only)
- Statutory checklist completion forms
- Notice of intent to request release of funds or combined notice of finding of no significant impact and of intent to request a release of grant funds
- Notice of FONSI distribution list
- Finding of no significant impact (FONSI)
- Finding of significant impact (FOSI)
- Request for release of funds and certification
- Notice of release of funds
- All letters related to ERR process
- Any required permits

### **13.11 Acquisition Files**

- Voluntary acquisition policy
- Intent not to acquire, if applicable
- Waiver for donated property, if applicable
- Quick-take forms, if applicable
- List identifying all parcels to be acquired for the project

#### For each parcel, easement, or right-of-way obtained:

- Identification of property and property owners
- Determination of ownership
- If applicable, evidence that owner received a preliminary acquisition notice accompanied by the notice entitled “When a Public Agency Acquires Your Property”
- A copy of valuation for each parcel obtained by purchase whether by appraisal or opinion of a knowledgeable person.
- If applicable, a Statement of the Basis for the Determination of Just Compensation
- If applicable, a copy of the written purchase offer and documentation of the state of delivery
- If applicable, as in the case of a donation, a property of servitude acquisition waiver
- Copy of a Contract of Sale or Act of Donation
- Copy of a Statement of Settlement Costs and evidence (via a copy of the cancelled check) that the owner received net proceeds due from sale
- Copy of recordation at the appropriate Parish courthouse
- If applicable, a copy of an appeal or complaint filed and agency response

#### Persons not displaced

For each person not displaced:

- Evidence that the person received timely written notice that he/she would not be displaced by the project

- Evidence that tenants occupying a dwelling received a timely offer of (a) a reasonable opportunity to lease and occupy a suitable, affordable, decent, safe and sanitary dwelling on the real property and (b) reimbursement of any out-of-pocket expenses incurred in connection with any temporary relocation or a move to another unit on the real property
- For each occupant that is not displaced but elects to move permanently from the real property, indicate the reason for the move and any personal contact to explain that the person will not qualify for relocation payments as a “displaced person.”

#### Persons displaced

- Identification of the person’s name, address, racial/ethnic group classification and date of initial occupancy. For residential tenant-occupants, include age, sex, and income of all members of the household and monthly rent and utility costs. For homeowners, include agency acquisition cost of unit. For nonresidential occupants, include type of enterprise.
- Evidence that person received timely written notice of possible displacement and a general description of the relocation payments and advisory services for which he/she may be eligible, basic eligibility conditions and the procedures for obtaining payments.
- Evidence that person received timely written notice of eligibility for relocation assistance and, for those displaced from a dwelling, the specific comparable replacement dwelling and the related cost to be used to establish the upper limit of the replacement housing payment
- Identification of relocation needs and preferences, dates of personal contacts and services provided.
- Identification of referrals to replacement properties, date of referral, rent/utility costs or sale price, date of availability, reasons person declined referral
- Copy of 90-day notice and vacate notice (if issued)
- Identification of actual replacement property, rent/utility costs or sale price and date of relocation
- Copy of replacement dwelling inspection report showing condition of unit and date of inspection
- Copy of each approved claim form and related documentation, evidence that person received payment, and if applicable, section 8 certificate or housing voucher
- Copy of any complaint or appeal filed and grantee response

### **13.12 Demolition Files**

#### For each property demolished, excluding reconstruction:

- A file for each unit demolished
- Evidence that demolition was carried out in accordance with the requirements under La.R.S. 33:4765/et.seq.
- Proof that the unit was not able to be rehabilitated in a cost efficient manner.
- Proof that the unit was vacant prior to demolition

### **13.13 Relocation Case Files**

- URA Policy
- Claim form(s):

- Claim for fixed payment in lieu of payment for actual reasonable moving and related expenses
- Claim for moving costs
- Claim for replacement housing payment for homeowners
- Claim for rental assistance or down payment assistance
- Acknowledgement of receipt of relocation payments

For each relocation claim:

- Evidence and dates of personal contacts and description of services provided
- Identification of person, displacement property, racial/ethnic group classification, age, and sex of all members of household, monthly rent and utility costs for displacement and replacement housing, type of enterprise, and relocation needs and preferences.
- Notice of eligibility for relocation assistance
- Notice of non-displacement
- Recipient interview and survey
- Identification of referrals to replacement properties, date of referral, sale price or rent/utility costs, date of availability, and reasons for declining referral.
- Copy of 90-day notice and vacate notice, if issued.
- Identification of actual replacement property, sale price, or rent/utility costs and date of relocation.
- Replacement dwelling inspection report and date of inspection
- A copy of each approved claim form and related documentation; evidence that the person received payment.
- Copy of any appeal or complaint filed and recipient's response
- Copy of deferred loan lien agreement that has been filed with the clerk of courts office

### **13.14 Project Close-out Files (OCD/DRU Grants)**

- Project completion report
- Conditional project close-out letter
- Final project close-out letter
- Certificate of completion forms
- Clear Lien certificate
- Construction contract change orders
- Grantee/CEA final performance report
- Grantee/CEA close-out letter from OCD/DRU

### **13.15 Lead-Based Paint Files**

- Documentation that tenants were provided with Lead Hazard Pamphlet or an EPA-approved equivalent
- Documentation that the disclosure form was included in the lease packet and was signed by the tenant prior to executing a lease

- Documentation that a lead-based paint evaluation or assessment was performed on any housing project (buildings built prior to 1977 only)
- Proof of lead hazard reduction work
- Proof of ongoing maintenance activities, if required
- Documentation that safe work practices were followed for all maintenance and renovation work that disturbs paint that may be lead-based paint above the de-minimus levels

### **13.16 General Compliance Files**

- Incoming and outgoing correspondence that does not fall into the above categories or into a specific project file category

## 14.0 Financial Management

### 14.1 Introduction

The Parish will ensure that:

1. Internal controls are in place and adequate;
2. Documentation is available to support accounting record entries;
3. Financial reports and statements are complete, current, and reviewed periodically; and
4. Audits are conducted in a timely manner and in accordance with applicable standards.

### 14.2 Requirements

In maintaining a financial management system, the Parish is to follow 24 CFR Part 85 “Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.”

CDBG-DR regulations include but are not limited to:

Regulation	Description
24 CFR Part 570 “Community Development Block Grant Program”	Subpart 1 governs the State CDBG program. Section 570.489 details program administrative requirements.
OMB Circular A-21 “Cost Principles for Educational Institutions”	This circular establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions.
OMB Circular A-87 “Cost Principles for State, Local, and Indian Tribal Governments”	This circular established principles and standards for determining allowable costs under federal grants. OMB Circular A-110 establishes principles for determining allowable costs to nonprofit organizations.
OMB Circular 122 “Cost Principles for Non-Profit Organizations”	This circular establishes principles for determining costs of grants, contracts, and other agreements with non-profit organizations.
OMB Circular A-133 “Audits of Institutions of States, Local Governments and Nonprofit Institutions”	This circular provides guidance to be directly followed regarding audits. These requirements include the type and level of audit required, reports issued by auditors, and audit review and resolution.”
Specific provisions of 24 CFR Part 84 “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations”	These regulations set forth uniform requirements for financial management systems, reports and records, and grant close-outs for recipients of federal grant funding. Subjects covered in Part 84 include financial management, standards, budget controls, accounting controls, cash management, and procurement and contracting.
Specific provisions of 24 CFR Part 85 “Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments”	Commonly referred to as the “Common Rule.” These regulations set forth uniform requirements for financial management systems, reports and records, and grant close-outs for recipients of federal grant funding. Subjects covered in Part 85 include financial management standards, budget controls, accounting controls, cash management, and procurement and contracting.
Louisiana Travel Guide, Policy	Louisiana travel regulations that provide guidelines and established procedures

24 CFR Part 85 requires that the CDBG grantee's financial management system provide the following:

1. Accurate, current, and complete disclosure of financial results;
2. Records that identify adequately the source and application of grant funds;
3. Comparison of actual outlays with amounts budgeted for the grant;
4. Procedures to minimize the amount of time elapsed between the transfer of funds from the U.S. Treasury and the disbursements by the grantee;
5. Procedures for determining reasonableness and allowable costs;
6. Accounting records that are supported by appropriate source documentation; and,
7. A systematic method to assure timely and appropriate resolution of audit findings and recommendations.

The three basic functions, which must be served by the financial management system, are:

1. The financial management system must have an identified procedure for recording all financial transactions;
2. All expenditures should be related to allowable activities in the CEA approved by HUD or OCD/DRU; and,
3. All expenditures of CDBG-DR funds must be in compliance with applicable laws, rules, and regulations.

### **14.3 Definitions, Acronyms, or Terminology**

1. Administrative Cost – cost activities that are required to meet federal regulations that include activities such as grant management, monitoring, financials, reporting, etc. General rule of thumb is that if it crosses multiple projects, it is probably an administrative cost.
2. Allowable Cost – costs that are in line with 24 CFR Part 85 and OMB Circular A-87
3. Project Cost – total of CDBG-DR funds, local or other matching funds, and total business investment in the project.
4. Project Delivery Cost – costs similar to administrative costs, but are used specifically to meet the requirements to complete a particular project, especially as it applies to meeting CDBG requirements.
5. FDIC – Federal deposit insurance corporation
6. Direct Cost – any project cost/project delivery cost that is identified specifically with a particular final cost objective. Direct costs are not limited to items that are incorporated in the end product as material or labor. Costs identified specifically with a contract are direct costs of that contract. All costs identified specifically with other final costs objectives of the contractor are direct costs of those cost objectives.
7. Indirect Cost – Any cost not directly identified with a single final cost objective, but identified with two or more final cost objectives or with at least one intermediate cost objective.
8. Real Property – land, including all the natural resources and permanent buildings on it.

9. Program Income – Gross income received by the grantee directly generated from the use of CDBG-DR funds or matching contributions.
10. Taxpayer Identification Number (TIN) – the number required by the IRS to be used by the offeror in reporting income tax and other returns. The TIN may be either a social security number or an employer identification number.

#### **14.4 Establishing the CDBG-DR Funds Account**

The process for establishing the CDBG-DR funds account is as follows:

1. Receive grant agreement
2. Execute required paperwork
3. Establish non-interest bearing account
4. Request payments

The *St. Tammany Parish Government Department of Grants Procedures Manual* includes information regarding the internal processes and procedures involved with project implementation, account set up, and overall project financial management.

#### **14.5 Financial Administration**

The following accounting procedures will be followed in order to comply with state and federal requirements under the CDBG-DR program:

**Documenting Use of Funds** – All funds will be documented appropriately to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

**Financial Management System Adequacy** – Documents, such as the Parish’s bonding certificate or fidelity policy, may be requested by the grantor.

**Accounting Records** – Accounting records must be maintained that adequately identify the source and application of funds provided for grant-assisted activities. The accounting system will provide the functionality to track receipts and expenditures and generate financial statements on an as-requested basis. The Parish will track and report on each project within each program of the grant separately.

**Supporting Documentation** – Accounting records are supported by source documentation such as cancelled checks, paid bills, invoices, purchase orders, payrolls, deposit slips, time and attendance records, grant agreements, etc. Source documentation will explain the basis of the costs incurred and the actual dates of the expenditures.

**Record Keeping** – Financial records will be retained for a period of five years after final close-out, with access guaranteed to all grantors.

**System of Internal Controls** – Internal controls refer to the combination of policies, procedures, defined job responsibilities, personnel, and records that allow an organization to maintain adequate oversight and control of its cash, property, and other assets. The Parish’s system of internal controls adheres to the following requirements:

1. No individual has complete control over all phases of any significant transaction.
2. Record keeping is separate from operations and the handling and custody of the assets.
3. Monthly reconciliation and verifications of cash balances with bank statements are made by employees who do not handle or record cash or sign checks.
4. Lines of responsibility are established and are adhered to (as listed in the DOG Procedures Manual).
5. The person that prepares payroll does not handle the related paychecks.
6. All Parish employees are covered by a government crime insurance policy in lieu of individual bonds.

#### **14.6 Rules of Expenditure**

If the CDBG-DR funds are received from OCD/DRU, their administrative manual should be referenced for requirements regarding staff and equipment purchases that are funded with CDBG-DR dollars.

All costs incurred with these funds must be in accordance with 24 CFR Part 85 and OMB Circular A-87. The Parish must ensure that all funds are spent on only reasonable and necessary costs associated with the approved projects and activities. Policies and procedures for determining cost reasonableness, allowability, and allocability must be established.

#### **14.7 Program Income**

Program income means gross income received by a state, unit of local government, or a subrecipient of a unit of local government that was generated from the use of CDBG funds, except that program income does not include the total amount of funds which is less than \$25,000 received in a single year that is retained by a unit of general local government and its recipients.

Examples of Program Income include:

1. Proceeds from the sale or long-term lease of real property purchased or improved with CDBG funds.
2. Proceeds from the disposition of equipment purchased with CDBG funds.
3. Gross income from the use or rental of property acquired by the grantee or subrecipient with CDBG funds, less the costs incidental to the generation of such income.
4. Gross income from the use or rental of property owned by the grantee or subrecipient that was constructed or improved with CDBG funds, less any costs incidental to the generation of such income.
5. Payments of principal and interest on loans made using CDBG funds.
6. Proceeds from the sale of loans made with CDBG funds.
7. Proceeds from the sale of obligations secured by loans made with CDBG funds.
8. Interest earned on program income, pending the disposition of such program income.
9. Funds collected through special assessments made against properties owned and occupied by households not of low- and moderate-income, where such assessments are used to recover part or the entire CDBG portion of a public improvement.

If the program income is from funds granted to the Parish by OCD/DRU, it will generally need to be returned to OCD/DRU.

#### **14.8 Changes in the Grant**

Any changes to the approved projects and budgets need to be approved by the grantor (HUD or OCD/DRU) prior to implementation. The required amendment and citizen participation process may need to be adhered to as well.

#### **14.9 Audits**

Units of local government are required to adhere to OMB Circular A-133, which provides federal requirements for audits of governmental entities and nonprofit organizations. The Parish will comply with all applicable state and federal audit requirements. Organizations that expend less than \$500,000 a year in federal funds are exempt from the federal audit requirements.