

Nevada Community Development Block Grant Program (CDBG):

2022 GRANT ADMINISTRATION WORKSHOP

Nevada Governor's Office of

ECONOMIC DEVELOPMENT

CDBG Grant Administration Workshop



Welcome to
CDBG

Nevada CDBG Program

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GROUND RULES

- Participate
- Ask questions
- Tell us what you think
- Cell phones on vibrate

TRAINING MATERIALS

- CDBG Grant Administration Manual (all cities & counties received in 2015), also on-line at:

<https://goed.nv.gov/programs-incentives/rural-community-economic-development/cbdg/forms-and-reference-guides-for-grantees/>

This workshop:

- Power Point presentation slides
- Additional relevant handouts

CDBG MANUAL CHAPTERS

1. Getting Started
2. Environmental Reviews
3. Financial Management & Record Keeping
4. Procurement Process
5. Construction Management
6. Acquisition & Relocation
7. Monitoring
8. Project Closeout
9. Involving the Public
10. Civil Right/Equal Employment Opportunity
Commission/Fair Housing

AGENDA/LEARNING OBJECTIVES

- Review of CDBG Project Administration
- Federal Funds with State as Pass-Through Entity
- Levels of Environmental Reviews
- The Five Procurement Methods
- Steps in a Planning or Public Service Project
- Steps in a Public Facilities/Construction Project
- Documentation of Grant Administration Process
- Wrapping up the Project

CHAPTER I: GETTING STARTED

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LEARNING OBJECTIVES

- Understanding of the Grant Agreement
- Project File set up
- Submitting signed documents
- Documentation of Process

Chapter I: GETTING STARTED

- Understand the requirements of the grant agreement, conditions and amendments.
- Submit signed grant agreement and Certification of those who can request draws. Retain copies for grant file.
- Set up your files according to the type of grant you have:
 - 1) Public Facilities/Infrastructure
 - 2) Planning
 - 3) Public Service



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Chapter I: GETTING STARTED

- The level of Environmental Review (ER) required for the project is determined when developing and submitting the project for Eligibility.
- Exempt; Cat. Ex., Not Subject To (generally not used for NV CDBG projects); are submitted with application.
- **Environmental Assessments & Cat. Ex., Subj. to must be submitted to CDBG office for approval by September 30th, 2022.** If not submitted by the due date, funds may be de-obligated.
- After approval of ER, **wait for Notice to Proceed.**

Chapter I: GETTING STARTED

- DO NOTHING ON THE PROJECT UNTIL THE NOTICE TO PROCEED IS ISSUED BY THE CDBG OFFICE. EXPENSES ARE NOT REIMBURSED PRIOR TO THE DATE ON THE NOTICE TO PROCEED LETTER.
- Begin implementation in a timely manner.
- Planning Grants expire in 12 months (June 30th, 2023);
- Construction Grants expire in 24 months (June 30th, 2024).

Chapter I: GETTING STARTED RECAP

- ✓ **Return signed grant agreement & Certification.**
 - ✓ **Wait for Notice to Proceed letter or Authority to Use Grant Funds. [Environmental Review must be completed and approved before a Notice to Proceed is approved.]**
 - ✓ **Do procurement/bid process and send to Program Administrator.**
 - ✓ **Do SAM/debar checks with Program Specialist.**
 - ✓ **Conduct Pre-Construction Conference, if required.**
 - ✓ **Implement project.**
-

ENVIRONMENTAL REVIEW (CHAPTER II)



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LEARNING OBJECTIVES

- 1) Understanding of the different Levels of Environmental Reviews (ER) and a familiarity with applicable Federal requirements.
- 2) Understanding of the governing HUD regulations and procedures and required documentation of the Process.
- 3) Monitoring ER requirements from project implementation through completion.

ALL PROJECTS MUST HAVE AN ENVIRONMENTAL REVIEW.

The process:

- 1) Grant Award
- 2) Environmental Review (if not submitted with application or completed by July 1st)
- 3) Notice to Proceed
- 4) Procurement



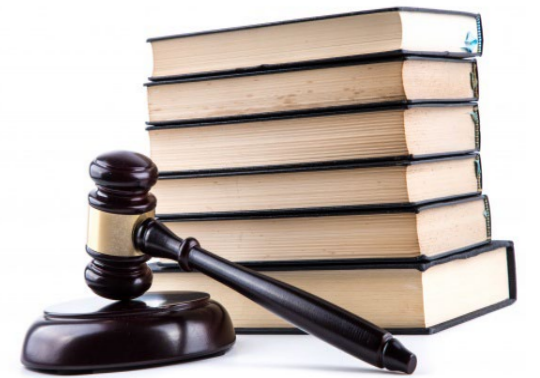
No reimbursement of project costs prior to the date on the Notice to Proceed letter.

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ENVIRONMENTAL REVIEWS

- Fall under the **CROSS CUTTING – OTHER FEDERAL REQUIREMENTS** (i.e.: Davis-Bacon, Lead Based Paint, Fair Housing & Equal Opportunity, OMB Circulars).
- Environmental review for any CDBG project is required before any funds are obligated.
- Environmental review refers to process of looking at a project for impact on the environment and notifying the public of findings.
- Resources: 24 CFR Part 58 & various other laws.



ENVIRONMENTAL REVIEW RECORD

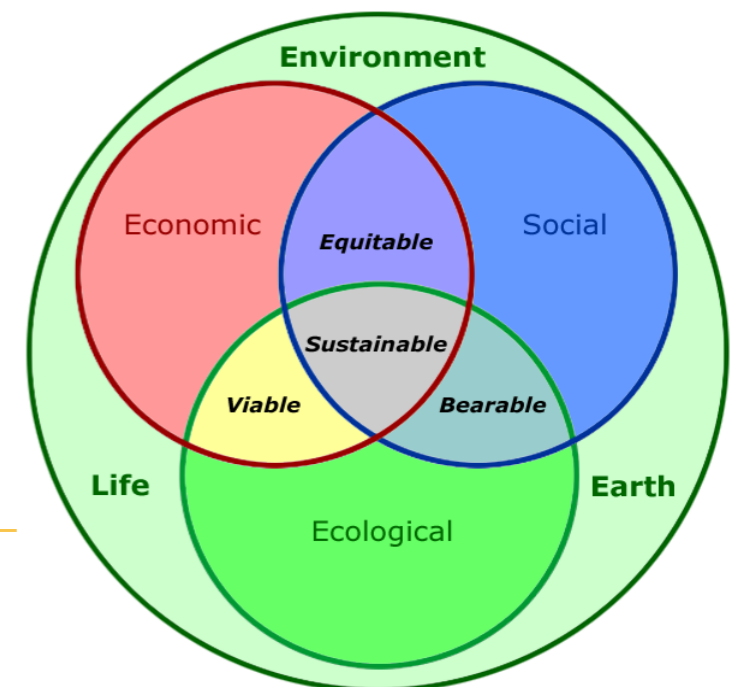
- Written record of compliance with all applicable environmental requirements.
- Legal challenges can be won or lost based on the completeness of the ERR.
- ERR should contain all documentation:
 - Project descriptions, maps, pictures, etcetera
 - Forms & checklists (use most current forms)
 - Notices
 - Correspondence and relevant documents
 - Public comments



Environmental Review

Understand the Environmental Review requirements **BEFORE** proposing a project:

- 1) Project Aggregation
- 2) Environmental issues that could delay a project
- 3) Understand activities that may be considered Exempt or Categorically Excluded (Not Subject to/Subject to)
- 4) Understand what procedures must be followed
- 5) Understand the Release of Funds Process, if applicable.



Environmental Review

If awarded:

- 1) No project can be implemented until the Environmental Review is completed and reviewed by HUD/CDBG.
 - 2) No project can be implemented without a Notice to Proceed or Release to Use Grant Funds.
 - 3) Notice to Proceed or Release to Use Grant Funds is not issued until the Environmental Review is reviewed by HUD/CDBG.
 - 4) No CDBG funds will be released without a Notice to Proceed (NtP) or Release to Use Grant Funds. Date of NtP letter is date reimbursement of funds begins.
-

5 Levels of Environmental Review

- 1) Exempt Activities: 24 CFR Part 58.34 (a)
- 2) Categorically Excluded Activities (Part 58.5 – Related Laws & Authorities):
 - a) Subject to 24 CFR Part 58.5 (CEST) – 24 CFR Part 58.35 (a)
 - b) Not Subject to 24 CFR Part 58.5 (CENST) –
24 CFR Part 58.35 (b)
- 3) Environmental Assessment Activities – 24 CFR Part 58.36
[Subpart E – Environmental Review Process: EA: **Part 58.40**]
- 4) Environmental Impact Statement (EIS) – 24 CFR Part 58.37

Environmental Review

- Determine the classification of the activity and project.
 - 1) Exempt
 - 2) Categorically Excluded (“Subject To” or “Not Subject To”)
 - 3) Environmental Assessment
 - 4) Environmental Impact Statement

If more than one activity or classification, go with the most stringent.



#1 - Exempt Activities: 24 CFR 58.34 (a)

Exempt Activities are specifically exempt from the requirements of the National Environmental Policy Act of 1969 (NEPA):

- A study or plan;
- Public services that will not have a physical impact or result in any physical changes;
- Inspections and testing of properties for hazards or defects;
- Engineering or design costs.

#1 - Exempt Activities: 24 CFR 58.34 (a)

Must document the determination in writing.

- 1) Document that the activity is Exempt/Cat. Ex. Not Subject To by completing the proper form, and
- 2) Attach corresponding Maps

ATTACH REVIEW TO APPLICATION!

- Move forward with the project when the Notice to Proceed letter is received: not before July 1st.



#2 - Categorically Excluded

Two Options:

(1) Subject to 24 CFR Part 58.5 (CEST) – 24 CFR Part 58.35 (a)

OR

(2) Not Subject to 24 CFR Part 58.5 (CENST) –

24 CFR Part 58.35 (b) –

- Tenant-based rental assistance;
- Activities to assist homebuyers to purchase existing dwelling units or units under construction;
- Affordable housing pre-development costs.

#2 – Categorically Excluded: **Not Subject To 24 CFR 58.34 (b)**

Must document the determination in writing.

- 1) Document that the activity is Exempt/Cat. Ex. Not Subject To by completing the proper form, and
- 2) Attach corresponding Maps

ATTACH REVIEW TO APPLICATION!

This category is not commonly used for CDBG
Projects.



#2(a) Categorically Excluded Activities, Subject to 24 CFR Part 58.5 (CEST) – 24 CFR Part 58.35 (a):

Subject to

- If acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements **does not increase** size or capacity by **more than 20 percent**;
- If the estimated cost of rehabilitation is **less than 75 percent** of the total estimated cost of replacement after rehabilitation.
- If the activity does **not involve a change in land use.**

BUT

THE PROJECT IS SUBJECT TO 58.5: Related Federal laws and authorities.

Categorically Excluded Activities, Subject to:

One of Three Following Findings:



- 1) Converts to Exempt
- 2) Cannot Convert to Exempt and requires issuing a Notice of Intent to Request Release of Funds **and obtain HUD/State approval.**
- 3) Unusual circumstances may require preparation of an Environmental Assessment.

Categorically Excluded, Subject to 58.5, Converts to Exempt

- 1) Review by External Agencies
- 2) Complete Statutory Worksheet
- 3) If no mitigating measures are required,
project converts to Exempt.



Categorically Excluded, Subject to 58.5 – Converts to Exempt

Finding of Categorical Exclusion, Subject to 24 CFR Part 58.5 –
Converts to Exempt

Submit to CDBG:

- 1) Cover letter stating level of ER.
- 2) Copies of description and map(s) sent to reviewers.
- 3) Letters to and responses from external reviewers.
- 4) Current Statutory Worksheet, properly completed and showing that the project converts.

Environmental Reviews:

For the following levels of Environmental Review:

- 1) Exempt
- 2) Categorically Exempt, Not Subject to 24 CFR Part 58.5 9 -
(Generally don't use for CDBG.)
- 3) Categorically Exempt, Subject to 24 CFR Part 58.5 –
converts to Exempt

NO PUBLIC NOTICE REQUIREMENTS.

Categorically Excluded Activities, Subject to: Does Not Convert to Exempt

Subject to 24 CFR Part 58.5 (CEST) – 24 CFR Part 58.35 (a)

Categorically Excluded, Subject to:

- Floodplain and 8-Step Process;
- Historical mitigation;
- Other mitigation issues.



Categorically Excluded, Subject to 58.5 (other laws & authorities)

- 1) Prepare project description & map(s).
- 2) Send project information to relevant entities and request written determinations.
- 3) Prepare & submit Section 106 Review Form to SHPO.
- 4) Begin to prepare the Statutory Worksheet.

Categorically Excluded, Subject to 58.5 (other laws & authorities)

- 5) Determine if project is in or has impact on floodplains or wetlands. If yes, apply “Eight Step Process” and publish notices.
- 6) Complete the Statutory Worksheet.
- 7) Follow 24 CFR 58.43 & 58.45 – Dissemination and/or publication of the **findings of no significant impact.**

Categorically Excluded, Subject to 58.5 (other laws & authorities)

- 8) If project affects resources, show mitigation, publish **Notice of Intent to Request Release of Funds (NOI-RROF)** and submit required information to the state.) Include cover letter stating whether comments were received & RE's response(s);
- 9) Receive the Authority to use Grant Funds (7015.16) from the State, acting as HUD.

Categorically Excluded, Subject to 58.5 (other laws & authorities)

- 10) Place all documentation in ERR.
- 11) Proceed with activity only after receipt of Notice to Proceed or Authority to Use Grant Funds Notice from the state.

Next step:

- Procurement/Bid Process



Environmental Assessment

If not -

(1) Exempt,

(2) Categorically Excluded: Not Subject to

(3) Categorically Excluded: Subject to/converts to Exempt

(4) Categorically Excluded: Subject to (publish or post)

. . . the project is classified under 24 CFR 58.36 and requires an Environmental Assessment.



Environmental Assessment

AN ENVIRONMENTAL ASSESSMENT IS REQUIRED OF ANY NEW CONSTRUCTION AND/OR IMPROVEMENT OF MORE THAN 20 PERCENT IN SIZE OR CAPACITY.



Environmental Assessment

- Steps to follow:
 - Complete the first part of the Environmental Assessment form, including the project description and map(s).
 - Prepare and submit Section 106 Review Form and submit to SHPO.
 - Send Project information to various agencies and request written determinations.
 - Complete the correct Environmental Review Record

Environmental Assessment

- Steps (continued):
 - Determine whether project will or will not have a significant impact on the environment.
 - If no significant impact:
 - Publish “Combined Notice of FONSI/Notice of Request for Release of Funds”.
 - Put documentation in ERR.
 - Submit required information to state.
 - Proceed with project only after the receipt of Authority to use Grant Funds from the State.

Environmental Notices

- Publish notices in newspaper of general circulation or post in prominent public places.
 - NOTE: Floodplains/wetlands notices must be published.
No posting allowed.
- Send copies of notices to EPA, Clearinghouse, SHPO and other agencies and interested persons.

TIMING OF ENVIRONMENTAL NOTICES

NOTICE	METHOD	TIMING
FONSI	Published	15 days
FONSI	Posted	18 days
NOI/RROF	Published	7 days + 15 for State
NOI/RROF	Posted	10 days + 15 days for state
Combined FONSI & NOI/RROF	Published	15 day for comments 15 days for objections
Floodplain Notice of Early Public Review	Published (required)	15 days
Floodplain Statement of Findings & Public Explanation	Published (required)	7 days

Environmental Assessment (EA) Procedure

- 1) Determine the existing conditions, describe the character, features and resources of the project. Identify the trends that are likely to continue in the absence of the project.**
- 2) The description of the project needs to include all activities – even if CDBG is not the sole funder (Project Aggregation).**
- 3) Identify, analyze and evaluate all impacts to determine the significance of their effects on the human environment and whether the project will require further compliance (as cited in 58.5 and 58.6).**

Environmental Assessment (EA) Procedure

- 4) **Address alternatives to the preferred course of action, including no action and other alternatives considered but rejected.**
- 5) **Based on the review, make one of the following findings:**
 - **A finding of No Significant Impact (FONSI), or**
 - **A Finding of Significant Impact.**

Must be documentation that is credible, traceable, and supportive of the environmental findings.

Environmental Assessment (EA) Procedure

- 6) If a Finding of No Significant Impact, a FONSI notice must be published in a newspaper of general circulation or posted/mailed and also distributed to interested parties, local news media, appropriate local, state and Federal agencies.**

- 7) Public comment period begins and must remain open for a minimum of 15 calendar days if the notice is published in a newspaper of general circulation or a minimum of 18 calendar days if the FONSI notice is posted or mailed.**

Environmental Assessment (EA) Procedure

- 8) If review results in a Finding of Significant Impact, an Environmental Impact Statement (EIS) will be required.**
- 9) An EA prepared for another agency (ex. USDA) may be adopted but only if the Responsible Entity has done an independent evaluation of the information to ensure it meets the requirements of Part 58 and NEPA and takes responsibility for its scope and content.**

Environmental Assessment (EA)

Environmental Packet to CDBG:



- **The EA Form and Environmental Review Record (ERR)**
- **Letters and responses from External Agencies**
- **Floodplain Notification, if applicable**
- **Publication of Finding of No Significant Impact (FONSI) and Notice (Can combine with NOI/RROF.)**
- **Affidavit of publication/proof of posting.**
- **Statement of distribution/and copy of mailing list/labels.**

Environmental Assessment (EA)



Environmental Packet to CDBG:

- **Cover letter stating whether comments were received and the RE's response.**
- **Resolutions and responses to comments received.**

Environmental Review Record

- ❖ **The Environmental Review Record must contain all of the Environmental Review documents, public notices and written determination or environmental findings as part of evidence of the review, decision making and actions pertaining to the project – from the beginning through the end and close out of the grant.**

Release of Funds Process – CEST

- ❑ If Notice of Intent to Request Release of Funds (NOI-RROF) is published in a newspaper of general circulation, the public comment period is a minimum of 7 calendar days, and a minimum of 10 calendar days if it is posted/mailed.
- ❑ The comment period begins the day after the notice appears in the newspaper of if posted/mailed.



Release of Funds Process

- ❑ For EAs, the NOI-RROF may be combined with the FONSI notice. If combined, the public comment period is a minimum of 15 calendar days when published or a minimum of 18 calendar days when posted/mailed. The combined notice must clearly indicate that it is intended to meet two separate notification requirements and that comments need to state whether they apply to the NOI-RROF or the FONSI.
- ❑ A 30-day comment period may be required for exceptional circumstances.



Release of Funds Process

- ❑ A copy of the public notification with the signed RROF and Certification is submitted to the State after the RE comment period ends.
- ❑ The 15-day (HUD/State) objection period begins when the state receives the above documentation.
- ❑ The waiting period can begin with a scan of the documents to the State but the original documents must be received before any Release of Funds.



Environmental Monitoring

- ❖ **Responsible Entity (RE) must ensure compliance throughout the project. If any change occurs, it must be determined if the original determination is impacted. If so, an amendment or further documentation may be required.**
- ❖ **No project can be closed without assurance that all environmental requirements have been completed or remedied.**



Environmental Reviews - update

- 1) Categorically Excluded Subject to, Converts to Exempt
- 2) Categorically Excluded Subject to, 24 CFR Part 58.5
- 3) Environmental Assessments

All due by September 30, 2022

or

may risk de-obligation of funding.

PROCUREMENT PROCESS (CHAPTER IV)



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Procurement



OPEN

PROCUREMENT

**ALL PROJECTS MUST HAVE A PROCUREMENT PROCESS &
SUBMIT DOCUMENTATION TO THE CDBG OFFICE PRIOR TO
ADVERTISING AND PROCURING.**

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PROCUREMENT METHODS

- 1) Micro Purchase: supplies and services valued at less than \$10,000
- 2) Small Purchase: Federal: Less than \$250,000;
State: less than **\$100,000 (NRS 332.065 advertise as prescribed in NRS 332.045)**
- 3) Competitive Sealed Bid
- 4) Competitive Proposal
 - a) Request for Proposal (RFP)
 - b) Request for Qualifications (RFQ)
- 5) Sole-Source/Non-Competitive



PROCUREMENT PROCESS

Federal Regulation at 48 CFR Subpart 2.1:

- **Micro Purchase**: supplies and services (except construction) valued at less than \$10,000.
- May be awarded without competitive quotations if the price is determined to be fair and reasonable.
- Non-federal entities may need to update internal procurement policies to reflect the micro-purchase procurement method.



PROCUREMENT PROCESS

Nevada Revised Statute 332.039:

Small Purchase:

- Any amount **\$100,000** and over shall be advertised. Purchases under **\$100,000**, do not require advertising.
- For contracts between **\$25,000 and \$100,000**, requests for bids/quotes must be made to two or more capable entities.
- For contracts under **\$25,000**, oral or written price bids/quotes need to be obtained from more than one supplier.

PROCUREMENT PROCESS

NRS 332.039

- The governing body or its authorized representative shall maintain a record of all requests for bids and all bids received for the contract for at least 7 years after the date of execution of the contract.

PROCUREMENT PROCESS

Competitive Sealed Bid:

- Prepare bid document for CDBG review;
- Obtain wage determination(s) from the CDBG Program Specialist;
- Advertise any bid **\$100,000** and over (*if construction, Davis-Bacon applies at \$2,000*);
- Obtain 10-day wage check from the CDBG Program Specialist;

PROCUREMENT PROCESS

Competitive Sealed Bid:

- Bid Opening and contractor selection process;
- Approval by Commission/Council and selection process sent to CDBG;
- Contractor and sub-contractors are debarred (**must be registered in SAM & updated annually**).
- Contract is issued;
- Pre-construction conference is scheduled and held.

PROCUREMENT PROCESS

Competitive Proposal Method(s): RFP & RFQ

RFP: Competition is on the basis of the proposed methods.

- Clearly and accurately state the technical requirements for goods and services required;
- Publicize the RFP and honor reasonable requests for an opportunity to compete;
- Solicit from an adequate number of qualified sources;
- Conduct a technical evaluation of the submitted proposals;

PROCUREMENT PROCESS

Competitive Proposal Method(s): RFP & RFQ

RFP:

- Conduct negotiations with responsive and responsible entities that submitted RFPs based on evaluation of the proposals;
- Award contract to the most responsive and responsible entity;
- Successful entity must clearly be the most advantageous source of the goods and services.

PROCUREMENT PROCESS

Competitive Proposal Method(s): RFP & RFQ

RFQ: Competition is on the basis of expertise. Use for architect, surveyor or engineering services.

- Notice requesting that qualifications or proposals be submitted;
- Evaluate firms on their submissions. Interviews are used to obtain additional information. A final ranked list is then generated;

PROCUREMENT PROCESS

Competitive Proposal Method(s): RFP & RFQ

RFQ: Competition is on the basis of expertise.

- Start with highest ranked firm and negotiate a reasonable price for the service. If no agreement is reached, move on to the next firm on the ranked list. Process is repeated until a fee is agreed upon.
- The final step is to enter into a contract with the selected firm.
- If no responsive or responsible proposals are received, a contract can be negotiated as provided in NRS 332.148.

PROCUREMENT PROCESS

Non-Competitive or Sole-Source Provider Method:

- Use under very limited circumstances. The grantee should consult with the CDBG office prior to utilizing this method.
- A cost analysis verifying the proposed cost data must be done before a decision is made to use this method.

PROCUREMENT EXHIBITS (CHAPTER IV)

CDBG SUPPLEMENTAL CONDITIONS, CERTIFICATIONS & ASSURANCES

MUST BE CONTAINED IN ALL CONTRACTS.



CONSTRUCTION MANAGEMENT & LABOR STANDARDS: (CHAPTER V)



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CONSTRUCTION MANAGEMENT

Project Phases:

I. Pre-Bid & Bidding Process Phase

II. Contract Award & Pre-Construction Phase

III. Construction & Monitoring Phase

IV. Project & Grant Close Out Phase

CONSTRUCTION MANAGEMENT

I. Pre-Bid & Bidding Process Phase:

- Select Engineer and/or Architectural Services;
- Prepare the bid document with place holders for Davis-Bacon & State Prevailing wage determinations;
- Submit bid documents to CDBG office for approval.



CONSTRUCTION MANAGEMENT

I. Pre-Bid & Bidding Process Phase:

- After CDBG office signs off on bid document and advertising date, publish/post ad. Allow 21 days between the bid date and bid opening date.
- Submit 10-day wage check to CDBG Program Specialist 10 days prior to the bid opening date.

Move on to Phase II.

CONSTRUCTION MANAGEMENT

II. Contract Award & Pre-Construction Phase:

- Ensure the City/County has criteria and a selection process in place to support the justification provided to any unsuccessful bidder.
- Upon receipt of each bid, log in the time and date of receipt. Bids remain sealed until the designated bid opening time.
- Conduct the Bid Opening. The City/County attorney should participate in the bid opening.

CONSTRUCTION MANAGEMENT

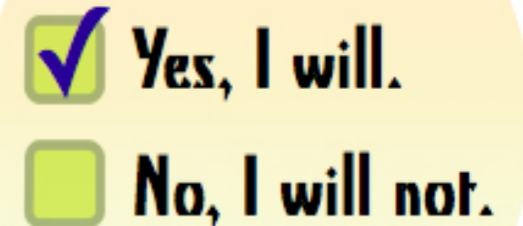
II. Contract Award & Pre-Construction Phase:

- Send to the CDBG Program Administrator a summary of the selection process and a copy of the minutes approving the selected contractor.
- Send to the CDBG Program Specialist a Notice to Debar the Contractor and Sub-contractors prior to awarding the contract. **Contractors and subs MUST be registered in SAM annually.**
- Award a contract, *that includes all of the required CDBG documents,* **after the companies have been debarred.**

CONSTRUCTION MANAGEMENT

II. Contract Award & Pre-Construction Phase:

- Schedule a pre-construction conference.
- Send Wage Comparison Worksheet to CDBG staff for review and approval prior to pre-construction conference
- Send agenda and the Wage Comparison Worksheet to all participants.
- Hold the Pre-construction Conference.



CONSTRUCTION MANAGEMENT

II. Contract Award & Pre-Construction Phase:

Topics to cover:

- labor standards,
- wage rates & wage comparison worksheet,
- payroll requirements,
- employee interviews,
- CDBG documents, etcetera;
- Environmental Assessment monitoring,
- Anticipated start and end dates for project.



Move on to Phase III.

CONSTRUCTION MANAGEMENT & LABOR STANDARDS

III. Construction & Monitoring Phase:

- Issue Notice to Proceed. Post Wage Decisions at the site.
- Approve weekly Certified Payrolls; **submit ALL payrolls** to the CDBG Program Specialist. Signature requirement.
- Conduct Employee interviews: one per category on different days and times. Submit copies to CDBG Program Specialist.

Move on to Phase IV.

CONSTRUCTION MANAGEMENT & LABOR STANDARDS

IV. Project & Grant Close Out Phase:

Submit to the CDBG Program Specialist the following:

- 1) Financial Summary
- 2) Final Quarterly Report
- 3) Final Wage Compliance
- 4) Audit/Disallowed Audit Report
- 5) Project Benefits Report
- 6) Environmental Review Compliance

All Construction Projects will be monitored before final closeout.

ADDITIONAL CLASSIFICATION

- If there is not a job classification on the Davis-Bacon wage determination, wages must be obtained from the Department of Labor (DOL).
- The HUD Form 4230A must be completed and submitted to CDBG Program Specialist.
- Currently the Department of Labor is taking from 1-6 months to complete an additional classification request.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT REPORT OF ADDITIONAL CLASSIFICATION AND RATE		HUD FORM 4230A <small>OMB Approval Number 2501-0011 (Exp. 01/31/2010)</small>						
1. FROM (name and address of requesting agency) Sarah Clark Governor's Office of Economic Development 808 W Nye Lane Carson City, NV 89703	2. PROJECT NAME AND NUMBER 3. LOCATION OF PROJECT (City, County and State)							
4. BRIEF DESCRIPTION OF PROJECT	5. CHARACTER OF CONSTRUCTION <input type="checkbox"/> Building <input type="checkbox"/> Residential <input type="checkbox"/> Heavy <input type="checkbox"/> Other (specify) <input type="checkbox"/> Highway							
6. WAGE DECISION NO. (include modification number, if any) <input checked="" type="checkbox"/> COPY ATTACHED		7. WAGE DECISION EFFECTIVE DATE						
8. WORK CLASSIFICATION(S)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center; padding: 5px;">HOURLY WAGE RATES</th> </tr> <tr> <th style="width: 50%; padding: 5px;">BASIC WAGE</th> <th style="width: 50%; padding: 5px;">FRINGE BENEFIT(S) (if any)</th> </tr> </thead> <tbody> <tr> <td style="height: 150px;"></td> <td></td> </tr> </tbody> </table>		HOURLY WAGE RATES		BASIC WAGE	FRINGE BENEFIT(S) (if any)		
HOURLY WAGE RATES								
BASIC WAGE	FRINGE BENEFIT(S) (if any)							
9. PRIME CONTRACTOR (name, address)	10. SUBCONTRACTOR/EMPLOYER, IF APPLICABLE (name, address)							
Check All That Apply: <input checked="" type="checkbox"/> The work to be performed by the additional classification(s) is not performed by a classification in the applicable wage decision. <input checked="" type="checkbox"/> The proposed classification is utilized in the area by the construction industry. <input checked="" type="checkbox"/> The proposed wage rate(s), including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage decision. <input type="checkbox"/> The interested parties, including the employees or their authorized representatives, agree on the classification(s) and wage rate(s). <input checked="" type="checkbox"/> Supporting documentation attached, including applicable wage decision.								
Check One: <input checked="" type="checkbox"/> Approved, meets all criteria. DOL confirmation requested. <input type="checkbox"/> One or more classifications fail to meet all criteria as explained in agency referral. DOL decision requested.								
<div style="text-align: center;"> <p>Sarah Clark, CDBG Program Specialist</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Agency Representative <i>(Typed name and signature)</i></p> </div> <div style="text-align: center; margin-top: 20px;"> <p>_____</p> <p><i>Date</i></p> </div> <div style="text-align: center; margin-top: 20px;"> <p>775-687-9920</p> <p>_____</p> <p><i>Phone Number</i></p> </div>		FOR HUD USE ONLY LR2000: Log in: Log out:						

HUD-4230A (8-03) PREVIOUS EDITION IS OBSOLETE

WAGE RESTITUTION

- Compute the wage restitution.
- Advise CDBG of the discrepancy.
- Notify the employer/prime contractor in writing. (The contractor is allowed 30 days to correct the underpayment.)
- Review the corrected certified payroll report.
- Request cancelled check copies to prove reimbursement to the employees.

CHAPTER III: FINANCIAL MANAGEMENT & RECORD KEEPING



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FINANCIAL MANAGEMENT & RECORD KEEPING

- OMB Super Circular, codified at 2 CFR Part 200
- HUD's guidance at 2 CFR, Part 2400
- The single audit threshold is \$750,000;

Financial Management: Audits

Local governments that receive CDBG funds must:

- Comply with applicable Federal, state and local laws, regulations, standards, and procedures
- Conduct financial management methods and procedures in accordance with Generally Accepted Government Auditing Standards (GAGAS)

Local officials and grant administrators must be aware that all financial management practices will be:

- Monitored by the state CDBG program
- Examined closely by independent auditors

Auditor Selection

- Must procure
- Should be CPA or licensed public accountant
- Must be experienced with Single Audits, CDBG programs, and local government
- Verify completion and timeliness of previous audits

HUD FINANCIAL MANAGEMENT

- State CDBG Programs are required to have financial management standards or fiscal and administrative requirements as described in the CDBG program regulations at 24 CFR 570.489(d).
- Local CDBG recipients must comply with the standards established by the State and local jurisdiction.

HUD: Timeliness of Expenditure

9-Month Rule: First Draw due by March 31. Why?

HUD assesses State grantees in several ways:

- Total unexpended amount from open grants;
- Amount expended in last 12 months;
- Ratio of unexpended amount relative to most recent grant amount;
- Average monthly expenditure over last 12 months.

Target: two months prior to the end of the PY, remaining funds should be no more than 2.5 times the annual grant [line of credit with HUD].

Nevada is generally 3rd or 4th in the nation. Thanks!

FINANCIAL MANAGEMENT:

Budget Control

Budget control as a management tool

- Informs and guides project expenditure throughout grant period;
- Compares actual expenditures to approved budget;
- Maintains record of amounts budgeted, spent, and unexpended balances (refer to Draw Request Record);
- Budget changes need CDBG approval:
 - under **20%** email request with budget change form;
 - over **20%** request on county/city letterhead with budget change form, because a grant amendment is required.

Unused funds? Deobligate (return)!

Budget Control

- Grant application budget (or amended revisions) is the binding budget for the project.
- Each project has a project specific Draw Request form sent out at the beginning of the project.
- The Draw Request form has a project ledger that is used as your Budget tracking system.

A change to a budget is an amendment to the Grant Agreement.

Cash Management Principles

Cash management: fund transfers must be in compliance and includes:

- Accurate information in the disbursement request.
- Grantees are not allowed to profit from CDBG funds.
- Erroneously drawn funds must be returned in a timely manner.

Cash Management

There are two ways to request payment from CDBG

The first is:

Reimbursements: which is payments made as a reimbursement for costs already paid by grantee.

Back up documentation for reimbursements include:

- Copies of canceled checks showing payment, copies of signed and numbered warrants, or copies of electronic transfer confirmation,
- Copies of all invoices
- Copies of travel documents



Cash Management

The second way is:

Cash advance or Obligation: disbursements made to pay for expenses/costs invoiced or billed to grantee that the grantee has not paid for (cannot be estimates).

Back up documentation for an obligation includes:

- Copies of actual invoices and bills that the grantee has not paid.



Cash Management

Prior Obligations: Proof of Payment must be provided to CDBG before any additional funds can be requested;

- Section shows that funds requested to pay previous obligations were actually spent;
- Prior Draw Requests are cross-checked to match obligations to payment;
- Documentation includes copies of canceled checks showing payment, copies of signed and numbered warrants, or electronic transfer confirmation.

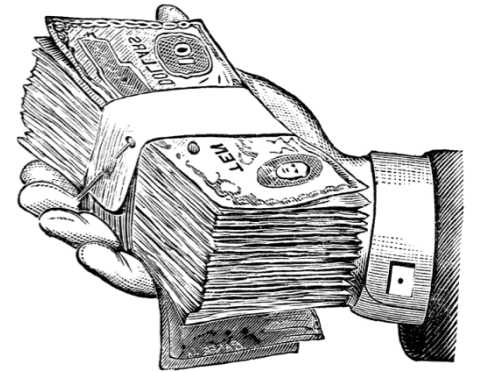
Cash Management

Draw Request:

Project Name & Number		Youth Advocate CASA Program		
Grant Agreement Period		From: 07/01/15	To: 6/30/2016	
Grant Funds Recipient:		Churchill County		
		GRANT FUNDS AWARDED		\$ 11,705.00
Description	Request for Reimbursement	Request for Obligation	Net Reimbursement/Obligation	Balance
Task #1:	Volunteer Training			5,234.27
Request 1	-	-	-	
Request 2	-	-	-	
Request 3	-	-	-	
Request 4	-	-	-	
Sub-Total	-	-	-	5,234.27
Task #2:	Equipment			3,600.00
Request 1	-	-	-	
Request 2	-	-	-	
Request 3	-	-	-	
Request 4	-	-	-	
Sub-Total	-	-	-	3,600.00
Task #3:	Supplies			500.00
Request 1	-	-	-	
Request 2	-	-	-	
Request 3	-	-	-	
Request 4	-	-	-	
Sub-Total	-	-	-	500.00
Task #4:	Media/ Outreach			2,000.00
Request 1	-	-	-	
Request 2	-	-	-	
Request 3	-	-	-	
Request 4	-	-	-	
Sub-Total	-	-	-	2,000.00
Task #4:	Security			370.73
Request 1	-	-	-	
Request 2	-	-	-	
Request 3	-	-	-	
Request 4	-	-	-	
Sub-Total	-	-	-	370.73
	TOTAL REIMBURSEMENT REQUEST	TOTAL ADVANCE REQUEST	TOTAL REQUESTS SUBMITTED	FUNDING AGREEMENT CASH BALANCE
	0.00	0.00	0.00	11,705.00

STATE OF NEVADA					
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT					
Project I.D. & Name:		Youth Advocate CASA Program			
Reporting Period:		To:	From:		
Reporting Agency Name/Address:					
PRIOR OBLIGATIONS: TO PROVE PRIOR OBLIGATIONS AS EXPENSES					
(This is an EXPENSE total. Must attach City/County Check Copies)					
Volunteer Training	\$ -		Supplies		
Equipment			Media/ Outreach		
Security					
TOTAL PRIOR OBLIGATION EXPENSE		\$ -			
CURRENT OBLIGATION REQUEST					
PROJECT TASK (Per Approved Work Plan)	Request 1	Request 2	Request 3	Request 4	Total Obligation Requests
Volunteer Training	-	-	-	-	-
Equipment	-	-	-	-	-
Supplies	-	-	-	-	-
Media/ Outreach	-	-	-	-	-
Security	-	-	-	-	-
TOTALS (Sum of lines thru):	\$ -	\$ -	\$ -	\$ -	\$ -
REIMBURSEMENT REQUEST					
PROJECT TASK (Per Approved Work Plan)	Request 1	Request 2	Request 3	Request 4	Total Reimbursement Requests
Volunteer Training	-	-	-	-	-
Equipment	-	-	-	-	-
Supplies	-	-	-	-	-
Media/ Outreach	-	-	-	-	-
Security	-	-	-	-	-
TOTALS (Sum of lines thru):	\$ -	\$ -	\$ -	\$ -	\$ -
CERTIFICATION					
By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 101 and Title 31, Section 3729-3730 and 3801-3812). I certify that the information reported is correct and expenditures are in accordance with the approved grant award. I also certify that the amount of funds requested is not in excess of current grant award.					
Prepared By:				Date:	
Approved By:				Date:	
GOED Financial Approval:				Date:	
GOED Administrative Approval:				Date:	

Cash Management



Grantee Draw Request Checklist:

- Have previous draws/payments been proven out?
- Are signatures correct per Certification letter?
- Are expenses in line with the budget?
- Is grant still valid?
- Are all supporting documents included in the request?
- If a construction project, are all labor compliance documents submitted?
- Are the Quarterly and Financial Reports up to date?
- Is the invoice spreadsheet complete?

Cash Management

COMMON ERRORS:

- Putting an Obligation in the Reimbursement column;
- Reporting Period as single date;
- Requesting reimbursement for costs not covered in scope of work;
- Requesting a draw for more than amount available in the budget line item. If within total approved budget, but over in one task, contact CDBG staff;
- Missing expense or invoice documentation not proven out on Prior Obligations.

OMB A-87 Attachment B: Allowable Costs and **Unallowable Costs**



1. Advertising and public relations costs
2. Advisory councils
- 3. Alcoholic beverages**
4. Audit costs and related services
- 5. Bad debts**
6. Bonding costs
7. Communication costs
8. Compensation for personal services
- 9. Contingency provisions**
- 10. Defense and prosecution of criminal and civil proceedings, and claims**
11. Depreciation and use allowances
- 12. Donations and contributions**
13. Employee morale, health, and welfare costs
- 14. Entertainment costs**
15. Equipment and other capital expenditures
- 16. Fines and penalties**
- 17. Fund raising and investment management costs**
18. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs
- 19. General government expenses**
- 20. Goods or services for personal use**
- 21. Idle facilities and idle capacity**
22. Insurance and indemnification
23. Interest
- 24. Lobbying**
25. Maintenance, operations, and repairs
26. Materials and supplies costs
27. Meetings and conferences
28. Memberships, subscriptions, and professional activity costs
29. Patent costs
30. Plant and homeland security costs
31. Pre-award costs
32. Professional service costs
33. Proposal costs
34. Publication and printing costs
35. Rearrangement and alteration costs
36. Reconversion costs
37. Rental costs of building and equipment
38. Royalties and other costs for the use of patents
39. Selling and marketing
40. Taxes
41. Termination costs applicable to sponsored agreements
42. Training costs
43. Travel costs

Invoicing

- City/County can do lump sum contracts: CDBG only reimburses for work done on the awarded project.
 - All invoices from consultants have to be broken out by:
 - Task
 - Position
 - Hourly rate
 - Hours worked
 - **All** vendors must be debarred, including vendors hired by the consultant;
 - A copy of the invoice from the vendor is required;
 - Consultant cannot add a markup to the invoice.
-

Travel

- If travel expenses are being requested for reimbursement, CDBG can only pay the GSA/State rate for travel.
- All travel reimbursement requests must have all receipts attached to the request.
- The only receipts that are not required are meal receipts, CDBG will only pay the GSA rate for meals.
- CDBG does not pay for add on to receipts (satellite radio, flight upgrade)
- CDBG will only pay the State approved mileage rate, which currently is \$00.58.5.





Documentation

Detailed accounting records (with UGLG or nonprofit finance staff):

- All accounting records must be supported by source documentation;
- CDBG costs charged must be incurred during grant period;
- Funds must be expended on allowable items;
- Expenditures must be approved by responsible grantee official;
- Documentation must explain the basis of costs incurred.



Documentation

Basic financial records:

- Grant Agreement
- Related correspondence (e.g. extensions, revisions)
- Certification Letter
- Budget and related correspondence
- Notice to Proceed/Authority to Use Grant Funds
- Draw Requests, supporting information and related correspondence and;
- Final Financial Summary

CHAPTER VI: ACQUISITION & RELOCATION



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ACQUISITION & RELOCATION

Displacement

- Displacement refers to the fact that the grantee is obligated to provide monetary assistance in finding replacement housing and must pay certain expenses for any property owner or tenant who is forced to move as a result of property being acquired for a project that is assisted with CDBG funds.
- Displacement of individuals is particularly expensive and difficult. It is strongly recommended that the grantee not undertake any project that involves displacement of individuals.
- Grantees attest to having an Anti-displacement Policy.

DISPLACEMENT

Documentation of households must be maintained by:

- 1) Race
- 2) Ethnicity
- 3) Handicapped status
- 4) Address where household has been relocated.

DISPLACEMENT

Documentation of businesses must be maintained by:

- Impact on the businesses;
- Impact on the businesses owned by women and minorities.

CHAPTER VII: MONITORING



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Site Visit



- Arrange a time suitable for you;
- Notify you in advance of areas and/or grants to be monitored;
- Advise regarding grants that remain open;
- Follow up with a post-monitoring letter.

✓ Checklist

- 1) Project Administration / organization;
- 2) Financial management (draws, payrolls, etc.);
- 3) Environmental Reviews;
- 4) Bidding and Contractor selection processes;
- 5) Contract Management;
- 6) Labor issues;
- 7) Project benefits (job tracking in ED projects; race & ethnicity, disability in LMI-C projects);
- 8) Final reports & close out documents.
- 9) **Civil rights and equal opportunity issues.**

CHAPTER VIII: PROJECT CLOSEOUT



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Closing the Grant

- 1) Have all responsibilities been fulfilled?
- 2) Have all grant funds been spent?
- 3) If funds remain:
 - a) Submit letter to CDBG explaining excess funds.
Request funds be de-obligated.
 - b) CDBG staff will send a close out letter with the new grant amount.

Close Out Documents

- 1) CDBG Final Close Out Checklist
- 2) Final Financial Summary
- 3) Final Quarterly Report
- 4) Audit/Disallowed Cost Certification
- 5) Project Benefits Report

Additional Close Out Documents

- Final Wage Compliance Report
- Bid/contract Documents
- Labor Records
- Restitution
- Planning document (Study, PER, etc.)
- Any other information required.

Project Closure

- When all documents are in order and the project is desk- and/or site-monitored, CDBG closes the grant in IDIS and sends a close-out letter to the grantee.
- Grantee maintains the grant file for a minimum of five to seven years from closing date.
- CDBG maintains files five years from the date of the close out letter from HUD, closing the grant year or as required by the project (ex. Real property).

CHAPTER IX: INVOLVING THE PUBLIC



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INVOLVING THE PUBLIC

Grantee Responsibilities:

- Keep the Public Informed;
- Work with the Media;
- Press Releases;
- Project Signs;
- Special Events;

INVOLVING THE PUBLIC

Other Public Information Tools:

- Brochures & Flyers;
- Newsletters;
- Posters.

INVOLVING THE PUBLIC

CITIZEN PARTICIPATION PLAN (CPP):

- Detail of public hearing requirements;
- Identification of the Citizen Participation Coordinator and duties and responsibilities;
- Date the plan was adopted;
- Policy for technical assistance;
- Policy for making programmatic information available to citizens during the CDBG project, use of past funds, policy for citizen participation;

INVOLVING THE PUBLIC

CITIZEN PARTICIPATION PLAN (CPP):

- Policy for citizen comment on performance reports and project activities;
- Policy for encouraging citizens to participate in an advisory role in planning, implementation and assessment of project;
- Procedures for comments, objections, and complaints.

Adopt a plan rather than using the State's CPP.

CHAPTER XI: CIVIL RIGHTS, EQUAL OPPORTUNITY & FAIR HOUSING



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GRANTEE RESPONSIBILITIES

- **Program Benefits:** efforts to ensure minority participation in the program;
- **Grantee Hiring & Employment Practices:** community's affirmative action plan and activities initiated to extend employment opportunities to minorities and women;
- **Contractor Affirmative Action:** actions by contractors and subcontractors to employ minorities and women;

GRANTEE RESPONSIBILITIES

- **Fair Housing:** non-discrimination on basis of race, color, religion, sex, handicap, familial status, or national origin;
 - **Actions to Affirmatively Further Fair Housing:** compliance with the federal mandate to administer all programs so as to affirmatively further housing availability, and to prevent discrimination in federally-assisted housing; and
 - **Handicapped Accessibility Requirements:** actions taken to ensure access by persons with physical and mental disabilities to federally assisted programs
-

GRANTEE RESPONSIBILITIES

- Handicapped Accessibility Requirements: actions taken to ensure access by persons with physical and mental disabilities to federally assisted programs and activities.



Civil Rights Compliance

- Fair Housing & Furthering Fair Housing Choice
- Equal Employment Opportunity & Affirmative Action
- Civil Rights & Civil Rights Complaint Process
- Section 3 of the Housing & Urban Development Act of 1968
- Architectural Barriers Act of 1968
- Americans with Disabilities Act of 1990 (ADA)
- Section 504 Compliance
- Displacement

Fair Housing & Furthering Fair Housing Choice

- 1) Must further Fair Housing;
- 2) Must document actions taken to further fair housing (including funds spent and people who have benefitted);
- 3) Must have and comply with a Fair Housing Plan that includes a procedure for handling complaints and the disposition of any complaints received.

Fair Housing & Furthering Choice

- 4) Records must be kept by race, ethnicity, handicapped status, and gender of heads of households.
- Nevada Revised Statutes 613 and 118 reiterate the Federal Laws with regard to Fair Housing.

Equal Employment Opportunity & Affirmative Action

- 1) Data on employment must be maintained in the categories prescribed on the Equal Employment Opportunity Commission's EEO-4 form (City/County Personnel Policies). File in odd-numbered years.
- 2) Documentation of the affirmative actions the local government has taken to overcome discrimination on the basis of race, color, national origin, or sex.

Civil Rights

Title VI of the Civil Rights Act of 1964 prohibits discrimination on basis of:

- 1) Race;
- 2) Color;
- 3) National Origin.

Civil Rights

Section 109 of Title 1 of the Housing & Community Development Act of 1974 prohibits discrimination on the basis of:

- 1) Race
 - 2) Color
 - 3) National Origin and . . .
 - 4) Sex
 - 5) Religion
 - 6) Age
-

Civil Rights

Nevada state law also prohibits discrimination based on:

- ancestry,
- sexual orientation, and
- gender identity/expression.

HUD Act of 1968: Section 3

To the greatest extent feasible and consistent with federal, state, and local laws and regulations, employment on housing construction or other public construction or service projects shall give employment to low and very low income persons.

Note: for projects of \$200,000.00 and over.

APPLICABILITY

- To ensure compliance with Section 3 regulations, HUD requires the grantee to collect information on every Contractor and Sub-Contractor that receives a contract funded entirely or in part by federal funds (\$200,000 and over).
- Section 3 applies to contracts for professional services and for construction work.

Section 3 Plan

- 1) Grantee must:
 - 2) Initiate a Section 3 Plan.
 - 3) If a Section 3 Plan has been adopted, the grantee should review the requirements to ensure the plan has been implemented as required.
-

Section 3 Plan

Plan must contain:

- a) Evidence of targeted advertisements;
- b) Evidence of use of businesses located in disadvantaged areas or owned by disadvantaged persons whenever possible;
- c) Evidence of lists of lower income Section 3 area residents who can be solicited for employment opportunities.

Architectural Barriers Act of 1968

Equal opportunities in employment, public accommodations, transportation, state and local government services and telecommunications for persons with disabilities.



Americans with Disabilities Act of 1990

- Requires all newly constructed or altered streets, roads, highways and pedestrian walkways must contain curb ramps or other closed areas for ADA compliance.
- ADA applies even if there is NO federal funding involved in a project.

Section 504 Compliance

- Provide reasonable accommodation in employment for qualified individuals living with disabilities;
- Cannot discriminate against persons with disabilities when offering program benefits and services.

Section 504 Compliance

Grantee must:

- 1) Designate a Section 504 Coordinator;
- 2) Adopt a policy and procedure to provide reasonable accommodations;
- 3) Adopt a procedure for handling complaints;
- 4) Procedure must provide for prompt and equitable resolution of complaints.

QUESTIONS?

