



CDBG

SUBRECIPIENT ORIENTATION

City of New Bedford
Office of Housing & Community Development
Joshua Amaral, Director

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WELCOME

A copy of this presentation is now available on our website at <https://www.newbedford-ma.gov/housing-community-development/>.

Please feel free to contact our office at OHCD@newbedford-ma.gov if you require translation assistance with the PowerPoint. Questions may be asked either through the chat box available through this Zoom meeting, or through email at OHCD@newbedford-ma.gov. All comments and questions are welcome.

Una copia de esta presentación ya está disponible en nuestro sitio web en <https://www.newbedford-ma.gov/housing-community-development/>. No dude en ponerse en contacto con nuestra oficina en OHCD@newbedford-ma.gov si necesita asistencia de traducción con PowerPoint. Las preguntas pueden hacerse a través del cuadro de chat disponible a través de esta reunión de Zoom, por correo electrónico a OHCD@newbedford-ma.gov. Todos los comentarios y preguntas son bienvenidos. Las respuestas a las preguntas frecuentes se publicarán en línea en tres idiomas.

Uma cópia desta apresentação está agora disponível em nosso site em <https://www.newbedford-ma.gov/housing-community-development/>. Não hesite em entrar em contato com nosso escritório em OHCD@newbedford-ma.gov se precisar de ajuda na tradução do PowerPoint. As perguntas podem ser feitas através da caixa de bate-papo disponível nesta reunião do Zoom, ou através do e-mail OHCD@newbedford-ma.gov. Todos os comentários e perguntas são bem-vindos. As respostas às perguntas frequentes serão publicadas on-line em três idiomas.



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SUBRECIPIENT ORIENTATION

AGENDA

Purpose of Orientation

CDBG 101 Basic Rules and Requirements

The Subrecipient Agreement

- A. Scope, Performance & Budget
- B. Vote of Corporation
- C. Procurement
- D. Reporting and Monitoring
- E. Reimbursements
- F. Regulations

Expectations

Past Compliance Problems

Potential Challenges

Next Steps

Resources



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PURPOSE OF ORIENTATION



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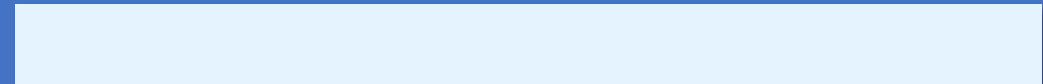
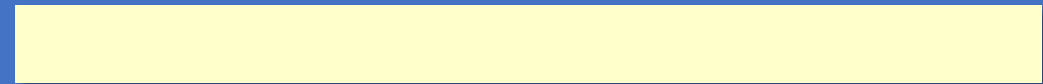
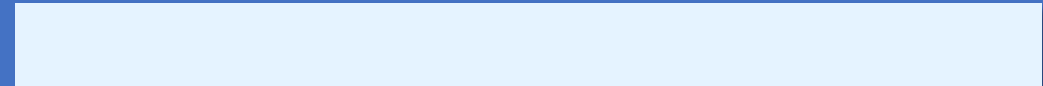
Purpose of Orientation

- To open or re-establish lines of communication.
- To reinforce the basic rules and requirements of the CDBG program.
- To establish clear expectations concerning performance standards.
- To address broad program objectives, requirements and expectations that affect all projects at the beginning of the program year.
- To provide an overview of CDBG administration at the outset of the contract term.
- To discuss potential challenges.



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ORIENTATION |

Typically held for groups of subrecipients at the beginning of the program year and addressing broad program objectives and requirements.

TRAINING |

Conducted periodically throughout the program year to address specific program areas for larger groups of subrecipients and/or to provide guidance on project aspects.

TECH ASSISTANCE

Offered to individual subrecipients when the activity is in progress and a specific issue has arisen either through a question or in mitigating a problem.



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CDBG 101

BASIC RULES & REQUIREMENTS



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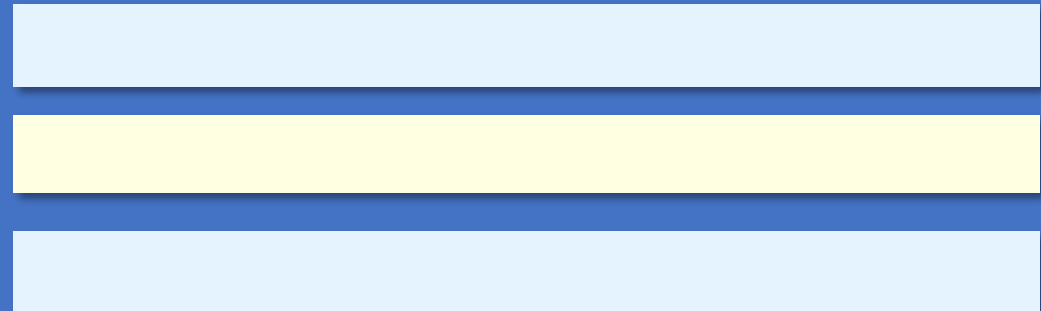
CDBG 101 Basic Rules & Requirements

- The City of New Bedford is an entitlement program for Community Development Block Grant (CDBG) funding.
- The goal of the CDBG program is to develop viable urban communities, provide decent housing, create suitable living environments and expand economic opportunities for low- and moderate-income persons.
- Much of this work is done by subrecipients who are contracted by the **recipient** of CDBG funds (City of New Bedford through its Office of Housing & Community Development OHCD).
- Contracts between the OHCD and agencies who undertake the funded activities are called “Subrecipient Agreements.”



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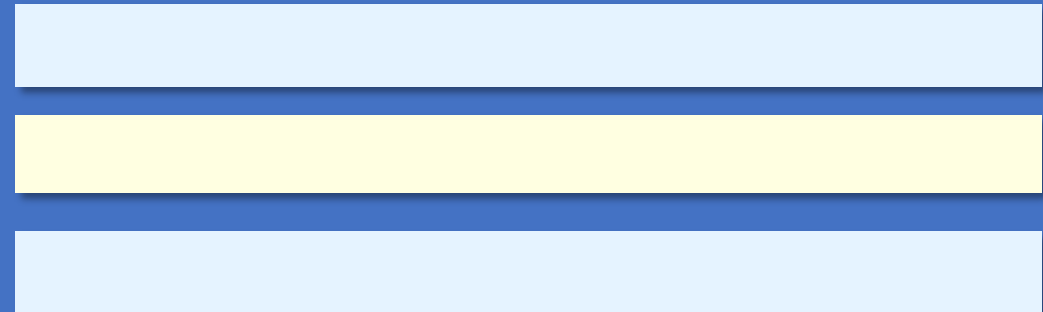
CDBG 101 Basic Rules & Requirements

- All subrecipients must comply with federal regulations and requirements and must abide by the terms of their Subrecipient Agreements.
- The information provided in this orientation is meant to supplement—not substitute—regulations and policies of the CDBG program.



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SUBRECIPIENT ORIENTATION

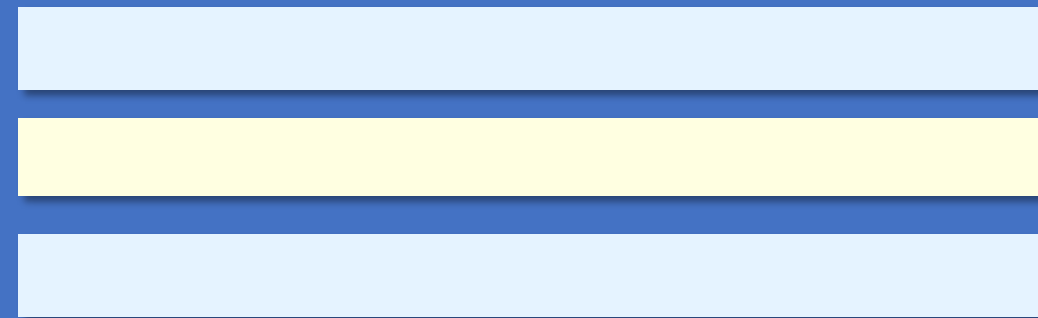


CDBG 101 Basic Rules & Requirements

CD Entitlement and Administration	All subrecipients must comply with federal regulations and requirements and must abide by the terms of their Subrecipient Agreements.
Orientation	Held after City Council allocates awards and prior to start of the new program year beginning July 1 st . Purpose is to educate subrecipient agencies as to basic rules under which their CDBG activities must operate and to establish clear expectations as to performance and administration..
Subrecipient Agreements	The central part of the subrecipient compliance with the CDBG program. Fulfills legal requirement and presents a concise statement of CDBG program rules, conditions under which funds are provided and delineates fiscal and program performance.
Procurement Requirements	Agencies receiving federal funding must follow a free and open competitive process in securing products or services/undertaking construction activities. Proper documentation, documented outreach, etc. must be followed.
Site Visits	A site visit may be conducted to review the agency's fiscal, management and operational procedures, compliance with ADA and CDBG requirements and to survey the program/services being offered.
Audits	If applicable, all agencies must provide an audit for the most recently audited year including any management letters and responses the agency has made to the audit. If not applicable, a reviewed Financial Statement signed by the Board President and Treasurer are required.



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CDBG 101 Basic Rules & Requirements

- ✓ Activities MUST meet a national objective
- ✓ Subrecipients MUST use the majority of their spending to benefit low-moderate income persons. In the aggregate New Bedford needs to demonstrate that 70% of its CDBG funds have benefited LMI persons.

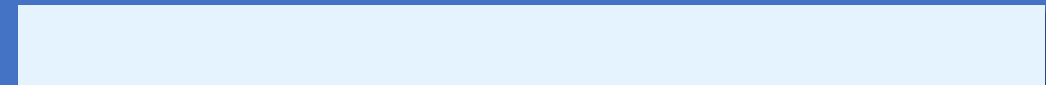
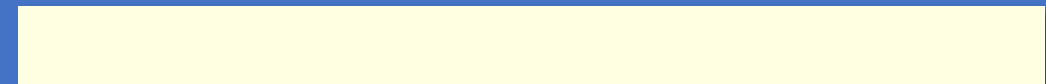
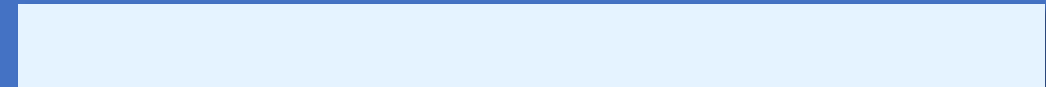
National Objectives

- Benefit low/mod income persons
- Prevent slum or blight
- Address urgent community needs



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CDBG 101 Basic Rules & Requirements

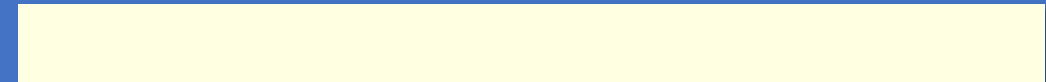
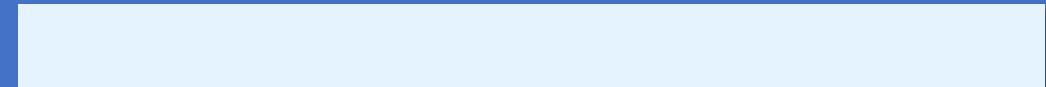
■ Eligible CDBG Program Components

- ✓ Infrastructure Improvements *Streets and sidewalk restoration in eligible census tracts*
- ✓ Public Facilities *Rehab of buildings, handicapped accessibility*
- ✓ Public Services *Recreation, health, counseling, case management, youth, etc. for LMI*
- ✓ Park Improvements *Playground equipment , landscaping, lighting, etc. in eligible census tracts*
- ✓ Housing & Rehab *Assistance to senior citizens, housing accessibility improvements, etc.*
- ✓ Economic Development *Job creation activities, storefront façade improvements, micro enterprise development, etc.*



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THE SUBRECIPIENT AGREEMENT



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- New for FY23 funding cycle

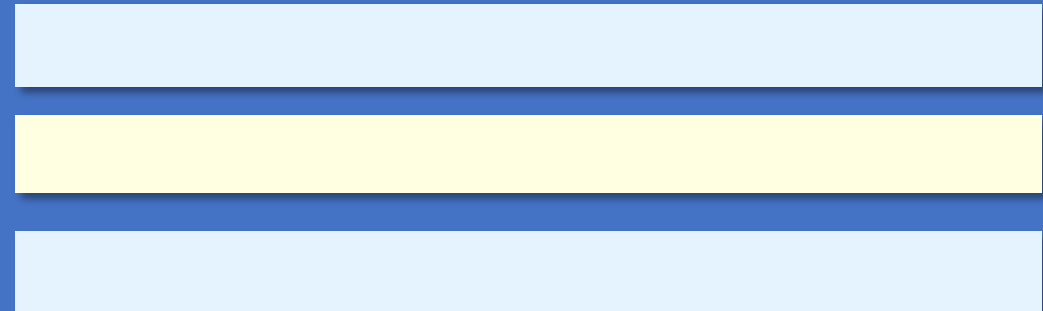
- ✓ Subrecipient Agreement Format

- Existing Subrecipient Agreement template has been updated to comply with HUD standards and requirements.
 - Overall, the new Subrecipient Agreement is very similar to the previous version but many of the sections have been re-organized and standardized.
 - Appendix A (Scope, Performance Measures and Budget) has also been updated to include additional language regarding client eligibility and performance requirements / standards and monitoring.



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Subrecipient Agreement

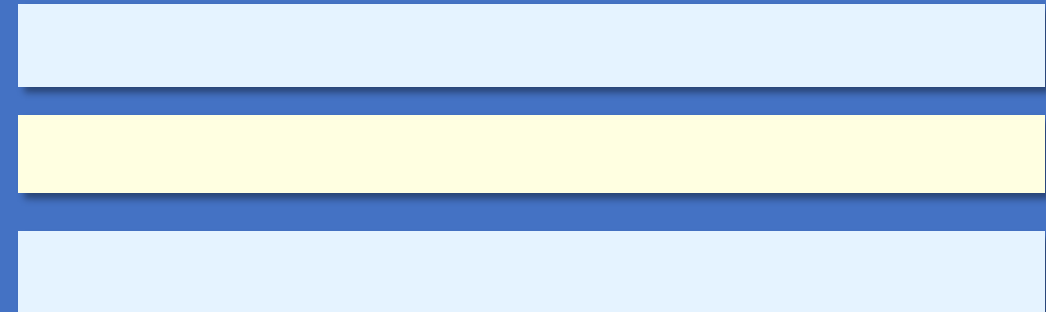
- ✓ The city is the recipient of federal CDBG funding.
- ✓ As an agency awarded funding under this program, your agency must enter a contractual relationship with the city.
- ✓ The Subrecipient Agreement follows the fiscal year.
- ✓ The FY2023 agreement covers July 1, 2023 – June 30, 2024.
- ✓ Subrecipient Agreements are detailed documents that serve as the basis for understanding the operation of the funded program and grant management.

○ Key Sections of the Agreement

- Signature Page
- Scope of Services
- Performance & Outcome Measurements
- Reimbursement Process / Form
- Budget Summary
- Reimbursement Basics
- Budget Amendment Process/Form
- Procurement Policy

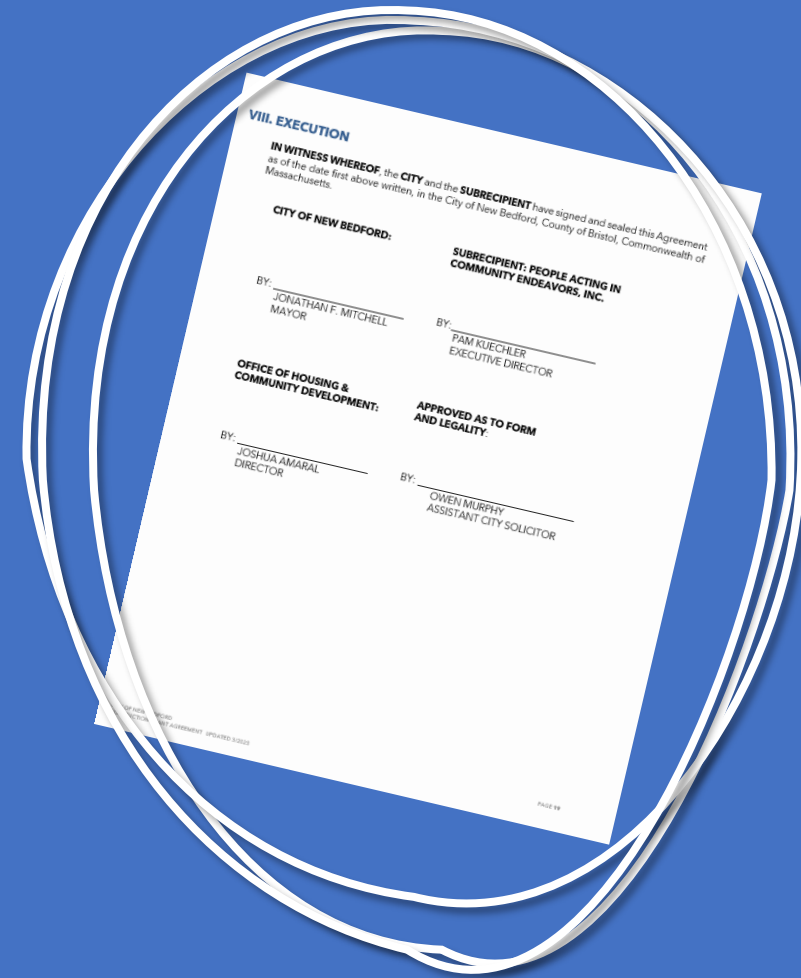


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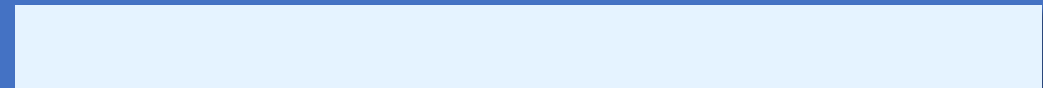
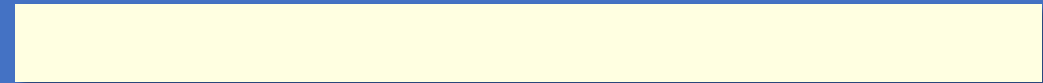
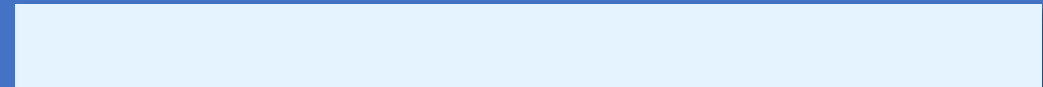
○ Executing the Agreement

- ✓ Not a legally executed contract until it is properly signed by each of the signatories for both the city and your agency.
- ✓ Agencies are required to sign the document first. Only an authorized signatory for your agency can sign the agreement.
- ✓ Once that's done, the city will then sign it.
- ✓ Agencies will receive a copy of the fully executed agreement for agency files.
- ✓ The executed agreement is central to all that is done relative to your funded project, its administration, operation and its performance.



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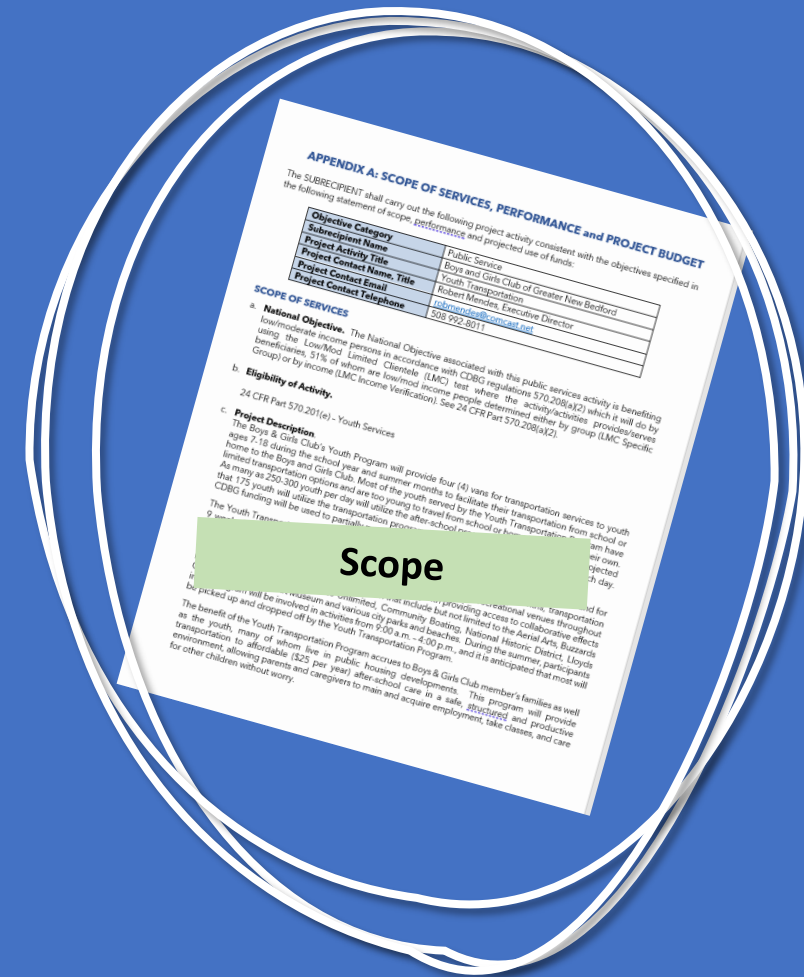


○ Appendix A: Scope of Services

- ✓ Describes what it is that is being funded and what you are agreeing to do as a result of that funding.
- ✓ Refined based on the amount of funding awarded
- ✓ Becomes the final agreed-upon description of the awarded activity

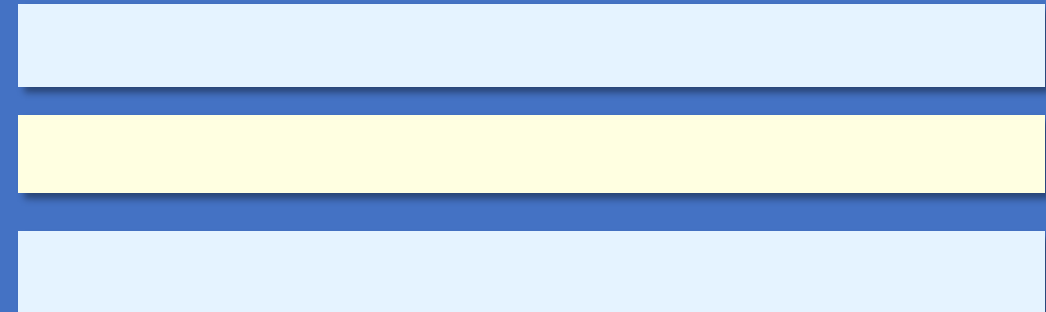
○ The Scope includes...

- ✓ National Objective
- ✓ Eligibility of Activity
- ✓ Project Description



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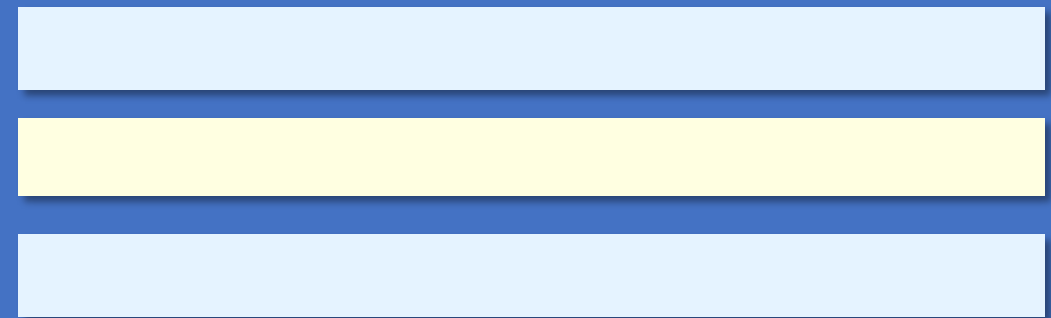
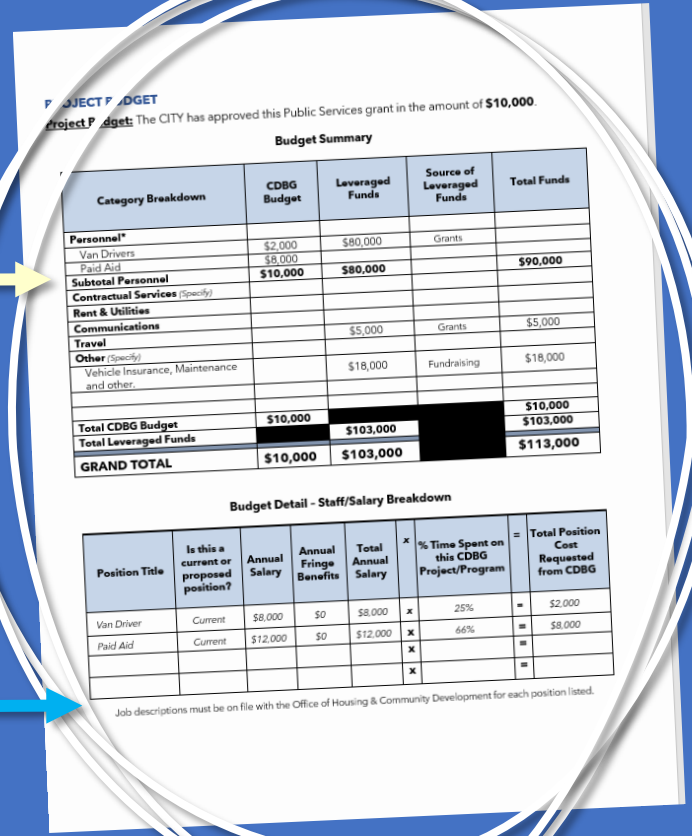


Activity Budget Summary

- ✓ The Activity Budget Summary outlines the overall project budget and provides a budget detail relative to project staffing.

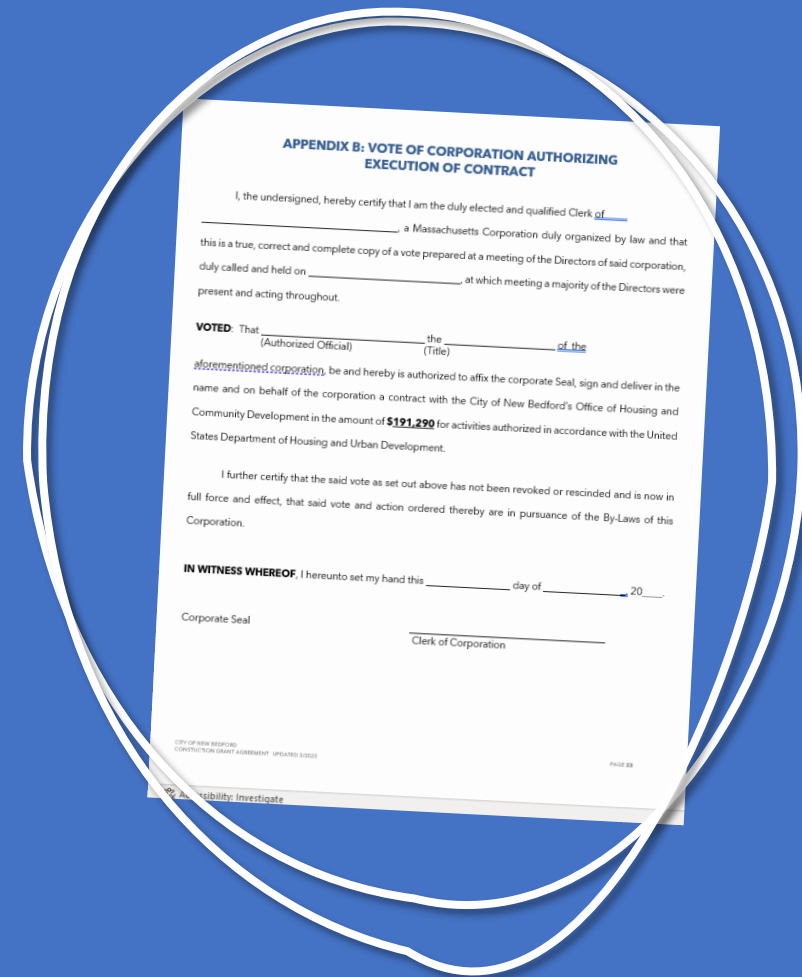
The budget summary is broken down by line items and is intended to reflect both CDBG funding and any additional project funding being leveraged from other sources, all of which is reviewed by both parties prior to executing the subrecipient agreement.

Where CDBG funding is used to fund a position/s in whole or in part, this is identified in the budget detail staff/salary breakdown.



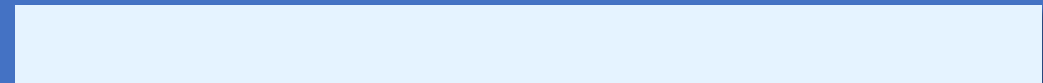
○ Appendix B: Vote of Corporation

- ✓ The Subrecipient Agreement also includes a blank copy of the Vote of Corporation Authorizing Execution of Contract
- ✓ As part of the RFP Application process, all subrecipient submitted a completed Vote of Corporation document.
- ✓ This document is only needed if the subrecipient changed its Authorized Official or individual authorized to sign and execute the Subrecipient Agreement.



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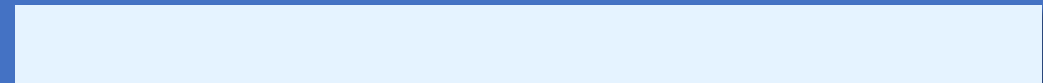
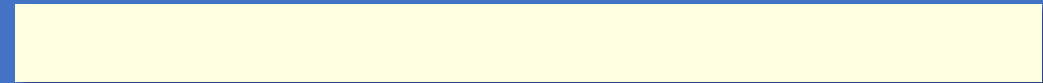
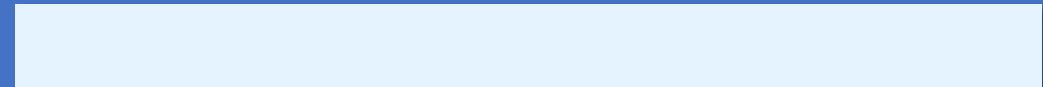
○ Appendix C: Procurement Guidelines

- ✓ Contact the OHCD first—before procuring goods, services, supplies or equipment.
- ✓ Goods and services must be procured according to MA General Law 30B and the subrecipient agreement.
- ✓ Procurement regulations were updated in July 2020 and are a part of the subrecipient agreement.
- ✓ Be sure to read the subrecipient agreement for procurement information.



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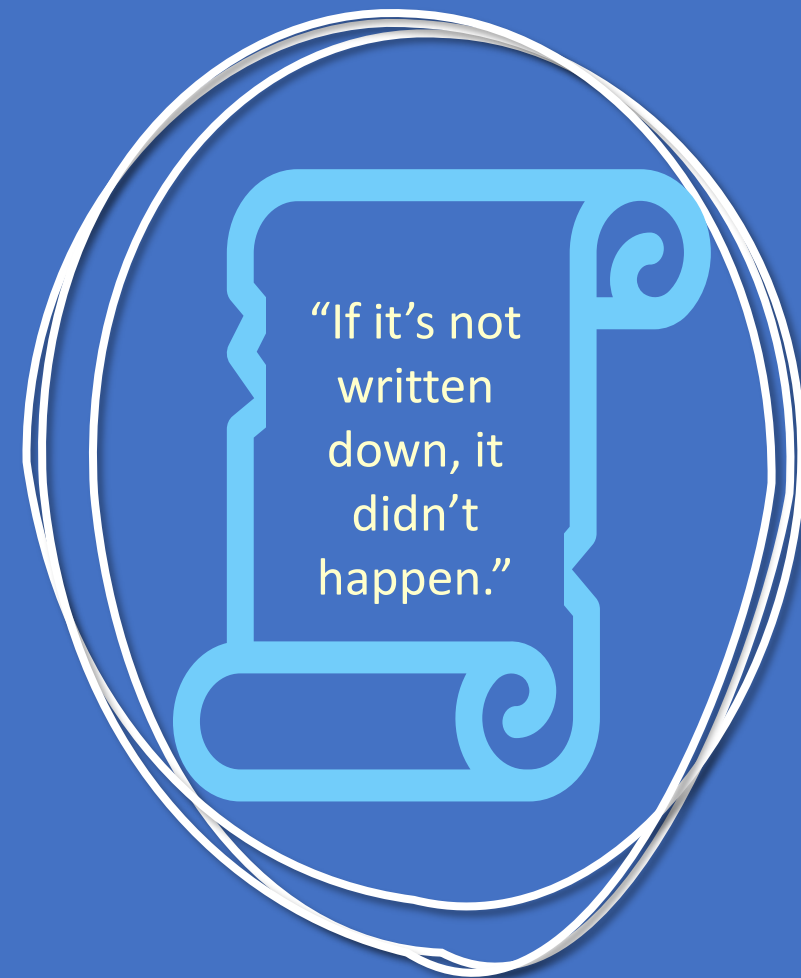
OFFICE OF HOUSING & COMMUNITY DEVELOPMENT

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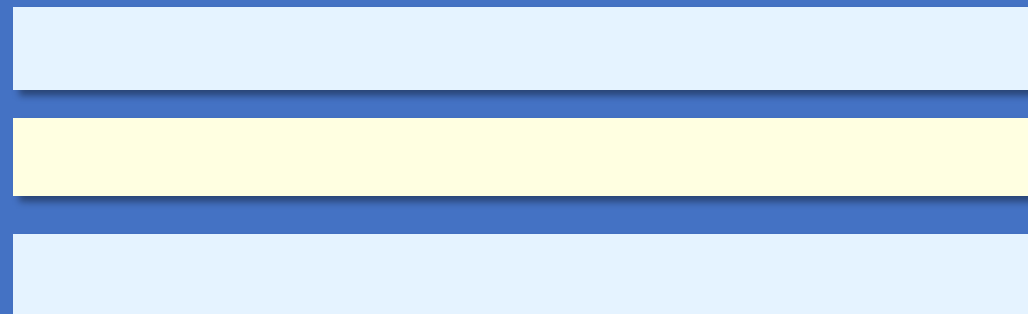
○ Appendix D Compliance Reporting and Monitoring

- ✓ HUD requires reporting
- ✓ It's the means by which the productivity and impact of a program is assessed
- ✓ Quarterly reports are the performance outcome vehicle by which such productivity and impact is reviewed and measured
- ✓ Quarterly monitoring reports should highlight the number of clients served in relation to the goals, outcomes and outputs agreed upon in the subrecipient agreement
- ✓ Quarterly monitoring reports serve as a tool to identify any issues with program compliance



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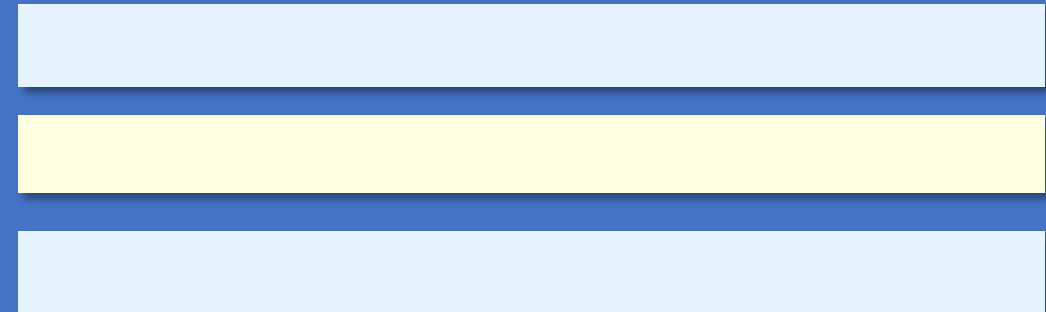
○ Compliance Reporting

- ✓ Reports are due on the 10th of the month following the service period being reported (e.g. the first quarterly report for July 1, 2023 – September 30, 2023 is due no later than October 10th).
- ✓ Payment of invoices can be delayed if reports are late, incomplete or inaccurate.
- ✓ Quarterly reporting includes statistical, narrative and budgetary components.
- ✓ A Training Session or individual TA will be made available to ensure correctness in completing Quarterly Reports.
- ✓ Report forms will be provided to all subrecipients.



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○ Monitoring

- ✓ Programs are formerly monitored for compliance on an annual basis and on an ongoing basis to ensure performance objectives are on schedule and within budget.
- ✓ Monitoring is an effective management tool to ensure satisfactory operation

CITY OF NEW BEDFORD
OFFICE OF HOUSING & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
1st QUARTER - MONITORING REPORT: FY2023

Contracting Agency: _____
Agency Address: _____
CDBG Project Name: _____
CDBG Grant Amount: _____
Activity Location: _____
Email Address: _____
Report Completed By: _____
Service Period: 07/1/23 thru 09/30/23
Report Due Date: 10/10/23
Phone #: _____
Date Report Submitted: _____

This quarterly report summarizes the activities your program conducted during the reporting period. It is required by the Subrecipient Agreement with the City of New Bedford's Office of Housing & Community Development. Please highlight accomplishments, the extent to which goals were met, and any challenges encountered.

Formal Monitoring

- Annual risk assessment to determine onsite formal monitoring visits
- Enhanced focus on compliance with all regulations governing admin, financial and program operations
- New programs and those with previous year findings automatically monitored; otherwise, programs formally monitored every three years

Ongoing Monitoring

- Can be both desk audit or onsite monitoring
- Enhanced focus on meeting performance objectives, scheduling targets and budget issues
- Regular monitoring concurrent with invoicing and quarterly reporting



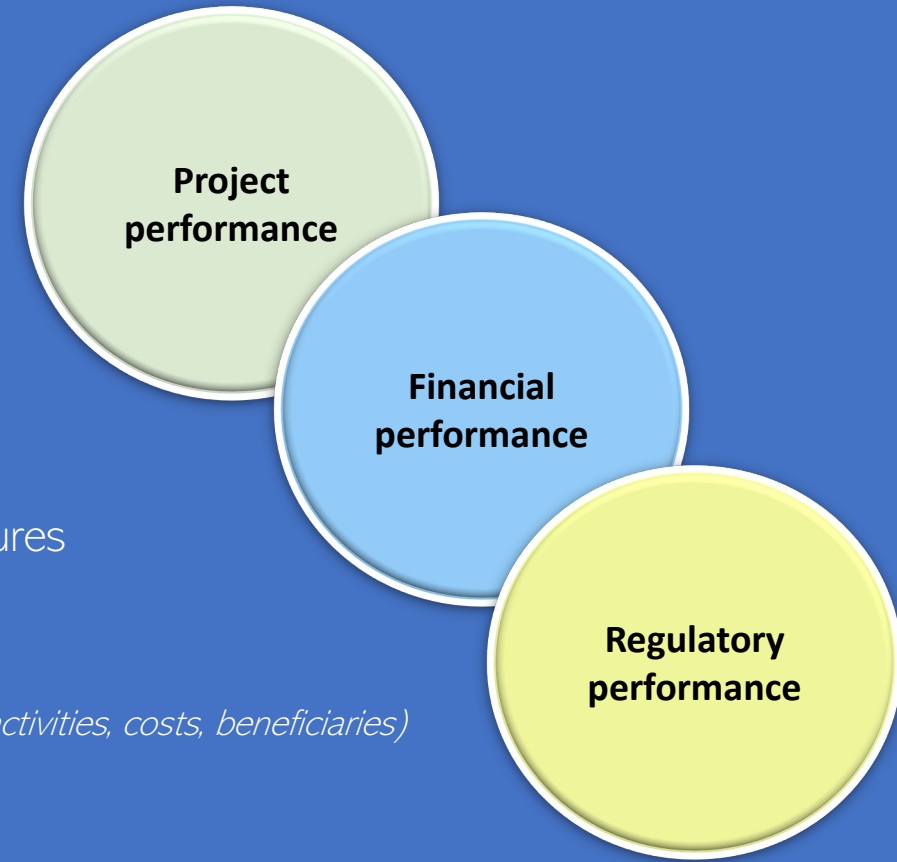
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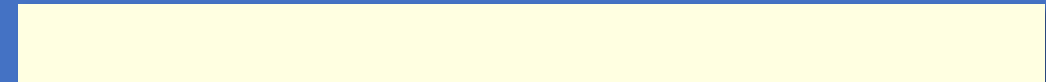
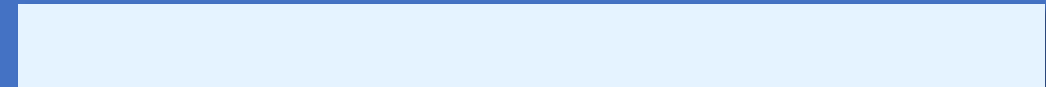
○ Monitoring

- ✓ Scope of Services Consistency with actual activities
- ✓ Accomplishments Planned vs. Actual
- ✓ Time of Performance Program start-up issues
- ✓ Budget Compare actual expenditures vs. planned expenditures
- ✓ Requests for Payment Timeliness
- ✓ Recordkeeping Comprehensiveness/accuracy of documentation (*activities, costs, beneficiaries*)
- ✓ Financial Management Systems in place (*accounting, expenses, income*)



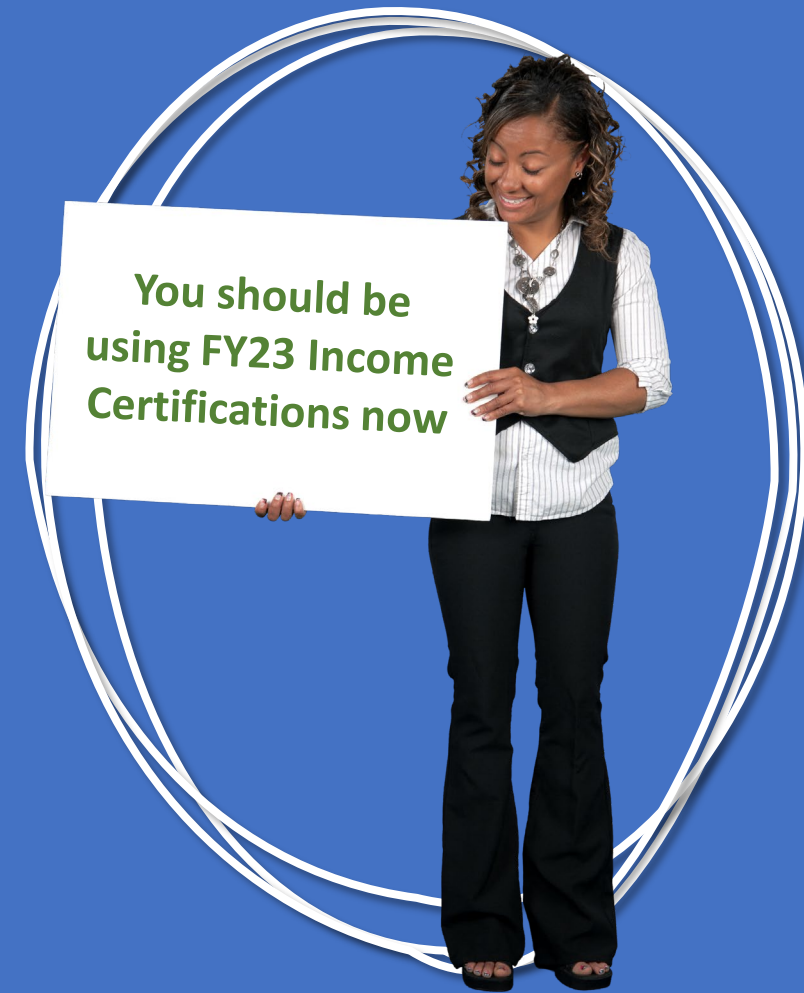
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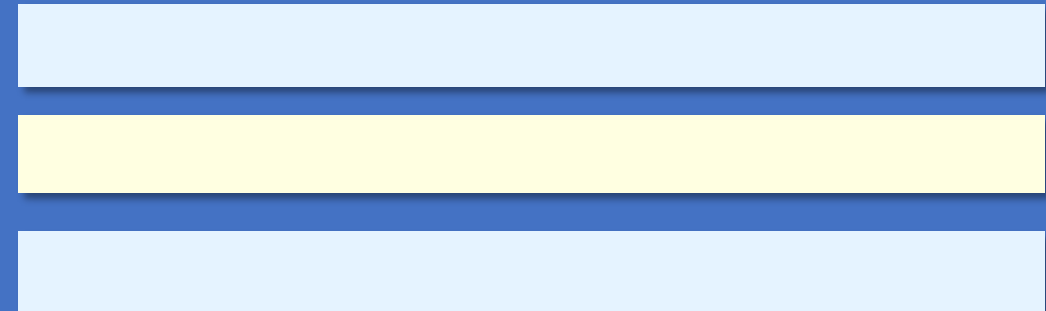
o Income Certifications

- ✓ Participants in CDBG-funded programs are required to complete and sign an income certification form.
- ✓ OHCD annually provides subrecipients with an Income Certification Form (in three languages) that lists specific income limits for the program year.
- ✓ All subrecipients should be using FY2023 Forms. Older forms will not be accepted.
- ✓ For an agency to be able to count a participant, the program participant must complete the required Income Certification form.



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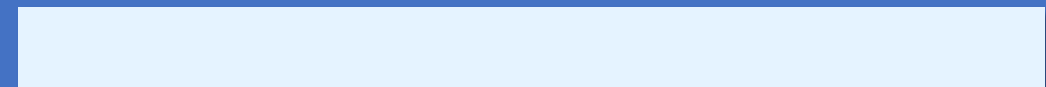
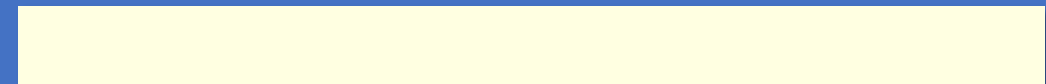
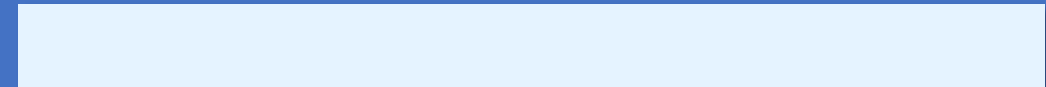
○ Appendix E: Reimbursements Process

- ✓ All grant awards are reimbursements
- ✓ Agencies invoice for payment of eligible reimbursables using a “Request for Reimbursement” form
- ✓ Reimbursement requests can be submitted monthly (preferred) or quarterly
 - Monthly requests reflect the previous month
Example: Reimbursement for eligible program activities in July must be submitted by August 10th.
 - Quarterly requests reflect quarter previous to submission
Example: A second quarter reimbursement request must be submitted by January 10th.
- ✓ All reimbursement requests must include invoices, receipts, cancelled checks and other documentation justifying the claimed reimbursement costs.



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- ✓ Expenses for FY23 must fall between July 1, 2023 through June 30, 2024 only.
- ✓ Costs incurred prior to July 1, 2023 are ineligible.
- ✓ Final invoices for Fiscal Year 2023 must be submitted no later than June 30, 2024.



Reimbursements must...

- Be accompanied by supporting documentation
- Show how reimbursable items conform to scope
- Include explanatory documentation notes as needed

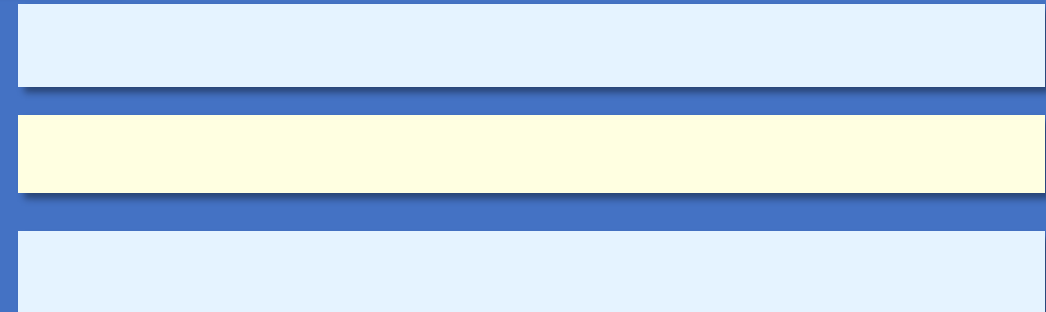
Reimbursements must NOT...

- Include state/ federal taxes or late fees or prohibited unallowed unallocable expenses
- Be submitted after the due dates



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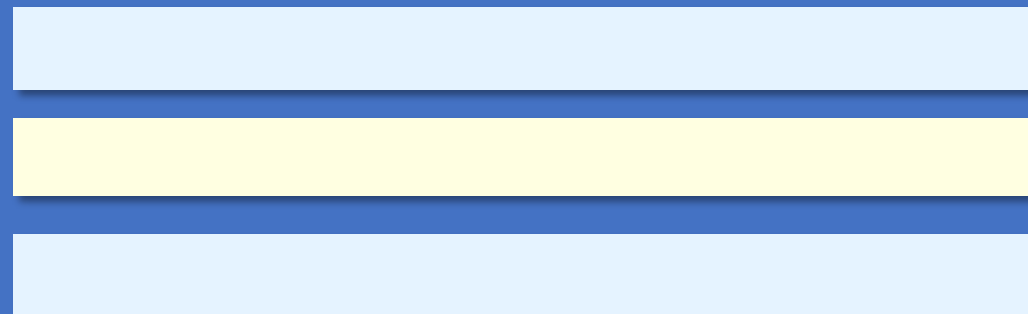
○ Subrecipient Request for Reimbursement Form

- ✓ The Subrecipient Request for Reimbursement Form provides an itemized breakdown of the approved CDBG budget.
- ✓ This is the coversheet to all invoicing to the city.
- ✓ Form tailored to your budget/project will be provided to you prior to program year.
- ✓ Form requires information on:
 - Category Breakdown (line items)
 - CDBG Budget—dollar amount allocated from CDBG grant award
 - Budget Adjustment—city-approved modification if applicable
 - Current Expenditures—dollar amount being billed to CDBG
 - Cumulative Expenditures—dollar amounts year to date
 - CDBG Balance after Reimbursement—dollar amount of CDBG award remaining to be spent

Category Breakdown	CDBG Budget	Budget Adjustment	Current Expenditures	Cumulative Expenditures	CDBG Balance after this Reimbursement
Personnel					\$0.00
SubTotal Personnel					\$0.00
Contractual Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rent & Utilities	\$0.00				\$0.00
Communications	\$0.00				\$0.00
Travel	\$0.00				\$0.00
Other (Specify)	\$0.00				\$0.00
TOTAL CDBG BUDGET	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRAND TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



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✓ All requests must include the completed form and supporting documentation

- Date of Request
- Authorized Signature
- Period Covered by request
- Amount of request
- Current expenditures
- Remaining balance

✓ Check will only be issued...

... when all documentation is acceptable.

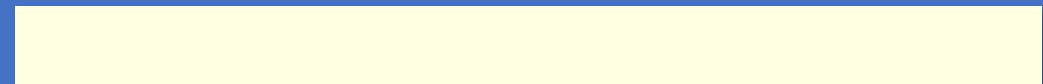
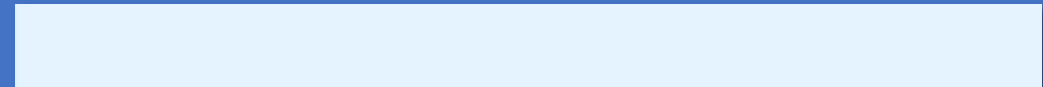
✓ Checks are generally available...

...about two weeks from the date the OHCD receives acceptable documentation.



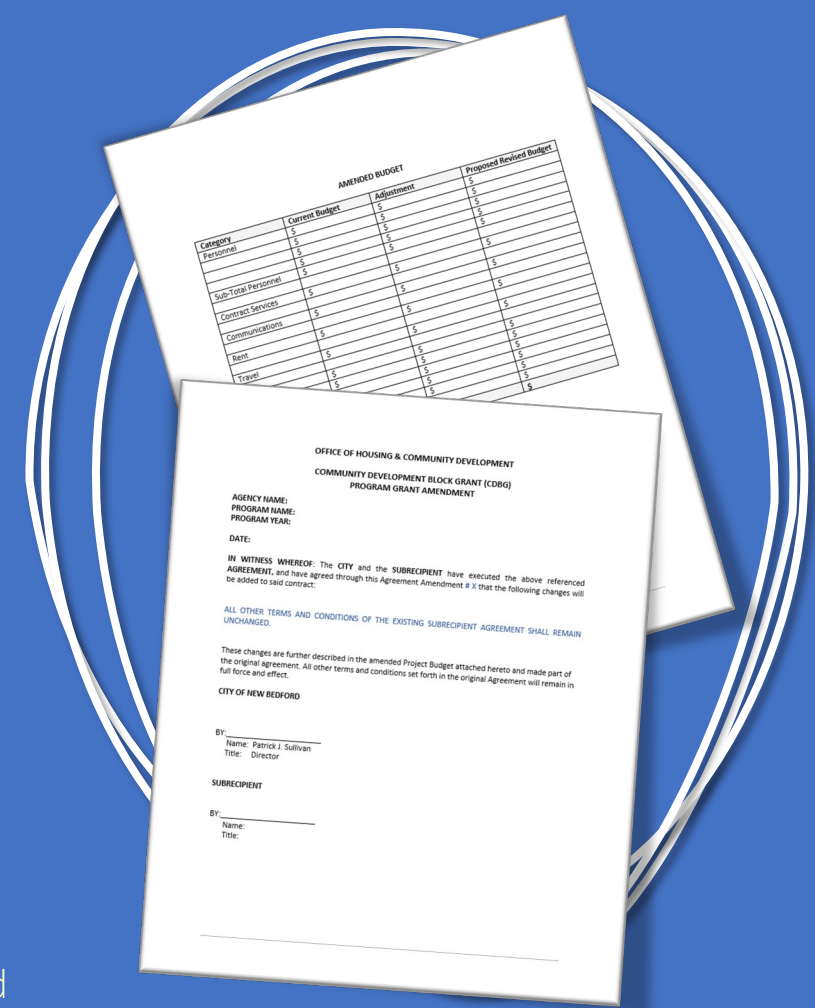
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○ Budget Amendment Process

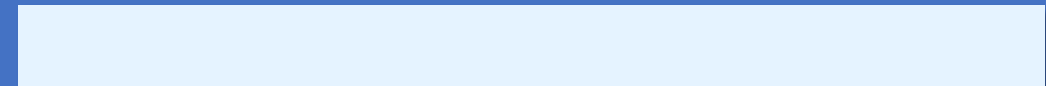
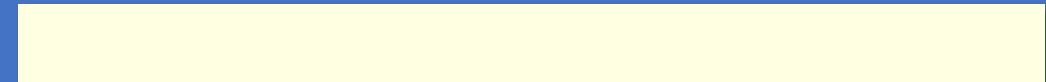
- ✓ Form used by subrecipients to request a budget amendment in order to modify that which was originally allocated.
- ✓ Modifications are considered amendments and must reflect a zero net change to the project budget.
- ✓ Process for making a budget amendment request:
 - Submit a cover letter to the OHCD from the agency, signed by the authorized signer, formally requesting the amendment with an explanation as to why this modification is needed.
 - Submit a completed OHCD budget amendment form with the signed cover letter to the OHCD.
 - A determination as to its eligibility and allowability is made by the OHCD and subrecipient is advised as to approval/rejection.
 - If approved, a subrecipient agreement amendment is executed that includes an updated scope and budget.



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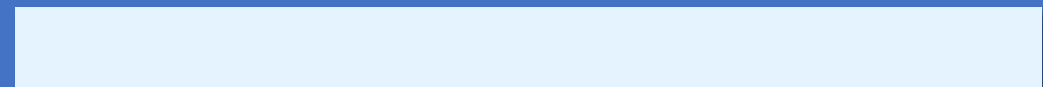
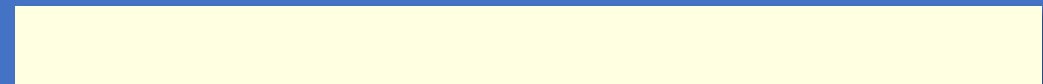
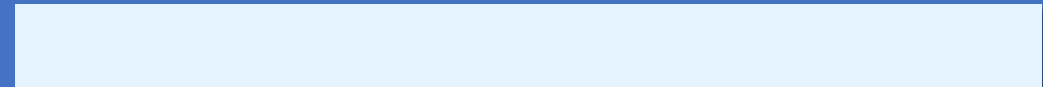
o Appendix F: 2 CFR Part 200, Appendix II

- ✓ Participants in CDBG-funded programs are also required to comply with federal contract provisions under 2 CFR Part 200..
- ✓ These provisions or requirements have been outlined in Appendix F and made part of your contractual obligations.
- ✓ Essentially, Part 200 combined eight OMB Circulars or regulations to create one resource or uniform guidance for federal awardees.
- ✓ Contract provisions include guidance on: Financial Management, Internal Controls, Property / Equipment Requirement, Procurement, Contracts, Subrecipient / Contractor Requirements etc..



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SUBRECIPIENT ORIENTATION





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PAST COMPLIANCE PROBLEMS

Past Compliance Problems

Subrecipients do not ensure that their entire staff is "on board" and clear as to the program operation and administration.

Not informing OHCD of a change in agency staffing

Incomplete Income Certifications.

Required forms are not used or are modified.

Hesitancy in asking for help.

Incomplete Reports.

Last minute budget amendment requests

Failure to empower agency staff

"Were we supposed to keep those income certifications?"

Late Submission of Quarterly Reporting.



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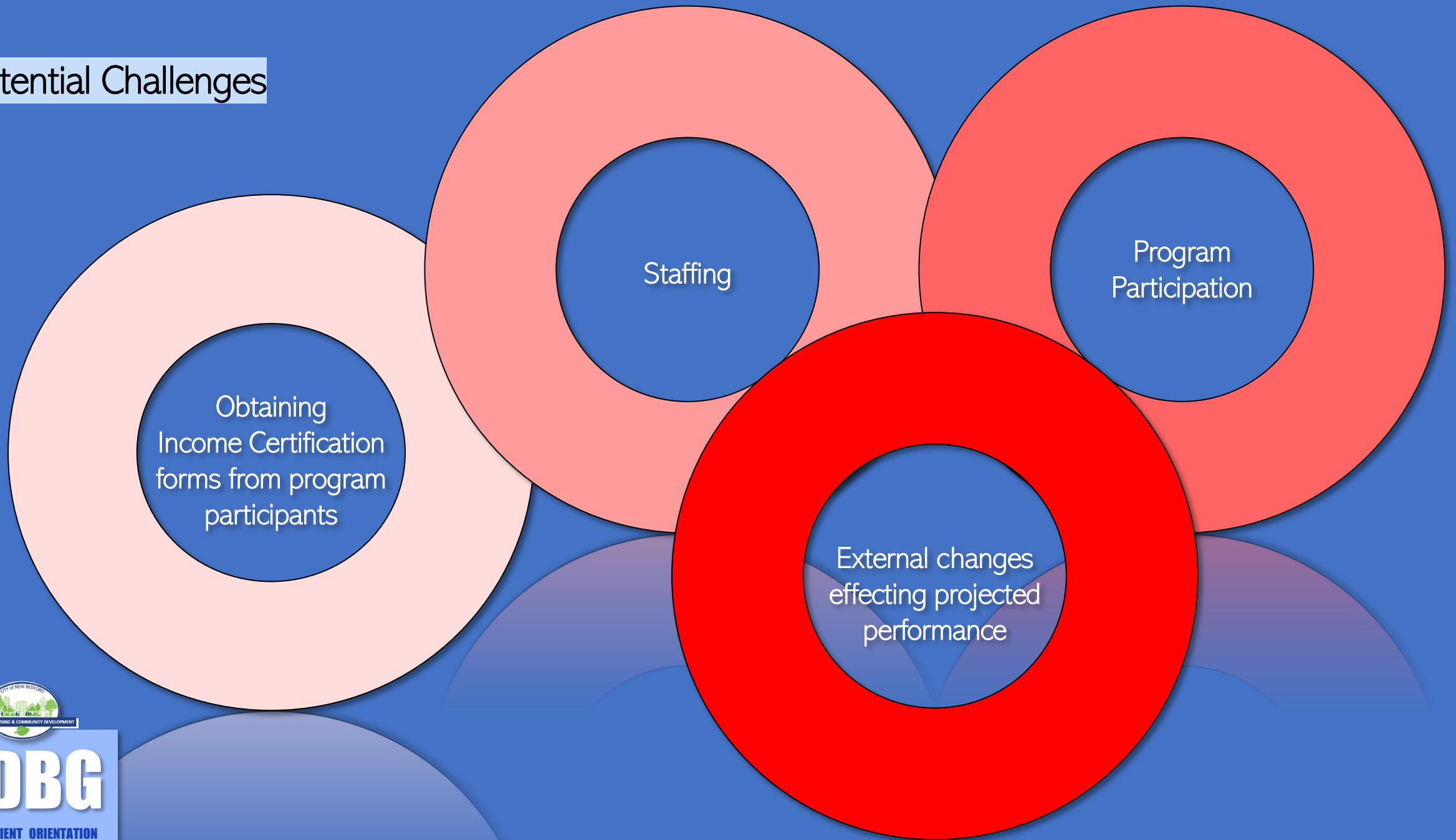
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POTENTIAL CHALLENGES

Potential Challenges



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NEXT STEPS

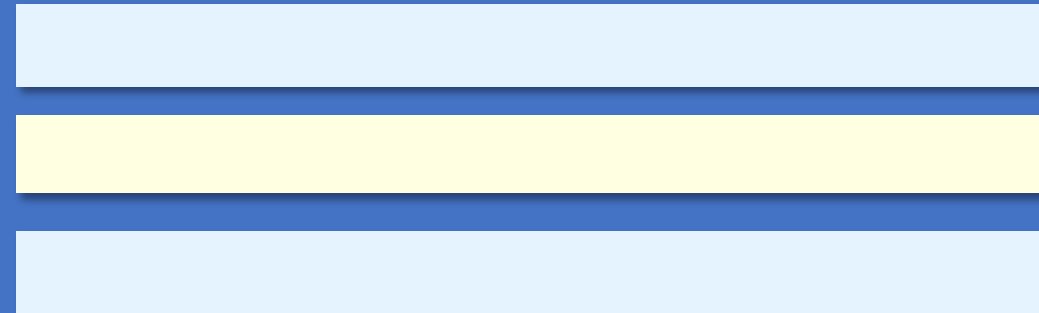
Next Steps

- ✓ Review your program.
- ✓ Review CDBG requirements.
- ✓ Review CDBG forms.
- ✓ Ensure all staff is acclimated to operation and expectations of program.
- ✓ Ask questions.
- ✓ Execute and return subrecipient agreement to the OHCD.



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RESOURCES



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Resources

- OHCD Staff

Jennifer Clarke	Deputy Director	Overall Program Issues/Questions Jennifer.Clarke@newbedford-ma.gov
Joe Maia	Grants Compliance Coord	Program Questions Jose.maia@newbedford-ma.gov
Rob Tetrault	Finance Manager	Finance Questions RTetrault@newbedford-ma.gov
Nicole Curral	Office Manager	General Questions Nicole.Curralt@newbedford-ma.gov

- CDBG Program

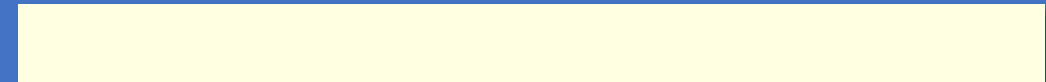
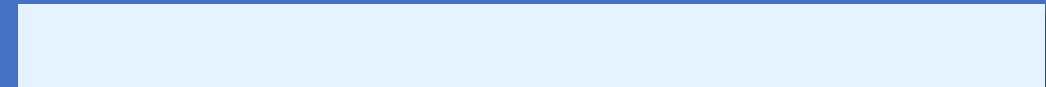
Overview and Directory

https://www.hud.gov/program_offices/comm_planning/cdbg



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City of New Bedford
Office of Housing & Community Development
Joshua Amaral, Director

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