

Urban County of Macomb Community Development Block Grant Policies and Procedures Manual

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Introduction

The Urban County of Macomb receives a yearly Community Development Block Grant (CDBG) entitlement grant from the United States Department of Housing and Urban Development (HUD). To continue participation in this program, the County contractually agrees with HUD to implement the Housing and Community Development Act of 1974 and related CDBG program regulations in 24 CFR 570. All CDBG awards are subject to the regulations detailed in 2 CFR Part 200.

This manual applies to all CDBG funds awarded by Macomb County. It is a supplement to applicable regulations, standards, and policies. The basic program regulations, government management, and financial systems for the CDBG Program are contained in the Code of Federal Regulations Title 24 and various Office of Management and Budget (OMB) Circulars referenced in this manual. The purpose of this manual is to provide County staff guidance on project eligibility and management support to CDBG- funded subrecipients. It is designed to help CDBG funded entities understand the requirements that apply to the use of federal funds for the delivery of the CDBG Program and its eligible activities.

This manual does not replace or amend any of the provisions included in the Agreement executed between the County and a subrecipient and should not be used in lieu of reading the articles of the Agreement. Should there be any disagreement between the executed Agreement and this manual, the provisions contained within the Agreement shall take precedence. The Agreement refers to the executed contract, service level agreement or memorandum of understanding with the Agency.

The procedures prescribed in this manual represent minimum requirements and controls that must be embodied within the subrecipient's accounting, internal controls, and financial reporting systems. They are not intended to replace existing procedures used by the subrecipient that achieve the same results.

The approval of the County's CDBG program staff must be obtained for any deviation from the minimum requirements contained in this manual that may be necessitated by the organizational structure, staffing level, or other limitations of a particular subrecipient.

This manual and any revisions that may be issued from time to time shall be effective until superseded or canceled by appropriate notice from the CDBG Program Office. Comments and suggestions for changes, modifications, or improvements are encouraged, and should be submitted in writing to: Macomb Community Action – Community Development, 21885 Dunham Road, Suite 10, Clinton Township, MI 48036.

Updates

This manual is subject to updates and the most recent version is available on Macomb Community Action's website mca.macombgov.org. Information may change for a variety of reasons, including changes in federal regulations and in the interpretation of a federal regulation or clarification of a requirement.

CDBG Program

The CDBG Program is authorized under Title I of the Housing and Community Development Act of 1974 (HCD Act), as amended, codified at 42 U.S.C. §5301 et seq. The primary objective of the CDBG Program is to develop viable communities by providing the following, principally to persons of low and moderate income:

- Decent housing;
- A suitable living environment; and
- Expanded economic opportunities.

All activities must meet one of the following national objectives for the program:

- Benefit low- and moderate-income persons,
- Prevent or eliminate slums or blight, and/or
- Fulfill community development needs that have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.

The United States Department of Housing and Urban Development (HUD) administers the CDBG Program. The regulations created by the Office of the Assistant Secretary of Community Planning and Development that pertain to Community Development Block Grants are contained within 24 CFR Part 570.

Urban County Participating Communities

The Urban County of Macomb CDBG program is comprised of 21 local units of government including the Villages of Armada, New Haven, and Romeo; the Townships of Armada, Bruce, Chesterfield, Harrison, Lenox, Macomb, Ray, Richmond, Shelby and Washington; and the Cities of Center Line, Eastpointe, Fraser, Memphis, Mount Clemens, New Baltimore, Richmond and Utica. A map of the jurisdiction of the Macomb County CDBG program is found in Appendix A.

Citizen Participation

Macomb County's Citizen Participation Plan (CPP) was written and adopted in conformance with the U.S. Department of Housing and Urban Development (HUD) requirements of 24CFR Part 91, Subpart B, which govern the preparation of Consolidated Plans (Con Plan), Annual Action Plans (AAP), Assessment of Fair Housing (AFH) and the Consolidated Annual Performance Report (CAPER) for the Urban County of Macomb (County), and the Macomb HOME Consortium (MHC). The CPP informs citizens of the processes followed in developing and managing programs covered by the CPP. A copy of Macomb County's Citizen Participation Plan is provided as Appendix B.

Program Year

Macomb County's program year begins July 1st and ends June 30th.

Distribution of Annual Allocation

In compliance with the Cooperative Agreement for the “Urban County” Community Development Block Grant program (Appendix C), the County has the final responsibility for determining the method of allocating CDBG funds. The method for distribution will be determined on an annual basis. Participating units of local government will be notified of the allocation method determined by the County no later than annual “CDBG Community Workshop”.

Private non-profits may only apply for funding through a RFP issued by the County. The RFP will be published in a newspaper of general circulation by the October prior to the start of the next program year – July 1st.

Successful Implementation of a CDBG Grant

Subrecipients which receive CDBG grant funding, must be able to implement approved projects/activities soon after the award and complete performance within the specified time frame. All tasks undertaken with a CDBG grant funds must be in compliance with the CDBG subrecipient agreement, federal regulations, and all guidelines listed in this document. Lastly, all CDBG funded projects/activities must fulfill the national objective and performance objectives outlined in the subrecipient’s application and executed agreement. Failure to comply may result in forfeiture of the CDBG funding provided to subrecipient under the Agreement.

CDBG National Objectives

The primary emphasis of the CDBG grant program is to ensure that each activity meets and complies with one of HUD's three broad objectives, which are:

1. Benefit to low-and moderate-income households and/or persons*
2. Prevention and/or elimination of slum and blight
3. Addressing other community development needs having a particular urgency

**Low Income Persons are defined as households under 80% of Area Median Income.*

Income Limits are updated annually by HUD and are subject to change. Subrecipients are responsible for ensuring they are using the most current income limit.

These objectives are broken down into smaller categories. Each activity funded under CDBG must meet one of the following categories for the CDBG National Objective. Funded activities must also address a priority need identified in the County’s current Consolidated Plan.

CDBG Eligible Activities

The following activities are eligible in CDBG under CFR 570.200-570.210

- Acquisition of Real Property
- Disposition
- Public Facilities and Improvements
- Clearance
- Public Services
- Interim Assistance

- Relocation
- Loss of Rental Income
- Privately-Owned Utilities
- Rehabilitation
- Construction of Housing
- Code Enforcement
- Special Economic Development Activities
- Microenterprise Assistance
- Special Activities by CBDO
- Homeownership Assistance
- Planning and Capacity Building
- Program Administration Costs
- Miscellaneous Other Activities
- Technical Assistance
- Assistance to Institutions of Higher Education
- Housing Services

A complete list of eligible activities, including the applicable HUD Matrix Code Key and corresponding National Objective is provided as Appendix C.

CDBG Ineligible Uses

Macomb County will not consider requests to fund activities that are categorically ineligible as defined by federal regulation 24 CFR 570.207 including but not limited to:

- Assistance for projects involving buildings or portions thereof used for the general conduct of government. This does not include projects to remove architectural barriers to such buildings nor does it include the land purchased as part of a real property acquisition involving such buildings.
- Assistance for general government expenses required to carry out the regular responsibilities of the unit of local government.
- Assistance for political activities including financing use of facilities or equipment for political purposes or for engaging in other partisan political activities such as candidate forums, voter transportation, or voter registration

Federally Mandated Spending Limits

Macomb County adheres to the spending limits set forth in the CDBG regulations:

- At least 70 percent of CDBG funds utilized during a single program year must be expended for LMI benefit; this excludes planning/administration activities.
- The amount of CDBG funds obligated for public service activities in each program year may not exceed 15 percent of the current grant.
- The amount of CDBG funds obligated for planning/administration activities in each program year may not exceed 20 percent of the entitlement grant for that year.

Eligible Beneficiaries

The CDBG Program is designed to provide affordable housing and supportive services to low and moderate income households and individuals.

Eligible beneficiaries must meet the following requirements:

- Household must be at or below 80 percent of area median income, as determined by the US Department of Housing and Urban Development.
- Household must reside in or be relocating to the jurisdiction of Urban County of Macomb CDBG program (Appendix D).
- Household must comply w.
- Household must meet all other requirements where applicable.

Income Eligibility

The CDBG Program allows the use of two definitions of annual income: Section 8 (Part 5) annual income or adjusted gross income as defined for reporting on IRS form 1040. Macomb County uses adjusted gross income as defined for reporting on IRS form 1040 annual income definition.

Documenting Compliance: Income eligibility must be determined prior to receipt of CDBG assistance. Participant income eligibility documentation is maintained in project files by Macomb County and/or its subrecipients.

Project Eligibility Determination Process

Eligibility review is conducted at the time of project application and voucher requests.

- Determine if the activity is a CDBG eligible activity.
- Meets a need identified in the County's current Consolidated Plan.
- Determine if the activity falls within a category of explicitly ineligible activities, despite its apparent inclusion within the listing of eligible activities.
- Determine if the proposed activity meets one of the CDBG National Objectives:
 - Low/moderate Income Persons (LMI)
 - Prevention/Elimination of Slums or Blight
 - Urgent Needs
- Review proposed costs of the activity to determine if they are necessary and reasonable and will otherwise conform to the requirements of the CDBG program.
- Determine that the activity will serve purposes for at least 70 percent of expenditures are for activities for low-to-moderate income persons.
- Complete the environmental review process for the activity.

Funding requests from faith-based organizations

In 2004, HUD issued guidelines for ensuring equal treatment of faith-based organizations.

Faith-based organizations are encouraged to apply for CDBG funds provided that the activities funds with CDBG comply with the guidance outline in HUD CPD Notice 04-10 of September 29, 2004. Broadly, the notice provides the following rules:

1. Organizations may not use direct HUD funds to support inherently religious activities such as worship, religious instruction, or proselytization. Faith-based organizations may use HUD funds to support non-religious social services that are separate in time or location from their inherently religious activities.
2. Faith-based organizations, like all organizations implementing HUD-funded programs, must serve all eligible beneficiaries without regard to religion. Faith-based organizations may not require participants to attend or take part in any religious activities. Faith-based organizations may invite participants to religious activities that take place at a different time or location, but these participants must be reassured that their decision to participate will not affect their ability to receive the service you are providing with HUD funds.
3. Faith-based materials, supplies, literature may not be acquired with HUD funds.
4. Faith-based organization may use HUD funds to pay the salary to staff or members of a faith-based organization provided that the staff or members do not engage in religious activities while being paid with public dollars.

The complete guidelines can be found at Notice CPD 04-10

Written Agreement with County

A written agreement must be entered into between the County and all subrecipients receiving CDBG funds. The written agreement forms the basis for the contractual obligation between the parties to fund and implement the projects/activities. The agreement will denote responsibilities attributable to each party, and shall outline in exact measure the scope of services to be provided, methods of accountability, and a schedule for payment. Execution of the agreement binds the subrecipients for a specified period of time, and may be revised only upon written authorization from the County.

Limitation of Expenditures

- The subrecipients shall not expend funds provided under the contract prior to the commencement of the contract or subsequent to the suspension or termination of the contract.
- Expenditures shall be made in conformance with the approved budget and shall meet the criteria established for allowable costs.
- Expenditures shall be in direct support of the program that is the subject of the contract.
- Pre-award costs must be approved by the County and must comply with 2 CFR 200.458.

Fiscal Policies & Procedures

Federal Requirements:

- Projects and programs receiving HUD funds must abide by the financial management requirements of the Federal Office of Management and Budgets which pertain to their particular type of organization, i.e., local government, contractor and subrecipient.
- Recipients of CDBG funds provided through Macomb County must follow the requirements of 2 CFR 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- All costs must be in direct relation to Macomb County's CDBG programs and supporting documentation of all expenditures is required for all costs being paid for with CDBG funding.
- CDBG funds are available as reimbursement for eligible expenses.
- Funding will be limited to the amount necessary to facilitate completion of the activity.
- Before monies are committed, an agreement will be signed between Macomb County and the contractor or subrecipient. The agreement will satisfy Federal requirements and establishes the terms under which the funding is being provided. Funds will not be released until all applicable regulations have been met.
- Documenting Compliance: Requests for reimbursement will be reviewed to ensure that documentation has been submitted to verify compliance with this section prior to disbursement of funds.

County Practices:

Macomb County processes all invoices and subrecipient requests for reimbursement related to CDBG expenditures, then requests reimbursement from HUD through the IDIS system. Subrecipient requests for reimbursement are reviewed first by an Associate Planner and approved by the Program Manager. The Administrative Coordinator prepares the voucher (draw) request in IDIS. The Program Manager approves the voucher (draw) request. All reimbursements are audited annually, as required by 2 CFR 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Recordkeeping

To ensure eligibility of costs, subrecipients files shall include copies of:

- CDBG application,
- Agreement with the County,
- Procurement and bid information (for all purchases),
- Contracts with vendors,
- Up to date budget (including copies of budget change requests),
- Expenditure and payment information including supporting documentation,
- Characteristics and location of clients served,
- Program status and progress reports,

- Audits,
- Monitoring reports, and
- Other relevant correspondence.

Record Retention Policy

All CDBG files must be maintained for the period designated in the applicable subrecipient agreement.

Access to Records

HUD and the Comptroller General of the United States, or their authorized representatives, have the right to access subrecipients agency program records. All CDBG grantees are required to provide citizens with reasonable access to records regarding the current funded programs and past, consistent with applicable State and local laws regarding privacy and confidentiality.

Information may be provided utilizing aggregate statistics. All clients may be lumped into categories, but no personal information may be released.

Program Income

Macomb County may reuse any revenue generated from projects undertaken with CDBG funds for other eligible activities in compliance with 24 CFR 570.426. Subrecipients' use of program income will be dictated by the applicable subrecipient agreement. All program income will be used for CDBG eligible activities, subject to all applicable federal and local requirements.

Backup Documentation Required for Reimbursement Requests

CDBG funds are paid to agencies on a reimbursement basis. Therefore, it is extremely important to verify the eligibility of an expense prior to expending your funds. Accuracy of submittals is important as errors slow down the process. When at all possible, do not use cash, as this does not provide a proper audit trail. When submitting a large payment request, please highlight the portions requested to be paid by the County in addition to utilizing either an excel spreadsheet or adding machine tape.

In order for the County to reimburse the agency, documentation must be submitted to show who, what, when, and how the invoice was paid. Only copies of paid invoices which must be marked paid will be accepted. A quote or order form will not be accepted. In addition to the paid invoice, proof of payment must be kept onsite with the Subrecipients. For invoices paid by credit card, submit a copy of the statement showing the invoice was paid.

Copies must be legible, please do not send the originals, as they are needed for your files. Receipts cannot be dated prior to the date of the Agreement or after the end of the program year (September 30th).

If requesting payroll reimbursement, copies of certified payrolls must be submitted. Timesheets must be kept onsite as backup.

Reporting

Subrecipients are required to submit quarterly reports as described in each contract. Subrecipients must report quarterly the number of clients served, including their incomes, race/ethnicity, and status of head of household.

Data must be unduplicated; i.e., a client receiving service three times should only appear once on the quarterly report, and that client also should not appear again on any following quarterly report during the program year.

Quarterly reports are due no later than the 15th of the month even if a request for payment has not been submitted.

Monitoring

Macomb County is responsible for monitoring its subrecipients (participating communities and non-profits) to ensure compliance with the requirements found at 2 CFR 200 and 24 CFR 570.

To ensure compliance, program staff conducts an annual program orientation and program requirements are included in all contractual agreements (including women and minority owned businesses). Technical assistance is provided as needed.

Other specific monitoring steps include:

Internal Monitoring

- Timeliness of expenditures is monitored regularly through IDIS and the County's financial system to ensure compliance with HUD requirements; and
- The County will also use draw-down and supporting documentation for internal monitoring purposes to track project implementation, quality, and accomplishments.

Subrecipient Monitoring

Macomb County developed a Subrecipient Monitoring and Management Policy (Appendix E – Policy #FIN.2019.001 – Subrecipient Contract & Monitoring Policy) in compliance with the Uniform Grant Guidance found at 2 CFR 200. The purpose of this policy is to provide a consistent methodology for conducting risk analyses and monitoring evaluations for all applicable subrecipients.

Major steps include:

- Subrecipient Determination
- Federal Award Identification Requirements
- Subrecipient Risk Assessment; and
- Subrecipient Monitoring

In addition to the steps outlined in this policy, staff will continue to conduct ongoing desk reviews of all subrecipient contract files. The reviews include but are not limited to:

- Closely monitoring procurement and labor compliance for all subrecipients during the time of procurement, contract award, and during project implementation.
- Review of all expenditures to determine if the expenditures are within the approved budget, if they support approved activities, and if costs are eligible.
- Contractual compliance, including compliance with applicable Federal rules and regulations, and with state and local standards.

Conflict of Interest 24 CFR 570.611

(a) Applicability. (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 2 CFR 200.317 and 200.318 shall apply.

(2) In all cases not governed by 2 CFR 200.317 and 200.318, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to §570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §570.203, 570.204, 570.455, or 570.703(i)).

(b) Conflicts prohibited. The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

Political Activities

Subrecipients shall not use CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as sponsoring candidate forums, distributing brochures, voter transportation, or voter registration.

However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold meetings, candidate forums, or voter registration, provided that all parties and organizations have access to the facility on an equal basis and are assessed equal rent or use charges, if any.

Anti-Lobbying

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits subrecipients from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan. Further, the law requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of subrecipients to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Anti-Discrimination Policies

CDBG Subrecipients are prohibited from discriminating on the basis of:

- Race
- Color
- Religion
- National origin
- Disability Status (Including prior Alcohol & Illegal Substance Addictions)
- Familial status
- Ethnicity
- Gender
- Gender Identity
- Language(s) Spoken
- Literacy
- Sexual Orientation
- Veteran Status

Discrimination is prohibited in delivery of services, program administration, and any enforcement mechanisms.

No person in the United States shall on the ground of race, color, national origin (or any of the other items listed above) be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal funding and/or assistance. Assistance includes:

- Grants and loans of Federal funds,
- The grant or donation of Federal property and interests in property,
- The detail of Federal personnel,
- The sale and lease of, and the permission to use (on other than a casual or transient basis), Federal property or any interest in such property without consideration or at a nominal

consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale or lease to the recipient, and

- Any Federal agreement, arrangement, or other contract which has as one of its purposes the provision of assistance.

Furthermore, subrecipients must be in compliance with the following Federal laws and Executive Orders, and implementing regulations:

Section 109 of Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et. seq., particularly 42 U.S.C. 6101 et. seq., and 29 U.S.C. 794): This law mandates that no person on the grounds of race, color, national origin, sex, or religion shall be excluded from participation, denied the benefits of, or otherwise be subject to discrimination under any activity funded in whole or part with CDBG funds.

Title VI of the Civil Rights Act of 1964 (Public Law 88-352 implemented in 24 CFR Part 1): This law states that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (Public Law 90-234): The Fair Housing Act prohibits discrimination in housing practices on the basis of race, color, religion, sex, and national origin. The Fair Housing Act was amended in 1988 to provide protections from discrimination in any aspect of the sale or rental of housing for families with children and persons with disabilities. The Fair Housing Act also establishes requirements for the design and construction of new rental or for-sale multi-family housing to ensure a minimum level of accessibility for persons with disabilities.

Executive Order 11063, as amended by Executive Order 12259 (implemented in 24 CFR Part 107): This order and its implementing regulations require HUD to take all actions necessary to prevent discrimination because of race, color, religion, sex, or national origin in the use, occupancy, sale, leasing, rental, or other disposition of residential property assisted with Federal loans, advances, grants, or contributions.

The Age Discrimination Act of 1975, as amended: This law provides that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age under any program or activity receiving Federal assistance.

Section 504 of the Rehabilitation Act of 1973, as amended (implemented at 24 CFR Part 135): Specifies that no otherwise qualified individual shall solely by reason of his or her handicap be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal assistance. Part 8 requires that recipients ensure that their programs are accessible to and usable by persons with disabilities. Part 8 also prohibits recipients from employment discrimination based upon disability.

Access for Persons with Disabilities

Subrecipients shall comply fully with any and all provisions of the Americans with Disabilities Act (ADA) of 1990. This law prohibits discrimination on the basis of disability in employment by state and local governments and in places of public accommodation and commercial facilities.

The ADA also requires that facilities that are newly constructed or altered, by, on behalf of, or for use of a public entity, be designed and constructed in a manner that makes the facility readily accessible to and usable by persons with disabilities.

The Act defines the range of conditions that qualify as disabilities and the reasonable accommodations that must be made to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for persons with disabilities. Section 504 Non-Discrimination based on Handicap in Programs Funded by HUD Subrecipient shall comply with Section 504 of the Rehabilitation Act of 1974, which prohibits discrimination based on handicap in:

- Information,
- Participation,
- Services,
- Housing,
- Employment,
- Building accessibility or
- Any other aspects of a program funded by HUD.

Individuals with Disabilities include persons that are:

- Mobility impaired;
- Hearing impaired;
- Visually impaired;
- Developmentally disabled; and,
- Persons who remain in-home or institutionalized care settings.

No qualified individual with disabilities shall, solely on the basis of disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program funded by HUD, including CDBG.

Subrecipients may not deny the opportunity, provide less of an opportunity or otherwise limit qualified individuals with disabilities from participating in or receiving services and benefits. This includes participating as a member of the planning or advisory boards or occupying a housing unit provided by the agency¹.

Appropriate auxiliary aids shall be provided where necessary or reasonably requested (e.g. telecommunication devices for deaf persons) for applicants, clients, and employees of the agency. This does not include wheelchairs, hearing aids, or other devices of a personal nature.

Procedures shall be in place to ensure that individuals with disabilities can obtain information on services and their location. This may include the provision of printed materials in Braille, large type, cassette, or disk.

Subrecipients shall provide proper notification (e.g. in brochures and general printed information) to applicants, clients, and employees of the agency, including those with impaired vision or hearing, that the agency does not discriminate based on disability. The above notifications should include a telecommunications device number for deaf persons (TDD).

Employment

Subrecipients shall not discriminate in its hiring practices against qualified individuals with disabilities. Discrimination in employment also applies to promotions, tenure, transfers, terminations, rates of pay, job assignments, leave of absences, sick leave, fringe benefits, and any other terms of employment.

Subrecipients shall make reasonable accommodations to the known physical or mental limitations of an otherwise qualified applicant or employee with disabilities. This may include the provision of equipment or devices, job relocation, job restructuring, or facilities modifications.

Building and Program Accessibility

Subrecipients shall comply with the following requirements:

- **New Construction** – Non-housing facilities shall be designed and constructed to be readily accessible to individuals with disabilities in conformance with the Local Building Code.
- **Rehab or Alterations** - Rehabilitation of non-housing facilities shall be made to be readily accessible to individuals with disabilities in conformance with the Local Building Code. Rehab does not include re-roofing, interior decorations, or changes to mechanical systems. However, rehab shall not be performed in such a manner that it reduces accessibility.
- **Existing Non-Housing Facilities** - An agency shall locate and operate each program receiving HUD assistance so the program, when viewed in its entirety, is readily accessible to and usable by individuals with disabilities. An agency may achieve accessibility through methods such as the following:
 - Location of programs or services to accessible facilities or accessible portions of facilities
 - Assignment of aides to assist beneficiaries
 - Home visits
 - The addition or redesign of equipment or furnishings
 - Acquisition or construction of additional facilities
 - Rehab or alterations to facilities on a selective basis
- **Housing Accessibility:** Most housing properties fall under several different laws. Federal

programs and the age of the property determine which laws apply.

- Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) protects race, religion, sex and national origin
- The Fair Housing Amendments Act of 1998 (Amendments Act - FHAA) added disability and familial status
- The Americans with Disabilities act (ADA) of 1990 addresses public accommodations (rental offices and common areas are considered public accommodations)
- Section 504 of the Rehabilitation Act of 1973 (Section 504) applies to those receiving federal assistance

Environmental Standards

The environmental effects of each activity carried out with CDBG funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

Any funds committed to a CDBG activity or project will be conditional on the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58. No CDBG funds will be disbursed without the establishment of an Environmental Review Record and the appropriate level of review completed.

National Flood Insurance Program

Subrecipients must comply with the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79. The 1973 Act made the purchase of flood insurance mandatory for the protection of property located in Special Flood Hazard Areas.

If a community has had notice for more than a year that an area has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, CDBG funds cannot be spent for acquisition or construction purposes in the area unless the community is participating in the National Flood Insurance Program and such insurance has been purchased for the properties in question.

There is also a statutory prohibition against providing Federal assistance to a person who had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and the person failed to obtain and maintain such insurance. (24 CFR 58.6(b)).

Equal Employment Opportunity

Subrecipients shall comply with Executive Order 11246, which provides for Equal Employment Opportunity. The Executive Order prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin. It also requires Government contractors to take affirmative action to ensure

that equal opportunity is provided in all aspects of their employment.

Section 3 of the Housing and Urban Development Act of 1968 with implementing regulations at 24 CFR Part 135, also applies to employment and contracting opportunities. Section 3 requires that Subrecipients of CDBG funds, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

Use of Debarred, Suspended, or Ineligible Contractors/Vendors

No Contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs List, found online at: <https://www.sam.gov>

Subrecipients shall procure in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24.

Limited English Proficiency Access

Subrecipients must ensure meaningful access to their programs and activities by persons who do not speak English as their primary language and who have limited ability to speak, read, write, or understand English, pursuant to Executive Order 13166. This Executive Order mandates that the federal government reduce language barriers to Limited English Proficiency (LEP) persons with regard to accessing federal benefits.

In certain situations, failure to ensure persons who have Limited English Proficiency have access to CDBG programs or services may violate Title VI's prohibition against national origin discrimination.

If **25% or more** of a CDBG Activity's service clientele has limited English proficiency and speaks a non-English language, the CDBG Activity must provide key documents translated in that population's language.

If **50% or more** of a CDBG Activity's service clientele has limited English proficiency and speaks a non-English language, the CDBG Activity must make every attempt to provide assistance to a person in their designated language, either through translation services or by employing staff who speak the language.

Additional Federal Requirements

- The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the CDBG program. The requirements of this subpart include:
 - Nondiscrimination and equal opportunity;
 - Disclosure requirements;
 - Debarred, suspended or ineligible contractors; and
 - Drug-free workplace.
- The nondiscrimination requirements at section 282 of the Act are applicable. These requirements are waived in connection with the use of CDBG funds on lands set aside under the Hawaiian CDBGs Commission Act, 1920 (42Stat.108).

Labor Standards & Davis Bacon

- CDBG contractors and subrecipients must comply with certain regulations on wage and labor standards including:
- Davis-Bacon and Related Acts (40 USC 276(A)-7): Ensures that mechanics and laborers employed in construction work under Federally assisted contracts are paid wages and fringe benefits equal to those that prevail in the locality where the work is performed. This act also provides for the withholding of funds to ensure compliance, and excludes from the wage requirements apprentices enrolled in bona fide apprenticeship programs. Contracts in excess of \$2,000 (excluding residential of fewer than five units) requires compliance.
- Contract Work Hours and Safety Standards Act, as amended (40 USC 327-333): Provides that mechanics and laborers employed on federally assisted construction jobs are paid time and one-half for work in excess of 40 hours per week, and provides for the payment of liquidated damages where violations occur. This act also addresses safe and healthy working conditions.
- Copeland (Anti-Kickback) Act (40 USC 276c): Governs the deductions from paychecks that are allowable. Makes it a criminal offense to induce anyone employed on a federally assisted project to relinquish any compensation to which he/she is entitled, and requires all contractors to submit weekly payrolls and statements of compliance.
- Fair Labor Standards Act of 1938, as Amended (29 USC 201, et. seq.): Establishes the basic minimum wage for all work and requires the payment of overtime at the rate of at least time and one-half. It also requires the payment of wages for the entire time that an employee is required or permitted to work, and establishes child labor standards.
- Section 3 - The Section 3 program requires that recipients of HUD CDBG funds, to the greatest extent possible, provide job training, employment, and contract opportunities for low income residents in connection with projects and activities in their neighborhoods. Macomb County informs all subrecipients and contractors of this program requirement.

Relocation

Macomb County does not anticipate funding any CDBG activities that will displace any resident. If displacement does occur, the residents displaced would be entitled to compensation and/or assistance, in accordance with the Uniform Relocation Act, 49 CFR, Part 24. Should the need for displacement arise, Macomb County will notify the residents expected to be displaced as soon as practicable following approval of the activity. The notice will include a description of the proposed action, a discussion of how the resident might be affected, and information concerning their rights and benefits.

Lead Based Paint

The CDBG Program requires owners/developers to take actions to reduce lead-based paint hazards in CDBG-assisted units. Per 24 CFR 92.355, housing assisted with CDBG funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

For the Macomb County Housing Rehabilitation Program, any dwelling constructed prior to 1978 will undergo a lead based paint inspection/risk assessment to identify lead hazards. All lead hazards will be abated by certified lead based paint abatement contractors. In cases where estimated costs to abate all lead based paint hazards exceed program guidelines, the project may not proceed.

Minority and Women's Business Enterprises

The County will also continue to encourage the use of minority and women's business enterprises (MBE/WBE) by including a provision in all development agreements. To ensure that W/MBE firms are aware of how the County bids contracts, the County will publish a notice each year in a newspaper of general circulation, indicating that Urban County bid opportunities (over \$35,000) are posted on MITN and that, if interested, they should register on MITN. This notice will include instructions on how to register with MITN.

Resources

- The HUD Exchange: hudexchange.info
- Code of Federal Regulations: ecfr.gov

**Citizen Participation Plan for the
Community Development Block Grant (CDBG) Program
Housing Investment Partnerships Act (HOME) Program
Emergency Solutions Grant (ESG) Program
Macomb Urban County/Macomb HOME Consortium**

This Citizen Participation Plan (CPP) was written and adopted in conformance with the U.S. Department of Housing and Urban Development (HUD) requirements of 24CFR Part 91, Subpart B, which govern the preparation of Consolidated Plans (Con Plan), Annual Action Plans (AAP), Assessment of Fair Housing (AFH) and the Consolidated Annual Performance Report (CAPER) for the Urban County of Macomb (County), and the Macomb HOME Consortium (MHC).

1. Purpose: The CPP has several objectives, including:

a. adequately informing citizens (including minority, non-English speaking, disabled, lower-income, and those likely to be affected by program activities) so that they can knowledgeably participate in program planning and development; and can review performance for the programs covered.

b. soliciting views and opinions from the public and community stakeholders, including housing providers, non-profit service agencies, local communities, regional planning entities, and the State of Michigan concerning housing and community development needs, particularly as they relate to lower-income residents.

c. coordinating program development and delivery between public and private entities which provide housing and human services, and between units of government concerning area-wide issues.

d. informing citizens of the processes followed in developing and managing the programs covered by the CPP.

2. Encouragement of Citizen Participation

a. Citizens are encouraged to participate in the development and implementation of the AFH, Con Plan and AAP, in amendments thereto, and in the CAPER. At a minimum, the Con Plan, AAP, CAPER and AFH will be posted on the County's website for citizen review and possible input.

b. Attention is given to lower-income persons, particularly those living in slums or in blighted neighborhoods, in predominantly lower-income neighborhoods, and in other areas where CDBG, HOME and other community development funds are likely to be proposed for use. "Predominantly low- and moderate income neighborhood" is defined by the County as any census tract block groups located within the jurisdiction of the Urban County CDBG program and the MHC in which at least 51% of the residents have incomes that qualify as low-to moderate-income. Reasonable actions will be taken to encourage participation by citizens, including minority, disabled, and non-English speaking persons. Actions may include, but are not limited to, surveys, outreach meetings, public hearings, and community reports and plans.

c. The County will collaborate with public housing commissions and with owners and managers of assisted housing developments within the MHC jurisdiction, to facilitate participation by public and assisted housing residents (including any resident advisory boards, resident councils, and resident management corporations) The County will also encourage participation of other low-income residents of targeted revitalization areas in which public and assisted housing is located for the purposes cited above.

d. The County will inform housing commissions of Con Plan objectives, AAP activities, AFH objectives and CAPERs, particularly as they relate to their developments and the surrounding areas so that they can make this information available at their annual public hearing required for their Agency Plans and Comprehensive Grant programs if, and as, applicable.

e. The County will take reasonable steps to encourage participation of local and regional institutions, the Continuum of Care and other organizations (including businesses, developers, non-

profit organizations, philanthropic organizations and community and faith based organizations).

3. Citizen comment on the Citizen Participation Plan and Amendments

The County will make this CPP public, by posting it on the County's website, thereby providing citizens, including those with disabilities, opportunity to review and comment on this CPP, and any future related amendments. Citizens will be provided thirty (30) days to comment on the CPP and any future related amendments to the CPP. A public hearing will be conducted for any amendment to the CPP. A notice (including the date, time, and location for the hearing) will be published at least 15 days prior.

4. Dissemination of Information

The Con Plan is a strategic plan, effective for a 3 – 5 year period of time, which sets forth a detailed analysis of housing and community development conditions and needs within the 24 community jurisdiction of the MHC. It also sets forth priority goals and objectives to guide the applicable Programs during the effective period. The County will therefore provide the following information to citizens and stakeholder organizations, for their informed participation in the development of the Con Plan, and AAP, and substantial amendments thereto:

- The amount of assistance to be received (including anticipated grant amounts and program income expected);
- The range of activities that may be undertaken, including the estimated amount of funds that will benefit low- and moderate-income persons; and
- How it plans to minimize displacement of persons, and assist any displaced persons, specifying the types and levels of assistance to be made available by itself or by other legally-responsible entities, even if no displacement is expected.

a. General information, including a summary of the Con Plan and/or AAP (and proposed AFH, as applicable) will be disseminated in the public notice announcing the date(s), time(s) and venue(s) of the hearing(s). Detailed information is available on the websites of the County and individual MHC member communities (when applicable), and will also be provided at the hearing(s) for those who attend.

b. The County will implement the general requirements outlined in item "a" above by:

- Publishing a notice of the pending Public Hearing, Con Plan, AAP, AFH, and CAPER, in a newspaper of general circulation, to provide citizens, public agencies, and other interested parties knowledge of the action, and to direct them to the appropriate website for detailed information, including the draft document. The notice will also advise the public that a copy is available for review at the County offices. Finally, the notice will advise the public of its right to (and how to) submit comments.
- Placing the Con Plan, AAP, CAPER, and AFH on the County's website, along with other program information concerning funding amount(s), eligibility, compliance with program requirements, and other pertinent information.
- Making copies of the proposed Con Plan, AAP, AFH and CAPER available for review at the administration office of Macomb Community Action, the Clinton Township Municipal Building, the City of Roseville City Hall, the City of Sterling Heights City Hall and, when appropriate, area libraries and other public places. One free copy of these documents will be provided to citizens and groups upon request.
- Providing thirty (30) days for public comment, after public notice of the proposed Con Plan and/or AAP and AFH has been published in a newspaper of general circulation.
- Providing fifteen (15) days of public comment after public notice of the CAPER has been published in a newspaper of general circulation.
- The County will make every reasonable effort to encourage the participation of minorities, non-English speaking persons, limited English proficiency persons and persons with disabilities. Efforts may include, but are not limited to, making reports available in a format that is accessible to persons with disabilities (e.g., providing oral, Braille, electronic, or large print copies for the visually impaired); providing translation of notices and vital documents; and translation services at public hearings. Such requests will require at least a five (5) working day notice so that adequate arrangements can be made.

- The County will provide Public Housing Authorities (PHA) with information about its Con Plan activities, and the AFH and Affirmatively Furthering Fair Housing (AFFH) strategy, as applicable, related to its developments and surrounding communities so that the PHA can make this information available at the annual public hearing(s) required for the PHA plan.
- AFFH requirement, as applicable. As soon as feasible, after the start of the public participation process, the County will make available the HUD-provided data and any other supplemental information that will be incorporated into the AFH to residents, public agencies, and other interested parties by providing a link on the County's website that cross-references the data on HUD's website.

5. Public Hearings

In order to encourage informed participation two (2) public hearings per year will be held to obtain resident's views and to respond to proposals and questions. The hearings will be held at two different stages of the program year. These hearings will address housing and community development needs, development of proposed activities, proposed use of funds, proposed strategies and actions for affirmatively furthering fair housing consistent with the AFH, and to review program performance. The County will meet this requirement by holding one public hearing during development of the Con Plan and/or AAP (or the AFH, as applicable). The second public hearing will be for the purpose of reporting program performance prior to submission of the County's Consolidated Annual Performance Evaluation Report (CAPER).

a. Development of the Con Plan:

There will be one public hearing for citizens, and 2 additional focus group meetings with housing, social service, and health agencies, concerning the Con Plan and other basic program requirements. Information concerning funding projections over the life of the Con Plan, the County's plan to minimize displacement and assist any displaced person, and general activity information, will be provided. The major goal will, however, be to obtain views concerning community needs and incorporate them in the Con Plan.

- There will be two focus group meetings: one for housing providers, including housing commissions, and one for social service and health agencies, both of which will include any relevant community and faith-based organizations. These meetings will occur, before the preliminary Con Plan is drafted, so that the views aired may be considered for incorporation.

The public hearing will occur before the Con Plan is published for public comment and submitted for review and approval by the County's Board of Commissioners. This hearing will occur simultaneously with presentation of the County's AAP. MHC members will hold their own hearings in compliance with their own CPP.

b. Development of the Annual Action Plan

Each year, the County must prepare an AAP (outlining strategies, actions, and activities to be undertaken during the coming year) for its CDBG, HOME, ESG, and any special program allocations coming from HUD. The AAP must be developed in consultation with citizens and stakeholders, and at least one public hearing will occur before the plan is published for public comment (MHC members are responsible for developing their CDBG AAP's). There are 21 local communities in the Urban County. CDBG funds are allocated to each community which develops its own program in conformance with law and regulation, and in conformance with the Con Plan. Macomb County and the MHC member communities must develop uses for HOME funding as well.

The 21 local communities in the Urban County CDBG program will meet this requirement in the following manner:

- A general community meeting will be held early in the planning cycle. Communities receive essential program information, and are encouraged to ask questions and discuss concerns at this time.
- Each community will conduct its own public hearing to solicit citizen views on activities, and to provide eligibility, funding and other information essential to inform participation. These

hearings will occur prior to the community submitting its application for funding to the County. Each community must provide its residents with a 15 day notice of the public hearing in a manner in which will result in informed comment (publication, physical posting at local government offices, and/or website posting).

- The County level public hearing will be held before the proposed AAP is published for public comment, prior to its submission for review and Board of Commissioner adoption. This hearing will be coincident with that for the Con Plan, when appropriate.

c. Development of the Assessment of Fair Housing

To obtain the views of the community on AFH-related data and affirmatively furthering fair housing in the jurisdiction's housing and community development programs, the County will hold one public hearing prior to publishing the AFH for public comment.

d. Amendments to the Con Plan or AAP

The County may find it necessary to amend its Con Plan or AAP, due to exigency or to further Con Plan or AAP goals and activities. Sometimes one or several such changes may substantially (defined below) alter the Plan(s) to such an extent that public input is required. The County has therefore established the following criteria to establish a threshold to require further public participation.

Definition of Substantial Amendment:

- Consolidated Plan: Any significant change in priorities, goals and objectives (e.g. new addition or deletion of existing) outlined in the Con Plan.
- Annual Action Plan: One, or several cumulative activity changes, equal to 20% of any year's grant funding, or any change that would significantly affect the outcomes of the Con Plan or AAP as approved by HUD. Change, as defined, affects the size, scope, location, or beneficiaries of activities. MHC members will follow their own citizen participation plans for changes to their CDBG program.

e. Revising an accepted Assessment of Fair Housing

An AFH previously accepted by HUD must be revised and submitted to HUD for review under the following circumstances:

- A material change is a change in circumstances in the jurisdiction of a program participant that affects the information on which the AFH is based to the extent that the analysis, the fair housing contributing factors, or the priorities and goals of the AFH no longer reflect actual circumstances. Examples include Presidentially declared disasters, under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*), in the program participant's area that are of such a nature as to significantly impact the steps a program participant may need to take to affirmatively further fair housing; significant demographic changes; new significant contributing factors in the participant' jurisdiction; and civil rights findings, determinations, settlements (including Voluntary Compliance Agreements), or court orders; or
- Upon HUD's written notification specifying a material change that requires the revision.

Revisions to an AFH, as described in this section, are subject to community participation. The County will follow the notice and comment process applicable to Con Plan substantial amendments provided in the previous section.

f. Citizen Notification: Citizens will have reasonable notice and opportunity to comment on the Con Plan, and AAP (or the final AFH as applicable) or any substantial amendment or revisions to the same: 1) a public notice explaining the nature of, and reasons for, the amendment or revision and, 2) a public hearing. Citizens will be directed to the website of the County or (for HOME) the MHC member communities (when applicable) for detailed information. The notice will be published in a newspaper of general circulation, and will advise the public of the date, time and venue for the

hearing. Citizens will be provided at least thirty (30) days for public comment before such amendments are implemented or the revision to HUD is submitted to HUD for review.

g. **Consideration of Comments Received:**

The County and MHC member communities will consider any comments or views received (oral, written or electronic), as they pertain to the Con Plan, and AAP (or the final AFH as applicable) or any substantial amendment or revisions to the same. A summary of comments and how they were considered will be attached to the Con Plan, and AAP (or the final AFH as applicable) in conformance with HUD regulations.

6. Performance reports

The County will provide citizens with reasonable notice and an opportunity to comment on program performance before submission of the CAPER. Each member of the MHC will follow its own CPP for its CDBG program. For purposes of the County's CDBG program and the MHC HOME programs, the following applies:

a. Reasonable notice will be provided through notice in a newspaper of general circulation, indicating where the report may be reviewed, and notifying the public that a public hearing will be held for the purpose of evaluating Program performance. The Notice will indicate that the CAPER may be reviewed on the County's website. This Notice will be published at least fifteen (15) days before the Public Hearing. Citizens will be provided at least fifteen (15) days for public comment after public notice of the CAPER has been published in a newspaper of general circulation. The public comment period and public hearing will be conducted prior to submission of the CAPER to HUD.

b. The County and, when appropriate, MHC member communities, will consider written, electronic, and oral comments received before CAPER submission. A comment summary will be attached to the report, along with a narrative explanation of how they were considered.

7. Meetings

The County will inform citizens of the dates and locations for public hearings and meetings through public notices which will appear in a newspaper of general circulation at least fifteen (15) days in advance of the event. Times and locations for meetings will be convenient to potential and actual beneficiaries. Meeting notices will include information related to requests for reasonable accommodations, in accordance with section 504 of the Rehabilitation Act of 1973 and the regulations at 24 CFR part 8, and the Americans with Disabilities Act and the regulations at 28CFR parts 35 and 36 as applicable.

8. Availability to the Public

All Plans, Amendments, and Reports covered by this CPP will be available to the public, including persons with disabilities, at Macomb Community Action, located at 21885 Dunham Road Suite 10, Clinton Township, MI 48036. They will also, when appropriate, be available at the Clinton Township Planning Department, at 40700 Romeo Plank Rd., Clinton Township MI, 48038, at the City of Roseville City Hall, 29777 Gratiot Avenue, Roseville MI, 48066, and at the City of Sterling Heights Development Division, 40555 Utica Rd., Sterling Heights MI, 48314. These documents will also be posted online at the websites of the County and MHC member communities.

9. Access to Records

All plans (Con Plan and/or AAP, and AFH) including amendments and revisions, reports (CAPER), use of assistance under the programs covered by this Plan and documents related to the use of assistance under the program covered by this Plan (except for portions covered by Federal and State privacy statute) are public and are therefore available for review by citizens, public agencies, and other interested parties. Any person or entity may obtain these documents and records, for the preceding five years, by filing a written request with, or calling the County at 586/466/6256 (Urban County and MHC), the Planning Department at 586/286/9325 (Clinton Township CDBG and Clinton Township HOME projects), the Community Development Department at 586/447/4606 (Roseville CDBG and Roseville HOME projects), and the Development Division at 586/446/2724 (Sterling

Heights CDBG and Sterling Heights HOME projects). Five (5) days advance notice is required.

The County will make every reasonable effort to encourage the participation of minorities, non-English speaking persons, limited English proficiency persons and persons with disabilities. Efforts may include, but are not limited to, making reports available in a format that is accessible to persons with disabilities (e.g., providing oral, Braille, electronic, or large print copies for the visually impaired); providing translation of notices and vital documents; and translation services at public hearings. Such requests will require at least a five (5) working day notice so that adequate arrangements can be made.

10. Technical Assistance

Groups representing lower-income persons may receive help so that they may develop funding proposals under any of the programs covered by the Con Plan. The County will provide basic levels of assistance so that the group will be able to make informed decisions regarding its ideas for funding. No monetary assistance will be provided. MHC members will follow their citizen participation plans in matters pertaining to their CDBG programs.

11. Complaints

The Urban County (and its 21 participating communities) will substantively respond in writing to oral and written questions and complaints pertaining to the Con Plan, AAP, Amendments, AFH (including revisions) Environmental Reviews Records, Requests for the Release of Funds and the CAPER in a timely manner, usually within fifteen (15) working days, where practicable MHC members will follow their citizen participation plans in matters pertaining to their CDBG programs.

12. Use of Citizen Participation Plan

The County will follow the measures outlined in this Plan, except in cases of public exigency, or unless otherwise instructed by HUD. MHC members will follow their citizen participation plans in matters pertaining to their CDBG programs.

13. Responsibility for Development and Implementation

Nothing in this Plan restricts the responsibility or authority of the Urban County, its participating communities, or MHC member communities in Program Development and implementation. This provision does not apply to the CDBG programs of Clinton Township, Roseville and Sterling Heights.

14. Exceptions

In event of a local, state, and national natural disaster or declaration of emergency, existing and new funding may be allocated or re-allocated in an expedited time frame. To streamline the allocation process and reduce delays in accessing grant funds Macomb County and the members of the Macomb HOME Consortium will follow HUD notices, waivers, award letters or other HUD communication. To achieve this minimum citizen participation requirement, it will be applied per HUD notices, waivers, award letters or other HUD communication to the Consolidated Plan and/or substantially amended Action Plan(s).

Expedited procedures must include notice and reasonable opportunity to comment of no less than five (5) days. In addition, meetings may be facilitated by the most feasible means at the time (ex: virtual or call-in meetings in lieu of public gatherings). Meetings must still accommodate and provide information to those with vision and hearing impairments to the best extent feasible. At a minimum, the meeting must still comply with the Open Public Meetings Act.

COOPERATIVE AGREEMENT

“Urban County”

Community Development Block Grant Program

Amended for the FYs 2015-2017 Urban County Qualification

THIS AGREEMENT made and entered into this _____ day of _____, 2014 by and between the _____, State of Michigan hereinafter referred to as the “COMMUNITY”, and the County of Macomb, a Michigan Constitutional Corporation, State of Michigan, hereinafter referred to as the “COUNTY”:

WHEREAS, the Housing and Community Development Act of 1974 as amended provides an entitlement of funds for Community Development purposes for urban counties; and

WHEREAS, COUNTY has been designated as an Urban County provided that it secures Cooperation Agreements with various communities in Macomb County; and

WHEREAS, this agreement covers both the Community Development Block Grant (CDBG) Entitlement Program and, where applicable, the HOME Investment Partnership program, and the Emergency Solutions Grant Program (ESG).

NOW THEREFORE, the COMMUNITY and COUNTY do hereby promise and agree:

THAT the COMMUNITY may not apply for grants under Small Cities or State CDBG Programs from appropriations for fiscal years during the period in which it is participating in the COUNTY’s CDBG program; and

THAT the COMMUNITY may not participate in a HOME consortium except through the COUNTY, regardless of whether the COUNTY receives a HOME formula allocation; and

THAT the COMMUNITY may participate in the Emergency Solutions Grant (ESG) Program through the Urban County; and

THAT the COUNTY has the final responsibility for determining the method of allocating funds covered under this agreement.

THAT the COUNTY shall have final responsibility for selecting CDBG (and where applicable, HOME and ESG) activities and annually filing Final Statements with HUD;

THAT the COUNTY will, on behalf of the COMMUNITY, execute essential Community Development and Housing Assistance applications, plans, programs and projects eligible under the Housing and Development Act of 1974 as amended; and

THAT the COMMUNITY and the COUNTY will cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities; and

THAT the COMMUNITY and the COUNTY will take all actions necessary to assure compliance with the COUNTY's certification required by Section 104 (b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and affirmatively furthering fair housing. The COMMUNITY and the COUNTY are also obligated to comply with Section 109 of Title I of the Housing and Community Development Act of 1974, which incorporates Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975 and other applicable laws; and that funding by the COUNTY is contingent upon the COMMUNITY's Compliance with the above: and

THAT the COUNTY is prohibited from funding activities in, or in support of, any COMMUNITY that does not affirmatively further fair housing within its own jurisdiction, or that impedes the COUNTY's action to comply with its fair housing certification; and that funding by the COUNTY is contingent upon the COMMUNITY's compliance with the above; and

THAT the COMMUNITY has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights remonstrations within its jurisdiction; and

THAT the period of time of this agreement (Federal FY 2015-2017) shall be automatically renewed in successive three-year qualification periods, unless the COUNTY or the COMMUNITY provides written notice it elects not to participate in a new qualification period. A copy of this notice must be sent to the HUD Field Office; by the date specified in HUD's urban county qualification notice for the next qualification period, the urban COUNTY will notify the participating unit of general local government in writing of its right not to participate; and

THAT failure by either party to adopt an amendment to the agreement incorporating all changes necessary to meet the requirements for cooperation agreements set forth in the Urban County Qualification Notice applicable for a subsequent three-year urban county qualification period, and to submit the amendment to HUD as provided in the urban county qualification notice, will void the automatic renewal of such qualification period; and

THAT the agreement remains in effect until the CDBG (and where applicable, HOME and ESG) funds and program income received (with respect to activities carried out during the three year qualification period and any successive qualification periods under this automatic renewal provision) are expended and the funded activities completed, and that the COUNTY and participating unit of general local government (COMMUNITY) may not terminate or withdraw from the agreement while the agreement remains in effect; and

THAT the COMMUNITY shall inform the COUNTY of any income generated by the expenditure of CDBG funds received by the COMMUNITY; and

THAT any such program income generated by the COMMUNITY must be paid to the COUNTY, unless at the COUNTY's discretion, the COMMUNITY may retain the program income as set forth in 24 CFR 570.503; and

THAT any program income the COMMUNITY is authorized by the COUNTY to retain may only be used for eligible activities approved by the COUNTY in accordance with all CDBG requirements as may then apply; and

THAT the COUNTY has the responsibility for monitoring and reporting to HUD on the use of any such program income, thereby requiring appropriate record keeping and reporting by the COMMUNITY as may be needed for this purpose; and

THAT in the event of closeout or change in status of the COMMUNITY, any program income that is on-hand or received subsequent to the closeout or change in status shall be paid to the COUNTY; and

THAT the COMMUNITY shall provide timely notification to the COUNTY of any modification or change in the use of the real property from that planned at the time of acquisition or improvement including disposition; and

THAT the COMMUNITY shall reimburse the COUNTY in the amount equal to the current fair market value (less any portion of the value attributable to expenditures of non-CDBG funds) of real property acquired or improved with Community Development Block Grant funds that is sold or transferred for the use which does not qualify under the CDBG regulations; and

THAT the COMMUNITY shall return to the COUNTY program income generated from the disposition or transfer of real property prior to or subsequent to the closeout, change of status or termination of the cooperation agreement between the COUNTY and the COMMUNITY; and

THAT the terms and provisions of this agreement are fully authorized under State and local law, and that the agreement provides full legal authority for the COUNTY to undertake or assist in undertaking essential community development and housing assistance activities, specifically urban renewal and publicly-assisted housing; and

THAT pursuant to 24 CFR 570.501 (b), the COMMUNITY is subject to the same requirements applicable to subrecipients, including the requirement for a written agreement set forth in 24 CFR 570.503; and

THAT the COMMUNITY may not sell, trade, or otherwise transfer all or any portion of such funds to another such metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under title I of the Act.

THAT the COMMUNITY shall designate a staff person as the primary contact to whom all notices and communication from COUNTY shall be directed. The COUNTY's duty to notify COMMUNITY shall be complete when the communication is sent to the designated staff person. It is the exclusive duty of that person to notify the correct individuals or departments within the COMMUNITY; and

THAT the COMMUNITY, to the furthest extent permitted by law, shall defend, indemnify and hold harmless the COUNTY, its officers, employees and agents from liability for any fines, penalties (including repayment of funds), or damage of any type accruing to COUNTY by virtue of COMMUNITY's failure to comply with any requirement of the program and the regulations issued pursuant thereto, or failure to comply in any respect with the program described herein. Further, the COMMUNITY shall defend, indemnify and hold harmless COUNTY, its officers, employees, and agents against any and all liability for injury or damage caused by any act or omission of the COMMUNITY or any of the COMMUNITY's employees or volunteers in the performance of the contract or program and the COMMUNITY shall hold the COUNTY harmless from any and all loss occasioned in the performance of, or otherwise arising out of, this Agreement.

THAT If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected and all other parts of this Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the COMMUNITY and the COUNTY have by resolutions authorized this agreement to be executed by their respective officers thereunto as of the day and year first above written.

County of Macomb

By: _____
Name:
Title:
Date:

by: _____
Name:
Title:
Date:

Approved as to Form:
County of Macomb Corporation Counsel

Approved as to Form:
City Attorney

Name:
Date:

Name:
Date:

CERTIFICATION BY COUNTY CORPORATION COUNSEL

The undersigned, Corporation Counsel for the County of Macomb, certifies that the terms and provisions of the foregoing Cooperative Agreement are fully authorized under existing State and local law and that this agreement provides full legal authority for the County to undertake, or assist in undertaking, essential community renewal and lower income housing assistance activities in cooperation with local units of government.

Dated:

Name:
Title: Director, Corporation Council
Macomb County
Corporation Counsel

| Matrix Code Key | | National Objective Codes (N = Not Allowed) | | | | | | | | | | | | | | |
|-----------------|---|--|-------|-------|-----|-------|-------|-----|-------|-----|-------|------|-----|-----|-----|-----|
| Code | Eligible Activity | LMA | LMAFI | LMASA | LMC | LMCMC | LMCSV | LMH | LMHSP | LMJ | LMJFI | LMJP | SBA | SBS | SBR | URG |
| 01 | Acquisition of Property - 570.201(a) | | | | | N | N | | | | N | | | | | |
| 02 | Disposition - 570.201(b) | | | | | N | N | | | | N | | | N | | |
| 03A | Senior Centers | N | | | | N | N | N | N | | | | | | | |
| 03B | Facility for Persons with Disabilities | N | | | | N | N | N | N | | | | | | | |
| 03C | Homeless Facilities (not operating costs) | N | | | | N | N | N | N | | | | | | | |
| 03D | Youth Centers | N | | | | N | N | N | N | | | | | | | |
| 03E | Neighborhood Facilities | | | | | N | N | N | N | | | | | | | |
| 03F | Parks, Recreational Facilities | | N | N | | N | N | N | N | N | | N | | | | |
| 03G | Parking Facilities | | | | | N | N | N | N | | | | | | | |
| 03H | Solid Waste Disposal Improvements | | | | | N | N | | | | | | | | | |
| 03I | Flood Drainage Improvements | | | | | N | N | | | | | | | | | |
| 03J | Water/Sewer Improvements | | | | | N | N | | | | | | | | | |
| 03K | Street Improvements | | | | | N | N | | | | | | | | | |
| 03L | Sidewalks | | | | | N | N | | | | | | | | | |
| 03M | Child Care Centers | N | | | | N | N | N | N | | | | | | | |
| 03N | Tree Planting | | | | | N | N | | N | | | | | | | |
| 03O | Fire Station/Equipment | | N | N | N | N | N | N | N | N | | N | | | | |
| 03P | Health Facilities | | | | | N | N | N | N | | | | | | | |
| 03Q | Abused and Neglected Children Facilities | N | | | | N | N | N | N | | | | | | | |
| 03R | Asbestos Removal | | | | | N | N | N | N | | | | | | | |
| 03S | Facilities for AIDS Patients (no op'ting costs) | N | | | | N | N | N | N | | | | | | | |
| 03T | Operating Costs Homeless/AIDS Patients | N | N | N | | N | N | N | N | N | N | | | N | N | |
| 03Z | Other Public Improvements Not Listed in 03A-03S | | | | | N | N | | | | | | | | | |
| 04 | Clearance and Demolition | | | | | N | N | | | | N | | | | | |
| 04A | Cleanup of Contaminated Sites | | | | | N | N | | | | N | | | | | |
| 05A | Senior Services | N | N | N | | N | | N | N | N | N | N | | N | N | |
| 05B | Services for Persons with Disabilities | N | N | N | | N | | N | N | N | N | N | | N | N | |
| 05C | Legal Services | | N | N | | N | | N | N | N | N | N | | N | N | |
| 05D | Youth Services | N | N | N | | N | | N | N | N | N | N | | N | N | |
| 05E | Transportation Services | | N | N | | N | | N | N | N | N | N | | N | N | |
| 05F | Substance Abuse Services | | N | N | | N | | N | N | N | N | N | | N | N | |
| 05G | Services for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking | N | N | N | | N | | N | N | N | N | N | | N | N | |
| 05H | Employment Training | | N | N | | N | | N | N | N | N | N | | N | N | |
| 05I | Crime Awareness | | N | N | | N | | N | N | N | N | N | | N | N | |
| 05J | Fair Housing Activities-Subj.to Pub.Serv.Cap | | N | N | | N | | N | N | N | N | N | | N | N | |
| 05K | Tenant/Landlord Counseling | N | N | N | | N | | N | N | N | N | N | | N | N | |
| 05L | Child Care Services | N | N | N | | N | | N | N | N | N | N | | N | N | |
| 05M | Health Services | | N | N | | N | | N | N | N | N | N | | N | N | |
| 05N | Abused and Neglected Children | N | N | N | | N | | N | N | N | N | N | | N | N | |
| 05O | Mental Health Services | | N | N | | N | | N | N | N | N | N | | N | N | |
| 05P | Screening for Lead Based Paint/Lead Hazards | N | N | N | | N | | N | N | N | N | N | | N | N | |
| 05Q | Subsistence Payments | N | N | N | | N | | N | N | N | N | N | | N | N | |
| 05R | Homebuyer Downpayment Assistance - Excluding Housing Counseling, under 24 CFR 5.100 | N | N | N | N | N | N | | | N | N | N | | N | N | |
| 05S | Rental Housing Subsidies | N | N | N | N | N | | | | N | N | N | | N | N | |
| 05T | Security Deposits | N | N | N | N | N | | | | N | N | N | | N | N | |
| 05U | Housing Counseling Only, under 24 CFR 5.100 | N | N | N | N | N | N | | | N | N | N | N | N | N | N |
| 05V | Neighborhood Cleanups | | N | N | N | N | | N | N | N | N | N | | N | N | |
| 05W | Food Banks | | N | N | | N | | N | N | N | N | N | | N | N | |
| 05X | Housing information and referral services | N | N | N | | N | N | | | N | N | N | N | N | N | N |
| 05Y | Housing Counseling under 24 CFR 5.100 supporting homebuyer downpayment assistance (05R) | N | N | N | N | N | N | | | N | N | N | | N | N | |
| 05Z | Other Public Services Not Listed in 03T and 05A-05Y | | N | N | | N | | N | N | N | N | N | | N | N | |
| 06 | Interim Assistance | | N | N | N | N | N | N | N | N | N | N | | | N | |
| 07 | Urban Renewal Completion | | | | | N | N | | | | N | | N | N | | N |
| 08 | Relocation | | | | | N | N | | | | N | | | | | |
| 09 | Rental Income Loss | | | | | N | N | | | | N | | | | | |
| 11 | Privately Owned Utilities | | | | | N | N | | | | N | | | | | |
| 12 | Construction of Housing | N | N | N | N | N | N | | | N | N | N | | N | | |
| 13A | Housing Counseling, under 24 CFR 5.100, for Homeownership Assistance 13B | N | N | N | N | N | N | | | N | N | N | N | N | N | N |
| 13B | Homeownership Assistance - excluding Housing Counseling under 24 CFR 5.100 | N | N | N | N | N | N | | | N | N | N | N | N | N | N |

| Matrix Code Key | | National Objective Codes (N = Not Allowed) | | | | | | | | | | | | | | |
|------------------------|---|--|-------|-------|-----|-------|-------|-----|-------|--------------------------------|-------|------|----------------------|-----|-----|-----|
| Code | Eligible Activity | LMA | LMAFI | LMASA | LMC | LMCMC | LMCSV | LMH | LMHSP | LMJ | LMJFI | LMJP | SBA | SBS | SBR | URG |
| 14A | Rehab; Single-Unit Residential | N | N | N | N | N | N | | | N | N | N | | | | |
| 14B | Rehab; Multi-Unit Residential | N | N | N | N | N | N | | | N | N | N | | | | |
| 14C | Public Housing Modernization | N | N | N | N | N | N | | | N | N | N | | | | |
| 14D | Rehab; Other than Public-Owned Residential Buildings | N | N | N | N | N | N | | | N | N | N | | | | |
| 14E | Rehab. Pub./Pvt.-Comm'/Indust' | | | | | N | N | N | N | | N | | | | | |
| 14F | Energy Efficiency Improvements | N | N | N | N | N | N | | | N | N | N | | | | |
| 14G | Acquisition for Rehabilitation | N | N | N | N | N | N | | | N | N | N | | | | |
| 14H | Rehabilitation Administration | | | | | N | N | | | | N | | | | | |
| 14I | Lead-Based Paint Abatement | N | N | N | N | N | N | | | N | N | N | | | | |
| 14J | Housing Services, excluding Housing Counseling under 24 CFR 5.100 | N | N | N | N | N | N | | | N | N | N | N | N | N | N |
| 14K | Housing Counseling, under 24 CFR 5.100, Supporting HOME Program Assistance Housing Activities | N | N | N | N | N | N | | | N | N | N | N | N | N | N |
| 14L | Housing Counseling, under 24 CFR 5.100, in Conjunction with CDBG Assisted Housing Rehab | N | N | N | N | N | N | | | N | N | N | | | | |
| 15 | Code Enforcement | | N | N | N | N | N | N | N | N | N | N | | N | | |
| 16A | Residential Historic Preservation | N | N | N | N | N | N | | | N | N | N | | | | N |
| 16B | Non-Residential Historic Preservation | | | | | N | N | N | N | | N | | | | | N |
| 17A | ED Acquisition by Recipient | | | | | N | N | N | N | | | | | | | |
| 17B | CI Infrastructure Development | | | | | N | N | N | N | | | | | N | | |
| 17C | CI Building Acq., Construction, Rehabilitation | | | | | N | N | N | N | | N | | | | | |
| 17D | Other Commercial/Industrial Improvements | | | | | N | N | N | N | | N | | | | | |
| 18A | ED Assistance to For-Profits | | | | | N | N | N | N | | N | | | N | | |
| 18B | Economic Development: Technical Assistance | | | | | N | N | | N | N | | N | | N | | |
| 18C | Micro-Enterprise Assist. | | | | | | N | N | N | | N | | | N | | |
| 19C | Nonprofit Capacity Building | | | | | | | | | | | | | | | |
| 19E | Operation and Repair of Foreclosed Property | | N | N | N | N | N | | | N | N | N | N | N | N | N |
| 19F | Planned Repayments of Sec.108 Loans | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 19G | Unplanned Repayments of Sec.108 Loans | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 19H | State CDBG Technical Assistance to Grantees | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 20 | Planning | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 20A | State Planning-only 570.483(b)(5) and (c)(3) | | | | | | | | | | | | | | | N |
| 21A | General Program Admin. - 570.206 | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 21B | Indirect Costs | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 21C | Public Information | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 21D | Fair Housing Activity (subject to Admin. cap) | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 21E | Submissions or Applications for Federal Programs | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 21H | CDBG Funding of HOME Admin. | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 21I | CDBG Funding of HOME CHDO Operating Costs | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 21J | State Administration Costs | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 23 | Tornado Shelters - Private Mobile Home Parks | | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 24A | Payment of Interest on Section 108 Loans | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| 24b | Payment of Costs of Section 108 Financing | | | | | | | | | | | | | | | |
| 24C | Debt Service Reserve | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N |
| National Objective Key | | | | | | | | | | Entitlements | | | States | | | |
| LMA | Low- and moderate-income (Low/Mod) Area Benefit | | | | | | | | | 570.208(a)(1) | | | 570.483(b)(1) | | | |
| LMAFI | Low/Mod Area Benefit CDFI | | | | | | | | | 570.208(d)(6)(i) | | | 570.483(e)(4) | | | |
| LMASA | Low/Mod Area Benefit NRSA | | | | | | | | | 570.208(d)(5)(i) | | | 570.483(e)(5) | | | |
| LMC | Low/Mod Limited Clientele | | | | | | | | | 570.208(a)(2) | | | 570.483(b)(2) | | | |
| LMCMC | Low/Mod Limited Clientele Microenterprise Development | | | | | | | | | 570.208(a)(2)(iii) | | | 570.483(b)(2)(iv) | | | |
| LMCSV | Low/Mod Limited Clientele, Job Service Benefit | | | | | | | | | 570.208(a)(2)(iv) | | | 570.483(b)(2)(v) | | | |
| LMH | Low/Mod Housing | | | | | | | | | 570.208(a)(3) | | | 570.483(b)(3) | | | |
| LMHSP | Low/Mod Housing, CDFI or NRSA | | | | | | | | | 570.208(d)(5)(ii) & (d)(6)(ii) | | | 570.483(e)(5) | | | |
| LMJ | Low/Mod Job Creation or Retention | | | | | | | | | 570.208(a)(4) | | | 570.483(b)(4) | | | |
| LMJFI | Low/Mod Job Creation/Retention, Public Facility/Improvement | | | | | | | | | 570.208(a)(4)(vi)(F) | | | 570.483(b)(4)(vi)(F) | | | |
| LMJP | Low/Mod Job Creation or Retention, Location Based | | | | | | | | | 570.208(a)(4)(iv)(B) | | | 570.483(b)(4)(iv)(B) | | | |
| SBA | Slum and Blight Area | | | | | | | | | 570.208(b)(1) | | | 570.483(c)(1) | | | |
| SBS | Slum and Blight Spot | | | | | | | | | 570.208(b)(2) | | | 570.483(c)(2) | | | |
| SBR | Slum and Blight Urban Renewal/Planning Activities (States) | | | | | | | | | 570.208(b)(3) | | | 570.483(c)(3) | | | |
| URG | Urgent Needs | | | | | | | | | 570.208(c) | | | | | | |

| IDIS – National Objective Codes for CDBG | | | |
|--|--|--------------------------------|------------------------|
| N.O. Code | National Objective Description | Regulatory Citations | |
| | | Entitlement Communities | States |
| LMA | Low/Mod Area Benefit | 570.208(a)(1) | 570.483(b)(1) |
| LMAFI | Community Development Financial Institution (CDFI) | 570.208(d)(6)(i) | 570.483(e)(4) |
| LMASA | Neighborhood Revitalization Strategy Area | 570.208(d)(5)(i) | 570.483(e)(5) |
| LMC | Low/Mod Limited Clientele Benefit | 570.208(a)(2) | 570.483(b)(2) |
| LMCMC | Microenterprise | 570.208(a)(2)(iii) | 570.483(b)(2)(iv) |
| LMCSV | Job service benefit | 570.208(a)(2)(iv) | 570.483(b)(2)(v) |
| LMH | Low/Mod Housing Benefit | 570.208(a)(3) | 570.483(b)(3) |
| LMHSP | CDFI or Neighborhood Revitalization Strategy Area | 570.208(d)(5)(ii) & (d)(6)(ii) | 570.483(e)(4) & (e)(5) |
| LMJ | Low/Mod Job creation/retention | 570.208(a)(4) | 570.483(b)(4) |
| LMJFI | Public Facility/ Improvement benefit | 570.208(a)(4)(vi)(F) | 570.483(b)(4)(vi)(F) |
| LMJP | Location based | 570.208(a)(4)(iv) | 570.483(b)(4)(iv) |
| SBA | Slum/Blight <u>Area Benefit</u> | 570.208(b)(1) | 570.483(c)(1) |
| SBS | Slum/Blight <u>spot basis</u> | 570.208(b)(2) | 570.483(c)(2) |
| SBR | Slum/Blight in an <u>urban renewal</u> area | 570.208(b)(3) | |
| URG | Urgent Need | 570.208(c) | 570.483(d) |
| LMAFI | Community Development Financial Institution (CDFI) | 570.208(d)(6)(i) | 570.483(e)(4) |
| LMASA | Neighborhood Revitalization Strategy Area | 570.208(d)(5)(i) | 570.483(e)(5) |
| LMCMC | Microenterprise | 570.208(a)(2)(iii) | 570.483(b)(2)(iv) |
| LMCSV | Job service benefit | 570.208(a)(2)(iv) | 570.483(b)(2)(v) |
| LMHSP | CDFI or Neighborhood Revitalization Strategy Area | 570.208(d)(5)(ii) & (d)(6)(ii) | 570.483(e)(4) & (e)(5) |
| LMJFI | Public Facility/ Improvement benefit | 570.208(a)(4)(vi)(F) | 570.483(b)(4)(vi)(F) |
| LMJP | Location based | 570.208(a)(4)(iv) | 570.483(b)(4)(iv) |

BORDMAN

MEMPHIS

COUNTYLINE

MEMPHIS

RICHMOND
TOWNSHIP

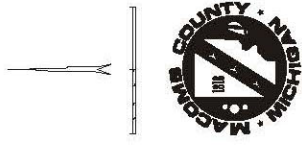
RICHMOND

LENOX
TOWNSHIP

NEW HAVEN VILLAGE

NEW BALTIMORE

CHESTERFIELD
TOWNSHIP



HARRISON
TOWNSHIP

Macomb "Urban County"

Participants

ARMADA
TOWNSHIP

ARMADA VILLAGE

32 MILE

RAY
TOWNSHIP

26 MILE

MACOMB
TOWNSHIP

M-59 HALL ROAD

MT. CLEMENS

CLINTON
TOWNSHIP

FRASER

ROSEVILLE

ST. CLAIR
SHORES

10 MILE

EASTPOINTE

LAKE TOWNSHIP

BRUCE
TOWNSHIP

ROMEO VILLAGE

WASHINGTON
TOWNSHIP

SHELBY
TOWNSHIP

UTICA

STERLING HEIGHTS
HAYES

14 MILE

WARREN

CENTER LINE

DEQUINDRE

8 MILE

Macomb County, Michigan

POLICY # FIN.2019.001 - Subrecipient Contract & Monitoring Policy

EFFECTIVE DATE: Immediate. Applicable to all contracts active for the 2019 audit period and thereafter. Supersedes related policies throughout the county only when policies conflict.

ISSUE DATE: November 18, 2019

I. REASON FOR THE POLICY

The Subrecipient Contract & Monitoring Policy exists in order to provide guidance to all grant managers and their staff throughout all departments in Macomb County Government regarding required elements of subrecipient contracts and risk assessment-based monitoring requirements as established by the Federal Government via Uniform Guidance, otherwise known as the “Supercircular” or “2 CFR 200”.

II. POLICY STATEMENT

The Subrecipient Contract & Monitoring Policy is established in order to ensure compliance with federal regulations (known as CFRs) applicable to subrecipient contracts, sometimes also known as Subrecipient Award Letters. Further, the policy outlines requirements of on-going subrecipient monitoring based on risk assessments. Proper implementation of this policy will prevent further Federal Single Audit findings and potential future questioned costs and lost funding as a result of subsequent findings related to these topics.

III. SCOPE

The policy’s effective date is immediate as of the date of publication of the policy, November 18, 2019. The policy is applicable to all county grant personnel, county personnel responsible for reviewing and approving contracts, and subrecipients with awards effective during the 2019 audit period, including subrecipient award letters / contracts.

The contract requirements as well as the risk assessment and monitoring requirements stated in this policy are applicable to contracts executed between the county and agencies performing grant work on behalf of the county using funding originally awarded to the county, which is formalized via a subrecipient contract. All other contract elements already a part of county contracts are not within the scope of this policy.

IV. DEFINITIONS

SUBRECIPIENT means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal Program per 2 CFR 200.330. Further explained, an entity is considered a SUBRECIPIENT when:

- 1) The entity determines who is eligible to receive Federal assistance,
- 2) Has its performance measured in relation to whether objectives of a Federal program were met,

- 3) Has responsibility for programmatic decision making,
- 4) Is responsible for adherence to applicable Federal Program requirements specified in the Federal Award, and
- 5) In accordance with its agreement, uses Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods and services for the benefit of the pass-through entity.

CONTRACTOR (VENDOR) means a non-Federal entity that signs a contract with the county for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the county. Per 2 CFR 200.330, characteristics of a procurement relationship are when the CONTRACTOR (VENDOR):

- 1) Provides the goods and services within normal business operations,
- 2) Provides similar goods or services to many different purchasers,
- 3) Normally operates in a competitive environment,
- 4) Provides goods or services that are ancillary to the operation of the Federal Program, and
- 5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

CFR means "Code of Federal Regulations", which codifies federal compliance requirements regarding grant awards of federal funds, including those ultimately distributed to subrecipients. Failure to comply with CFRs constitutes a violation of federal law and subjects the county to potential liability via loss of future funding and/or determination that funding already expended must be repaid.

V. PROCEDURES

a. Subrecipient Determination

Before a contract is written, the entity under consideration must be determined to be either a subrecipient or contractor using the criteria from this policy, section IV. Definitions. The determination should be made in writing or using a form, and should include sign offs for the preparer that made the initial determination as well as the reviewer who made the final approval of the determination of the entity as either a subrecipient or a contractor. As previously noted in section II. Scope, this policy, including the following procedures, are only applicable to those entities determined to be subrecipients.

b. Federal Award Identification Requirements

For entities determined to be subrecipients, contracts will be created per department practices. However, all subrecipient contracts must include a "Federal Award Identification" coversheet, which includes all required elements of subrecipient contracts per 45 CFR part 75 Section 352(a). The cover sheet, which can be customized by each county department, must include all of the following elements to be in compliance with 45 CFR part 75 Section 352(a):

- 1) Federal Award identification

- 2) Subrecipient name (which must match the name associated with its unique entity identifier)
- 3) Subrecipient's unique entity identifier
- 4) Federal Award Identification Number (FAIN)
- 5) Federal award date of award to the recipient by the federal awarding agency (i.e., the date the federal or state department awarded the funds to the county)
- 6) Subaward period of performance start and end date
- 7) Amount of Federal funds obligated by this action by the pass-through entity to the subrecipient
- 8) Total amount of Federal funds obligated to the subrecipient by the pass-through entity including the current obligation
- 9) Total amount of the Federal award committed to the subrecipient by the pass-thru entity
- 10) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)
- 11) Name of the Federal awarding agency, pass-through entity, and contract information for awarding official of the pass-through entity
- 12) CFDA number and name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at the time of disbursement
- 13) Identification of whether the award is for research & development (R&D)
- 14) Indirect cost rate for the Federal award (including if the de minimis rate is charged)

c. Subrecipient Risk Assessment

All subrecipient contracts must include a "Subrecipient Risk Assessment Certification" in order to fulfill the requirements of 2 CFR 200.331(b). The purpose of the risk assessment certification is to evaluate the subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of a subaward. It is highly recommended that a risk assessment be completed for the potential subrecipient before a contract with a potential subrecipient is executed. Questions asked in a subrecipient risk assessment certification may vary between awards, but the following factors should be considered and addressed, regardless of the program:

- 1) The subrecipient's prior experience with the same or similar subawards
- 2) The results of previous audits, including whether or not the subrecipient receives a single audit in accordance with subpart F and the extent to which the same or similar subaward has been audited as a major program
- 3) Whether the subrecipient has new personnel or new or substantially changed systems
- 4) The extent and results of the federal awarding agency's monitoring reports, if applicable

The subrecipient risk assessment certification form will be reviewed by the program manager and a qualitative risk level of lower, moderate, or higher risk will be assigned. The risk should be documented in writing and approved by the department head or designee.

If a risk of moderate or higher is identified, the Deputy Finance Director in the County Finance Department should be notified so that additional procedures and/or reviews of reports can take place to mitigate the increased risk. Although such procedures will be developed at the sole discretion of the County Finance Department, a resource with an expansive list of potential procedures is provided in Form D – AGA Subrecipient Monitoring. The audit program ultimately developed by the County Finance Department will need to be completed by program personnel (with the assistance of county finance personnel). Once completed, the result of the procedures performed will be evaluated and a decision regarding use of the potential subrecipient will be made by the County Finance Department.

Generally, higher risk potential subrecipients as identified by this process will be denied subsequent subrecipient contracts.

d. Subrecipient Monitoring

Subrecipient monitoring must be performed per 2 CFR 200.331(d) “as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Required elements are:

- 1) Reviewing financial and performance reports
- 2) Following up with the subrecipient to ensure that actions are taken timely regarding all deficiencies pertaining to the Federal Award passed through from the county as detected by audits, grant monitoring visits, and other on-site reviews
- 3) Issuing a management decision for audit findings pertaining to the Federal Award passed through from the county as required by 2 CFR 200.521

Subrecipient monitoring should occur each year and ideally, will be substantially completed by simply completing the steps outlined in Section V(c), Subrecipient Risk Assessment. However, if issues are noted specific to the subrecipient’s audit report and/or single audit that relate to the county’s program, than a more detailed evaluation must take place before a management decision can be issued. Actions taken by the county will include one or both of the following:

- 1) Performing an on-site review, focusing on deficient controls, etc., as detailed in applicable single audit / grant monitoring reports.
- 2) Performing a wide scope, general on-site monitoring visit using Form D – AGA Subrecipient Monitoring as a guide in order to document general internal controls and internal control performance within the subrecipient organization.

After the above steps, as needed, are completed, a management decision should be rendered indicating that the subrecipient’s corrective actions taken are either sufficient or deficient. Continued deficiencies by a subrecipient should result in termination of the subrecipient contract and potential legal action to recover lost / misused federal funds, where applicable.

e. Modification of Existing Subrecipient Contracts

Although the practice in Macomb County is for the departments that manage grant programs to write policies for those applicable grants, repeated findings in the Federal Single Audits for Macomb County in calendar years 2017 and 2018 have necessitated the County Finance Department to write a county-wide policy in order to ensure subsequent compliance with 2 CFR 200, which had an effective date of December 26, 2014.

Because Federal regulations are already enacted that require the content of this policy to be in effect, the content of this policy must be retroactively applied to all subrecipient contracts already in effect currently, or that were in effect for any portion of the applicable program's fiscal year 2019. This could include multi-year subrecipient contracts that were executed prior to 2019, but have service periods that have run into the applicable program's fiscal year 2019. In short, any subrecipient contracts that covered any period of time with a program year that will be subject to audit as part of the county's 2019 Comprehensive Annual Financial Report (CAFR) and Federal Single Audit will be subject to the content of this policy and must be retroactively applied.

Using section IV. Definitions, each department in the county with grants should evaluate all contracts for potential subrecipient relationships. For any newly found entities or those already identified as subrecipients previously, section V, parts 'a' through 'c' apply and must be immediately brought into compliance with the applicable CFRs cited in those sections.

VI. FORMS

The following examples of forms have been provided for use by county departments in developing templates. These forms should be carefully reviewed and modified as needed by each department with federal awards.

- a. Form A – Subrecipient Contract Cover Sheet – Federal Award Identification (see Section V(b))
- b. Form B – Subrecipient Risk Assessment with Audit Certification (see Section V(c))
- c. Form C – AGA Subrecipient vs Contractor Checklist (see Section V(a))
- d. Form D – AGA Subrecipient Monitoring (see Section V(d))

VII. FREQUENTLY ASKED QUESTIONS

Common questions asked about this policy will be added periodically as the need arises. The following are anticipated questions regarding this policy:

- QUESTION #1. Does this policy apply to all contracts applicable to my grant?
- ANSWER #1. All contracts and/or relationships involving payments should be evaluated for potential identification as a subrecipient contract as outlined in Section IV. However, the policy covers just subrecipient contracts, and thus is only applicable to those arrangements.

QUESTION #2. Is my subrecipient contract in compliance with this policy if the required elements as described in Section V(b) are documented throughout the contract agreement rather than in a lead sheet?

ANSWER #2. No. While such a document would be compliance with 45 CFR part 75 Section 352(a), this policy, FIN.2019.001, requires a lead sheet to be used so that contract reviewers, state/Federal grant monitors, and financial / Federal Single auditors can easily trace the required elements to one location, regardless of department or grant. This will result in a lower risk of potential grant non-compliance.

QUESTION #3. How often must a new subrecipient risk assessment certification be completed?

ANSWER #3. Subrecipient risk assessments must be completed for each new or renewing subrecipient contract. If a subrecipient contract is for greater than one year in duration, then an audit certification should be completed annually, reviewed by the grant manager, and used to update the subrecipient's risk assessment. Procedures per Section V(d) should be followed regarding monitoring as needed.

QUESTION #4. How long can the term of a subrecipient contract be?

ANSWER #4. A subrecipient contract can be no longer than the term of the Subaward Performance Period as defined in Section V(b)(6) and cited from 45 CFR part 75 Section 352(a).

QUESTION #5. If a subrecipient contract expired before the date of this policy, but on or after the beginning of a program year covering any part of 2019 audit period, does this policy apply to that subrecipient contract?

ANSWER #5. Yes. All subrecipient contracts active for any program year that will be reported on the 2019 CAFR must comply with this policy. See Section V(e).

VIII. RESPONSIBILITIES

Responsibilities regarding the contract creation and contract routing process are not changed by this policy. Contract generation, amendments, and general contract administration continue to be the sole responsibility of the originating departments, however, the new processes are assigned as follows:

- a. **Subrecipient Determination (Section V(a))** is the responsibility of the department head, but can be delegated to a program manager or other designee.
- b. **Federal Award Identification Requirements (Section V(b))** is the responsibility of the preparer of the subrecipient contract. Additionally, it is the responsibility of all personnel in the contract routing / approval process chain to review contracts for the Federal Award Identification Cover Sheet and, if absent or incomplete, reject the contract.

- c. **Subrecipient Risk Assessment (Section V(c))** is the responsibility of the department head, but can be delegated to a program manager or other designee. Additionally, it is the responsibility of all personnel in the contract routing / approval process chain to review contracts for the Subrecipient Risk Assessment and, if absent or incomplete, reject the contract.
- d. **Subrecipient Monitoring (Section V(d))** is the responsibility of the department head, although this may typically be delegated to the program manager or other designee.
- e. **Modification of Existing Subrecipient Contracts (Section V(e))** is the responsibility of the department head, but can be delegated to a program manager or other designee.

All personnel impacted by this policy per section VIII(a) through (e) are responsible for reading and understanding the entirety of this document.

The Macomb County Director of Finance (or their designee) is responsible for the content of this policy as well as for updating this policy. This policy shall be reviewed by no later than October 1, 2022 and every three (3) years thereafter.

IX. ENFORCEMENT

Internally, the contract routing / approval process will enforce this policy. Additionally, the annual internal audit of each fund in the county may discover potential lack of compliance with this policy. Finally, the annual external audit and Federal Single Audit will also identify compliance issues, which may result in penalties from audit findings up to and including loss of funding and loss of grant funded personnel related to lost grant funding.

X. RELATED INFORMATION

www.govinfo.gov – Federal website hosted by the United States Government Publishing Office (GPO), that provides free public access to official publications from all three branches of the Federal Government. The Code of Federal Regulations (CFRs) can be found here.

<https://finance.macombgov.org/Finance-Transparency> - Macomb County’s Financial Transparency website, which among other financial documents, contains the county’s Federal Single Audits, including the findings from the 2017 and 2018 Federal Single Audit reports that this policy seeks to address.

XI. POLICY HISTORY

| | |
|-------------------|---|
| October 2019 | Written during various dates throughout October 2019 |
| November 1, 2019 | Exposure draft sent to all county departments with requested deadline for comments of Friday, November 15, 2019 |
| November 18, 2019 | Final policy issued |
| October 1, 2022 | The next scheduled date of review for this policy |

Michigan State Police
Emergency Management
and
Homeland Security
Division



Grant Agreement

FEDERAL AWARD IDENTIFICATION

| | | |
|--|---|---------------------------------|
| SUBRECIPIENT NAME County of Macomb | GRANT NAME Emergency Management Performance Grants | CFDA NUMBER 97.042 |
| SUBRECIPIENT IRS/VENDOR NUMBER 38-6004868 | FEDERAL AWARD IDENTIFICATION NUMBER (FAIN) EMC-2019-EP-00004 | FEDERAL AWARD DATE 7/24/2019 |
| SUBRECIPIENT DUNS NUMBER 026544713 | SUBAWARD PERFORMANCE PERIOD FROM 10/1/2018 TO 9/30/2019 | |
| RESEARCH & DEVELOPMENT N/A | Funding Federal Funds Obligated by this Action | Total \$45,666.00 |
| INDIRECT COST RATE None on file | Total Federal Funds Obligated to Subrecipient | \$45,666.00 |
| | Total Amount of Federal Award | \$8,971,802 |

FEDERAL AWARD PROJECT DESCRIPTION
2019 Emergency Management Performance Grants

DETAILS
The 2019 EMPG allocation is 35.69% of the Subrecipient's emergency program manager's salary and fringe benefits. A cost-match is required under this program. The Federal share used towards the EMPG budget shall not exceed 50 percent of the total budget.

| | |
|---|--|
| FEDERAL AWARDDING AGENCY Federal Emergency Management Agency Grant Operations 245 Murray Lane – Building 410, SW Washington DC 20528-7000 | PASS-THROUGH ENTITY (RECIPIENT) NAME Michigan State Police Emergency Management and Homeland Security Division PO Box 30634 Lansing, MI 48909 |
|---|--|



Health Department

SUBRECIPIENT RISK ASSESSMENT CERTIFICATION

| | | |
|---|---------|--------|
| Sub-Recipient: | County: | DUNS# |
| Authority | | |
| <p>As required by 2 CFR §200.331(b), the purpose of this assessment is to evaluate subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of a subaward, and to determine appropriate subrecipient monitoring during the grant performance period. Limited program experience, results of previous audits and site monitoring visits, new personnel or new or substantially changed systems, may increase a subrecipient's degree of risk.</p> | | |
| Questions | | |
| <p>1. How many federal grant awards has your organization managed in the past 5 years regardless of awarding agency?</p> <p><input type="checkbox"/> No grants</p> <p><input type="checkbox"/> 1-3 grants</p> <p><input type="checkbox"/> 4-5 grants</p> <p><input type="checkbox"/> 6+ grants</p> <p>2. What percentage of your grant management staff has fewer than 2 years of grant experience?</p> <p><input type="checkbox"/> 0-25% of staff</p> <p><input type="checkbox"/> 26-50% of staff</p> <p><input type="checkbox"/> 51-75% of staff</p> <p><input type="checkbox"/> 76-100% of staff</p> <p>3. Has your organization had a new or substantially changed financial/accounting system(s) in the past 2 years?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>4. What types of findings (audit site monitoring, etc.) has your organization received within the past 5 years? (Attach a separate sheet explaining any findings resulting in questioned costs or a return of funds.)</p> <p><input type="checkbox"/> Never Audited or No</p> <p><input type="checkbox"/> Unsupported costs (lack of documentation)</p> <p><input type="checkbox"/> Unreasonable use of funds</p> <p><input type="checkbox"/> Questioned costs or required to return funds</p> <p>Does your agency have staff primarily dedicated (>50%) to grants management activities?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> | | |
| Certification | | |
| <p><i>I certify the information provided in this assessment is true and accurate, and that all occurrences of prior grant non-compliance have been disclosed.</i></p> | | |
| Authorized Representative Signature: | | Date: |
| Authorized Representative Printed Name: | | |
| Point of Contact Printed Name: | Title: | Email: |



Health Department

2 CFR Part 200 Subpart F Audit Certification Form

Audits of States, Local Governments, Indian Tribes, and Non-Profit Organizations

| Contact Information | |
|--|----------|
| Subrecipient Name (Agency, Local Government, or Organization): | |
| Authorized Official: | |
| Address: | |
| Email: | Phone #: |

Purpose: As a pass-through entity of federal grant funds, the Macomb County Health Department (MCHD) is required by 2 CFR Part 200 Subpart F to monitor activities of subrecipients to ensure federal awards are used for authorized purposes and verify that subrecipients expending \$750,000 or more in federal awards during their fiscal year have met the 2 CFR Part 200 Subpart F Audit Requirements. Your entity is a subrecipient subject to such monitoring by MCHD because it is a non-federal entity that expends federal grant funds received from the Department as a pass-through entity to carry out a federal program. 2 CFR Part 200 Subpart F should be consulted when completing this form.

Directions: As required by 2 CFR Part 200 Subpart F, non-federal entities that expend \$750,000 in federal awards in a fiscal year shall have a single or program-specific audit conducted for that year. If your entity **is not** subject to these requirements, you must complete Section A of this Form. If your entity **is** subject to these requirements, you must complete Section B of this form. When completed, you must sign, date, and return this form with your grant agreement and every fiscal year thereafter until the grant agreement is closed. Failure to return this completed Audit Certification Form may result in delay of grant agreement processing, withholding of federal awards or disallowance of costs, and suspension or termination of federal awards.

SECTION A: Entities NOT subject to the audit requirements of 2 CFR Part 200 Subpart F

Our entity is not subject to the requirements of 2 CFR Part 200 Subpart F because (check all that apply):

We did not expend \$750,000 or more of *total* federal awards during the fiscal year.

We are a for-profit agency.

We are exempt for other reasons (describe):

However, by signing below, I agree that we are still subject to the audit requirements, laws and regulations governing the program(s) in which we participate, that we are required to maintain records of federal funding and to provide access to such records by federal and state agencies and their designees, and that MCHD may request and be provided access to additional information and/or documentation to ensure proper stewardship of federal funds.

SECTION B: Entities that ARE subject to the audit requirements of 2 CFR Part 200 Subpart F (Complete the information below and check the appropriate box)

We completed our last 2 CFR Part 200 Subpart F Audit on [enter date] _____ for Fiscal Year ending [enter date] _____. There were no findings related to federal awards from MCHD. No follow-up action is required by MCHD as the pass-through entity.
A complete copy of the audit report, which includes exceptions, corrective action plan and management response, is provided electronically to patrick.detine@macombgov.org.

We completed our last 2 CFR Part 200 Subpart F Audit on [enter date] _____ for Fiscal Year ending [enter date] _____. There were findings related to federal awards.
A complete copy of the audit report, which includes exceptions, corrective action plan and management response, is provided electronically to patrick.detine@macombgov.org.

Our completed 2 CFR Part 200 Subpart F Audit will be available on _____ [enter date] for Fiscal Year ending _____ [enter date]. We will provide electronic copy of the audit report to patrick.detine@macombgov.org at that time.

I hereby certify that I am an individual authorized by the above identified entity to complete this form. Further, I certify that the above information is true and correct and all relevant material findings contained in audit report/statement have been disclosed. Additionally, I understand this Form is to be submitted every fiscal year for which this entity is a subrecipient of federal award funds from the Department until the grant agreement is closed.

Signature of Authorized Official: _____ Date: _____
Print Name & Title: _____

RECIPIENT CHECKLIST FOR DETERMINING IF THE ENTITY RECEIVING FUNDS HAS A CONTRACTOR OR SUBRECIPIENT RELATIONSHIP

FORM C - Subrecipient vs Contractor Checklist

This document is intended to help a recipient of federal funds make a judgment as to whether each agreement it makes, for the disbursement of federal program funds, casts the entity receiving the funds in the role of a subrecipient or a contractor. Based on 2 CFR Chapter I, Chapter II, Part 200 et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), issued by the U.S. Office of Management and Budget (OMB) on December 26, 2013, and effective for non-federal entities on December 26, 2014, the following information is intended for use by all non-federal entities.

Important Terms:

Recipient: A non-federal entity that receives a federal award directly from a federal awarding agency to carry out an activity under a federal program. The term recipient does not include subrecipients. (See 2 CFR 200.86 of the Uniform Guidance.)

Subrecipient: A non-federal entity that receives a subaward for the purpose of carrying out part of a federal award. The subaward creates a federal assistance relationship with the subrecipient. (See 2 CFR 200.93 & .330 (a) of the Uniform Guidance.)

Contractor: A non-federal entity that receives a contract for the purpose of providing goods and services for the awarding non-federal entity's own use. The contract creates a procurement relationship with the contractor. The Uniform Guidance replaced the term "Vendor" with "Contractor." (See 2 CFR 200.22 & .330 (b) of the Uniform Guidance.)

Instructions: The "Characteristics" column in this checklist is based on language in the Uniform Guidance. The column lists characteristics that support the classification of a non-federal entity as a subrecipient or contractor. Since all of the characteristics listed may not be present in all cases, the Uniform Guidance recognizes that the recipient "...must use judgment in classifying each agreement as a subaward or a procurement contract." (2 CFR 200.330 (c).) In the "Explanations" column, AGA provides additional information to assist in answering the questions under "Characteristics." Answer each question by checking "yes" or "no" where indicated. Based on responses to the questions, a key provided at the end of each section will help in making a judgment as to whether a subrecipient or contractor relationship exists. White space is provided in between the "Characteristics" column and the "Explanation" column so that users can tailor this checklist to accommodate the unique aspects of various programs or jurisdictions.

Note: One check in a subrecipient box does not necessarily mean the entity is a subrecipient. A judgment should be based on the totality of responses.

Office _____

Entity receiving funds _____

Funding Source(s) _____

Notes:

CHARACTERISTICS

EXPLANATIONS

Decision Making Authority

200.330 a. 1 Determines who is eligible to receive what Federal assistance;

a. Does the entity determine who is eligible to participate in the federal program?

| | |
|-----|----|
| Yes | No |
| | |

200.330 a.3 Has responsibility for programmatic decision making;

a. Does the entity have the ability to make decisions about how services will be delivered to participants, in accordance with federal programmatic requirements?

| | |
|-----|----|
| Yes | No |
| | |

OR

200.330 b.4 Provides goods or services that are ancillary to the operation of the Federal program;

b. Does the entity provide goods or services for the recipient's own use?

| | |
|-----|----|
| Yes | No |
| | |

b. Does the entity provide services designated by the recipient to serve the recipient's participants without regard to specific federal programmatic requirements?

| | |
|-----|----|
| Yes | No |
| | |

If you selected "yes" to **EITHER** item **a**, this is an indicator of a subrecipient relationship.
If you selected "yes" to **EITHER** item **b**, this is an indicator of a contractor relationship.

| Subrecipient | Contractor |
|--------------|------------|
| | |

If the entity determines whether a participant meets a federal program's eligibility requirements for assistance, it is most likely a subrecipient.

A contractor may provide services to clients in a program after eligibility has been determined by the recipient.

If the entity has authority to make decisions regarding the delivery of service, operations, or types of assistance provided within the terms of the agreement, it is typically a subrecipient.

If the entity provides goods or services directly to the recipient or to program participants at the direction of the recipient and does not make programmatic decisions or adhere to program requirements, it is typically a contractor.

Nature of Award

200.330 a. 2 Has its performance measured in relation to whether objectives of a federal program were met;

a. Are the scope of work (or portion, if applicable) and terms and conditions of the agreement the same for the entity as they are for the recipient that received the federal funds?

| | |
|-----|----|
| Yes | No |
| | |

a. Is the entity carrying out completion of the goal of the grant (or part, if applicable) as stated in the federal award?

| | |
|-----|----|
| Yes | No |
| | |

OR

200.330 b.5 Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

b. Does the recipient develop the scope of work and terms and conditions of the agreement to meet the recipient's needs?

| | |
|-----|----|
| Yes | No |
| | |

If you selected "yes" to **EITHER** item **a**, this is an indicator of a subrecipient relationship.
If you selected "yes" to item **b**, this is an indicator of a contractor relationship.

| Subrecipient | Contractor |
|--------------|------------|
| | |

EXPLANATIONS

If the entity is providing a service for the recipient to meet the goal of the grant, it is a contractor; if the entity is providing a service that carries out a goal within the scope of the grant, it is a subrecipient. When a grant program contains multiple goals, it is possible for the recipient to complete part of the goals and for the entity to perform another part.

If the scope of the agreement is per the federal program terms/guidance, the entity is a subrecipient. A subrecipient may also provide programmatic or progress reports to ensure compliance with federal program requirements.

Conversely, if the scope of the agreement is per the recipient's terms and not federal program guidance, and if the recipient's oversight is governed only by the contract terms and conditions, it is a contractor.



200.330 a.4 Is responsible for adherence to applicable Federal program requirements specified in the Federal award;

a. Funding to the entity depends on the entity's ability to best meet the objectives of the award. Although performance is measured against federal award objectives, the entity assumes little risk if the objectives are not met.

Yes No

OR

200.330 b.5 Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

b. The entity assumes financial risk if they fail to deliver the goods or services agreed upon.

Yes No

If you selected "yes" to item **a**, this is an indicator of a subrecipient relationship. If you selected "yes" to item **b**, this is an indicator of a contractor relationship.

| Subrecipient | Contractor |
|--------------|------------|
| | |

If the funding is given to the entity with a purpose of completing the goal of the grant, the recipient will be required to ensure the entity adheres to federal grant program guidance. The recipient will also be required to monitor the activities of the entity per Uniform Guidance section 200.331. The entity assumes little risk should federal grant guidance not be met. The risk falls with the recipient.

If the recipient directs specific activities to be completed by the entity, by providing goods or services, the risk falls on the entity to deliver, per the agreement terms. In this case, the entity would not be required to adhere to the federal grant program requirements, just the terms and conditions in the agreement with the recipient.

Criteria for Selection

EXPLANATIONS

200.330 a.5 In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

a. Does the entity demonstrate a financial or public need for funding to carry out a project or provide a service?

Yes No

a. Will the entity be contributing match or other non-Federal funding in support of the award?

Yes No

a. Will the entity be reimbursed for only actual costs incurred?

Yes No

OR

200.330 b.3 Normally operates in a competitive environment;

b. Were procurement policies applied in the selection of the entity?

Yes No

b. Was the entity's proposed price a factor in the selection process?

Yes No

b. Will the entity derive a profit from the agreement?

Yes No

If you selected "yes" to **ANY** item **a**, this is an indicator of a subrecipient relationship. If you selected "yes" to **ANY** item **b**, this is an indicator of a contractor relationship.

| Subrecipient | Contractor |
|--------------|------------|
| | |

If the entity was chosen because it has the best widgets or service for the price, it has a contractor relationship with the recipient. Typically, a procurement method is followed, such as a competitive bid or RFP process. In this type of agreement, the entity usually makes a profit by delivering this good or service to the recipient. Payments to contractors are typically made based on contract terms.

Conversely, if the entity was chosen because it was already providing a service within the guidelines of the grant program and wants to partner with the recipient to expand the delivery or assist in meeting the goal of the grant, it may be a subrecipient. Typically, the entity may not make a profit and may provide its own non-federal funding as match or cost sharing. The entity may have been chosen through an application process or an announcement of funding, as opposed to the procurement process described above. Payment to a subrecipient is generally based on actual expenses unless awarded on a fixed amount subaward (2 CFR 200.332). It is typical of subrecipients to submit budgets, financial reports, or copies of invoices to the recipient, to document activity.



200.330 b.1 Provides the goods and services within normal business operations;

b. Is the entity's normal business to provide the goods or services being purchased in the agreement? Yes No

| | |
|--|--|
| | |
|--|--|

200.330 b.2 Provides similar goods or services to many different purchasers;

b. Does the entity provide the same goods or services to other organizations? Yes No

| | |
|--|--|
| | |
|--|--|

If a federal program provides funding to modify public buildings for handicapped accessibility and the recipient provides funds to an entity to update the entity's building, per the terms of the award, then a subrecipient relationship exists.

Conversely, if the recipient hires an entity to update their own building to be handicapped accessible, then a contractor relationship exists.

If you selected "no" to **EITHER** item, it is an indicator of a subrecipient relationship. If you selected "yes" to **BOTH** items, it is an indicator of a contractor relationship.

| Subrecipient | Contractor |
|--------------|------------|
| | |

Determination

EXPLANATIONS

Final Determination

| Subrecipient | Contractor |
|--------------|------------|
| | |

Review all the entries and make an overall determination of the relationship. **Check the appropriate box in this section.**

Determined by _____ (enter name of person initially making decision) _____ (date)

Approved by _____ (enter name of person reviewing) _____ (date)

Based on the relationship determined above, see additional guidance on requirements governing agreements. Section 200.331 - "Requirements for pass-through entities," for subrecipient agreements, Section 200.317 through 200.326 - "Procurement Standards," for contractor agreements.



COLLABORATION SERIES

Subrecipient Monitoring and Self-Assessment Guide



Intergovernmental Partnership
November 2017

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AGA is *the* member organization for government financial management professionals. We lead and encourage change that benefits our field and all citizens. Our networking events, professional certification, publications and ongoing education help members build their skills and advance their careers.



About AGA's Intergovernmental Partnership

AGA established the Intergovernmental Partnership to open the lines of communication among all levels of government with the goal of improving performance and accountability. Top-level officials from the federal, state and local levels of government and higher education comprise the partnership, which is dedicated to identifying and solving some of the most vexing management and accountability issues facing governments today. AGA provides staff support, serving as a neutral third party in fostering cooperation and communication among different levels of government.



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INTRODUCTION

Why this guide?

AGA's Intergovernmental Partnership members developed this guide to provide a consistent approach for pass-through entities to monitor a grant subrecipient's compliance with federal administrative requirements. It is designed for use in monitoring the administration of grant dollars provided by federal awarding agencies. This guide is not intended to take the place of an audit; instead, it provides a framework for understanding where a subrecipient is at risk of non-compliance with federal administrative requirements. With the knowledge of potential risk areas, subrecipients can effectively focus their attention and provide technical assistance where it is needed most. Subrecipients may also use it as a self-assessment tool.

How to use this guide

The guide is intended for use with the Intergovernmental Partnership's Risk Assessment Tool, both of which are available on AGA's website at www.agacgfm.org/intergov.

Each user can customize the set of provided questions to meet specific needs and some sections, such as procurement, can be eliminated if the section is irrelevant to a specific entity. There is no absolute rule for interpreting the collective answers to the questions included within this guide. Users of the guide are asked to answer questions with a "YES" or "NO" response. Occasionally, "Not Applicable" (N/A) may also be an appropriate response. Throughout this guide, a "YES" response is desired, indicating the subrecipient has appropriate policies, procedures or controls in place. However, no specific number of "YES" answers indicates a subrecipient is deemed in compliance with all federal award requirements. Rather, "NO" answers help pass-through entities, or entities conducting self-assessments, determine areas in which compliance may be an issue and may require additional attention.

While this tool is designed for use by pass-through entities, it can also be instructive for federal awarding agencies in monitoring non-federal entities or non-federal entities that want to conduct a self-assessment.

AGA's Intergovernmental Partnership, which was established in conjunction with the U.S. Office of Management and Budget in 2007 to open the lines of communication among governments, developed a previous guide in 2009. This updated guide is now consistent with 2 CFR Chapter I, Chapter II, Part 200, et al. "Uniform Administrative Requirements, Cost Principles and Audit Requirements," commonly referred to as the Uniform Guidance, which is referred to as the UG throughout this document. The UG, issued by the Office of Management and Budget in December 2013, is intended to provide a

uniform framework for federal grants management. Throughout this guide the UG is used as guidance, either verbatim or paraphrased for ease of use. Most questions in this guide are based on the UG, with the relevant requirement(s) referenced. References, such as UG §200.69, point the user to sections of the UG where additional content and context can be found.

This guide may also assist to:

- determine whether federal grant purposes are being met;
- identify and remedy problems before an audit; and
- provide pass-through entities and subrecipients a better understanding of program requirements, and insight as to whether necessary policies and procedures are in place.

This guide is *not* intended to:

- establish federal monitoring requirements;
- duplicate audit functions;
- serve as an audit guide;
- be used by an auditor in performing audits; nor
- result in an opinion being rendered.

Pass-through entities are expected to use professional judgment in evaluating risk and determining the level of monitoring needed for subrecipients. Monitoring agencies should document the rationale for their level of monitoring.

Please note, not all items within this guide are applicable to all federal programs or subrecipients. Items that do not apply should be marked "Not Applicable."

In using this document, it is important to understand the following UG terms, as they define key roles in the grants management process:

§200.69 Non-federal entity.

Non-federal entity means a state, local government, Indian tribe, institution of higher education (IHE) or nonprofit organization that carries out a federal award as a recipient or subrecipient.

§200.74 Pass-through entity.

Pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

§200.92 Subaward.

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

§ 200.93 Subrecipient.

Subrecipient means a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

Prior to issuing the award, the pass-through entity should already have conducted a risk assessment of the subrecipient, we encourage using AGA's Risk Assessment Tool. Section 200.331(b) of the UG requires pass-through entities to evaluate each subrecipient's risk of noncompliance to determine appropriate subrecipient monitoring. Section 200.331(d) further requires pass-through entities to monitor subrecipient activities to ensure the subaward is used for authorized purposes, in compliance with federal statutes, regulations and the terms and conditions of the subaward. Under the same subsection, the pass-through entity must monitor the subrecipient to determine whether performance goals are achieved.

To help users assess whether subrecipients are complying with provisions of the UG in key areas, the information is divided into sections:

- Administration
- Compliance with Programmatic Requirements
- Program Budgeting and Finance
- Cross-cutting Issues.



ADMINISTRATION

A. Subrecipient's Profile

1. Name and physical address of non-federal entity:

2. Non-federal entity's program contact:

Name: _____
Email: _____
Work Phone: _____
Cell Phone: _____

3. Non-federal entity's finance contact:

Name: _____
Email: _____
Work Phone: _____
Cell Phone: _____

4. Type of organization (check one):

- College or university
- State or local government
- Hospital
- Other non-profit organization
- School district
- For-profit organization
- Other; please describe: _____

5. Approximate total organization-wide annual operating budget:

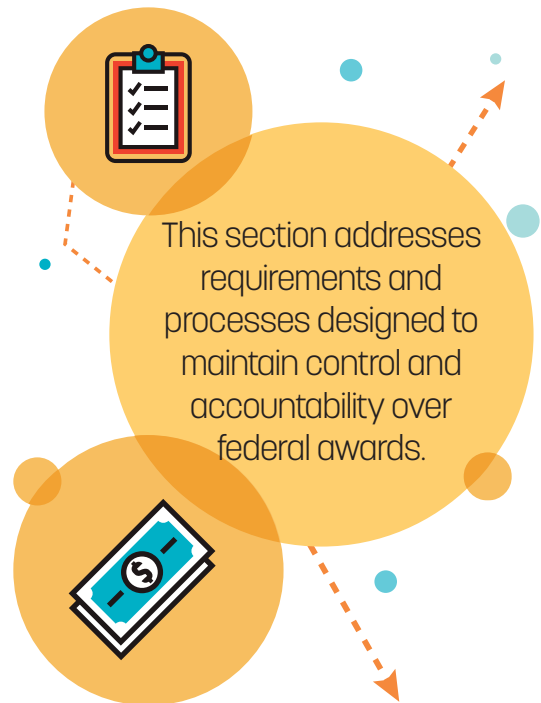
| | Previous Fiscal Year | Current Fiscal Year |
|-------------------|----------------------|---------------------|
| Federal Funds | _____ | _____ |
| Non-Federal Funds | _____ | _____ |

6. Other information about non-federal entity: _____

B. Monitor's Profile

Name: _____
Title: _____
Organization: _____
Email: _____
Work Phone: _____
Cell Phone: _____

C. Date of Site Visit



D. Internal Controls

In July 2017, the Council on Federal Assistance Reform, whose responsibilities have since been assumed by the Chief Financial Officers Council, issued a Frequently Asked Questions (FAQs) document on the UG. The FAQs provide clear explanation as to what non-federal entities must do with regard to internal controls and federal guidance that must be followed: “The requirement is that the non-federal entity must establish and maintain effective internal controls over federal awards that provide reasonable assurance that awards are being managed in compliance with federal statutes, regulation and the terms and conditions of the federal award.”

For best practices, the UG also refers non-federal entities to:

- *Standards for Internal Control in the Federal Government* (Green Book) issued by the Comptroller General
- “Internal Control — Integrated Framework” issued by the Committee on Sponsoring Organizations
- Appendix XI, Compliance Supplement — Part 6 Internal Control

“While non-federal entities must have effective internal control, there is no expectation or requirement that the non-federal entity document or evaluate internal controls prescriptively in accordance with these three documents, or that the non-federal entity or auditor reconcile technical differences between them. They are provided solely to alert the non-federal entity to source documents for best practices. Non-federal entities and their auditors will need to exercise judgment in determining the most appropriate and cost effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with federal program requirements.” (UG §200.303)

1. Describe the organization-wide segregation of responsibilities in context of checks and balances, and attach any controlling policies or procedures regarding segregation of responsibilities. _____

2. Are specific officials designated to approve payrolls and financial transactions at various dollar levels? YES NO

3. Do the procedures for cash receipts and disbursements include the following safeguards?

a. Receipts are promptly logged, restrictively endorsed and deposited in an insured bank account. YES NO

b. Bank statements are promptly reconciled to the accounting records, and are reconciled by someone other than the individuals handling cash, disbursements and maintaining accounting records YES NO

c. All disbursements (except petty cash or electronic funds transfer disbursements) are made by pre-numbered checks. YES NO

d. Supporting documents (e.g., purchase orders, invoices, etc.) accompany the checks submitted for signature, and are marked paid or otherwise prominently noted after payments are made. YES NO

e. Checks drawn to “cash” and advance signing of checks are prohibited. YES NO

f. Multiple signatures are required on checks. YES NO

4. Are individuals in a position of trust required to take leave and delegate their duties to others while on leave? YES NO

5. Are proposals for federal awards coordinated with and approved by the organization’s business management officials prior to submission to sponsoring agencies? YES NO

E. Accounting

The state and other non-federal entity's financial management systems must be sufficient to permit:

- preparation of reports required by general and program-specific terms and conditions; and
- tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and its terms and conditions (UG §200.302).

In monitoring financial management systems, it is important to examine whether the non-federal entities' records are documented in compliance with federal statutes, regulations and the award's terms and conditions.

1. Does the organization have written accounting policies and procedures to assure uniform practice in the following areas?

| | | |
|---|------------------------------|-----------------------------|
| a. Procurement | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| b. Contract administration | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| c. Payroll | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| d. Records to justify costs of salaries and wages | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| e. Inventory | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| f. Vendor payments | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| g. Federal draws | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| h. Grants budgeting and accounting | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| i. Cash management | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| j. Audit resolution | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| k. Cash receipts | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| l. Disbursements | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| m. Records retention | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

2. Does the organization use the same policies and procedures for accounting for, and expending, federal funds as it does for its state funds? YES NO N/A

3. Are all appropriate accounting staff trained on current federal policies, procedures and instructions on accounting for, and expending, federal funds? YES NO

4. What accounting system does the non-federal entity use (e.g., QuickBooks, Visual Bookkeeper, Socrates Media, Peachtree or a custom proprietary system)?

5. Which accounting basis is by the non-federal entity (check one)?

- Cash basis Accrual basis Modified accrual

6. To ensure open invoices and amounts for goods and services received are properly accrued, recorded or controlled, does the non-federal entity use checklists for statement-closing procedures? YES NO

7. How are federal funds identified and tracked in the accounting system?

8. Are sources of non-federal funds identified and tracked in the accounting system? YES NO

9. Does the non-federal entity use a chart of accounts and accounting manual? YES NO

10. For each federal grant, does the accounting system provide information on the following?

a. Authorizations YES NO

b. Obligations YES NO

c. Funds received YES NO

d. Program income YES NO

e. Subawards YES NO

f. Outlays YES NO

g. Unobligated balances YES NO

11. Are obligations recorded by:

a. Funding source YES NO

b. Object code YES NO

12. Does to accounting system allow for the liquidation of prior-year obligations? YES NO

If NO, what is the subrecipient's policy for the liquidation of prior-year obligations?

13. Are accounting records supported by source documentation (e.g., canceled checks, paid bills, payrolls, contract and subaward documents, etc.)? YES NO

14. Are payment vouchers identified by:

a. Grant number YES NO

b. Expense classification YES NO

c. Funding source YES NO

d. Transaction date YES NO

15. Are purchasing and payment functions separate? YES NO

16. Do accounting staff review the following items prior to entry into the system:

| | | |
|--------------------|------------------------------|-----------------------------|
| a. Authorizations | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| b. Purchase orders | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| c. Payments | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

17. Are there controls to preclude:

| | | |
|--|------------------------------|-----------------------------|
| a. Over-obligation | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| b. Under- or overstatement of unliquidated obligations | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| c. Duplicate payments | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| d. Inappropriate charges to grants | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

18. Are all reports prepared on the same basis as the accounting system?

YES NO

F. Program Income

Does the non-federal entity have effective control over, and accountability for, all funds, property and other assets? The non-federal entity must adequately safeguard all assets and assure they are used solely for authorized purposes (UG §200.302).

1. Is program income deposited daily? YES NO

If NO, how often is it deposited?

2. Does the non-federal entity have policies and procedures to ensure that the time elapsing between the transfer of funds and the disbursement of those funds is minimized? YES NO

3. Is the cash receipts function performed by someone other than the person who is responsible for signing checks, reconciling bank accounts or maintaining noncash accounting records? YES NO

4. Are bank statements reviewed and reconciled by someone other than the person who disburses funds from the account? YES NO

5. Are bank statements reconciled at least monthly? YES NO

6. Are paid checks examined for date, name cancellation and endorsements at the time the reconciliation is prepared? YES NO

7. Are vouchers or supporting documents identified by grant, number, date and expense classification? YES NO

8. Are checks submitted for signature accompanied by supporting documents? YES NO

9. Are supporting documents canceled to prevent reuse? YES NO

10. Are invoices or vouchers approved in advance by authorized officials? YES NO

11. Are voided checks properly canceled and retained for future examination? YES NO

12. Are blank checks secured? YES NO
13. Is the practice of drawing cash payable to “cash” or “bearer” prohibited? YES NO
14. Are procedures in place to prevent checks from being issued on verbal authority? YES NO
15. Are blank checks and credit cards secured in a locked drawer or cabinet? YES NO
16. For credit cards:
- a. Does the bank provide the subrecipient with a list of credit-card users? YES NO
- b. Are the balances of credit cards capped? YES NO
- c. Were all credit cards used for business purchases? YES NO
- If NO, have reimbursements been made? YES NO
17. Are employees prohibited from having custody of any unrecorded cash or negotiable instruments of the non-federal entity? YES NO

G. Audit Requirements

A non-federal entity that expends (as opposed to receives) \$750,000 or more in federal awards during the non-federal entity’s fiscal year must have a single or program-specific audit conducted for that year (UG §200.501). The auditee must:

- procure or otherwise arrange for the audit required (UG §200.509) and ensure that it is properly performed and submitted when due (UG §200.512);
- prepare appropriate financial statements, including the schedule of expenditures of federal awards (UG §200.510);
- promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan (UG §200.511);
- provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit (UG §200.508).

1. Was the subrecipient required to obtain a single audit for its most recently completed fiscal year? YES NO
- If YES,
- a. Did the subrecipient obtain the required audit? YES NO
- b. Did the reviewer obtain the subrecipients’ audit? YES NO
2. Were audit reports free of findings? YES NO
3. Has the subrecipient assigned any individual or office the responsibility for resolving audit findings and questioned costs? YES NO

If YES, who or what office?

4. Did the subrecipient submit a timely response to the audit, including a plan for correcting any conditions reported in sustained findings? YES NO

5. Were audit reports free of questioned costs? YES NO

If NO,

a. Were any questioned costs allowed? YES NO

b. For questioned costs not allowed, did the subrecipient remit payment within the negotiated time? YES NO

6. Was a corrective action plan required? YES NO

If YES,

a. Did the subrecipient's plan call for submission of progress reports? YES NO

If YES, did the subrecipient submit them as required? YES NO

b. Does the subrecipient maintain records detailing the implementation of its corrective action plan? YES NO

If NO, why not?

c. Do the subrecipient's records and/or observable evidence support its claims to have implemented its corrective action plan? YES NO

If NO, why not?

7. Have additional on-site reviews or audits other than single audits been conducted on the subrecipient? YES NO

If YES, did these inspections disclose the continued presence of deficiencies the subrecipient had reported corrected? YES NO

H. Record Retention and Access

Financial records, supporting documents, statistical records and all other non-federal entity records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report. Alternatively, for federal awards renewed quarterly or annually, they must be retained from the date of the submission of the quarterly or annual financial report, respectively, as reported to the federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-federal entities (UG§ 200.333).

The federal awarding agency, inspectors general, the comptroller general of the United States, and the pass-through entity (or any authorized representatives) must have the right of access to any documents, papers or other records of the non-federal entity pertinent to the federal award for audits, examinations, excerpts and transcripts. This right also includes timely and reasonable access to the non-federal entity's personnel for discussion related to such documents (UG§ 200.336).

1. Identify the types of organization-level policies and procedures governing the retention of records:

- Fiscal record retention
- Programmatic record retention policy
- A single policy for the retention of all record types

2. Do subrecipient's policies meet federal retention requirements for:

- a. general retention requirements (three years from the final expenditure report, the quarterly or annual financial report or other action, whichever is later)? YES NO
- b. real property and equipment (three years after final disposition)? YES NO

3. Has the subrecipient retained all records related to litigation, claims or audits started before the expiration of the three-year period until all litigation, claims or audit findings have been resolved and final action taken? (UG §200.333) YES NO

COMPLIANCE AND PROGRAMMATIC REQUIREMENTS

Pass-through entities should assess a subrecipient's compliance with programmatic requirements and monitor those requirements posing the greatest risk for non-compliance. A specific reference to the UG is identified as a way of providing a context for conducting compliance and monitoring activities.

1. Is the organization's management aware of the regulations and policies governing the award (e.g., the UG, program regulations, manuals, etc.)? (UG §200.300) YES NO
2. Does the organization have procedures to monitor the performance of federally supported projects to determine whether adequate progress is being made in meeting the project objectives? (UG §200.301) YES NO

PROGRAM BUDGETING AND FINANCE

This section addresses program budgeting and finance, including matching requirements and the treatment of program income.

A. Budget Formation and Administration

1. Does the subrecipient have an operating budget for each of its grants? (UG §200.302) YES NO

2. Who are the key people responsible for developing and reviewing the budget(s) for the subrecipient?

Names and titles:

3. Do the budgetary estimates of revenues and expenditures consider trends established in recently completed budget periods and general economic conditions? YES NO

4. Does the organization have fiscal controls that result in (UG §200.303):

- a. control of expenditures within the approved operating budget? YES NO
- b. management review and approval prior to issuing budget amendments or incurring obligations or expenditures that deviate from the operating budget? YES NO

5. Is there timely, periodic financial reporting to management that permits (UG §200.308):

- a. comparison of actual expenditures with the budget for the same period? YES NO
- b. comparison of revenue estimates with actual revenue (including program income, if applicable) for the same period? YES NO

6. Is the responsibility for maintaining budget control established at all appropriate levels? YES NO

7. What steps would be taken if projected revenues were insufficient to cover actual expenditures?

8. Are line item costs for the subaward consistent with the budget approved by its awarding agency? YES NO N/A

9. Does the subaward have an established policy/threshold related to moving expenditures between cost categories? YES NO

If YES, did the subrecipient stay within the threshold for each cost category? YES NO

10. Were there expenditures recorded in cost categories not approved by the program office? YES NO

11. Additional comments for this section:

B. Matching

(UG §200.306)

BREAKDOWN OF NON-FEDERAL MATCH FROM OTHER SOURCES FY 20____

1. Does the subrecipient have a subaward that requires matching funds?

If NO, skip to Section C. Program Income.

If YES, please list all non-federal sources of funds and the amount received:

| | |
|--|----------|
| a. Political subdivisions | \$ _____ |
| b. Transfers from other entities | \$ _____ |
| c. Non-federal cooperative agreements (certified expenditures) | \$ _____ |
| d. Establishment projects | \$ _____ |
| e. Construction projects | \$ _____ |
| f. Gifts and bequeaths | \$ _____ |
| g. Additional sources (e.g., set-aside) | \$ _____ |
| h. Third party in-kind | \$ _____ |
| Total non-federal revenue funds (a-h) | \$ _____ |

Additional comments for this section:

C. Program Income

Non-federal entities are encouraged to earn income to defray program costs, where appropriate. (UG §200.307)

1. Does the subrecipient receive program income as the result of activities of federal programs? YES NO

If NO, do not respond to this section; skip to CROSS-CUTTING ISSUES.

If YES, identify the programs and activities that generate program income.

2. Does appropriate staff know how program income should be reported when using the deduction and addition alternatives? YES NO

3. Does the subrecipient have written policies and procedures on the receipt and obligation/expenditure of program income? YES NO

4. Is an individual assigned the responsibility for the receipt of program income funds? YES NO

5. Is an individual assigned the responsibility for the obligation of program income funds? YES NO

6. Are the individuals listed in response to questions No. 4 and 5 different people? YES NO N/A

7. Do the subrecipient's policies and procedures assure that program income is obligated properly? YES NO

8. For the fiscal year(s) under review, provide the dollar amounts for each source of program income.

| SOURCE OF INCOME | DOLLAR AMOUNT |
|------------------|---------------|
| <hr/> | <hr/> |
| <hr/> | <hr/> |
| <hr/> | <hr/> |
| <hr/> | <hr/> |

9. Were there any costs incidental to the generation of program income? YES NO

If YES, were costs deducted from gross income to determine net program income? YES NO

10. Was any interest earned on any program income received? YES NO

If YES, was that interest added to the program income account that gave rise to that interest income? YES NO

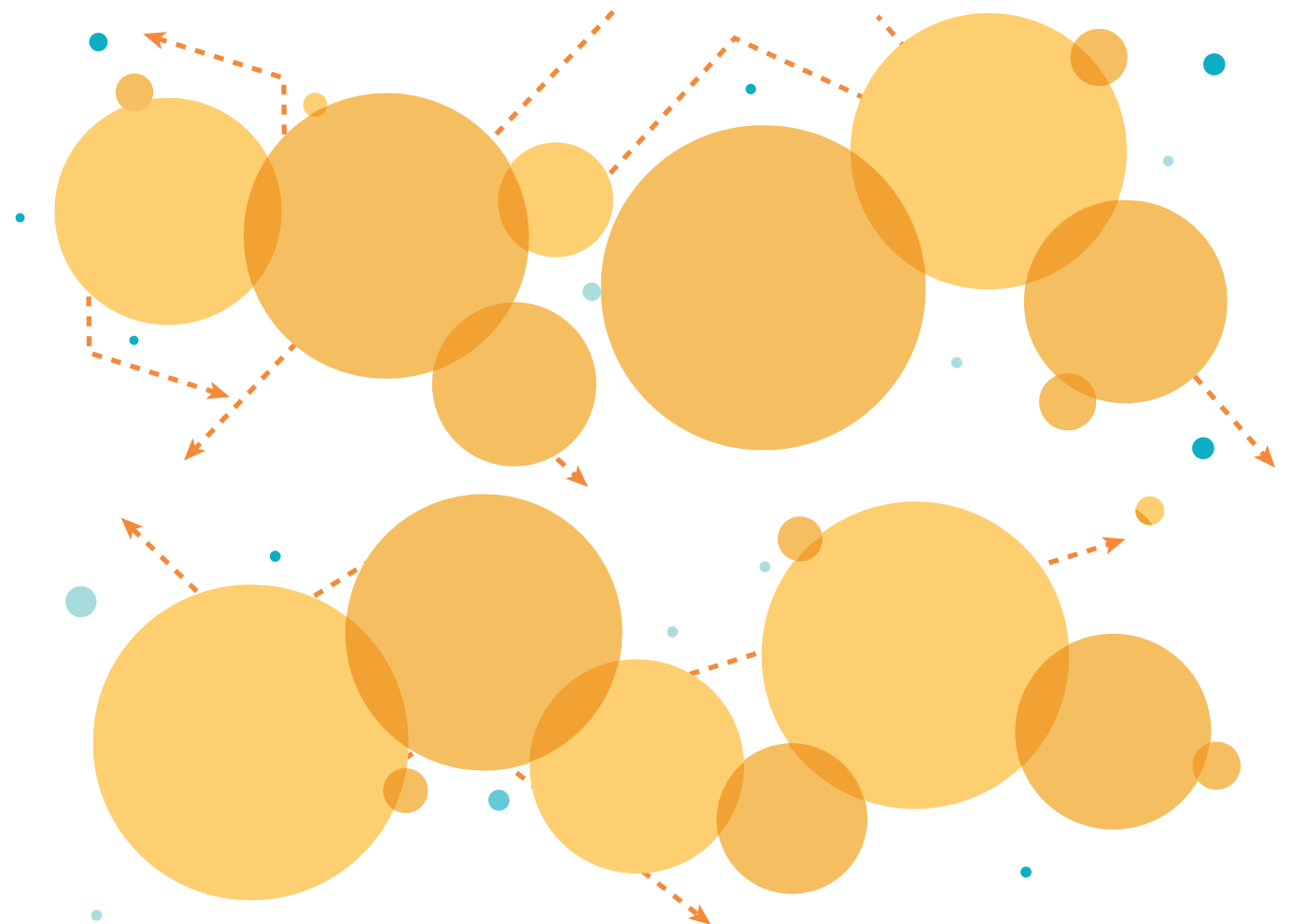
11. Does the subrecipient have procedures to identify and record program income to the correct accounts? YES NO

12. Was the program income used in accordance with an authorized use? YES NO

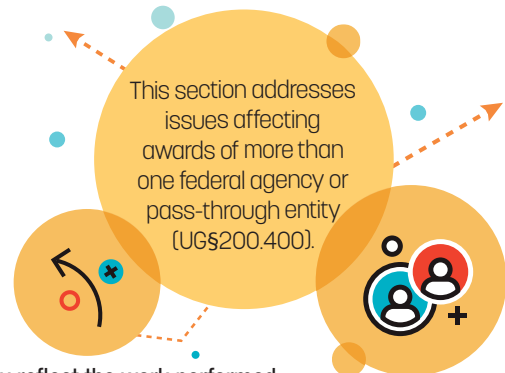
13. Was program income reported on the financial status reports and Schedule of Expenditure of Federal Awards, or any successor form, for the fiscal year(s) under review? YES NO

14. If any program income counted toward satisfying the non-federal share requirement for the fiscal year(s) under review, was there prior authorization by the pass-through entity? YES NO

15. Additional comments for this section:



CROSS-CUTTING ISSUES



Subpart E - Cost Principles

A. Documentation of Personnel Expenses

(UG §200.430, 431)

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed.

If the answers to questions in this section are YES, it is likely the subrecipient has provided sufficient support or documentation for the work performed; unless the work is performed by nonexempt employees, in which case, the records must indicate the number of hours worked each day. Where a subrecipient's records do not meet the standards contained in this section, the federal government may require personnel activity reports, including prescribed certifications, or equivalent documentation that support the records.

1. Are there written policies and procedures for the documentation of personnel compensation? YES NO

2. Are the subrecipient's records: :

a. supported by a system of internal control that provides reasonable assurance the charges are accurate, allowable and properly allocated? YES NO

b. incorporated into the subrecipient's official records? YES NO

c. reasonably reflective of the total activity for which the employee is compensated? YES NO

d. encompassing of both federally assisted and all other activities compensated by the subrecipient on an integrated basis? (Note: Subsidiary records may be used in accordance with the subrecipient's written policies.) YES NO

e. in compliance with established accounting policies and practices of the subrecipient? YES NO

f. supportive of the distribution of the employee's salary or wages among specific activities or cost objectives? (Note: This distribution applies whether the employee works on more than one federal award; a federal award and a non-federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.) YES NO

3. If budget estimates are used to support personnel expense charges to federal awards, are they used for accrual purposes only? YES NO

If YES

a. Does the subrecipient's system for establishing estimates produce reasonable approximations of the activity performed? YES NO

b. Are significant changes in the corresponding work activity identified and entered into the records in a timely manner? (Note: Fluctuations of one or two months need not be considered, if the distribution of salaries and wages over the long term is reasonable.) YES NO

c. Does the subrecipient's system of internal controls include processes to review after-the-fact interim changes made to a federal award that was based on budget estimates? (Note: All necessary adjustments must be made so that the amounts charged to the federal award reasonably reflect actual effort expended on the award.) YES NO

4. If an activity does not constitute a full workload, do records reflect categories of activities expressed as a percentage distribution of total activities? (Note: Because practices vary, records may reflect categories of activities expressed as a percentage of the total, particularly for institutions of higher education. Further, a precise assessment of factors, such as teaching, research, service and administration, may not be possible, nor is it expected, when recording wages charged to federal awards for these institutions,) YES NO

5. Are salaries and wages of employees used in meeting cost-sharing or matching requirements on federal awards supported in the same manner as those claimed for reimbursement? YES NO

6. If the subrecipient uses a substitute system for allocating salaries and wages to federal awards, was the substitute system approved by the federal cognizant agency for indirect costs? YES NO

7. For multiple federal awards of similar purpose or in instances of approved blended funding, does the subrecipient account for the awards' combined use through performance-oriented metrics contained in a performance plan? (UG §200.328) YES NO

If YES:

a. Was the performance plan approved in advance by the federal awarding agencies? YES NO

b. Did the subrecipient receive the necessary waivers from applicable requirements from the involved federal awarding agencies? YES NO

8. Does the subrecipient have written policies to identify employee(s) with professional activities outside of its own employment of the employee(s)? (UG §200.430(c)) YES NO

9. Does the subrecipient have written policies for incentive compensation (UG §200.430(f))? YES NO

B. Procurement

For use in monitoring all subrecipients.

1. Has the non-federal entity requested or received a review of its procurement systems by the federal awarding agency or pass-through entity? YES NO

If YES, has the result of a review been issued? YES NO Pending

If NO or pending, has the non-federal entity issued a self-certification of its procurement systems in compliance with the UG procurement rules? YES NO

All non-state subrecipients should proceed to questions No. 2 through 5. (UG §200.318).

All state government entity subrecipients, proceed to question No. 6. (UG §200.317).

For use in monitoring non-state subrecipients (local government, Indian tribe, institution of higher education or nonprofit organization).

2. Does the non-state subrecipient have policies and procedures in place for the procurement of goods and services that ensure full and open competition by:

- a. excluding from competition individuals and firms that developed the specifications, requirements or statements of work to be offered? YES NO
- b. avoiding unreasonable requirements to qualify to do business? YES NO
- c. avoiding requiring unnecessary experience? YES NO
- d. avoiding requiring excessive bonding? YES NO
- e. prohibiting name-brand-only requirements? YES NO
- f. prohibiting the use of statutory- or administrative-based geographical preferences except where federal rules permit or encourage? YES NO

3. When reviewing procurement methods:

- a. Do the policies define different procurement methods? YES NO

If YES, list the procurement methods used by the organization and the associated dollar range, if any:

| PROCUREMENT METHOD TYPE | DOLLAR RANGE, IF ANY |
|-------------------------|----------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

- b. Do the organization's procurement methods align with the types and dollar ranges specified in the UG, including prohibited types? See Figure 1. YES NO

If NO, describe non-alignment:

FIGURE 1: FEDERAL UG RECIPIENT PROCUREMENT STANDARDS

| Procurement Method | Dollar Range, if Any | Minimum Standard |
|----------------------------------|---|--|
| Micro-purchase | <+\$3,500 | May be awarded without soliciting competitive quotations, if the non-federal entity considers the price to be reasonable |
| Small Purchase Procedures | <+ to the current simplified acquisition threshold (FAR 2.101) of \$150,000 | Price or rate quotations must be obtained from an adequate number of qualified sources |
| Sealed Bids (Formal Advertising) | None Specified | The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price |
| Competitive Proposals | None Specified | Generally used when conditions are not appropriate for the use of sealed bids |
| Non-competitive | None Specified | May be used only when one or more of the following circumstances apply — only a single source; emergency; written request and written federal approval; determination of inadequate competition (sources). |
| Cost Plus Percentage of Cost | N/A | Not permitted |
| Percentage of Construction Cost | N/A | Not permitted |

4. Does the organization:

- a. prohibit procurement from proceeding under conditions that do not comply with its procurement system's policies? YES NO

If NO, please describe the circumstances under which a procurement may proceed, including identifying any required approvals.

- b. require a cost or price analysis for every procurement action in excess of the simplified acquisition threshold? YES NO

If YES, does the required analysis include having established independent estimates before receiving offers and bids? YES NO

- c. require an attempt to obtain the most economical purchase, including purchase versus lease comparison? YES NO

- d. require purchases to include a description of: YES NO

- i. services to be performed or goods to be delivered? YES NO

| | |
|---|--|
| ii. dates when services will be performed or goods delivered? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| iii. locations where services will be performed or goods will be delivered? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| e. require bonding under all construction and facility improvement contracts and sub-contracts over the simplified acquisition threshold? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| If YES, has the federal awarding agency or pass-through entity accepted the bonding policies of this subrecipient? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| If NO, does the subrecipient's bonding policies require a minimum of (a) bid guarantees from each bidder equal to 5 percent of the bid price; (b) a performance bond for 100 percent of the contract price; and (c) a payment bond for 100 percent of the contract price? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| f. specify steps required to assure minority businesses, women's business enterprises and labor surplus area firms are used, when possible? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| g. require profit be negotiated as a separate element of price for any contract in which there is no price competition being required and when a cost analysis is performed? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| If YES, do the policies take into consideration the complexity of the work, risk borne by the contractor, contractor's investment, subcontracting required, quality of past performance and industry profit rates for similar work in the surrounding geographical area? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| h. limit time and materials type contracts to circumstances when no other contract type is suitable? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| i. require any time and materials contract to include a ceiling price that the vendor exceeds at its own risk? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| j. include the following internal controls in the subrecipient's procurement system: | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| i. compliance with the organization's procurement policies and procedures is regularly assessed and documented? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| ii. policies or internal controls specify an evaluation process to ensure that awards are only given to responsible contractors? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| iii. oversight activities are conducted to ensure contractors perform in accordance with the terms, conditions, and specifications within the relevant contracts or purchase orders? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| iv. specific oversight is conducted to guard against fraud, waste and abuse? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| v. a review of the excluded parties list system or equivalent review is performed to ensure suspended or debarred entities are excluded from being awarded a contract? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| vi. a separation of responsibility exists between authorization to purchase and the subsequent authorization to pay? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| vii. verification that contractors are performing in accordance with the terms, conditions and specifications of the contract? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| viii. payments are based on written invoices that include a description of: | |
| a. services performed or goods delivered? | <input type="checkbox"/> YES <input type="checkbox"/> NO |

| | | | |
|-----|---|------------------------------|-----------------------------|
| b. | dates services were performed or goods delivered? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| c. | the location services were performed or goods delivered? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| ix. | procedures are in place to avoid unnecessary purchases (e.g., duplicate, oversupply, obsolete, etc.)? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| k. | procurement records fully detail the history of each procurement, at minimum the rationale for the method of procurement, selection of contract type, contractor selections and rejections, and the basis for accepting the price? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| l. | limits are set on the dollar amount of a procurement of supplies and equipment for which an official may be solely responsible? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| m. | a written code of conduct for the organization's employees involved in procurements exists? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| | If YES, does the code of conduct address conflicts of interest? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 5. | Does the non-state or state subrecipient include the following provisions on all federally funded contracts? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| a. | Contracts exceeding the simplified acquisition threshold must address administrative, contractual or legal remedies in instances where contractors violate or breach contract terms, and provide for appropriate sanctions and penalties. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| b. | Contracts greater than \$10,000 must address termination for cause and for convenience by the non-federal entity, including how it will be effected and the basis for settlement. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| c. | Except as otherwise provided under 41 CFR Part 60, all contracts meeting the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246 — Equal Employment Opportunity. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| d. | When required by federal legislation, all prime construction contracts greater than \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| e. | Where applicable, all contracts — awarded by a non-federal entity — greater than \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by U.S. Department of Labor regulations (29 CFR Part 5), Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| f. | If the federal award meets the definition of "funding agreement" under 37 CFR §401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small-business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental or research, the recipient or subrecipient must comply with the requirements of 37 CFR Part 401 and any implementing regulations issued by the awarding agency, Rights to Inventions Made Under a Contract or Agreement. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| g. | Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-federal award agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

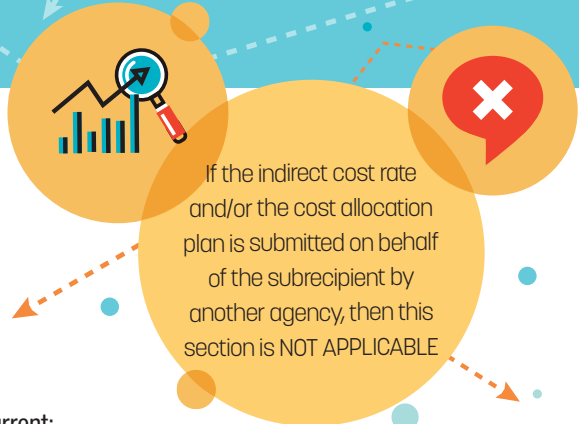
- h. Mandatory standards and policies relating to energy efficiency, which are contained in the state energy conservation plan, are issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201). YES NO
- i. With Debarment and Suspension (Executive Orders 12549 and 12689), a contract or sub-contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide Excluded Parties List System in the System for Award Management. YES NO
- j. With Byrd Anti-Lobbying Amendment (31 U.S.C. 1352), contractors that apply or bid for an award of \$100,000 or more must file the required certification. YES NO
- k. Recipients and subrecipients must comply with reporting requirements contained within the relevant federal authorizing statute, regulations and guidance. YES NO
- l. Federal agencies or the comptroller general of the United States must have access to records of the contractor, as provided for in 31 U.S.C. 716. YES NO
- m. Retention of records for three years after grant expiration and submission of grantee's final reports (UG 200.517a). YES NO
- n. Policies must require the previous items (question No. 5, a - m) be included in procurements, when appropriate. YES NO

Additional comments:

For use in monitoring state subrecipients only:

6. Does the state have policies requiring compliance with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation Act, that:

- a. direct the procurement of only items designated by the U.S. Environmental Protection Agency at 40 CFR Part 247, that contain the highest percentage of recovered materials practical (recycled content), whenever the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the prior state fiscal year exceeded \$10,000; YES NO
- b. require procuring solid waste management services that maximize energy and resource recovery; and YES NO
- c. require the use of an affirmative procurement program for the purchase of recovered materials (recycled content) identified in the EPA guidelines. YES NO



If the indirect cost rate and/or the cost allocation plan is submitted on behalf of the subrecipient by another agency, then this section is NOT APPLICABLE

C. Indirect Costs

(UG §200.56; 57; 306(a); 331(1)(xiii); 414(f))

1. For the fiscal year(s) being monitored, does the subrecipient have an approved, current:

- a. negotiated indirect cost rate agreement? YES NO
- b. cost allocation plan? YES NO

If YES to either question No. 1a. or 1b., which federal or state agency approved the rate or plan?

2. Were indirect costs claimed during the fiscal year(s) in accordance with the approved indirect cost rate agreement or plan for the:

- a. unrestricted program? YES NO
- b. restricted program? YES NO
- c. other; please specify: YES NO

3. Were provisional indirect cost rates used for charging awards? YES NO

If YES, were expenditure adjustments made once final rates were determined? YES NO

4. Does the subrecipient use the di minimus rate? YES NO

D. Property Management

UG §200.310-316

1. Does the organization have written policies and procedures covering the use, management (including insurance coverage) and disposition of property acquired under federal programs? YES NO

If NO, why not?

2. Do the organization's policies and procedures distinguish the following classes of property?

- a. Real property (land and buildings) YES NO
- b. Personal property:
 - i. Equipment tangible personal property with a unit acquisition cost of \$5,000 (or a lesser amount set by the organization) and a useful life of one year (or longer set by the organization). (Ref. 200.33) YES NO
 - ii. Valued, Non-Capitalized Property (VNCP) (tangible personal property that does not rise to the level of equipment but which is nevertheless vulnerable to theft (laptops, personal computing devices, cell phones, etc.). YES NO

iii. Supplies (tangible personal property that is neither equipment nor VNCP, and which is consumed and with an aggregate value of \$5000 or less). (Ref. 200.94) YES NO

c. Intangible property (copyrightable payroll programs, training materials, etc.). (Ref. 200.315) YES NO

3. Regarding property records, do the organization's policies and procedures require equipment records include:

a. description of the equipment? YES NO

b. serial number or other identification number? YES NO

c. source? YES NO

d. who holds title? (If not the organization, why not?) YES NO

e. acquisition date? YES NO

f. cost of equipment? YES NO

g. percentage of federal participation in cost? YES NO

h. location? YES NO

i. use? YES NO

j. condition of equipment? YES NO

k. disposition data (date of disposition, sale price of equipment, etc.) YES NO

l. What records does the organization maintain on VNCP?

m. What records does the organization maintain on supplies?

4. Control over and accountability for property:

a. Equipment

i. Does the organization require a physical inventory, or equipment and reconciliation of the inventory results with equipment records, at least every two years? YES NO

If YES, when was the last inventory completed?

If NO, why not?

ii. Does the organization maintain a system of internal controls that provides reasonable assurance against loss, theft, damage or unauthorized use of equipment? YES NO

iii. Does the organization investigate loss, theft, damage, etc.? YES NO

b. Other personal property

i. What policies and procedures does the organization employ to obtain reasonable assurance against the risk of loss, theft, etc. to VNCP?

ii. Does the organization maintain a perpetual inventory system for supplies? YES NO

If NO, how is the issuance and use of supplies controlled?

c. Maintenance of property: Do the organization's policies and procedures provide for keeping equipment in good condition? YES NO

d. Regarding disposition of property, do the organization's policies and procedures address:

i. disposition of property when no longer needed for any federally assisted activities? YES NO

ii. sales procedures for ensuring the highest possible return? YES NO

iii. compensation to the awarding agency for its share of the disposed property? YES NO

iv. equipment with a per-unit fair market value of \$5,000 or more? YES NO

v. residual inventory of unused supplies with an aggregate fair market value of \$5000 or more? YES NO

KEY RESOURCES ON UNIFORM GUIDANCE IMPLEMENTATION AND GRANTS MANAGEMENT

The “Uniform Guidance”—2 CFR 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
<https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

Information Provided by the CFO Council—including webinars, crosswalks/text comparisons to previous guidance, exceptions granted, training and Frequently Asked Questions about the UG
<https://cfo.gov/grants/>

Federal Awarding Agency Regulatory Implementation of the “Uniform Guidance,” December 19, 2014—joint interim final rule implementing the “Uniform Guidance” for all federal award-making agencies
<https://www.gpo.gov/fdsys/pkg/FR-2014-12-19/pdf/2014-28697.pdf>

GAO's Standards for Internal Control in the Federal Government, known as the “Green Book,” sets the standards for an internal control system for federal agencies
<http://www.gao.gov/greenbook/overview>

AGA's intergov site—Tools to help government financial managers do their jobs better. including tools for fraud prevention, internal controls, cooperative audit resolution and more
<https://www.agacgfm.org/intergov/home.aspx>

Single Audit Data Collection Form, Federal Audit Clearing House—Form SF-SAC Worksheet & Single Audit Component Checklist
https://harvester.census.gov/facides/Files/2015_2018%20Checklist%20Instructions%20and%20Form.pdf

The AICPA's Government Quality Audit Center—promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services, including tips for performing Single Audits under the UG
<http://www.aicpa.org/InterestAreas/GovernmentalAuditQuality/Pages/default.aspx>

National Association of State Auditors Comptrollers and Treasurers—webinars
<http://www.nasact.org/>

Thompson's Grants Compliance Expert Suite—explains federal grants and related guidance
<http://grants.thompson.com/Grants-Expert-Complete-Suite>

National Grants Management Association—live webinars on grants management
<http://ngma.org/training/live-webinars/>



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