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COOK COUNTY

Community Development Block Grant (CDBG) Program

Procedures and Operations Guide (Draft)

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1.1-INTRODUCTION

The Cook County Bureau of Economic Development administers three federal programs with funding from the U.S. Department of Housing and Urban Development (HUD). This manual details the policies and operating procedures for one of these programs, the Community Development Block Grant (CDBG) Program. The CDBG Program which began in 1975 has been an effective program in providing funding to address the important community and economic development needs of the suburban communities in Cook County. In suburban Cook County, more than \$309 million in CDBG funds have been used to build senior centers, improve multi-family and single-family housing, provide clean drinking water, demolish abandoned buildings, house the homeless, improve and develop local infrastructure and provide new low cost housing to our neediest senior citizens.

The CDBG Program utilizes funds made available by HUD, for which Cook County is the Grantee, and for which the County has qualified as an "Urban County Entitlement". Accordingly, Cook County is entitled to receive a specified amount of funds based upon population, poverty and age of housing stock. In turn, the County may subgrant funds to eligible municipalities and organizations for various community and economic development purposes. These funds must be used for eligible activities that meet the national objectives of the CDBG Program. The purpose of the CDBG Program is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Additionally, funding has been used to provide: educational, recreational and outreach programs for youth, housing counseling, social and support services for women and children, domestic violence awareness and prevention programs, alcohol and drug addiction treatment and predatory lending prevention programs.

This manual and other documents developed by the Cook County Department of Economic Development for the CDBG Program are based on federal statutes and regulations as formulated by HUD and other applicable federal agencies. The regulations apply to the following:

1. all CDBG funds;
2. all un-obligated (not under contract) funds from the previous program years presently assigned to subrecipients;
3. reprogrammed funds and amendments;
4. program income

Not included in the Cook County CDBG program are communities that receive funds directly from HUD and do not participate in the County's programs, including: Arlington Heights, Berwyn, Chicago, Cicero, Des Plaines, Elgin, Evanston, Mount Prospect, Oak Lawn, Oak Park, Orland Park, Palatine, Schaumburg and Skokie. Cook

County CDBG funds may not be used, directly or indirectly, in areas not included in this program.

1.2-MISSION STATEMENT

The Bureau of Economic Development seeks to foster community and economic development through strategic leveraging of resources to stimulate: (1) sustainable community investment connecting housing, employment, development, and transportation; (2) business growth, attraction, and retention; (3) affordable housing; and (4) regional planning focused on the integration of economic, physical, and social infrastructure.

1.3-PURPOSE

This manual has been designed and written to assist in the implementation of the CDBG grant related programs administered by the Bureau of Economic Development. It is intended to provide information for use by Cook County staff and subrecipients in the management of their CDBG projects. This edition of the manual has been simplified and updated to reflect the latest changes in Federal regulations and Cook County policies. Periodically, the manual will be updated and available when there have been regulatory or programmatic changes.

If a subrecipient is unsure how to proceed after reading this manual, they are encouraged to call their assigned Planner for guidance. More information can be found on the U.S. Department of Housing and Urban Development's website at www.hud.gov.

1.4-SCOPE OF DOCUMENT

This manual is constructed on the premise that CDBG program regulatory, performance, administrative, financial, compliance and record keeping requirements can be satisfied through timely preparation, completion and recording or filing of required documentation over the life-cycle of the grant and project. The required documents are specified in grant and project file checklists in various HUD CDBG Guidebooks:

- County grant files include application, contract, program administration and financial management files that should contain documentation and information that relate to the overall funding and administration of Cook County's CDBG program.
- Subrecipient project files should contain specific documentation and information pertaining to each Subrecipient's CDBG funded project. The file checklist for a type of project (capital improvement, economic development, or public services) lists the required documents to be prepared, completed or submitted to the County, and maintained in the project file over the life of the project.

- The key document in both the grant and project files is the Subrecipient Agreement. In the Agreement,
 - the County specifies its policy and procedures and details the pertinent regulations and certifications that the Subrecipient must comply with in carrying out project activities in accordance with the approved project schedule, statement of work and deliverables and budget.
 - the Subrecipient is provided the performance measures and guidance for the documentation of all project activities from the notice to proceed to project closeout including documents and reports to be submitted to the County.

The objective of this manual is to identify and organize the grant and project documents that the County and Subrecipient staff prepare, complete and file over a project's life-cycle.

- Chapter 2 - Identifies Cook County's CDBG funded programs, eligible activities, stages of the annual CDBG formula grant and related grants management and administrative processes including the County's notice of funding availability (NOFA); public hearings; application submission, review and project selection; project approval and grant award; monitoring; and reporting activities. These processes are presented in a step by step process for the benefit of county staff that administer and monitor CDBG program activities, as well as subrecipients.
- Chapter 3 - Provides guidance to subrecipients on the processes and activities traditionally carried out by the subrecipient in accordance with CDBG program guidelines, regulations and procedures in the administration of CDBG project activities. Processes are broken down according to basic activities and are presented in a step by step process.
- Chapters 4, 5 and 6 provide guidance on the preparation, completion, recording or reporting, and filing of required administrative, financial and performance related documents. The content of some required documents may differ by type of project (capital improvement, economic development, or public service).
- Chapter 7 provides information regarding the monitoring schedule, risk analysis and the County's procedures for conducting at least one on-site monitoring visit per subrecipient per year.

1.5- GENERAL CALENDAR GUIDELINES**COOK COUNTY ANNUAL ACTION PLAN TIMETABLE**

Note: The following dates represented are estimated timeframes and are subject to change.

Early-December	Advisory Council Public Hearing - Purpose: Performance Presentations by not-for-profit organizations for previous year activities
Mid-December	CDBG Application Posted Online
Early-January	CDBG Application Workshop
Mid-January	1 st Quarterly Report Due
January (3 Scheduled Dates)	Three Regional Public Hearings – Purpose: Informational South & Southwest Region Hearing: Sixth District Courthouse 16501 South Kedzie Parkway, Markham, IL 60426 North and Northwest Region Hearing: Third District Courthouse 2121 Euclid Ave. Rolling Meadows, IL 60008 West Region Hearing: Fourth District Courthouse 1500 South Maybrook Drive, Maywood, IL 60426
Mid-February	Applications funds due by 4:00p.m at 69 West Washington Street, 29th Floor, Chicago, Illinois.
Mid-March	Advisory Council Public Hearing - Purpose: Project Proposal Presentations by not-for-profit organizations requesting funding.
Mid-April	2 nd Quarterly Report Due

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Late-April	Fair Housing Workshop (Subrecipients)
Early-June	Annual Action Plan Preparation Begins
Mid-June	Cook County Board Hearing to Approve CDBG Projects
Early-July	Annual Action Plan (Draft) Public Comment Period Begins
Mid-July	3 rd Quarterly Report Due
Late-July	Annual Action Plan Scheduled for Completion
Mid-August	Annual Action Plan due to HUD
Early-September	CAPER Report Preparation Begins
Mid-September	Subrecipient Agreement Workshop
	Send Letters to Surecipients requesting: Final Quarterly Performance Reports, Section 3 Reports and Notifying Municipalities that it is time to conduct their Performance Hearing and submit documents as evidence (publication, minutes and sign-in sheets)
September 30	End of Program Year
October 1	Start of Program Year
Early-November	CAPER (Draft) Public Comment Period
December 31	Comprehensive Annual Performance and Evaluations Report (CAPER) due to HUD

****Additional meetings and workshops will be scheduled as applicable****

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CHAPTER 2: GRANTS MANAGEMENT AND ADMINISTRATION

2.1-INTRODUCTION

Cook County is responsible for establishing the necessary operating principles and administrative policy and procedures to ensure implementation of its HUD-approved Consolidated Community Development Plan (ConPlan). The operating procedures set forth herein ensure consistent and uniformly applicable programs to all subrecipients participating in the Cook County CDBG program.

This chapter describes Cook County CDBG funded programs, eligible activities, stages of the annual CDBG formula grant and related grants management and administrative processes including the County's notice of funding availability (NOFA); public hearings; application submission, review and project selection; project approval and grant award; monitoring; and reporting activities. These processes are presented in a step by step process for the benefit of county staff that administer and monitor CDBG program activities, as well as subrecipients.

CDBG grant funds are awarded to municipalities and subrecipients to carry out capital improvement, public services, public facilities, and economic development projects. County planners are assigned to coordinate capital improvement projects with municipalities or to coordinate public services, economic development, or public facilities projects with non-profit agencies serving the region or neighborhoods.

Please refer to [Chapter 4: General Administrative Requirements](#) for a complete description of applicable federal requirements for program administration.

2.2-NATIONAL OBJECTIVES AND BASIC ELIGIBLE ACTIVITIES

National Objectives

This section summarizes the National Objectives of the CDBG Program contained in the Code of Federal Regulations, Title 24, Part 570, Sections 570.200 (a)(2) and (3), 570.208(a)-(d), and 570.506.

Each Activity, except planning and administrative activities, must meet one of the CDBG program's three broad National Objectives:

1. Benefit low-moderate-income persons,
2. Aid in the prevention or elimination of slums or blight, or
3. Meet community development needs having a particular urgency.

At least 70 percent of the grantee's overall expenditures during a one-, two- or three-year period (specified by the grantee) must be used for activities that benefit low- and moderate-income persons. To ensure that this statute is met; all new applications are reviewed by Cook County CDBG Staff to ensure eligibility of proposed projects and compliance with low-to-moderate income areas. (Area benefit shall not exceed 49.2% for capital improvement

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projects and 51% for water/sewer and projects requiring flood control). The following procedure is applied:

- HUD provides Cook County (Grantees) with updated website link information, <http://www.hud.gov/offices/cpd/systems/census/lowmod/>, regarding eligible Census Tract and Block Group data. The census information includes identifying low- and moderate income percentages.
- Cook County staff downloads the updated Census Tract and Block Group data into Cook County's Lotus Approach Management System database.
- All applications are reviewed by Cook County CDBG Staff to ensure eligibility of proposed projects and compliance with low-to-moderate income areas. (Area benefit shall not exceed 49.2% for capital improvement projects and 51% for water/sewer and projects requiring flood control).
- A checklist is located within the project files and upon completion of application reviews, of which require proof of eligibility and compliance, CDBG staff inserts the results into the project files and check the appropriate section on the checklist.

1. Activities Benefiting low- and moderate- income persons

a) Area benefit activities

Area benefit activities include an activity that benefits all the residents in a particular area, where at least 49.2 percent of the residents are low- and moderate-income persons. The service area must be primarily residential or serve a residential community, and it must meet the identified needs of low- and moderate-income persons. Examples include: street improvements, water and sewer lines, neighborhood facilities, and façade improvements in neighborhood commercial districts. Such an activity must meet one of the following qualifying criteria.

- (i) Fifty-one percent of the persons residing in the service area are low and moderate income, supported by the most recently available decennial census information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau. (HUD provides grantees with information by census tract and block group that may be used to determine this percentage); or
- (ii) Fifty-one percent of the persons residing in the service area are low- and moderate-income residents supported by a current survey of the residents of the service area **if** the applicant believes that the census data do not reflect current relative income levels in an area, **or** where census boundaries do not coincide sufficiently well with the service area of an activity. The survey

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results must meet statistical reliability standards and be approved by HUD;
or

- (iii) Under the Exception Criteria, a service area that contains less than 51 percent low- and moderate-income residents will be considered to meet the National Objective if the proportion of low- and moderate-income persons in the area is within the **highest quartile** of all areas in the recipient's jurisdiction in terms of the degree of concentration of such persons. HUD will determine the lowest proportion a recipient may use to qualify an area for this purpose.

Cook County has determined that, based on Census figures, the top one-quarter of all census block groups which would be eligible to undertake area benefit activities to principally benefit low and moderate-income persons must have at least **49.2%** low- and moderate-income persons. All water, sewer, and flood control projects must serve areas that are 51% or more low- and moderate-income.

b) Limited clientele activities

- (i) These activities benefit a population at least 51 percent of whom are low- and moderate-income persons. Examples include: construction of a senior center; public services for the homeless and developmentally disabled; youth services; and construction of job training facilities for the physically disabled. The activity must meet one of the following qualifying criteria:
- (a) The activity must exclusively serve a group of persons in any one or a combination of categories generally presumed to be principally low and moderate income: abused children, battered spouses, elderly persons, homeless persons, adults meeting the definition of "severely disabled" in the Bureau of Census' Current Population Reports, illiterate adults, persons living with AIDS, and migrant farm workers; or
 - (b) Information must be collected on family size and income in order to document that at least 51 percent of the population served are persons whose family income does not exceed Section 8 low- and moderate-income limits; or
 - (c) The activity must have income eligibility requirements that limit the activity exclusively to low- and moderate-income persons; or
 - (d) The activities must be of such nature and in such location that it may be reasonably concluded that the activity's clientele will primarily be low-and moderate-income persons.

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- (ii) A special project that serves to remove material and architectural barriers that restrict the mobility and accessibility of elderly persons or of adults meeting the definition of “severely disabled” in the Bureau of Census’s Current Population Reports will qualify if it is restricted, to the extent practicable, to the removal of such barriers by assisting:
- (a) the reconstruction of a public improvement or facility, or portion thereof, that does not serve an area that is predominantly low and moderate income;
 - (b) the rehabilitation of a privately owned non-residential building or improvement that does not serve an area that is predominantly low or moderate income or create or retain jobs primarily for low- and moderate-income persons; or,
 - (c) the rehabilitation of the common areas of a residential structure that is not principally occupied by low- and moderate-income households.

c) Housing activities

An activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be principally occupied by low- and moderate-income households. Examples include: property acquisition or rehabilitation of property for permanent housing; conversion of non-residential structures into permanent housing; and new housing construction. The activity must meet the following qualifying criteria:

- (i) One-unit structures must be occupied by low- and moderate-income households.
- (ii) Two-unit structures must have at least one unit occupied by a low- and moderate-income household.
- (iii) Structures containing more than two units must have at least 51 percent of the units occupied by low- and moderate-income households.
- (iv) Rental buildings under common ownership and management that are located on the same or contiguous properties may be considered as a single structure.
- (v) For rental housing, occupancy by low- and moderate-income households must be at affordable rents, consistent with standards adopted and publicized by the CDBG grantee for determining “affordable rent” levels.

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- (vi) Assistance to reduce the development cost of the new construction of non-elderly, multi-unit rental structures may qualify if: (a) at least 20 percent of the units are occupied by low- and moderate-income households; (b) where low- and moderate-income occupancy is between 20 percent and 51 percent, the CDBG proportion of the total development costs (including the costs of all work from design and engineering through completion of the physical improvements and, if integral to the project, the costs of acquisition) is no greater than the proportion of units occupied by low- and moderate-income households.

d) Job creation or retention activities

An activity designed to create or retain permanent jobs where at least 51 percent of that, computed on a full-time equivalent (FTE) basis, involves the employment of low- and moderate-income persons. Potentially eligible activities include: construction by the grantee of a business incubator designed to offer space and assistance to new firms to help them become viable small businesses; loans to pay for the expansion of a plant or factory; and assistance to a business to prevent closure and a resultant loss of jobs for low- and moderate-income persons. As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies. However, in certain cases, such as where CDBG funds are used to acquire, develop or improve real property (e.g., a business incubator or an industrial park), the requirement may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided such businesses are not otherwise assisted by CDBG funds. Additionally, where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses from non-CDBG funds, this requirement may be met by aggregating the jobs created or retained by all of the businesses receiving loans during each program year. Finally, a job creation/retention activity undertaken pursuant to the strategy for a HUD-approved Neighborhood Revitalization Strategy Area may be considered to meet the low/moderate area benefit National Objective under 570.208(d)(5)(i).

Jobs may be taken by low- and moderate-income persons or made available to such persons. Jobs are only considered to be available to low- or moderate-income persons when:

- (i) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
- (ii) Local government and/or the assisted business take actions to ensure that low- and moderate income persons receive **first consideration** for filling such jobs.

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The subrecipient must document that at least **51 percent of the jobs will be available to** low- and moderate-income persons, documentation for each assisted business shall include:

REQUIRED DOCUMENTATION

- A copy of a written agreement, containing:
- 1 **(1)** A commitment by the business that it will make at least 51 percent of the FTE jobs available to low- and moderate-income persons and will provide training for any of those jobs requiring special skills or educations; **(2)** A listing by job title of the permanent jobs to be created, indicating which jobs will be available to low- and moderate-income persons, which jobs require special skills or education, and which jobs are part-time; and
 - (3)** A description of the actions to be taken by the grantee and business to ensure that low- and moderate-income persons receive first consideration for these jobs.
- A listing by job title of the permanent jobs filled, and which jobs were available to
- 2 low- and moderate-income persons, as well as a description of how first consideration was given to any such persons for these jobs. The description shall include what type of hiring process was used; the names of the low- and moderate-income persons interviewed for each such job; and those hired.

Where the grantee chooses to document that at least **51 percent of the jobs will be held by** low- and moderate-income persons, documentation for each assisted business shall include:

REQUIRED DOCUMENTATION

- A copy of the written agreement, containing:
- 1 **(1)** A commitment by the business that at least 51 percent of the jobs created, on a fulltime equivalent basis, will be held by low- and moderate-income persons; and **(2)** A listing by job title of the permanent jobs to be created (identifying which are part-time, if any).
- A listing by job title of the permanent jobs filled and which jobs were **initially taken by** low- and moderate-income persons; and
- 2
 - 3 For each low- and moderate-income person hired, information on the size and annual income of the person's family prior to the time the person was hired for the job, or evidence that the person may be presumed to be low or moderate income based on the location of the business or the person's residence [see §570.208(a)(4)(iv)].

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For benefit based on job retention, the following documentation must be kept:

REQUIRED DOCUMENTATION

- 1 Evidence that in the absence of CDBG assistance, the jobs would be lost; and,
- 2 For each business assisted, a listing by job title of permanent jobs retained, indicating which of those jobs are part-time and (where it is known) which are held by low- and moderate-income persons at the time the assistance is provided; and,
- 3 Where applicable, identification of any of the retained jobs (other than those known to be held by low- and moderate-income persons) that are projected to become available to low- and moderate-income persons through job turnover within two years of the time CDBG assistance is provided, and information on how the turnover projections were calculated; and,
- 4 For each retained job claimed to be held by a low- and moderate-income person, information on the size and annual income of the person's family, or evidence that the person may be presumed to be low or moderate income based on the location of the business or the person's residence [see §570.208(a)(4)(iv)]; and,
- 5 For jobs claimed to be available to low- and moderate-income persons based on job turnover: a description covering the items required for "available to" jobs identified above; a listing of each job that has turned over to date, indicating which of those jobs were either taken by, or made available to low- and moderate-income persons; and a description of how "first consideration" was given to low- and moderate-income persons for those jobs.

2. Activities that aid in the prevention or elimination of slums or blight

a) Activities to address *slums or blight* on an *area* basis

An activity that aids in the prevention or elimination of slums or blight in a designated area. Examples include: assistance to commercial or industrial businesses, public facilities or improvements, and code enforcement **in a blighted neighborhood to address the conditions of deterioration**. The activity must meet *all* of the following qualifying criteria:

- (i) The area, delineated by the grantee, must meet a definition of a slum, blighted, deteriorated or deteriorating area under state or local law;

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- (ii) There must be a substantial number of deteriorated or deteriorating buildings throughout the area, or the public improvements are in a general state of deterioration;
- (iii) The activity must address one or more of the conditions that contributed to the deterioration of the area; and
- (iv) If rehabilitation of residential buildings not occupied by low- and moderate-income households is undertaken, each such building rehabilitated must be considered substandard under local definition before rehabilitation, and ***all deficiencies making a building substandard must be corrected before less critical work on the building may be undertaken.***

b) Activities to address slums or blight on a spot basis

An activity that aids in the prevention or elimination of slums or blight ***outside of a slum or blighted area***. Examples include: elimination of faulty wiring, falling plaster, or other similar conditions that are detrimental to all potential occupants; historic preservation of a deteriorated public facility; and demolition of a vacant, deteriorated, abandoned building. The activity must meet the following qualifying criteria:

- (i) The activity must be designed to eliminate ***specific conditions of blight or physical decay*** on a spot basis; and
- (ii) The activity must be limited to ***acquisition, clearance, relocation, historic preservation, and/or rehabilitation of buildings***. Rehabilitation is limited to the extent necessary to eliminate specific conditions ***detrimental to public health and safety***.

c) Activities to address slums or blight in an urban renewal area

An activity that aids in the elimination or prevention of slums or blight in an urban renewal area. The activity must meet the following qualifying criteria:

- (i) The activity must be located within a Federally designated ***urban renewal project area or Neighborhood Development Program (NDP) action area***; and,
- (ii) The activity must be ***necessary to complete the urban renewal plan***, then in effect, including ***initial*** land redevelopment permitted by the plan.

3. Activities designed to meet urgent community development needs

An activity designed to alleviate existing conditions that have a particular urgency. Examples include reconstruction of water and sewer lines destroyed by major catastrophes

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or emergencies such as floods or tornadoes. The activity must meet the following qualifying criteria:

- a) The existing conditions must pose a ***serious and immediate threat to the health or welfare*** of the community;
- b) The existing conditions are of ***recent origin*** or recently became urgent (generally within the past 18 months);
- c) The grantee is ***unable to finance*** the activity on its own; and
- d) ***Other sources of funding are not available.***

Basic Eligible Activities

This is a summary of certain activities that are eligible and ineligible for assistance under the Community Development Block Grant (CDBG) program pursuant to the governing regulations in the Code of Federal Regulations, Title 24, Part 570, Sections 570.200-570.207.

- a) Acquisition in whole or in part by purchase, long-term lease, donation, or otherwise, of real property for any public purpose, subject to the limitations of §570.207.
- b) Disposition of real property acquired with CDBG funds through sale, lease or donation, or otherwise; or its retention for public purposes.
- c) Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, ***except buildings for the general conduct of government.*** Activities may include:
 - Design features and improvements that promote energy efficiency; and
 - Architectural design features and treatments intended to enhance the aesthetic quality of facilities and improvements.

Eligible facilities include those serving persons having special needs such as homeless shelters; convalescent homes; hospitals; nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for the developmentally disabled; and temporary housing for disaster victims.

In certain cases, non-profit entities and subrecipients (including CBDOs qualifying under §570.204) may acquire title to public facilities; when owned by non-profit entities or other such subrecipients, such facilities must be operated so as to be open for use by the general public during all normal hours of operation.

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- d) Clearance, demolition, removal of buildings and improvements, and movement of structures to other sites. Demolition of HUD-assisted or HUD-owned housing units may be undertaken only with the prior approval of HUD. CDBG funds may also be used for physical removal of environmental contaminants or treatment of such contaminants to render them harmless.
- e) Provision of public services (including labor, supplies and materials) such as those concerned with employment, crime prevention, child care, health care, education, public safety, fair housing counseling, recreation, senior citizens, homeless persons, drug abuse counseling and treatment, and energy conservation counseling and testing. The services must meet each of the following criteria:
 - The service must either be new or a quantifiable increase in the level of a service above that which has been provided with state or local funds in the previous twelve calendar months; and
 - The amount obligated for public services shall not exceed 15 percent of the annual grant, plus 15 percent of the program income received by the grantee and its subrecipients during the previous program year.
- f) Interim assistance to correct objectively determinable signs of physical deterioration in areas where immediate action is necessary and where permanent improvements will be carried out as soon as practicable; or to alleviate emergency conditions threatening the public health and safety and requiring immediate resolution.
- g) Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities, subject to applicable restrictions.
- h) Completion of urban renewal projects funded under Title I of the Housing Act of 1949, as amended, subject to applicable restrictions.
- i) Relocation payments and assistance to displaced individuals, families, businesses, non-profit organizations, and farm operations.
- j) Payment to housing owners for losses of rental income incurred in holding units, for temporary periods, for persons displaced by relocation activities.
- k) Payment of costs in support of activities eligible for funding under the HOME program.
- l) Acquisition, construction, reconstruction, rehabilitation or installation of the distribution lines and facilities of privately owned utilities.
- m) CDBG may be used for the construction of housing assisted under Section 17 of the U.S. Housing Act of 1937.

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- n) Direct assistance to facilitate and expand low- and moderate-income homeownership.
- o) Microenterprise Assistance
- (i) The provision of assistance to facilitate economic development by:
- Providing credit and financial support, for the establishment, stabilization, and expansion of microenterprises;
 - Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and
 - Providing general support, including peer support programs, counseling, child care, transportation and other similar services to owners of microenterprises and persons developing microenterprises.
- (ii) Services provided under this eligibility category are not subject to the restrictions on public services contained in 570.201(e).
- (iii) Persons developing microenterprises” are persons who have expressed interest and who are, or after an initial screening process, are expected to be, actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed. A “microenterprise” is a business having five or fewer employees, at least one of whom is the owner.
- p) Provision of technical assistance to public or non-profit entities to increase their capacity to carry out eligible neighborhood revitalization or economic development activities, provided:
- The recipient determines, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for CDBG assistance; and
 - The National Objective claimed by the grantee can reasonably be expected to be met once the entity has received the technical assistance and undertakes the activity.

Capacity building for private or public entities (including grantees) for other purposes may be eligible under §570.205.

Program Administrative Costs

Per 24 CFR 570.206, payment of reasonable administrative costs and carrying charges related to the planning and execution of community development activities are eligible. This does not include staff and overhead costs directly related to carrying out activities

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eligible under Sec. 570.201 through Sec. 570.204, since those costs are eligible as part of such activities. Such eligible activities include:

- (a) General management, oversight and coordination. Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not necessarily limited to, necessary expenditures for the following:
- (b) Public information. The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with CDBG funds.
- (c) Fair housing activities. Provision of fair housing services designed to further the fair housing objectives of the Fair Housing Act (42 U.S.C. 3601-20) by making all persons, without regard to race, color, religion, sex, national origin, familial status or handicap, aware of the range of housing opportunities available to them; other fair housing enforcement, education, and outreach activities; and other activities designed to further the housing objective of avoiding undue concentrations of assisted persons in areas containing a high proportion of low and moderate income persons.
- (d) [Reserved]
- (e) Indirect costs. Indirect costs may be charged to the CDBG program under a cost allocation plan prepared in accordance with OMB Circular A-21, A-87, or A-122 as applicable.
- (f) Submission of applications for federal programs. Preparation of documents required for submission to HUD to receive funds under the CDBG and UDAG programs. In addition, CDBG funds may be used to prepare applications for other Federal programs where the recipient determines that such activities are necessary or appropriate to achieve its community development objectives.
- (g) Administrative expenses to facilitate housing. CDBG funds may be used for necessary administrative expenses in planning or obtaining financing for housing as follows: for entitlement recipients, assistance authorized by this paragraph is limited to units which are identified in the recipient's HUD approved housing assistance plan; for HUD-administered small cities recipients, assistance authorized by the paragraph is limited to facilitating the purchase or occupancy of existing units which are to be occupied by low and moderate income households, or the construction of rental or owner units where at least 20 percent of the units in each project will be occupied at affordable rents/costs by low and moderate income persons.

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Ineligible Activities

The following activities may not be assisted with CDBG funds:

- a) Buildings used for the general conduct of government
- b) General government expenses; and
- c) Political activities

The following activities may not be assisted unless certain criteria are met or they are carried out under the authority of §570.203 or §570.204.

- a) Purchase of construction equipment; purchase of furnishings and personal property, unless part of a public service activity or necessary for use by a grantee in the administration of the CDBG program
- b) Repair, operation and maintenance of public facilities, improvements and services, except expenses associated with eligible public service activities, interim assistance and office space for CDBG program staff;
- c) New housing construction, except under the special provisions provided §570.207(b)(3)(i)-(ii); and
- d) Income payments of subsistence nature.

2.3-COOK COUNTY CDBG PROGRAM GUIDELINES

The Cook County Bureau of Economic Development contracts with regional agencies covering five regions: north, northwest, west, southwest, and south; as well as municipalities within suburban Cook County. Cook County provides CDBG funding for the delivery of specific CDBG programs and activities, including; Housing (at this time residential rehabilitation projects are not being funded) and Housing-related programs; Public Services, Capital Improvement; and Economic Development (limited to not-for-profit and municipal agencies) that meets HUD regulations.

Housing and Housing-related Programs

The following housing-related activities are eligible for funding under the Cook County CDBG program:

- 1. Fair Housing Activities; and
- 2. Housing Counseling (See also Public Services)
- 3. Foreclosure Prevention Program

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1. Fair Housing Activities

- a) Cook County CDBG funds may be used by a not-for-profit agency to administer Fair Housing Activities on a regional basis within the Urban County's jurisdiction. These activities must endeavor to stop unfair and unlawful real estate practices, steering and discrimination in housing, as well as to achieve housing opportunities through the spatial deconcentration of low- and moderate-income households. Funds may also be used to provide training and outreach to municipalities, building/home owners and Fair Housing agencies, and/or to Affirmatively Further Fair Housing.
- b) Applicants who apply for funding for Fair Housing Activities must submit the following:
 - (i) A detailed line-item budget indicating the proposed use of CDBG and other contributory funds.
 - (ii) A narrative summary, identifying the specific unit of measure for the product and/or service proposed for funding, accompanied by quantifiable goals and anticipated accomplishments utilizing this unit of measure.
- c) Please note that some Fair Housing Activities can be classified as part of Cook County's Administration and are subject to the CDBG Administrative cap.

2. Housing Counseling

- a) Cook County CDBG funds may be used by a not-for-profit agency to administer a Housing Counseling Program on a regional or subregional basis within the Urban County jurisdiction. Eligible activities include providing assistance to persons seeking suitable housing and providing technical assistance for rehabilitation and home maintenance for property owners. These activities must principally benefit households with low- or moderate-incomes.
- b) Applicants who apply for funding for Housing Counseling must submit the following:
 - (i) A detailed line-item budget indicating the proposed use of CDBG and other contributory funds.
 - (ii) A narrative summary identifying the specific unit of measure for the product and/or service proposed for funding, accompanied by quantifiable goals and anticipated accomplishments utilizing this unit of measure.
- c) Housing Counseling Activities will be classified by Cook County as Public Service Activities subject to the CDBG Public Service 15% cap.

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3. Foreclosure Prevention Program

The Bureau of Economic Development is currently working to restructure its Foreclosure Prevention Program.

Public Service Programs

CDBG funds may be used to provide Public Service activities provided these activities meet the low and moderate income national objectives as an area benefit or limited clientele. Public Service activities must be either a new service or contain a quantifiable increase in the level of service provided over the past 12 months.

Identification of the reasons or purpose for the public service activity should be fully described in the narrative section of the Project Summary. Proposed accomplishments should clearly identify the client base that the public service activity will serve.

Public Service Activities include, but are not limited to:

1. Housing Counseling Activities
2. Services for Senior Citizens and Disabled Persons
3. Services for Homeless Persons
4. Drug Abuse counseling and treatment.

If funded, documentation will be required to show that either the Public Service activity is available to all residents in a particular area which is primarily residential and in which at least 51% are low- to moderate-income (L/M Income) persons (L/M Area Benefit); or the Public Service activity is limited to a specific group of people who are generally presumed to be principally L/M income persons (L/M Limited Clientele).

Contact with the County is strongly suggested to determine project eligibility and sources of documentation prior to submission of an application for CDBG assistance.

NOTE: No more than 15% of the County's annual CDBG award amount and no more than 15% of program income can be spent on public service activities for a given program year.

Capital Improvements Program

Various community public facilities and improvement activities are eligible for funding under the Cook County CDBG Program.

1. The following activities are eligible for funding under the specified conditions, except that equipment, on-going maintenance, repair, or operating expenses of facilities are not eligible under any circumstances:
 - a) Construction, reconstruction, or installation of public works, facilities (except for buildings for the general conduct of government), and site or other improvements.

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- b) Physical redevelopment of streets, alleys, curbs, gutters, sidewalks, streetlighting, signs, traffic signals, street furniture, trees, culverts and other normal appurtenances to streets and structures facilitating the passage on, or usage of streets (excluding expressways and limited access highways and their appurtenances). Costs estimates for street-related improvements should be given on a street block by street block basis. Again, maintenance activities are not eligible for funding (e.g., pothole repair, seal coating, etc.).
 - c) Parks, playgrounds and other permanent recreational improvements.
 - d) Water and sanitary sewer facilities and storm drainage facilities, but not sewage treatment plants. Planning and construction of water and sewer facilities are subject to Executive Order 12372 (<http://www.fws.gov/policy/library/rgeo12372.pdf>), which replaced OMB Circular A-95. A 60-day review period is required by local and/or state agencies charged with implementing E.O. 12372.
 - e) Acquisition, construction, reconstruction, rehabilitation or installation of distribution lines and facilities of privately-owned utilities, including the placing underground of new or existing distribution facilities and lines.
 - f) Activities to meet compliance with the Americans with Disabilities Act of 1990. Activities funded with CDBG funds will primarily involve alterations to existing facilities and include removal of architectural barriers, curb cuts for wheelchair accessibility, renovation of washrooms, re-installation of drinking fountains, ramp installation, elevator improvements, and the widening of doors and access ways.
 - g) Matching grants for other Federal, State or local programs of capital improvements which are eligible under this Part. Note: all funds involved in the project are subject to all CDBG statutes and regulations.
2. In general, the service area of all capital improvement projects must contain a concentration of low- and moderate-income persons of at least 51 percent. Census information is available at the Bureau of Economic Development Offices.
 3. Project delivery costs for capital improvements may include engineering fees, staff time, and other related expenses necessary to complete projects. Applications for funds to pay for these costs must be included in the requests for funds on a project-by-project-basis. (Note: Project delivery costs for capital improvements cannot exceed the lesser of 15% of the grant amount or \$40,000.)
 4. Applications for capital improvement activities require that a project completion schedule and staff requirements to carry out the projects be included.

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5. Applications for capital improvement projects must demonstrate how the public improvements to be carried out would support either housing or economic development activities.

Note: "Summary Project Description" should specify the exact work to be completed and the exact location(s). The summary should also specify if the proposed work is a replacement of existing facilities, or enlargement of existing facilities or construction of new facilities.

6. Labor Standards/Davis-Bacon requirements apply to all construction activities with costs of \$2,000 or more.

Economic Development Program

Per HUD, economic development is interpreted to include all endeavors aimed at sustaining or increasing the level of business activity. Economic Development activities provide a community benefit, such as jobs or businesses, to low or moderate income area. Under CDBG, many activities can be considered for economic development purposes, and more specialized types of activities fall under the Special Economic Development category, which includes special requirements, including Public Benefit standards. Public and non-profit agencies may apply to Cook County for CDBG Economic Development funds. At this time, private for profit agencies are not eligible for Cook County for CDBG Economic Development funds.

Economic Development Activities

The term economic development encompasses the process, policies and activities by which a community improves the long term economic and social well-being of its people. The objective of economic development is a sustainable increase in living standards, including per capita income, education, health and environmental protection.

Eligible Activities

Eligible activities for economic development are listed below:

- Microenterprise assistance
- Commercial/Industrial Rehabilitation
- Public Facilities
- Public services
- Activities by nonprofit development organizations

Microenterprise Assistance: Microenterprises are for profit businesses having five or fewer employees, including the business owner. Under this category, grantees and other public or private organizations may use CDBG funds to facilitate economic development through the establishment, stabilization and expansion of microenterprises. *Reference: §570.201(o)*

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This category authorizes the use of CDBG funds to provide financial assistance of virtually any kind to an existing microenterprise or to assist in the establishment of a microenterprise. It also authorizes the provision of:

- Technical assistance to a new or existing microenterprise or to persons developing a microenterprise, and
- General support to owners of microenterprises or to persons developing a microenterprise.

CDBG funds may be used to provide services of any kind that may be needed by the owner of or person developing a microenterprise to enable the establishment, stabilization, or expansion of the business. This could include, for example, child care, transportation, counseling, and peer support programs. Any such services provided under this authority are not subject to the cap on public services regardless of the entity providing the service.

Financially or technically assisting a microenterprise may also be carried out under the basic eligibility categories of Special Economic Development Activities and Special Activities by CBDOs. However, if carried out under either of those categories, such assistance would be subject to the requirements concerning Public Benefit. *References: §570.203, §570.204, and §570.209*

Commercial/Industrial Rehabilitation: Commercial or industrial property, but where such property is owned by a for-profit, rehabilitation under this category is limited to exterior improvements of the building and the correction of code violations. (See Special Economic Development for eligible activities beyond basic economic development.) Commercial/Rehabilitation includes:

- **Costs**—Costs of labor, materials, supplies and other expenses required for the rehabilitation of property, including repair or replacement of principal fixtures and components of existing structures (e.g., the heating system).
- **Financing**—Grants, loans, loan guarantees, interest supplements and other forms of financial assistance may be provided under this category. (A grantee may make a “lump sum draw down” for the purpose of financing rehabilitation of privately-owned properties. See §590.513 for details.)
- **Refinancing**—Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds, if such refinancing is determined by the grantee to be necessary or appropriate to achieve its community development objectives.
- **Security devices**—Installation costs of sprinkler systems, smoke detectors and dead bolt locks, and other devices for security purposes.
- **Insurance**—The costs of initial homeowner warranty premiums and, where needed to protect the grantee’s interest in properties securing a rehabilitation loan, hazard insurance premiums as well as flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, as amended, pursuant to §570.605.

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- Conservation—Costs required to increase the efficient use of water (e.g., water saving faucets and shower heads) and improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, insulation, and modification or replacement of heating and cooling equipment.
- Water and sewer—Costs of connecting existing residential structures to water distribution lines or local sewer collection lines.
- Tools—Costs of acquiring tools to be lent to owners, tenants and others who will use the tools to carry out rehabilitation.
- Barrier removal—Costs to remove material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to buildings and improvements that are eligible for rehabilitation under this category.
- Landscaping, sidewalks, and driveways—The costs of installation or replacement of landscape materials, sidewalks, and driveways when incidental to other rehabilitation of the property.
- Renovation of closed buildings—The conversion of a closed building from one use to another (e.g., the renovation of a closed school building to residential use).
- Historic preservation—This category also authorizes the costs of preserving or restoring properties of historic significance, whether privately- or publicly-owned (except buildings for the general conduct of government). Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance.
- Lead-based paint hazard evaluation and reduction—The costs of evaluating and treating lead-based paint may be undertaken under this category whether alone or in conjunction with other rehabilitation.
- Rehabilitation services—Staff costs and related expenses required for outreach efforts for marketing the program, rehabilitation counseling, screening potential applicant households and structures, energy auditing, preparing work specifications, loan underwriting and processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities who are participating or seeking to participate in rehabilitation activities eligible under this category; under the Section 312 of the Housing Act of 1964, as amended; under Section 810 of the Act; or under Section 17 of the United States Housing Act of 1937.
- Business in a residence—In some cases where a business is conducted in a residential unit, it may be necessary to make improvements to the residence in order to conduct the business. (This would be the case where, for example, the business is providing child care and local requirements for such business dictate that modifications be made to the housing unit.) In any case where the improvements are of such nature that, in addition to facilitating the business, they also provide a benefit to the resident(s), such rehabilitation costs may be covered under this category. Other improvements not meeting this test needed for such a

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business could be eligible under the category of Special Economic Development. *Reference: §570.202*

Public Facilities: Improvements under this category must be for the purposes of economic development which assists one or many businesses. Public entities may use CDBG funds to develop public facilities that are specifically related to creating employment and other economic opportunities. These improvements may include infrastructure that benefits businesses such as improved water or sewer service in a business area.

Public Services: Employment services and job training are a type of Public Service specifically aimed at economic development, but while most other Public Services are subject to the 15% limitation, employment services (including job training) related to employment opportunities are not subject to the limitation under the authority of §570.203(c);

Other examples of how Public Service activities may be used for economic development purposes include employment and job placement services or training for potential entrepreneurs.

Ineligible Activities

The general rule is that any activity not authorized under the CDBG regulations is ineligible to be assisted with CDBG funds.

- The entitlement regulations stipulate that the following activities may not be assisted with CDBG funds:
 - Buildings for the general conduct of government are ineligible. However, the removal of architectural barriers from government buildings is eligible under the category of public facilities and improvements.
 - General government expenses are ineligible.
 - Financing for political activities or to engage in other partisan political activities are ineligible. However, a facility assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, if the building is available to all community organizations on an equal basis.

- Per the entitlement regulations, the following activities may not be assisted with CDBG funds unless authorized as a special economic development activity or when carried out by a Community-Based Development Organization (CBDO) (under the State program, these organizations are known as nonprofit development organizations under [105(a)(15)]:
 - Purchase of equipment is generally ineligible; however:
 - Compensation for the use of construction equipment through leasing, depreciation, or use allowances is eligible.

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- Fire protection that is considered an integral part of public facilities is eligible. This includes fire engines and specialized tools such as “jaws of life” and life-saving equipment as well as protective clothing worn by fire fighters.
- Purchase of personal property, including equipment, fixtures, motor vehicles, furnishings, or other personal property is generally ineligible.
- Operating and maintenance expenses (of public facilities, improvements, and services) are ineligible.
 - Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program.
- New housing construction except under certain conditions or when carried out by a 105(a)(15) nonprofit development organization.
- Income payments made to an individual or family for items such as food, clothing, housing, or utilities are ineligible. One-time grants, emergency type grants, or loans for such purposes may be eligible under the category of public services.

Rehabilitation does not include:

- Creation of a secondary housing unit attached to a primary unit;
- Installation of luxury items, such as a swimming pool;
- Costs of equipment, furnishings, or other personal property not an integral structural fixture, such as: a window air conditioner; or a washer or dryer (but a stove or refrigerator is allowed); or
- Labor costs for homeowners to rehabilitate their own property.

Special Economic Development

Special Economic Development activities differ from standard Economic Development activities in that they are more focused on small business assistance. Special Economic Development activities include real estate and real property activities; assisting a for-profit business; and providing economic development services in connection with other eligible CDBG special economic development activities. These types of activities are further detailed at §570.203(a), (b), and (c) of the regulations.

Eligible Activities:

CDBG funds may be used for the following special economic development activities:

- Commercial or industrial improvements carried out by nonprofit subrecipients, including
 - acquisition,
 - construction,
 - rehabilitation,

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- reconstruction, or
 - installation of commercial or industrial buildings or structures,
 - and other related real property equipment and improvements.
- Assistance to private for-profit entities for an activity determined by the grantee to be appropriate to carry out an economic development project. This assistance may include, but is not limited to:
 - grants;
 - loans;
 - loan guarantees;
 - interest supplements;
 - technical assistance; or
 - any other form except for those described as ineligible in §570.207(a), such as political activities.

Under this type of assistance, the grantee shall minimize, to the extent practical, displacement of existing businesses and jobs in neighborhoods.

- Economic development services in connection with the above subcategories, including outreach efforts to market available forms of assistance, screening of applicants, reviewing and underwriting applications for assistance, preparation of agreements, management of assisted activities, and the screening, referral, and placement of applicants for employment opportunities generated by CDBG eligible economic development activities. The costs of providing necessary job training for persons filling those positions may also be provided. *Reference: §570.203(a), (b) and (c)*

Commercial/Industrial Rehabilitation: If a for-profit organization can meet the Public Benefit test, then they may be eligible for CDBG funds beyond exterior improvements of the building and the correction of code violations.

Establishing Public Benefit

The CDBG authorizing statute requires that activities qualifying under particular categories of eligibility must meet standards of public benefit established by HUD in regulations. Specifically, it requires that an activity carried out under the category of Special Economic Development (§570.203), must meet the standards of public benefit set forth in §570.209(b).

Individual Activity Standards: The following individual activity standards apply to any activity subject to these standards:

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- For an activity that creates or retains jobs, the use of CDBG funds cannot exceed \$50,000 per full-time equivalent job; or
- For an activity that provides goods or services to residents of an area, the amount of CDBG funds provided for the activity cannot exceed \$1,000 per L/M person served.

The effect of these dollar limits is that, if an activity could both create or retain jobs AND provide goods or services to persons, it must fail both dollar standards to be precluded on the basis of these individual activity standards (and thus ineligible to be carried out using CDBG funds).

Aggregate Standards: Activities that are subject to the public benefit standards and pass the individual activity tests outlined above also must generally, in the aggregate, either:

- Create or retain at least one full-time equivalent, permanent job per \$35,000 of CDBG funds used for all such activities; or
- Provide goods or services to residents of an area, such that the number of L/M income persons residing in the area served by the assisted businesses amounts to at least one L/M income person per \$350 of CDBG funds used for all such activities.

As with the individual standards, if the activity can both create or retain jobs AND provide goods or services to residents of an area, the grantee may elect to apply either of the above aggregate standards to the activity. However, only one standard shall be used for each such activity. Any jobs created or retained by the activity are not to be counted for purposes of applying that aggregate standard. In applying the aggregate standard, Cook County shall include all applicable activities for which CDBG funds are first obligated within each single CDBG program year, without regard to the source year of the funds used for the activity.

Certain activities that would otherwise be subject to the aggregate public benefit standards may be excluded from the aggregate calculations under the authority of §570.209(b)(2)(v). Such activities are those which have been determined by HUD to serve important national interests. The activities must still pass the individual activity tests. Activities that qualify for this optional exclusion from the aggregate calculations are those that:

- Provide jobs exclusively for unemployed persons or participants in one or more of the following programs: JTPA, JOBS, or AFDC.
- Provide jobs predominantly for residents of Public and Indian Housing units;
- Provide jobs predominantly for homeless persons;
- Provide jobs predominantly for low-skilled, L/M income persons, where the business agrees to provide clear opportunities for promotion and economic advancement to such persons who are hired, such as through provision of training;
- Provide jobs predominantly for persons residing within a census tract (or BNA) that has at least 20% of its residents who are in poverty;

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- Provide assistance to business(es) that operate(s) within a census tract (or BNA) that has at least 20% of its residents who are in poverty;
- Stabilize or revitalize a neighborhood that has at least 70% of its residents who are L/M income persons;
- Provide assistance to a CDFI that serves an area that is predominantly L/M income persons;
- Provide assistance to a CBDO serving a neighborhood that has at least 70% of its residents who are L/M income persons;
- Provide employment opportunities that are an integral component of a project designed to promote spatial deconcentration of L/M income and minority persons;
- With prior HUD approval, provide substantial benefit to L/M income persons through other innovative approaches;
- Provide services to the residents of an area pursuant to a Neighborhood Revitalization Strategy approved by HUD (see Appendix E); or
- Create or retain jobs through businesses assisted in an area pursuant to a Neighborhood Revitalization Strategy approved by HUD (see Appendix E).

Ineligible Activities

Activities that are ineligible under the Special Economic Development program are generally those that are not included as being eligible. Other activities that are explicitly ineligible are stated below:

- Assistance to a for-profit business in the form of lobbying or other political activities. *Reference: §570.207(a)(3)*
- Public facilities and improvements carried out to support or benefit a private for-profit business. (These activities may, however, be eligible under the category of Public Facilities and Improvements.) *Reference: §570.201(c)*
- New Housing Construction. This activity may be eligible under either of the categories of Construction of Housing or Special Activities by CBDOs. When a project to be assisted includes new construction of housing as part of a commercial structure (e.g., a “mixed use” project), those costs clearly attributable to the commercial portion of the project may be eligible as a special economic development activity. *References: §570.201(m) and §570.204*
- Planning for economic development projects, including conducting market surveys to determine an appropriate type of business to attempt to attract to a particular area, developing individual commercial or industrial project plans, and identifying actions to implement those plans. Such planning activities may be eligible under the category of Planning and Capacity Building. *Reference: §570.205*

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- Job training, unless part of a CDBG-eligible economic development activity that will create or retain permanent jobs. Such other training may be eligible under the categories of Public Services or Special Activities by CBDOs. *References: §570.201(e) and §570.204*
- An activity in which the grantee promotes the community as a whole (as opposed to promotion of specific areas and programs);
- Assistance to a professional sports team;
- Assistance to privately-owned recreational facilities that serve a predominantly higher-income clientele, where the recreational benefit to be derived by users or members clearly outweighs the employment or other benefits to L/M income persons;
- Acquisition of land for which the specific proposed use has not yet been identified; and
- Assistance to a for-profit business while that business or any other business owned by the same person(s) or entity(ies) is the subject of unresolved findings of noncompliance relating to previous CDBG assistance provided to the business.

Job Pirating

Job pirating is prohibited under Section 588 of the Quality Housing and Work Responsibility Act of 1998. Job pirating refers to the use of Federal funds to lure or attract a business and its jobs from one labor market to another.

CDBG funds may not be used to assist for-profit businesses, including expansions, as well as infrastructure improvement projects or business incubator projects designed to facilitate business relocation, if:

- The funding will be used to assist directly in the relocation of a plant, facility, or operation; and
- The relocation is likely to result in a significant loss of jobs in the labor market area from which the relocation occurs.

The following are definitions to assist in determining if a business location falls under these provisions:

- **Labor Market Area (LMA):** An LMA is an economically integrated geographic area where individuals can live and work within a reasonable distance or can readily change employment without changing their place of residence.
- **Operation:** A business operation includes, but is not limited to, any equipment, production capacity, or product line of the business.
- **Significant Loss of Jobs:** A loss of jobs is significant if:

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- The number of jobs to be lost in the LMA in which the affected business is currently located is equal to or greater than one-tenth of one percent of the total number of persons in the labor force of that LMA; or, in all cases
- A loss of 500 or more jobs.
- A job is considered to be lost due to the provision of CDBG assistance if the job is relocated within 3 years of the provision of assistance to the business.
- Notwithstanding the above definition, a loss of 25 jobs or fewer does not constitute a significant loss of jobs.

Before directly assisting a business with CDBG funds, the grantee shall include appropriate language in the written agreement with the assisted business to ensure that no pirating has occurred. In addition to other required program clauses, the written agreement shall include the following:

- A statement from the assisted business as to whether the assisted activity will result in the relocation of any industrial or commercial plant, facility, or operation from one LMA to another, and, if so, the number of jobs that will be relocated from each LMA.
- If the assistance will not result in a relocation covered by this section, a written certification from the assisted business that neither it, nor any of its subsidiaries, have plans to relocate jobs at the time the agreement is signed that would result in a significant job loss as defined in this rule; and
- The agreement shall provide for reimbursement of any assistance provided to, or expanded on behalf of, the business in the event that assistance results in a relocation prohibited under this section.

For more information please review The Economic Toolkit for CDBG at http://www.hud.gov/offices/cpd/economicdevelopment/toolkit/edt_manual.pdf.

Planning Activities

Planning activities consist of the costs for data collection, studies, needs identification, analysis, and the identification of alternative actions that will implement such plans. Identification of the purpose for the planning activity should be fully described in the narrative section of the Project Summary. Proposed accomplishments should clearly identify the client base for the planning study and the expected end results.

Eligible planning activities are limited to the following:

1. Neighborhood community development;

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2. Affordable housing;
3. Economic development;
4. Historic preservation;
5. Capital improvements, excluding engineering and design costs related to specific projects;
6. Strategies to implement plans.

NOTE: No more than 20% of the County's entitlement amount can be spent for the sum of program administration, fair housing activities, and planning activities. Marketing and any related materials, brochures, videos, etc. are not eligible.

Additional Program Information

1. Certain activities described in this manual are available on a year-round basis. In addition, this manual contains information needed to prepare applications for funding and various guidelines necessary for the administration of CDBG projects by Subrecipients. Therefore, you are requested to retain this manual for future reference.
2. Based on past experience in the administration of this program, Cook County will limit the number of funded activities a subrecipient will receive depending on local capacity to administer these funds, past performance in the program, audit findings, and monitoring findings.
3. Any subrecipient of these funds will be required to meet all pertinent Federal statutes, Executive Orders, and regulations through a signed Agreement with Cook County for each activity approved.
4. Subrecipients are expected to start projects within three (3) months of the Notice to Proceed and complete projects within twelve (12) months of that Notice. If this deadline is not met, the project may be dropped and the funds added to the following program year's funds.
5. Separation of Church and State: Federal regulations prohibit the use of CDBG funds for the rehabilitation or acquisition of facilities owned and operated by organizations which are pervasively sectarian.
6. SINGLE AUDITS (Single Audit Act of 1984: 31 USC 7501-7507)
 - a) Each successful applicant will be considered a "Major" recipient under the single audit requirements, regardless of the amount of CDBG funds received in any one local fiscal year.
 - b) Annual single audits must be filed with the Cook County CDBG Program until all subrecipient projects are closed.
 - c) ANY APPLICANT WHO HAS NOT SUBMITTED SINGLE AUDITS, AS REQUIRED BY THE SUBRECIPIENT AGREEMENT, MAY NOT APPLY FOR ADDITIONAL FUNDING.

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- d) Each new applicant must submit a copy of its audit prepared by its CPA firm and dated within the last 12 months.

2.4-PREREQUISITES AND APPLICATION PROCESS

In preparation of each program year, Cook County Bureau of Economic Development staff shall complete the following activities, as prerequisites to the application project review and grant award processes. These activities are presented in a step by step process for the benefit of subrecipients and county staff who administer and monitor CDBG program activities.

1. Annual Action Plan

As part of the Consolidated Plan process, the County must provide a concise summary of the actions, projects, and programs that will take place during the next year to address the priority needs and specific objectives identified by the strategic plan. The action plan, that is submitted annually, must identify the linkage between the use of federal resources and the specific objectives developed to address priority needs identified in the consolidated plan. This can be demonstrated by listing the project numbers that support each specific objective, or by listing the specific objective the project supports. The grantees are required to identify all programs and identify all resources during that particular program year.

In preparation of each Annual Action plan and prior to the availability of CDBG applications, the following activities shall occur:

- Step 1:* Develop Annual Action Plan and determine the goals and priority needs of the County
- Step 2:* Identify the intended objectives and outcomes of the CDBG funded strategies and programs presented
- Step 3:* Design CDBG programs to address priority needs, national objectives and eligible activities, and establish funding priorities

2. Update Program Requirements

All CDBG program requirements shall be reviewed and updated on an annual basis, if necessary. Manuals and other material should be consistent with action plan and department objectives and reflect the most recent BED policy and federal requirements.

- Step 1:* Update CDBG Procedures and Operations Working Guide, as applicable
- Step 2:* Update forms, documents and application material, as applicable

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3. Program Performance Review

Prior to posting the CDBG application for funding, program staff shall review prior years program performance and status of projects and funding.

Step 1: Review CAPER

Step 2: Review Subrecipient progress and performance reports

Step 3: Flag any performance issues

4. Post CDBG Application

Once documents have been updated to reflect anticipated Action Plan goals and objectives, the application should be posted Cook County's website. The application should be available no later than December of the program year.

Step 1: Ensure application is consistent with current CDBG Procedures and Operations Working Guide

Step 2: Update any forms, documents or requirements in the application package, if necessary

Step 3: Adjust calendar timelines

Step 4: Post Application

2.5-PUBLIC HEARING PROCESS

Prior to applying for Community Development Block Grant funds it is required that all regional agency and municipal applicants hold at least three formal public meetings: (1) performance hearing; (2) to solicit citizen views regarding community development needs and to inform citizens about CDBG application objectives and programs available for funding; (3) to present the applicants' proposed CDBG application to community stakeholders. The following is an outline of the activities each type of jurisdiction should undertake to ensure compliance with citizen participation regulations:

5. Municipality Public Hearing Process

Prior to responding to Cook County CDBG applications all municipalities are required to conduct public hearings to review issues, needs and community responses to potential projects. Municipal public hearings should take place prior to applying for CDBG funding.

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- Step 1:* Review Cook County CDBG Application
- Step 2:* Issue public notice announcing public hearing
- Step 3:* Solicit citizen participation
- Step 4:* Record hearing minutes and list of attendees
- Step 5:* Decide on type of project(s) needed in the community
- Step 6:* Apply for funding

6. Regional Public Hearing Process

Regional Public Hearings are to be scheduled in **January** for three of the five participating regions; North; West; and South. Regional Agencies applying for CDBG funding must complete the following activities prior to submitting an application for funding:

- Step 1:* Review Cook County CDBG Application
- Step 2:* Issue public notice announcing public hearing
- Step 3:* Solicit citizen participation
- Step 4:* Record hearing minutes and list of attendees
- Step 5:* Decide on type of project(s) needed in the community
- Step 6:* Apply for funding

7. 1st Advisory Council Public Hearing Process

The first Cook County Advisory Council public hearing is held in each year at the end of **March** and includes the following activities:

- Step 1:* Issue public notice announcing public hearing
- Step 2:* Review presentations by non-profit organizations requesting CDBG funds
- Step 3:* Summary review of all projects requesting funding
- Step 4:* Record hearing minutes, list of attendees and citizen comments if applicable

Note: The first Cook County Advisory Council public hearing does not occur until after the CDBG application closing date in February and only after Cook County staff has mailed a list of requested projects to Advisory Council.

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Note: See Citizen Participation section in Chapter 4 for more information.

2.6-APPLICATION PROCESS

Application packages provided to prospective subrecipients for use in proposing activities for CDBG funding should have the following characteristics:

- a) Provide a clear explanation of the CDBG program, so that subrecipients understand what they are applying for and what their responsibilities will be;
- b) Indicate the grantee's funding priorities;
- c) Be detailed enough to capture all important information regarding eligibility, compliance with National Objectives requirements, and the schedule for project implementation;
- d) Not be so elaborate or forbidding that subrecipients are discouraged from applying;
- e) Request enough information about the subrecipient organization to permit grantees to make reasonable judgments about the subrecipient's qualifications to carry out the proposed activity;
- f) Specify requirements for previously funded subrecipients; and
- g) Include necessary documents, forms, etc. to complete application package.

Applications for CDBG funding will not be accepted before official public hearing processes are completed. The following activities shall be completed during the application process:

8. Receive Applications

Applications must be received by the due date specified.

Step 1: Date and time stamp application package

Step 2: Administrative assistant logs receipt of application

Step 3: Assemble a listing of all projects requesting funding

Step 4: At the end of application period, mail listing of all projects requesting funding to Advisory Council prior to the first Advisory Council Public Hearing at the end of March

9. Submit Applications to Legal Department

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Prior to the Grants Manager assigning the applications to a planner, Legal shall review the application materials.

Step 1: Attorney reviews legal issues (by-laws, articles of incorporation, non-profit determination, etc.)

Step 2: Return application packages to Grants Manager

10. Assign Project to County Planner

Planners are assigned to applications based on the geographic location of the applicant and the type of project proposed (public services, capital improvements, etc.).

Step 1: Review application for completeness ensuring compliance with basic elements of an application for funding (see appendix at the end of this chapter for application checklist)

Step 2: Load project summary into the Lotus Approach database

2.7-PROJECT SELECTION AND REVIEW PROCESS

Grant awards are recommended through a competitive application evaluation process. Applications are reviewed by County staff to determine completeness and eligibility. Below is a step by step outline of the application review and selection process for Cook County staff.

11. Review Applications

Each planner is responsible for reviewing his or her assigned applications and completing the following steps prior to submitting recommendations:

Step 1: Review eligibility criteria for project requesting funding, including program priorities and national objective requirements

Step 2: Conduct site reviews (if applicable)

Step 3: Review proposed budget, schedule, record keeping and proposed compliance monitoring activities

Step 4: Complete evaluation criteria checklist

Step 5: Complete Application Score Sheet

Step 6: Submit project summary form, recommendations and application score sheet to the IRC

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12. Internal Review Committee Review (IRC)

The IRC consists of the Grants Manager, Assistant Grants Manager, and Planners that specialize in capital improvement, public service, and economic development projects. The IRC convenes to review CDBG applications on an annual basis. The purpose of IRC is to review the recommendations submitted by the individual planners and provide project funding recommendations to the Director and Bureau Chief.

Step 1: Each planner will present all assigned projects, criteria checklists and recommendations

Step 2: Review planner recommendations and resolve any scoring issues and or other application issues

Step 3: Compile list of projects recommended for funding and include project summary and recommendations

Step 4: Submit list of recommended projects to Deputy Director for review

Step 5: Deputy Director submits recommended projects to Director and Bureau Chief

13. Deputy Director Review

The Deputy Director reviews the recommendations provided by the IRC, checking for consistency with Cook County policies and budget contingencies.

Step 1: Review recommendations, identifying any issues or questions regarding recommended projects

Step 2: Send to Director and Bureau Chief for review

14. Director and Bureau Chief

The Director and Bureau Chief's review is primarily focused on ensuring consistency with the County's goals and objectives, per the Consolidated and Annual Action Plan.

Step 1: Review recommendations and note any issues or questions

Step 2: Send to Deputy Director in preparation for the second Advisory Council Public Hearing in **May**

15. 2nd Advisory Council Public Hearing

The 2nd Cook County Advisory Council Public Hearing is held each year in **May**, with the following objectives:

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- Step 1:* Review staff recommendations for project funding
- Step 2:* Resolve any issues with proposed recommendations for project funding
- Step 3:* Solicit feedback from public
- Step 4:* Document responses
- Step 5:* Submit feedback and final resolutions of project funding to DPD Grants Manager

16. Prepare for County Board Review

Cook County staff prepare recommendation package for review by the County Board.

- Step 1:* Review feedback from public hearing
- Step 2:* Compile recommendations package for Board Review
- Step 3:* Submit recommendations package to Cook County Board

17. Post Draft Annual Action Plan

The Draft Annual Action Plan shall be posted after the 2nd Public Hearing and will include a summary of public comments and a draft listing of proposed projects.

- Step 1:* Prepare Draft Annual Action Plan
- Step 2:* Include projects discussed during 2nd public hearing
- Step 3:* Post Notice of Availability of Draft Annual Action Plan. Action Plan should be posted **no later than July**. Action Plan requires 30 day comment period.

2.8-PROJECT APPROVAL AND SUBRECIPIENT AGREEMENT PROCESS

All CDBG funded projects must receive approval from the Cook County Board of Commissioners. Recommended projects are presented to the Board during an annual meeting that occurs in June. After the ConPlan and Action Plan public comment period ends the Board approves projects and submits final resolution to BED. The final funding resolution is included the Annual Action plan prior to submittal to HUD for approval. The Annual Action plan must be submitted to HUD in August .

18. County Board Review

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Recommendations are presented to the Cook County Board of Commissioners in June. The Board submits its approval for project funding in July.

Step 1: Deputy Director and Director present projects and funding recommendations to the Board (June)

Step 2: Board deliberates and reviews recommendations

Step 3: Board submits approval of projects to Bureau of Economic Development (July)

Step 4: BED includes any changes/amendments from Board in planned projects section in Annual Action Plan (if necessary)

19. Finalize Project Summary

Based on feedback from the Board, Cook County planners will adjust project summaries in accordance with final Board approval.

Step 1: Prepare/revise project summaries if necessary (Exhibit C)

Step 2: Meet with Subrecipients to review final scope, schedule, objectives and budget for approved projects

20. Prepare Subrecipient Agreement

The subrecipient agreement is the official contract between the subrecipient and the County. Subrecipient agreements shall be prepared in accordance with § 24 CFR Part 570.503 and shall address, at a minimum, the following (for a more detailed listing of basic elements of a Subrecipient Agreement see **Citations for the Basic Elements of a Subrecipient Agreement Chart** in the appendix of this chapter):

- a) Statement of Work
- b) Records and Reports
- c) Program Income
- d) Uniform Administrative Requirements
- e) Program Requirements
- f) Suspension/Termination
- g) Reversion of Assets
- h) Exhibits – to include all Cook County required forms and documents

All subrecipient agreements will include, as exhibits or attachments, all required documentation for program administration, financial management and regulatory and statutory compliance.

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Step 1: Staff prepares the subrecipient agreement depending on the type of project. (There should be a separate template for each type, i.e., public service, capital improvements, etc.)

Step 2: Staff ensures that all subrecipient agreement requirements are met and that all necessary forms, documents, and instructions are incorporated in the agreement, per project type.

21. Obtain Required Signatures

Prior to award, all subrecipient agreements must be reviewed and signed by key staff members and authorizing officials. The following signature process must be adhered to prior to sending award letters to the subrecipients:

Step 1: Submit Subrecipient Agreement to *Subrecipient* for their signature and verify persons authorized to sign

Step 2: Submit to Cook County *Legal Department* for review and signature

Step 3: Submit to *BED Director* for signature

Step 4: Submit to *County Clerk* for signature

22. Send Award Letter to Subrecipient

The award letter is the official document notifying the Subrecipient of its project selection and grant award amount.

Step 1: Send award letter and instruction sheet to Subrecipient

2.9-PROJECT SETUP AND NTP PROCESS

Projects are setup in IDIS once the Cook County Action Plan is approved by HUD, using the Action Plan and Project Summary (Exhibit C) from the Subrecipient Agreement. Once the Finance Division has been notified that HUD has approved the Action Plan, project and activities can be setup in IDIS and Notices to Proceed are issued.

23. Submit Project Summary and Action Plan to Finance Division

Step 1: Upon receipt of Project Summary (Exhibit C) and Action Plan, the Finance Division will setup and fund projects and activities in IDIS.

Step 2: Setup the projects in Approach database (internal financial system).

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Step 3: Notify planner that setup is completed.

24. Send NTP to Subrecipient

Once the project is officially setup in IDIS notices to proceed may be issued to the subrecipients. The notice to proceed authorizes the subrecipient to execute the project in accordance with the subrecipient agreement and to start incurring costs associated with the project.

Step 1: Planner sends NTP to the subrecipient

Note: An Environmental Review is required, for all projects (some public service projects are exempt, per 24 CFR 58.34), prior to the subrecipient incurring any costs associated with the project. Environmental review shall be completed in accordance with regulations at §24 CFR Part 58. See Chapter 4 for a description of environmental review requirements and processes.

25. Setup Monitoring Schedule

Once the NTP is issued, the subrecipient should be notified of the projects monitoring schedule. The monitoring schedule shall mirror the proposed project schedule and shall be consistent with CDBG guidelines on subrecipient oversight.

Step 1: Establish monitoring schedule in program database to track monitoring intervals and due dates

2.10-SUBRECIPIENT AND PROJECT MONITORING

After the NTP is issued to the subrecipient, Bureau of Economic Development mainly assumes an oversight role, monitoring subrecipient progress on projects and for compliance with proper procedures, as well as regulatory and statutory requirements. The following monitoring objectives should serve as basis for monitoring activities:

Summary of Monitoring Objectives

1. To determine if a subrecipient is carrying out its community development program, and its individual activities, as described in the application for CDBG assistance and the Subrecipient Agreement.
2. To determine if a subrecipient is carrying out its activities in a timely manner, in accordance with the schedule included in the Agreement.
3. To determine if a subrecipient is charging costs to the project that is eligible under applicable laws and CDBG regulations, and reasonable in light of the services or products delivered.

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4. To determine if a subrecipient is conducting its activities with adequate control over program and financial performance, and in a way that minimizes opportunities for waste, mismanagement, fraud, and abuse.
5. To assess if the subrecipient has a continuing capacity to carry out the approved project, as well as future grants for which it may apply.
6. To identify potential problem areas and to assist the subrecipient in complying with applicable laws and regulations.
7. To assist subrecipients in resolving compliance problems through discussion, negotiation, and the provision of technical assistance and training.
8. To provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected by subrecipients, and not repeated.
9. To comply with the Federal monitoring requirements of 24 CFR 570.501(b) and with 24 CFR 84.51 and 85.40, as applicable.
10. To determine if any conflicts of interest exist in the operation of the CDBG program, per 24 CFR 570.611.
11. To ensure that required records are maintained to demonstrate compliance with applicable regulations.

Project Monitoring

Monitoring activities differ depending on the type of CDBG program or project being administered. County staff shall monitor subrecipient projects and verify that processes and activities outlined in this manual, as well as in additional materials provided by the County, are completed in accordance with all applicable regulations and procedures.

Planners shall monitor, at a minimum, the following subrecipient activities to ensure compliance with CDBG regulations and procedures (for more information on subrecipient activities see Chapter 3: Project Management):

a) Capital Improvement

Step 1: Procurement

Step 2: Pre-Construction

Step 3: Construction

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Step 4: Invoice/change order requests

Step 5: Project completion

b) Public Services

Step 1: Eligibility Verification

Step 2: Environmental Review (if applicable)

Step 3: Service delivery activities

Step 4: Source Documentation

Subrecipient Monitoring

On-site reviews and monitoring visits with subrecipients are required annually and include the following activities:

a) In-House Review – Desk Audit

In preparation for the monitoring visit, planners shall review all the written data available in-house.

Step 1: Review subrecipient's application for CDBG Funding including Fair Housing Ordinance and Action Plan

Step 2: Review the subrecipient agreement

Step 3: Review any progress reports submitted during the current program year

Step 4: Review any drawdown requests made to date

Step 5: Review documentation of previous monitoring visits and copies of any audits by HUD or any independent party

b) Pre-Monitoring Visit

This is an optional activity and should be performed at the discretion of the planner conducting the monitoring visit. The purpose of the pre-monitoring visit is to inform the subrecipient about County monitoring procedures and the information to be examined during the visit. During this meeting, the planner may want to point out any weaknesses in the subrecipient's operations and suggest how they can be corrected before the formal monitoring visit. Review of Fair Housing and Affirmatively Furthering Fair Housing documents if applicable.

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c) Conduct Monitoring Visit

There are five basic steps to a monitoring visit:

Step 1: Notification Letter

Step 2: Entrance conference

Step 3: Case file review, documentation assessment, data acquisition and analysis

Step 4: Exit Conference

Step 5: Follow-up Monitoring Letter

Note: See Checklist for On-site Monitoring of a Subrecipient in the appendix of Chapter 7 for more details.

2.11-INVOICE/ DRAWDOWN PROCESSING

All invoices and requests for payments (29A process) shall be reviewed by the project's assigned planner prior to forwarding to the Finance Division for processing. Planners shall verify that all source documentation is attached to the invoice and that all project milestones identified have been achieved.

26. Prepare Tracking Form

Step 1: Receive 29A voucher form from subrecipient

Step 2: Log 29A voucher form into tracking database.

1. Review 29A

Step 3: Receive 29A voucher form from Administrative Assistant

Step 4: Verify all substantiating documents required for processing.

2. Submit 29A Tracking Form and Draw Memo to Finance Division

Step 1: Check fund balance and approve 29A

Step 2: Check documentation

Step 3: Submit 29A to Finance Director for approval

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Step 4: Submit 29A to Director for Deputy Director for approval

3. Final Approval and Processing

Step 1: Submit 29A to Administrative and Assistant for processing.

Step 2: Submit 29A to Director of Financial Control for final review.

Step 3: Submit 29A to Administrative Assistant to logs in 29A tracking database and submit to Comptroller's office where check is mailed.

See Financial Management Chapter for more details.

2.12-PROJECT CLOSE OUT

Projects cannot be closed out until a final invoice is submitted by the subrecipient and all monitoring activities have been completed. Planners shall ensure that all documentation has been collected prior to forwarding final invoice to Finance Division for processing.

4. Final Case File Review

The following file checklists shall be used to facilitate collection of and verify all required documents are in the subrecipients files.

- a) Capital Improvements – have sample
- b) Public Services – have sample

5. Collection of Beneficiary Data

Each subrecipient is required to submit end of the year performance reports, summarizing the accomplishments achieved and any beneficiary data collected for the project. Once the subrecipient completes the project, a Performance Report should be submitted with final drawdown.

Closeout Project in IDIS

Upon receipt of the final drawdown package, the planner must:

Step 1: Submit final drawdown package to Finance Division for payment.

Step 2: Fill out and submit Close-Out Form to Finance Division for input into IDIS.

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CDBG Program Process Chart

(SEE ATTACHED)

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CAPITAL IMPROVEMENT FILE CHECKLIST



BUREAU OF ECONOMIC DEVELOPMENT **CDBG CAPITAL IMPROVEMENT PROJECT FILE CHECKLIST**

Project Number: _____

Subrecipient: _____

Planner: _____ Budget: _____ Type of Activity: _____

Application:

___ *Evaluation Criteria Sheets: Date:* _____

___ Application Package - Date Received: _____

- ___ Application Signed by Chief Executive Officer, Mayor, President
- ___ Beneficiary, Demographic Data (N/A for Municipalities)
- ___ Low and moderate Income Justification Provided
- ___ Project Schedule Completed
- ___ Preliminary Cost Estimate
- ___ Line Item Budget
- ___ Matching Funds Certification
- ___ Board of Directors List - (N/A for Municipalities)
- ___ 501(C) 3 Internal Revenue Code Letter Provided – (N/A for Municipalities)
- ___ Incorporated by the State of Illinois Notice – (N/A for Municipalities)
- ___ Articles of Incorporation – (N/A for Municipalities)
- ___ Notice of Good Standing – (N/A for Municipalities)
- ___ Certification of Business Services – (N/A for Municipalities)
- ___ CDBG Resolution & Certification
- ___ Independent Auditor's Report
- ___ Submission of 3 Year Worksheet
- ___ Fair Housing Action Plan
- ___ Notice of Public Hearings (Certified Publications & Citizens Participation Record, Form A)
 - Needs Assessment Hearing
 - Application Review Hearing

Administrative Documents:

___ Signed Subrecipient Agreement Including Project Summary and Budget
24 CFR 570 Part 503: Date Executed: _____

___ Notice to Proceed Letter: Date: _____
24 CFR 570 Part 503

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- ___ Extension Approval (If Applicable)
- Construction Documents:***
- ___ Professional Services Procurement Record (if applicable)
24 CFR 84.42/85.36
- ___ Approved Form 4A Date: _____ (Review Specs.)
- ___ Bid Specifications
24 CFR 84.42/85.36
- ___ Engineer/Architect Cost Estimate
- ___ Approved Form 4D Date: _____ (Approval to Start)
- ___ Copy of Invitation for Bids Publication
24 CFR 84.42/85.36
- ___ Bid Tabulation (Signed by Engineer/Architect)
- ___ Copy of Successful Bid (Minimum)
24 CFR 84.42/85.36
- ___ Executed Contract
24 CFR Part 503
- ___ Engineer's Recommendations for Payment
and Copies of Contractor's Affidavit, Invoices, Lien Waivers
- ___ Approved Form 4E Date: _____
(Final Draw)
- ___ Contractor and Subcontractor Certifications
- ___ Certified Weekly Payrolls
Davis Bacon Act (40 U.S.C. 276A)
- ___ Employee Interview Forms
Copeland Anti-Kick Back Act (570.603)
- ___ Employment and Contracting Opportunities (570.607)
Equal Employment Opportunity, Executive Order 11246
Contractor's List of Federal and Non Federal Work in Bid
Condition Area (\$10,000)
- ___ Employment and Contracting Opportunities (570.607)

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Contractor's Notification of Subcontracting Award (\$10,000 minimum)
Section 3 Documents of the Housing and Urban Development Act of 1968 - (All funded projects above \$100,000):

- ___ Section 3 Affirmative Action Plan (\$100,000 minimum)
- ___ Preliminary Statement of Work Force Needs (\$100,000 minimum)
- ___ Section 3 Final Report (\$100,000 minimum)

Additional Required Documentation:

- ___ Environmental Review Documentation
Environmental Standards (570.604)
- ___ Subrecipient Monitoring Documentation
Records to be Maintained (570.506)
- ___ Subrecipient Performance Report Documentation
Subrecipient Performance Reports (570.507)
- ___ Project Close Out Form

Finance Department:

- ___ Subrecipient Financial Audits (CPA and Departmental Reports)
24 CFR Part 85 OMB Circulars (A-133, Finance Department)
- ___ Project Final Financial Audit Complete: Date: _____
- ___ Project Closed in IDIS (reference verification through IDIS & PR03)
Complete in IDIS: Date: _____

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PUBLIC SERVICE FILE CHECKLIST



BUREAU OF ECONOMIC DEVELOPMENT **CDBG PUBLIC SERVICE PROJECT FILE CHECKLIST**

Project Number: _____
Subrecipient: _____
Planner: _____ Budget: _____ Type of Activity: _____

- ___ Evaluation Scoring Criteria Sheets: Date: _____
- ___ Application Package: Date Received: _____
 - ___ Application Signed by Chief Executive Officer
 - ___ Beneficiary Demographic Data
 - ___ Project Schedule Completed
 - ___ Matching Funds Certification
 - ___ Board of Directors List
 - ___ 501(C) 3 Internal Revenue Code Letter Provided
 - ___ Articles of Incorporation
 - ___ Certificate of Good Standing
 - ___ CDBG Resolution & Certification
 - ___ Independent Auditor's Report
- ___ Signed Subrecipient Agreement Including Project Summary and Budget
24 CFR 570 Part 503
- ___ Notice to Proceed Letter
24 CFR Part 503
- ___ Subrecipient Project Correspondence
- ___ Subrecipient Monitoring Documentation
Records to be Maintained (570.506)
- ___ Subrecipient Performance Reports Documentation
Subrecipient Performance Reports(570.507)
- ___ Environmental Review Documentation
Environmental Standards (570.604)

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AND ADMINISTRATION**

Close-Out Form

PROJECT CLOSE-OUT FORM

PLEASE FILL IN THE INFORMATION BELOW WHEN TRANSFERRING REMAINING FUNDS FROM A PROJECT AND/OR TO CLOSE OUT A PROJECT IN IDIS:

SUBRECIPIENT: _____

PROJECT NO. _____

PLEASE FILL IN THE INFORMATION BELOW TO CLOSE-OUT THIS PROJECT IN IDIS:

DATE OF FINAL DRAWDOWN SUBMITTED: _____

ACCOMPLISHMENT NARRATIVE:

NUMBER OF PERSONS SERVED: _____

BENEFICIARY DATA: *(Racial breakdown, income category breakdown, and number of renter vs. owner housing units, if applicable.)*

REMAINING FUNDS FROM THIS PROJECT WILL BE TRANSFERRED TO:

CHAPTER 2: GRANTS MANAGEMENT AND ADMINISTRATION

PROJECT NUMBER: _____

CHAPTER 3: PROJECT MANAGEMENT

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3.1-INTRODUCTION

This chapter provides guidance to subrecipients on the processes and activities traditionally carried out by the subrecipient in accordance with CDBG program guidelines, regulations and procedures in the administration of CDBG project activities. Processes are broken down according to activities and are presented in a step by step process for the benefit of subrecipients and county staff that administer and monitor CDBG program activities. County staff shall review these processes annually and revise as necessary.

3.2-OVERVIEW OF SUBRECIPIENT PROCEDURES

The purpose of this chapter is to outline the major processes and activities required by subrecipients for proper administration of Cook County CDBG funded programs and in accordance with Bureau of Economic Development procedures. The following activities shall be administered in accordance with regulations contained in § 24 CFR Part 570.

3.3-PREREQUISITES

Organizations, municipalities, townships and/or regional agencies applying for CDBG must first comply with the following pre-requisite requirements before formally applying for CDBG funding:

1. Has the organization ever undertaken the proposed activity before, and what was the result?
2. Does the organization have experience with the Community Development Block Grant or other Federal programs?
3. Do the prospective subrecipient's staff appreciate the additional requirements associated with Federal funding (for example, when staff split their time between CDBG and non-CDBG functions, keeping detailed records of time spent on specific activities)?
4. Is the organization familiar with the specific regulatory requirements associated with the proposed activity (such as Davis-Bacon prevailing wage requirements for new construction or rehabilitation projects involving eight units or more)?
5. What is the organization's "track record" regarding compliance with such requirements?
6. Does the prospective subrecipient have adequate administrative and fiscal structures in place to deal with these guidelines (particularly record keeping)?
7. If not, does it recognize its organizational weaknesses, and has it developed a plan for upgrading these aspects of its operations?

8. Does the organization have qualified staff for all the necessary functions associated with the proposed activity, and is there adequate staff time available?
9. If not, how does the organization plan to fill these gaps in personnel?

Note: Subrecipients must also comply with Public Hearing and Citizen participation requirements outlined in Chapter 2.

3.4-CAPITAL IMPROVEMENT PROJECT ACTIVITIES

The following outline illustrates processes and activities carried out by subrecipients administering CDBG funded capital improvement projects. *Please note that all timelines are estimates.*

1. Apply for Funding
(Mid-December to Late February)
 - Step 1:* Review County CDBG Application
 - Step 2:* Hold public hearings to solicit public input and feedback on proposed projects
 - Step 3:* Board Approval for submitting application
 - Step 4:* Submit completed application to the County
2. Subrecipient Agreement and NTP
(Late September to Early December)
 - Step 1:* After projects are approved and awarded the applicant must sign a subrecipient agreement
 - Step 2:* Receive a NTP from the County (Note: Environmental Review Report must be completed prior to issuing a NTP)
3. Prepare Plans and Specs
(Mid-December to March)
 - Step 1:* Procure professional services (if applicable)
 - Step 2:* Prepare work/bid specifications with all federally required documentation (labor standards, WBE/MBE, Wage Determination, etc.)
 - Step 3:* Prepare certified cost estimate to submit with specifications

CHAPTER 3: PROJECT MANAGEMENT

Step 4: Submit to County for Review and approval (Form 4A)

4. Advertise for Bids

(Mid-December to March)

Step 1: Publish Invitation for Bids (Form 4B)

Step 2: Receive bids (minimum of 3)

Step 3: Create Bid tabulation Report – must be signed by Architect/Engineer to be submitted with copies of bids

Step 4: Submit to County for review and approval (Form 4D)

5. Award Contract

(Late March)

Step 1: Award contract to lowest qualified bidder

Step 2: Execute Contract

6. Construction

(Mid-April to Mid-October)

Step 1: Hold pre-construction Meeting

Step 2: Review work specifications, production and payment schedule (payment schedule must be reviewed and approved by Engineer)

Step 3: Review and submit contractor invoices/payment request to the County, along with any supportive documentation

Additional Request:

Advance Payment Request – Submit 29A for an amount to cover work to be done within 15 days of your anticipated receipt of funds, marking draw status as “FULL” if it is for 100% of the job, and “PARTIAL” if it is less than 100%. Project related draws will be allowed in the following increments. As follows:

% Draw	Point in Process
50%	*Contractor Award
40%	Inspection
10%	Final Inspection Report and Lien to confirm work is completed.

****50% of the CDBG Budget or Contractor Award whichever is less.***

CHAPTER 3: PROJECT MANAGEMENT

Change Orders – All change orders must be pre-approved by the County before the contractor can officially address the changes. The County will make a decision on change orders within 24 hours of receipt of the request. *(No change orders will be paid without proof of preapproval.)*

- Step 1: Inspect and ensure the nature of each change order, associated costs and its appropriateness to the project and CDBG program.
- Step 2: Forward change order request form to County.
- Step 3: After receiving approval from County, obtain signature from all contractual parties on change order.
- Step 4: Submit 29A and change order documents (i.e., revised SOW) to County, marking draw status as a “PARTIAL” if any further change orders are anticipated or “FINAL” if there are to be no further change orders.

7. Reporting (Early September)

- Step 1:* Monitor contract progress
- Step 2:* Report any performance issues to the County
- Step 3:* Report beneficiary data to the County

See Chapter 6 for more details and requirements.

8. Performance Hearing (Mid-November up to Mid-December)

Municipalities are notified before the end of the program year (September), during the performance reporting period that a performance Public Hearing is required for all open projects and the hearing must be completed by the end of December. The following information must be returned to the County as evidence of Performance Hearings:

- Copy of the 30 Day Legal Public Hearing Publication
- Public Hearing Agenda
- Citizens Participation Sign-in Sheet

9. Project Closeout (Mid-November to Early December)

- Step 1:* Review project file for all required documents (Form 4E)

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Step 2: Conduct final inspection of project site

Step 3: Submit Final Draw Request Form to County

Step 4 Submit project close out form

See Chapter 5 for more details.

REQUIRED DOCUMENTATION

1	Signed Agreement, including project summary and Budget
2	Notice to Proceed
3	Professional Services Procurement Record
4	Bid Specification
5	Certified Cost Estimate
6	Approved Form 4A
7	Copy of Publication of Invitation to Bid
8	Copies of Bids: Successful and 2 others (required)
9	Bid Tabulation Signed by Architect/Engineer
10	Approved Form 4D
11	Executed Contract
12	Copies of Waiver(s)
13	Copies of Contractor's Invoices and Engineer's recommendations for payment
14	Approved Form 4E
15	Related Correspondence
16	Weekly Payrolls and Certifications
17	Employee Interview Forms
18	Contractor's Certification
19	Contractor's List of Federal and Non-federal work In Bid Condition Area (\$10,000 minimum)
20	Contractor's Notification of Subcontracting Awarded (\$10,000 minimum)
21	Section 3 Affirmative Action Plan (\$100,000 Minimum)
22	Preliminary Statement of Workforce needs (\$100,000 minimum)
23	Section 3 subcontracting certification (\$100,000 minimum)
24	Section 3 Final Report (\$100,000 minimum)
25	Copy of County Vouchers – signed by Sub-Recipient with backup documentation

	and bills
26	Monitoring Correspondence
27	Performance Report
28	Environmental Review
29	Board Resolution

3.5-PUBLIC SERVICE PROJECT ACTIVITIES

The following outline illustrates basic workflow processes and activities carried out by subrecipients administering CDBG funded public service projects.

1. Apply for Funding

(Mid-December to Late February)

Step 1: Review County CDBG Application

Step 2: Board Approval for submitting application

Step 3: Submit completed application to the County

2. Subrecipient Agreement and NTP

(Late September to Early December)

Step 1: After projects are approved and awarded the applicant must sign a subrecipient agreement

Step 2: Receive a NTP from the County (Note: Environmental Review Report if applicable must be completed prior to issuing a NTP)

3. Service Delivery

(Early October-Late September)

▪ Outreach

Step 1: Market CDBG funded services to clientele

▪ Application

Step 1: Accept applications for service

▪ Eligibility Review

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Step 1: Review income qualifications and other program required items

Step 2: Collect documentation on income eligibility

4. Reporting
(Early September)

5. Performance Hearing
(Early December)

Non-Profit Agencies are notified in September, during the performance reporting period, that a performance Public Hearings will be conducted for all open projects during the Community Development Advisory Committee (CDAC) meeting scheduled for the first week in December.

See Chapter 6 for more details.

3.6-ECONOMIC DEVELOPMENT PROJECT ACTIVITIES

For job training activities and activities not involving construction or procurement, refer to activities under Public Service.

1. Apply for Funding
(Mid-December to Late February)

Step 1: Review County NOFA Application

Step 2: Hold public hearing to solicit public feedback on proposed projects

Step 3: Submit completed application to the County.

Step 4: In the application, applicant must demonstrate number of jobs to be created aligns with the regulation funding no more than \$50k per job or whether the low/mod income area would benefit from services or goods with at least \$1,000 of goods and services provided as a result of the CDBG grant per individual **(for Special Economic Development projects)**. For the project to qualify as slum/blight, the proposed project must be in established slum/blight area, or the applicant must demonstrate that the area is slum/blight area.

Step 5: County qualifies project as benefitting low/moderate income service areas____, eliminating slum/blight on a spot basis or creating l/m jobs_____.

Step 6: County approves grant for economic development/commercial rehabilitation funding.

CHAPTER 3: PROJECT MANAGEMENT

2. Subrecipient Agreement and NTP
(Late September to Early December)

Step 1: County submits revised project summary to subgrantee for final revisions.

Step 2: County gives environmental review clearance.

Step 3: After projects are approved and awarded the applicant must sign a subrecipient agreement

Step 4: Receive a NTP from the County (Note: ERR must be completed prior to issuing a NTP)

3. Prepare Plans and Specs
(Mid-December to March)

Step 1: Formally procure professional services (if to be paid with CDBG funds)

Step 2: Prepare work/bid specifications with all federally required documentation (labor standards, WBE/MBE, Wage Determination, etc.)

Step 3: Produce an in-house certified cost estimate prior to submitting to county

Step 4: Submit to County for Review

4. Advertise for Bids
(Mid-December to March)

Step 1: Publish Invitation for Bids

Step 2: Receive bids (minimum of 3)

Step 3: Create Bid tabulation Report – must be signed by Architect/Engineer

Step 4: Submit to County for review

5. Award Contract
(Late March)

Step 1: Award contract to lowest bidder

Step 2: Execute Contract

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6. Construction

(Mid-April to Mid-October)

Step 1: Hold pre-construction Meeting

Step 2: Review work specifications, production and payment schedule (payment schedule must be reviewed and approved by Engineer)

Step 3: Review and submit contractor invoices/payment request to the County, along with any supportive documentation

7. Reporting

(Early September)

Step 1: Monitor contract progress

Step 2: Report any performance issues to the County

Step 3: Report beneficiary data to the County, including number of jobs created/retained for l/m income people or goods and services provided to the community as a result of project. Include types and quantities of physical improvements made to commercial establishments and correction of slum/blight conditions, If subrecipient is unable to show that a minimum of agreed upon number of jobs have been created, that goods and services have been provided to the surrounding low/moderate income community, or the building improvements as agreed upon have been corrected, the subrecipient risks having unspent funds recaptured.

See Chapter 6 for more details and requirements.

8. Project Closeout

(Mid-November to Early December)

Step 1: Conduct final inspection of project work site

Step 2: Obtain contractor's sworn statement, final waiver of lien

Step 3: Submit Final Draw Request Form to County

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CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

4.1-INTRODUCTION

This chapter provides guidance for Cook County staff and subrecipients on how to coordinate, carry out and document the grant and project activities set forth in Chapters 2 and 3 while in compliance with the general administrative requirements and regulations set forth in 24 CFR 570. Substantiating documentation (checklists, forms, templates, spreadsheets, reports, etc.) must be prepared, submitted, approved and filed by County staff, as well as subrecipients, in a timely manner.

This chapter incorporates updates and replaces the guidance provided in the 1998 version of the Cook County CDBG Manual of Administrative Procedures. The following table provides a cross-reference to the new, updated or replacement guidance.

Chapter 4: General Administrative Requirements		New(N), Updates (U) or Replaces (R) Chapter/Section of 1998 CDBG Admin Manual
Introduction	R	
Program Specific Requirements	U	Subrecipient Agreements for Capital Improvement and Public Services projects; plus provisions of this Chapter 4
▪ Construction or Rehabilitation project	U	Subrecipient Agreement; plus provisions of Chapter 4
▪ Acquisition project	U	Subrecipient Agreement; plus provisions of HUD Handbook 1378
Program Income	R	Replaces 2.E
Real Property and Equipment	R	Replaces 2.D
Environmental Review	R	Replaces 2.J; Adds Appendix 4-B.
Financial Management	R	Replaces 2.C, 2.G (Financial Statements), 2.F (Audits), and 2.B (Drawdown & Expenditures)
Procurement	R	Replaces 3.A. – 3.F
Grant Management and Recordkeeping	R N	Replaces 2.C Adds checklists and templates for recordkeeping
Civil Rights and Fair Housing	N	
Construction, Rehabilitation and Demolition	R	Replaces 4.A. – 4.C and 5. Adds Appendices 4-C, 4-D and 4-E.

4.2-PROJECT SPECIFIC REQUIREMENTS

The Subrecipient, by executing a grant Agreement with the County of Cook, Illinois (the "County") agrees that it will abide by all the provisions contained in the executed agreement by the Subrecipient with the County (the "Agreement¹") for the Community Development Block Grant ("CDBG") project (the "project"). By executing the agreement, the subrecipient also agrees to all the provisions contained in this Manual and all laws, rules, and regulations that apply to the project. The Subrecipient agrees that it is also

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

responsible to the United States Department of Housing and Urban Development ("HUD") in carrying out the project.

The following provisions apply to specific projects:

- A. If the project is a construction or rehabilitation project, the Subrecipient will, in addition to the general provisions in the Agreement and this Manual, abide by the provisions in the following sections of this chapter, including:

Provision	Section
1. Documents Required in Bid Specifications	4.11
2. Administrative Requirements Prior to Award of Contract	4.11
3. Administrative Requirements After Award of Contract	4.11
4. Equal Opportunity Forms	Appendix
5. Davis Bacon Forms	Appendix
6. Labor Standards Documents	Appendix
7. Section 3 Forms	

- B. If the project is an acquisition project:

1. HUD Handbook 1378 Relocation and Real Property Acquisition

This handbook is incorporated by referenced to and made a part of the Agreement for acquisition and/or relocation projects.

4.3-SUBRECIPIENT AGREEMENTS

Subrecipient Agreement (§570.503): HUD CDBG regulations require that grantees have written Agreements in effect for each subrecipient before giving out any CDBG funds. The written Agreement must remain in effect during any period that the subrecipient has control over any CDBG funds, including program income.

The regulations specify that the written Agreement must include at least the following provisions:

Subrecipient Agreements – Minimum Provisions		COMPLIANCE REFERENCE §
1	Statement of work: a description of the work to be performed, a schedule for completion of the work, and a budget, all in sufficient detail for the County to effectively monitor performance.	24 CFR 570.503(b)(1) (Exhibit "C" of Agreement)
2	Records and reports: the County must specify the records the subrecipient must maintain (including the storage period) as well as the reports and timeframes, in which the subrecipient must submit.	24 CFR 570.503(b)(2) (Article 11 of Agreement)

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

3	Program income: the Agreement must set forth the program income requirements detailed in 24 CFR 570.503 and 504(c). The County requires that all program income received by the subrecipient be returned to the County.	24 CFR 570.504(b)(3) Section 4.4 (Not specified in Agreement)
4	Uniform administrative requirements: The Agreement must also state that subrecipients will comply with the following additional requirements and standards set out in 24CFR 570.502.	24 CFR 570.502(b)(4) (Article 3 of Agreement)
5	Other program requirements: Compliance with Subpart K except for environmental responsibilities (570.604) and the County’s review process under 24 CFR part 52.	24 CFR 570.503(b)(5) (Article 3 of Agreement)
6	Suspension and termination: the Agreement must specify that suspension or termination may occur if the subrecipient materially fails to comply with any term of the Agreement; or may also be terminated for the grantee's convenience.	24 CFR 570.503(b)(6) 24 CFR 85.43 and 85.44 (Article 17 of Agreement)
7	Reversion of assets: when the Agreement ends, the subrecipient must transfer to the County any CDBG funds on hand and accounts receivable attributable to the use of CDBG monies. The Agreement must also specify how the subrecipient will meet the requirements for use or disposition of any real property it either acquired or improved with CDBG funds in excess of \$25,000.	24 CFR 570.503(b)(7) (Article 12 of Agreement)

In addition to the provisions set out in the Agreement, the Subrecipient shall comply with the following provisions for the administration of the project that is the subject of the Agreement. The Subrecipient agrees that CDBG funds will be expended only in conformance with the Agreement, this Manual and HUD CDBG regulations.

Notice to Proceed

1. Upon receipt of the "Notice to Proceed" the Subrecipient may proceed with the following activities:
 - a. Procurement of Professional Services including but not limited to appraisals and legal services, if CDBG funds are being used to pay for such services. The Subrecipient agrees to comply with 24 CFR Section 85.36 or 24 CFR Sections 84.40 through and including 84.48, as applicable.
 - b. Acquisition activities according to the procedures set out in the HUD Handbook 1378 Relocation and Real Property Acquisition.
<http://portal.hud.gov/hudportal/HUD?mode=disppage&id=HANDBOOK1378-CPD>

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

2. For construction or economic development projects, the Subrecipient may:
 - a. Prepare bids for publication and distribution. Specifications and invitations to bid shall conform to the forms presented in the *Construction, Economic Development, and Demolition* Section.
 - b. Submit a copy of the bid document and specifications, along with a certified cost estimate prepared by a licensed or registered architect or engineer for each project, to the County with an executed copy of (Section A of Chapter 4) the bid documents (Forms 4A-4C) in Section 4.11 for approval prior to publication and distribution; provided, however, that for a commercial rehabilitation project, the bid document and specifications may be prepared by a rehabilitation specialist.
 - c. Submit a copy of the three lowest, reasonable and responsible bids with an executed Form 4D for approval prior to award of contract. After approval, the Subrecipient may execute a primary construction contract.
 - d. After making an official notification of award to the contractor. Hold a pre-construction meeting on the date agreed upon with the County planner, who should attend the meeting to inform the subrecipient of Labor laws as established by HUD and the United States Department of Labor.

Change Orders

All change orders related to capital improvement projects require prior County approval. "Prior County approval" means that written approval must be given by the County before any funds, County or matching, are committed. All requests for change orders must be submitted on the County change order form with a complete explanation justifying the request. An explanation in greater detail may be requested.

4.4-PROGRAM INCOME

Program Income [as defined in 85.25, 24 CFR 570.500; 570.503(a), (b)(3) and (b)(7); and 570.504]: A grantee must approve (a) whether a Subrecipient will be allowed to retain and use program income, and (b) for what activities the program income may be used. The use of such program income must be in compliance with all other applicable program requirements and, upon the expiration of the Subrecipient Agreement, any program income on hand or subsequently received by the Subrecipient must be returned to the grantee.

1. The Subrecipient agrees that any proceeds from the use of CDBG funds or from the disposition of property acquired with CDBG funds constitute Program Income.
2. The County is responsible to HUD for all income generated from the use of CDBG funds. Program income must be returned to the County upon its receipt by the Subrecipient.

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

The County will re-program the funds as needed for eligible activities. The Subrecipient agrees to abide by the procedures outlined below:

- a. Definition: "Program Income" - gross income received by a Subrecipient and directly generated from the use of Community Development Block Grant funds. Program income includes, but is not limited to, the following:
 - i. Repayment of loans for rehabilitation of private property, including installment loans or deferred payment forgivable loans.
 - ii. Proceeds from residential rehabilitation junior mortgages when title transfers.
 - iii. Interest on loans made with CDBG funds.
 - iv. Proceeds from the sale of property acquired or improved with CDBG funds pursuant to the requirements set out in the Agreement.
 - v. Collection of liens, e.g., demolition costs funded with CDBG funds, including:
 1. Proceeds from the sale of property acquired through Quit Claim Deed voluntarily submitted by owner in lieu of demolition lien;
 2. Proceeds from the sale of property acquired at a Sheriffs Auction, as a Sheriffs Deed, upon foreclosure of a demolition lien;
 3. Cash payment by owner for the amount of the lien plus interest on the lien, if any;
 4. Mortgages collected as the result of the sale of property to a third party.
 - vi. Proceeds from the sale of HUD homes purchased and/or rehabilitated with CDBG funds.
 - vii. Rental income realized from occupants of acquired property.
 - viii. Repayment proceeds from Economic Development loans.
 - ix. Proceeds from mortgage foreclosure and judgments on notes

NOTE: Since CDBG funds cannot be deposited in interest-bearing investment instruments or accounts, no program income can be realized from such interest.

- b. Program Income should be made payable to:

"COOK COUNTY TREASURER" and mail to:
Cook County Bureau of Economic Development
69 W. Washington, Suite 2900
Chicago, Illinois 60602

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

4.5-USE AND MAINTENANCE OF REAL PROPERTY AND EQUIPMENT

See Appendix to this Chapter for the text of 24 CFR Sections 84.32-84.34, 85.32, 85.33 and 84.40 through and including 84.48, and OMB Circular A-133 (or OMB Circular A-133 as hereafter amended from time to time, or as superceded and implemented by codification into the Code of Federal Regulations).

The County will not fund any acquisition which requires relocation. No acquisition project shall be funded which requires any business or household to be relocated from the proposed acquisition site.

1. The Subrecipient agrees that the use of all real property within its control which was acquired or improved in whole or in part with CDBG funds is subject to the provisions of 24 CFR Section 570.505 which Section shall apply no matter the amount of CDBG funds involved. The Subrecipient may continue to use the real estate for the approved purpose with no further approval.
2. The Subrecipient additionally agrees that, on the expiration of this Agreement, it shall:
 - a. use real property within the control of the Subrecipient which was acquired or improved in whole or in part with CDBG funds (no matter the amount of CDBG funds involved) to meet one of the national objectives set out in 24 CFR Section 570.901 and in compliance with 24 CFR Section 570.208 for five (5) years after the expiration of this Agreement;
 - b. shall change the use of the real property to another use which is eligible under the national objectives set out in 24 CFR Section 570.901 and in compliance with 24 CFR Section 570.208 only after compliance 24 CFR Section 570.505(b), only after a public hearing and after County approval;
 - c. if, within five (5) years after the expiration of this Agreement, the Subrecipient disposes of real property within the Subrecipient's control which was acquired or improved in whole or in part with CDBG funds (no matter the amount of CDBG funds involved) , the County shall be reimbursed in the amount of the current fair market value of the real property at the time of disposition less any portion of the value attributable to the expenditure of non-CDBG funds for the acquisition of, or improvement to, the real property or the full amount of CDBG funds provided by the County, whichever is greater.
3. The Subrecipient agrees to comply with the following provisions in relation to property, supplies and equipment:
 - a. The Subrecipient, if it is a unit of local government or an intergovernmental agency, agrees to provide the County with an annual inventory of approved equipment purchased and to adhere to 24 CFR Sections 85.32 and 85.33 in the management

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

and disposition of supplies, property and equipment purchased or developed with grant funds.

- b. The Subrecipient, if it is a not-for-profit corporation or a unit of higher education, shall comply with 24 CFR Sections 84.30 through and including 84.37 property management standards for the purchase, maintenance and disposal of equipment and supplies, except that, pursuant to 24 CFR Section 570,502(b)(A-B):
 - i. In all cases in which personal property is sold, the proceeds shall be program income, and
 - ii. Personal property not needed by the Subrecipient for CDBG activities shall be transferred to the County for the CDBG program or shall be retained after compensating the County,
 - c. or at the direction of the County, dispose of them pursuant to 24 CFR Sections 85.32, 85.33, 85.34 and 570.505 or 24 CFR Sections 84.30 through and including 84.37, where applicable.
4. In relation to acquisition projects, the Subrecipient, after the closing and transfer of property acquired by it pursuant to the Agreement and the recording of the Deed and Mortgage, shall file completed Governmental Exemption Papers for each property with the County Board of Tax Appeals. Annual Certificates of Status for each property shall be filed with the Assessor's Office to continue the exemption status.

4.6-ENVIRONMENTAL REVIEW

Environmental Review Record Procedure (24 CFR 570.604)

The environmental review is conducted by the County's CDBG program staff:

1. An Environmental Assessment requires a comment period for both the general public and HUD officials. The finding of no significant impact requires a public notification and would be followed by a comment period of approximately 32 days.
2. Regulations include restrictions on activity in a floodplain. If an action will be within a flood hazard zone, a detailed examination of the project is necessary, along with interagency notice, public comment and notification of approximately 65 days.
3. No funds can be obligated until the "Notice to Proceed" has been issued from the County. This "Notice to Proceed" cannot be issued until appropriate comment periods have expired, and HUD has issued and the County has received, a "Release of Grant Conditions".

Environmental Review Record

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

For demolition projects, the subrecipient is required to complete the Environmental Review Record and submit it to the County.

Historic Preservation [24 CFR 570.202(d)]

Historic Preservation [16 U.S.C. 470 et seq. and 36 CFR Part 800]: these requirements mandate (a) consultation with specified agencies having responsibility for historic preservation to identify properties listed (or eligible for inclusion) in the National Register of Historic Places that may be subject to adverse effects by the proposed CDBG activities, and (b) compliance with procedures or other requirements to avoid or mitigate such adverse effects.

State Historic Preservation Office (SHPO)

In order to comply with the applicable federal regulations concerning the use of CDBG funds for residential rehabilitation, an environmental review record must be established by Cook County for each individual rehabilitation project. Therefore, subrecipients must inform the County of any potential historically significant buildings which may be considered for rehabilitation by their programs.

Subrecipients must complete the Environmental Review Record (Form 2B) for a proposed residential rehabilitation project. This form and pictures of the property (front and back) must be submitted to the County. The County will then forward the list of proposed projects to the State Historic Preservation Officer in Springfield for a clearance. The County will then notify subrecipients upon receipt of such clearance or of any special historic preservation procedures that may be required. Subrecipients are not to obligate funds for any project that has not been reviewed for historic significance.

National Flood Insurance Program (§570.605)

National Flood Insurance Program [24 CFR 570.605]: if a community has had notice for more than a year that an area has been identified by FEMA as having special flood hazards, CDBG funds cannot be spent for acquisition or construction purposes within that area unless the community is participating in the National Flood Insurance Program and such insurance has been purchased for the properties in question.

Floodplain Management

Floodplain hazard areas are defined as geographic areas for which the Federal Insurance Administration has published a "Flood Hazard Boundary Map" which delineates the areas subject to severe flooding within the subrecipient's community. Cook County subrecipients must review each property to be rehabilitated to determine its status in reference to federally identified flood plains. Subrecipients must submit an Environmental Review Record (Form 2B) citing the flood plain map/location of the property and secure a release from the County before committing funds for rehabilitation. When a property is identified as being located in a federally designated floodplain area, the property is subject to floodplain management standards. When a structure is to be substantially rehabilitated (a

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substantial improvement occurs when the cost of the rehabilitation equals or exceeds fifty percent (50%) of the fair market value of the structure before rehabilitation has started) the following procedures apply:

1. Building permits are required for all substantial improvements
2. The County must complete an environmental review (Form 2B) prior to awarding a contract for any substantial improvement.
3. Substantial improvements must be designed

4.7-FINANCIAL MANAGEMENT

Uniform administrative requirements and cost principles [24 CFR 570.610]: The County and its subrecipients shall comply with the policies, guidelines and requirements of 24 CFR part 85 and OMB Circulars A-87, A-110, A-122 and A-133.

General Requirements

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21–28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its program in conformance with OMB Circulars A-122, “Cost Principles for Non-Profit Organizations,” or A-21, “Cost Principles for Educational Institutions,” as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

Subrecipients of the County CDBG Program agree to implement sound financial and grant management procedures, per 24 CFR Parts 84 and 85, where applicable; and, OMB Circulars A-87, and A-122, where applicable, and, Federal Treasury regulations. In particular, the following procedures and policies apply:

1. Establish a non-interest bearing account for Community Development funds. (Federal Treasury regulations prohibit the investment of federal funds in any income-earning financial instruments, including NOW accounts). These should preferably be separate bank accounts for each CDBG project for not-for-profit entities. These must be separate accounts for units of local government and intergovernmental agencies.
2. Maintain separate accounting records with subsidiary accounts for each project of the Community Development program.
3. Pre-number all checks and adequately safeguard all blank checks.

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4. Assign the responsibility for cash receipts and disbursement duties to a person other than the person who performs bank reconciliations.
5. Record all cash receipts and other financial transactions in a timely manner.
6. Verify mathematical accuracy of all accounts payable invoices, formally approve these invoices for payment, and cancel them when paid.
7. Perform bank reconciliations, locate and explain all differences, and designate responsible local official (other than the person performing the reconciliation) to review bank reconciliations.
8. All transfers, amendments, and revisions to approved budget authorities must receive prior approval from the County.
9. CDBG funds must not be used by the Subrecipient for audits conducted by Independent Public Accountants, for entertainment or other uses as specified in 24 CFR Parts 84 and 85, where applicable; and OMB Circulars A-122 and A-87, where applicable.
10. Upon termination or suspension of this Agreement, by its natural completion and closeout or otherwise, the Subrecipient will return to the County all CDBG funds on hand and any accounts receivable attributable to the use of CDBG funds. All other property of whatever nature acquired with CDBG funds shall be disposed of or used pursuant to the provisions of Section 4.5 of this Chapter.
11. The Subrecipient accepts full financial and management responsibility for the Subrecipient's audit and monitoring findings and agrees to reimburse the County for any and all findings not accepted by the HUD.
12. The Subrecipient agrees to maintain the following records:
 - a. Full description of each activity carried out, (or being carried out) including the location amount of CDBG and other funds budgeted, obligated and expended for the activity.
 - b. Financial records, in accordance with the applicable OMB Circulars listed in 24 CFR Section 570.502, as amended from time to time, or as superseded and implemented by codification in the Code of Federal Regulations.

Drawdown and Expenditures (Form 2A)

1. Where CDBG funds are being used to pay for professional services (consultants, etc.), or for equipment in an approved budget, the Subrecipient must comply with Chapter 3 before CDBG funds will be remitted.

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- a. The Subrecipient may request grant funds, as identified in Exhibit "C" of the Agreement, for pre-approved professional services upon submitting vendor's billings to the County.
 - b. The Subrecipient may request grant funds, as identified in Exhibit "C" to the Agreement, for approved equipment purchases upon presentation to the County of vendor's billings.
 - c. The Subrecipient agrees to comply with 24 CFR Sections 85.35, 84.40 through and including 84.48, or 570.609, as applicable.
2. In all cases where the Subrecipient uses the assigned grant funds for salaries and other approved administrative expenses, the Subrecipient shall:
- a. Use the funds solely for the purpose of the delivery of the CDBG project described in this Agreement;
 - b. Utilize Form 2A to make a Project Delivery Drawdown Request;
 - i. Attach a copy of the Monthly Project Status Report
 - c. Maintain time records for all persons paid from the grant; and
 - d. Maintain receipts for all expenditures.
3. For construction or rehabilitation projects, the Subrecipient shall submit a copy of the executed contract, certified copy of the resolution authorizing execution of the contract, and written notification of the date that the construction is to begin. Payment shall be made upon a reimbursement basis as follows:
- a. The lesser of seventy-five percent (75%) of the grant amount or seventy-five percent (75%) of the contract amount shall be paid during the course of the project upon submission of contractor's bills, contractor's sworn statements, interim lien waiver, and written certification by the project engineer as to the completion of the work done for which reimbursement is being requested. Drawdowns may be at fifty percent (50%) and twenty-five (25%) of the completed work; and
 - b. The lesser of twenty-five percent (25%) of the grant amount or twenty-five percent (25%) of the contract amount shall be retained and shall be paid upon submission of the final contractor's bills, final contractor's sworn statements, final lien waivers, written notification that the work has been completed, and the final performance report.

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4. The Subrecipient may drawdown funds only in compliance with Section 4.7 of this Chapter which states that funds may be drawn down only as needed and which must be expended within 72 hours of drawdown.
5. If Exhibit "C" of the Agreements provides for project delivery costs, the Subrecipient may drawdown estimated project delivery costs for the first quarter of the program year in accordance with Exhibit "C" of the Agreement. Additional quarterly drawdowns or project delivery costs will be permitted only if: 1) accompanied by documentation of the expenditure of project delivery funds from the previous quarter for eligible project delivery costs, and, 2) reasonable progress is being made in accordance with the work schedule toward completing the project as described in Exhibit "C". Submit Form 2A "Project Delivery Drawdown Request" for payment of salaries and fringe benefits.

Guidelines for Preparing Financial Statements

The County is responsible for the administration of CDBG funds received from HUD. The Subrecipients of CDBG funds are accountable to the County in the same manner that the County is accountable to HUD.

The CDBG portion of the Subrecipient's Single Audit Report must be presented in a clear, concise format. Minimum information required for each project is as follows:

- 1) Project Title
- 2) Project Number
- 3) Project Budget
- 4) Project Drawdowns:
 - Current
 - Cumulative
- 5) Project Disbursements:
 - Current
 - Cumulative
- 6) Project Fund Balance
- 7) Questioned Costs
- 8) Project Complete Yes No
- 9) Program Income
- 10) Compliance Test

Please note that if a project is complete and an amount balance remains representing unused funds, said unused funds must be returned to the County.

Audit Requirements

The Subrecipient agrees to adhere to the following audit requirements:

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1. The Subrecipient agrees to permit the County Auditor, the CDBG Program Auditor, or an Independent Public Accountant designated by the County, to audit the Subrecipient's CDBG Program records until completion of all projects. The Subrecipient further agrees to fully cooperate with such audit should the County require such an audit.
2. The Subrecipient agrees to file an Annual Performance Report with the County until all projects are completed.
3. The Subrecipient agrees to annually submit an audit, and, if the Subrecipient receives \$25,000.00 or more in CDBG funds from the County for one or more projects combined, it will also submit the compliance testing portion of a Single Audit Report for a Major Recipient as set out in the Single Audit Act. Said reports shall be submitted to the County within nine (9) months of the end of the Subrecipient's fiscal year.
4. The Subrecipient agrees to prepare the financial statements of the CDBG portion of the Single Audit Report in accordance with the Exhibit entitled "Guidelines for Preparing Financial Statements-Community Development Block Grant Funds".
5. The Subrecipient agrees to pay all costs associated with the preparation of the Single Audit report with non-CDBG funds.

4.8-PROCUREMENT

Professional Services -Subrecipients shall follow the provisions listed below in contracting for Professional Services:

1. Procurement of professional services with grant funds is subject to the provisions 24 CFR Section 85.36 or 24 CFR Part 84, where applicable. Professional services include, but are not limited to: engineering, legal, architectural, planning, financial management consulting, and construction management
2. Procurement of professional services with grant funds will be done by competitive negotiation: proposals are to be requested from a number of sources and the Request for Proposals is to be publicized (formal advertisement is not required), negotiations are to be conducted with more than one of the sources submitting offers, and either a fixed-price or cost reimbursable type of contract is to be awarded, as appropriate. The following requirements shall apply to procurement of professional services by competitive negotiations:
 - a. Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The Request for Proposals shall be publicized and reasonable requests by other sources to compete shall be honored to the maximum extent practicable.

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- b. The Request for Proposals shall identify all significant evaluation factors, including price or cost where required and their relative importance.
- c. The Subrecipient shall provide standards for technical evaluation of the proposals received, determinations of responsible offers for the purpose of written or oral discussion, and selection for contract award.
- d. Award may be made to the responsible bidder whose proposal will be most advantageous to the Subrecipient, price and other factors considered. Unsuccessful bidders should be promptly notified.
- e. The Subrecipient may utilize the competitive negotiation procedures to evaluate the qualifications of bidders to select the most qualified bidder, subject to negotiation of fair and reasonable compensation.
- f. The Subrecipient must be able to provide documentation for the acceptance or rejection of bids.
- g. Subrecipients may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby the competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services even though A/E firms are a potential source to perform the proposed effort.
- h. The Subrecipient agrees to notify the CDBG Contract Compliance Officer of the County Department of Planning and Development of each and all steps in the procurement process.

Construction and Supplies

Subrecipients shall follow the provisions listed below in contracting for Construction Work and Supplies:

1. Procurement of construction work and supplies with grant funds is subject to the provision of 24 CFR Section 85.36 or 24 CFR Part 84.40-48, where applicable.
2. Procurement with grant funds shall be made by one of the following methods, as described herein: a) small purchase procedures, or b) competitive sealed bids (formal advertising).
 - a. Small purchase procedures are those relatively simple and informal procurement methods that are sound and appropriate for procurement of services, supplies or other property, costing in the aggregate not more than \$25,000. The Subrecipient

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shall comply with State or local small purchase dollar limits under \$25,000. If small purchase procedures are used for procurement under a grant, price or rate quotations shall be obtained from an adequate number of qualified sources and records of quotations and sources shall be maintained.

- b. In competitive sealed bids (formal advertising), sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all material terms and conditions of the invitation for bids, is lowest in price.
3. In order for formal advertising to be feasible, the following conditions must be satisfied:
 - a. A complete, adequate and realistic specification or purchase description is available.
 - b. Two or more responsible suppliers are willing and able to compete effectively for the Subrecipient's business.
 - c. The procurement lends itself to a firm-fixed-price contract, and selection of the successful bidder can appropriately be made principally on the basis of price.
 4. If formal advertising is used for procurement under an Agreement the following requirements shall apply:
 - a. A sufficient time prior to the date set for opening of bids, bids shall be solicited from an adequate number of known suppliers. In addition, the invitation shall be publicly advertised.
 - b. The invitation for bids, including specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the invitation.
 - c. All bids shall be publicly opened at the time and place stated in the invitation for bids.
 5. In judging whether a bidder is responsible, the 24 CFR Section 85.36 standards state that "consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and technical resources". 24 CFR Sections 84.40 through and including 84.48 set forth similar standards.
 6. Regarding the purchase description, the 24 CFR Section 85.36 standards state that "when it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a 'brand name or equal' description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerers shall be clearly stated." 24 CFR Sections 84.40 through and including 84.48 set forth similar standards.

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- a. A firm-fixed-price contract award shall be made by written notice to that responsible bidder whose bid, conforming to the invitation for bids, is lowest. Where specified in the bidding documents, factors such as discounts, transportation costs and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine the low bid when the prior experience of the Subrecipient indicates that such discounts are generally taken.
 - b. Any or all bids may be rejected when there are sound documented business reasons in the best interest of the program.
7. In all contracts for the construction of facility improvements awarded in excess of \$100,000; Subrecipients shall observe the following minimum bonding requirements:
- a. A bid guarantee from each bidder equivalent to five (5) percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will upon acceptance of his or her bid, execute such contractual documents as may be required within the time specified.
 - b. A performance bond on the part of the contractor for one hundred (100) percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
 - c. A payment bond on the part of the contractor for one hundred (100) percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law for all persons supplying labor and material in the execution of the work provided for in the contract (Also see Section A. of Chapter 4).
8. Contracts shall contain such contractual provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where contractors breach contract terms, and provide for such sanction and penalties as may be appropriate.
9. All contracts, amounts for which are in excess of \$10,000.00, shall contain suitable provisions for termination by the Subrecipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated because of default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

Contracting with MBE/WBE and Labor Surplus Area Firms

The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity
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to participate in the performance of its contracts. The terms “small business” means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and “minority and women’s business enterprise” means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, “minority group members” are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

1. It is national policy to award a fair share of contracts to small and minority business firms. Accordingly, affirmative steps must be taken to assure that small and minority businesses are utilized when possible as sources of supplies, equipment, construction and services. Affirmative steps shall include the following:
 - a. Including qualified small and minority businesses on solicitation lists.
 - b. Assuring that small and minority businesses are solicited whenever they are potential sources.
 - c. When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority business participation.
 - d. Where the requirement permits, establishing delivery schedules which will encourage participation by small and minority business.
 - e. Using the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce and the Community Services Administration as required.
 - f. If any subcontracts are to be let, requiring the prime contractor to take the affirmative steps in a. and e. above.
2. Subrecipients shall take similar appropriate affirmative actions in support of women's business enterprises. Subrecipients should make a list and keep Minority/Women Contractor Associations as a viable and valuable resource to identify contractors. Subrecipients should fully document their efforts as this is a Cook County policy.
3. Subrecipients are encouraged to procure goods and services from labor surplus areas.

Selection Procedures

1. All procurement transactions, regardless of whether by sealed bids or by negotiation and without regard to dollar value, shall be conducted in the manner that provides maximum open and free competition consistent with 24 CFR Section 85.36 or 24 CFR

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Part 84, where applicable. Procurement procedures shall not restrict or eliminate competition. Examples of what are considered to be restrictive of competition include, but are not limited to:

- (1) placing unreasonable requirements on firms in order for them to qualify to do business;
- (2) noncompetitive pricing practices between firms or between affiliated companies;
- (3) organizational conflicts of interest;
- (4) unnecessary experience and bonding requirements;
- (5) noncompetitive awards to consultants that are on retainer contracts;
- (6) specifying only a "brand name" product instead of allowing "an equal" product; and
- (7) any arbitrary action in the procurement process.

2. The Subrecipient shall have written selection procedures which shall provide, at a minimum, the following procedural requirements:

(a) Solicitations of offers, whether by competitive sealed bids or competitive negotiation shall:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which It must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impracticable or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand shall be clearly stated.

(ii) Clearly set forth all requirements which offers must fulfill and all other factors to be used in evaluating bids or proposals.

(b) Awards shall be made only to responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and technical resources.

Code of Conduct

Subrecipients shall maintain a written code of standards of conduct which shall govern the performance of their officers, employees or agents engaged in the award an administration of contracts supported by Federal funds. No employee, officer or agent of the Subrecipient shall participate in selection, or in the award or administration of a contract supported by

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Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

1. The employee, officer or agent;
2. Any member of his or her immediate family;
3. His or her partner; or
4. Any organization which employs, or is about to employ, any of the above;

has a direct or indirect financial or other interest in the firm selected for award.

The Subrecipient's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements.

To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subrecipient's officers employees, or agents, or by contractors or their employee or agents.

Stevens Amendment Requirements

Pursuant to the Stevens Amendment to the Department of Defense Appropriation Act of 1989, the Subrecipient agrees to clearly state in all press releases, request for proposals, bid solicitations, and other documents in relation to or describing projects funded in whole or in part with Federal funds: 1) the percentage of total costs of the program or project which will be financed with Federal funds and 2) that the exact dollar amount of federal funds which will be set aside for this project will be based on the contract amount awarded under the bid solicitation or request for proposal. Estimates of reasonable ranges may be used when the exact percentage is unknown at the time of communication.

4.9-GRANT MANAGEMENT AND RECORD KEEPING

GENERAL REQUIRMENTS

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under the Subrecipient Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of

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- real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21–28; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this contract, is prohibited by State privacy laws, unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in

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effect during any period that the Subrecipient has control over CDBG funds, including program income.

6. Audits & Inspections

All Subrecipient records with respect to any matters covered by the Subrecipient agreement shall be made available to the County, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of the subrecipient agreement and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits and OMB Circular A-133.

Grant Management and Recordkeeping Requirements

1. The Subrecipient agrees to maintain the following records:

- a. Full description of each activity carried out (or being carried out), including the location amount of CDBG and other funds budgeted, obligated and expended for the activity.
- b. Where the grant to Subrecipient allows the Subrecipient to **select** beneficiaries of program activities, the basis of eligibility of each recipient. Where family income is an eligibility criterion, evidence of qualification, including but not limited to Federal tax return, check stubs, SSI statement.
- c. For each activity determined to benefit low and moderate income persons based on the area served by the activity:
 - i. The boundaries of the service area;
 - ii. The income characteristics of households and unrelated individuals in the service area;
- d. For each activity determined to benefit low and moderate income persons because the activity involves a facility or service designed for use predominantly by low and moderate income persons:
 - i. Documentation establishing that the facility or service is designed for and used by senior citizens, handicapped persons, battered spouses, abused children, homeless or illiterate persons, or migrant farm workers; or documentation describing how the nature and, if applicable, the location of the facility or service

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- establishes that it is used predominantly by low and moderate income persons;
or
- ii. Data showing the size of the immediate family of each person receiving the benefit and the income of each such family, and, that at least 51 % of the beneficiaries are low and moderate income.
- e. For each activity carried out for the purpose of providing or improving housing which is determined to benefit low and moderate income persons:
- i. A copy of a written agreement with each landlord or developer receiving CDBG assistance indicating the total number of dwelling units in each multi-family structure assisted and the number of those units which will be occupied by low and moderate income households after assistance;
 - ii. For each unit occupied by a low and moderate income household, the size and income of the household;
 - iii. For rental housing only:
 - a. The rent charged (or to be charged) after assistance for each dwelling unit in each structure assisted; and
 - b. Such information as necessary to show the affordability of units occupied (or to be occupied) by low and moderate income households pursuant to criteria established and made public by the Subrecipient;
 - iv. For each property acquired on which there are no structures, evidence of commitments ensuring that residential structures providing housing for low and moderate income persons will be built
- f. For each activity determined to benefit low and moderate income persons based on the creation of jobs:
- i. For each business assisted, a listing by job title of each permanent job to be created indicating which jobs will be part-time, and either
 - a. A copy of a written agreement that the business will hire low and moderate income persons to fill the equivalent of at least fifty-one percent (51 %) of full time jobs; or
 - b. A copy of the agreement between the business and the appropriate Job Training Partnership Act agency.

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- ii. For jobs considered available to low and moderate income persons, a description of the actions taken (or to betaken) by the Subrecipient and the business to ensure that low and moderate income persons receive first consideration for those jobs.
 - iii. For jobs actually taken by low and moderate income persons pursuant to a commitment by the business, information on the size of the person's family and the total family income prior to the person being hired for the job.
 - iv. A listing by job title of each permanent job actually created to date, indicating which of those jobs were either taken by, or were available to, low and moderate income persons.
- g. For each activity determined to benefit low and moderate income persons based on the retention of jobs:
- i. For each business assisted, a listing by job title of each permanent job retained, indicating which of those jobs are held by low and moderate income persons at the time the CDBG assistance is provided. Where applicable, an estimate of the number of the other retained jobs which are projected to become available to low and moderate income persons through job turnover within two years of the time CDBG assistance is provided. Information upon which the job turnover projections were based shall also be included in the record.
 - ii. Where retained jobs are held by low and moderate income persons, information on the size and income of the family of each such person.
 - iii. For jobs projected to become available to low and moderate income persons based on job turnover, a description covering the items required for "available to" jobs in paragraph f.ii. above.
 - iv. Where applicable, a listing of each job which has turned over to date, indicating which of those jobs were filled by low and moderate income persons.
- h. For each activity determined to aid in the elimination of slums or blight based on addressing one or more of the conditions which qualified an area as a slum or blighted area:
- i. The boundaries of the area; and
 - ii. Description of the conditions which qualified the area at the time of its designation in sufficient detail to demonstrate how the area met the eligibility criteria.

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- i. For each commercial rehabilitation activity determined to aid in the elimination of slums or blight in a slum or blighted area:
 - i. The local definition of "substandard";
 - ii. A pre-rehabilitation inspection report describing the deficiencies in each structure to be rehabilitated; and
 - iii. Details and scope of CDBG assisted rehabilitation, by structure.
- j. For each activity determined to aid in the elimination of slums or blight based on the elimination of specific conditions of blight or physical decay not located in a slum or blighted area (spot blight):
 - i. A description of the specific condition of blight or physical decay treated; and
 - ii. For rehabilitation carried out under this category, a description of the specific conditions detrimental to public health and safety which are to be corrected.
- k. Records which demonstrate compliance with 24 CFR 570.505 and this Agreement regarding the use and disposition of real property acquired or improved with CDBG assistance.
- l. Records which demonstrate compliance with the citizen participation requirements prescribed in Section 104(a)(3) of Title I of the Housing and Community Development Act 1974 and 24 CFR Sections 570.301 (a)(2) and 570.301 (a)(3).
- m. Fair housing and equal opportunity records containing:
 - i. The fair housing analysis as required by the County to ensure compliance with Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, and 24 CFR Sections 570.600 and 570.601, documentation of the actions the recipient has carried out with its housing and community development resources to remedy or improve any conditions limiting fair housing choice in the recipient's community and documentation of any other official actions the recipient has taken which demonstrate its support for fair housing.
 - ii. Data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with CDBG funds.
 - iii. Data on employment in each of the Subrecipient's operating units funded in whole or in part with CDBG funds, with such data maintained in the categories

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

- prescribed on the Equal Employment Opportunity Commission's EEO-4 form; and documentation of any actions undertaken to assure equal employment opportunities to all persons regardless of race, color, religion, national origin, sex, ancestry, age, marital status, unfavorable discharge from the military, or handicap in units funded in whole or in part with CDBG funds.
- iv. Data indicating the race and ethnicity of households (and the gender of single heads of households) displaced as a result of CDBG funded activities, together with the address and census tract of the housing units to which each displaced household relocated. "Displacement" is defined in 24 CFR Section 570.612(a).
 - v. Documentation of actions undertaken to meet the requirements of Section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701U), relative to the hiring and training of lower income residents and the use of local businesses. Form 60002 is required to be completed.
 - vi. Data indicating the racial/ethnic character of each business entity receiving a contract or subcontract of \$10,000 or more paid, or to be paid, with CDBG funds, data indicating which of those entities are women's business enterprises as defined in Executive Order 12138, the amount of the contract or subcontract, and documentation of affirmative step taken pursuant to 24 CFR Section 85.36(e) or 24 CFR Section 84.44(b), where applicable, and Executive Orders 11625 and 12138 to assure minority businesses and women's business enterprises are utilized when possible as sources of supplies, equipment, construction and services. Form 2516 is required to be completed.
 - vii. Documentation of the affirmative actions the recipient has taken to overcome the effects of prior discrimination, where the recipient has previously discriminated against persons on the ground of race, color, religion, national origin, sex, ancestry, marital status, age, unfavorable discharge from the military, or handicap in administering a program or activity funded in whole or in part with CDBG funds.
 - n. Financial records, in accordance with the applicable OMB Circulars listed in 24 CFR Section 570.502, as amended from time to time, or as superceded and implemented by codification in the Code of Federal Regulations.
 - o. Records of the number of minority and female persons and of all persons hired in full time positions, and the number of minority and female persons and all persons employed in permanent full time positions, recorded in the format of EEO-4 form available from the County, and submitted to the County as required by the County.
 - p. Record of the racial or ethnic group and sex of each recipient of program benefits, a per OMB directive 15 (i.e., African-Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders).

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

- q. Records of Subrecipient's actions to utilize minority and women business firms, and of the award of all contracts for supplies, equipment, construction or services with specific list of contracts awarded to minority and women businesses.
2. The Subrecipient agrees to maintain the following project files:
 - a. Organization. Project files shall be organized in case folders with tabs to separate the documents filed therein. The top sheet in the case folder shall be a project checklist.
 - b. Project checklists. Project checklists shall include the major stages/activities in Chapter 3 and list the related documents/records that must be prepared, submitted, approved and filed in the case folder. Checklists for single-family rehabilitation, capital improvements and public services project are included in Appendix 4-F.
 - c. Case folders. Subrecipients shall establish the case folder upon receipt of the signed subrecipient agreement. Subrecipients shall maintain case folders, checklists and records up-to-date and available for on-site monitoring review by County staff and HUD.
 - d. Reports. Subrecipients may be required to submit a copy of the project checklist and applicable document/record with the monthly project status report (form developed by County staff) and/or the drawdown request (Form 2B).

Citizen Participation

The Recipient should maintain a file containing the following information:

- Copies of the Public Notices announcing the public hearings
- Minutes of the hearings which document that the topics announced in the Notice were discussed at the hearing.
- List of attendees. (Attendees are not required to sign a sign-in sheet, but the file should show that a list was made available for sign-in at the start of the hearing. If attendees were present but did not sign or if no one attended, the file should so indicate.)

4.10-CIVIL RIGHTS AND FAIR HOUSING

Provisions (§570.600)

Cook County encourages all recipients of CDBG funding to participate, at least annually, in the Fair Housing training or workshop. Cook County anticipates that recipients will utilize the knowledge gained by implementing some activities in the community such as, knowledge of where and how to file fair housing complaints

Civil Rights (§570.602)

The Secretary of the United States Department of Housing and Urban Development requires that Community Development Block Grant recipients certify that they will comply with Title VIII of the Civil Rights Act of 1968.

Fair Housing (§570.601)

The Municipality must provide information about fair housing rights available for all residents and prospective residents including: equal housing opportunity logo and the statement "municipality is an open and welcoming community to all"; if there is a website, municipality must have a link to fair housing ordinance on any page related to housing and community relations; all protected classes and how to file a fair housing complaint on web pages relating to housing and community relations; in conspicuous places in all public libraries, clinics, administrative buildings and civic or community centers; on public access channels; through the provision of materials to congregations and community based organizations. Municipalities must train municipal receptionists to know to whom they should refer fair housing complaints.

Employment and Contracting opportunities (§570.607)

Cook County requires subrecipients of CDBG funding provide opportunities for training and employment that arise through HUD financed projects be given to lower-income residents of the project area. Section 3 also provides that contracts awarded in connection with such projects be awarded to businesses located in the project area or businesses owned, in substantial part, by residents of the project area. Project Area is defined as the unit of local government of the metropolitan area in which the project is located. Section 504 of the Rehabilitation Act of 1973, as amended, provides 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 funds. Section 109 of the Housing and Urban Development Act of 1974, as amended, provides that no person shall be excluded from participation including employment, denied program benefits or subjected to discrimination on the basis of race, color, religion, sex or national origin under any program or activity funded in whole or in part under Title I (Community Development) of the Act. Further, Executive Order 11246, as amended, provides that no person shall be discriminated against, on the basis of race, color, religion, sex or national origin, in any phase of employment during the performance of federal or federally assisted construction contracts in excess of \$10,000.00.

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

Affirmatively Furthering Fair Housing (§570.601)

To fulfill this certification, Cook County requires each municipal Subrecipient to take actions as specified in the grant application, as is required in order to be eligible for funds. Cook County requires each municipal Subrecipient to take action each year to Affirmatively Further Fair Housing. The municipal subrecipient should provide fair housing relations educational programs for employees, community and civic groups.

Handicapped Accessibility (§570.614)

The Municipality should review all zoning ordinances, building codes, and occupancy codes for compliant with Fair Housing Act, equivalent state law, and the American with Disabilities Act.

The Municipality should require real estate professionals and multi-family property owners to attend and complete an annual fair housing training session that covers the requirements and protections of the Fair Housing Act, state equivalent law, and Americans with Disabilities Act.

4.11-CONSTRUCTION, REHABILITATION, AND DEMOLITION

Documents Required in Bid Specifications

1. The subrecipient is responsible for incorporating the documents listed below in the bid specifications for construction work. The necessary documents are attached by legislative section, e.g. Davis-Bacon, Equal Employment Opportunity. The subrecipient is responsible for notifying its architect/engineer of these requirements.
 - a. Labor standards Provisions (Contract over \$2,000 and 8 or more units)
 - b. Davis-Bacon Wage Determination
 - c. Copeland Anti-Kickback Act Provisions
 - d. Contract Work Hours and Safety Standards Act Provisions
 - e. Equal Employment Opportunity (Contracts over \$10,000)
 - f. Section 3 Clause
 - g. Other Provisions
 - i. Clean Air Act/Federal Water Pollution Control Act (Contract over \$100,000)
 - ii. Architectural Barriers Act of 1968 (if contract is for construction of facility)
2. The subrecipient shall complete the checklist (Form 4A), sign it and forward it to the County with a complete set of the bid documents for approval prior to bid advertising. Bid documents will include:
 - a. Invitation for Bids
 - b. Request for a Wage Determination

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

Documents Required Prior to Award of Contract

1. The Subrecipient is responsible for completing the requirements listed below. A contract cannot be awarded until these requirements are met. No contract can be awarded without prior approval of the County.

Complete the checklist (Form 4D), sign it and forward it to the County for approval prior to award of contract.

- a. Attach the bid tabulation including subrecipient's (in-house) and each bidder's estimated costs. The bid tabulation (County staff to develop format) should break out rehabilitation costs from lead hazard costs.

Requirements After Award of Contract

1. As a first step, the Subrecipient should notify the County when the contract is officially awarded. A Pre-Construction Conference should be scheduled with the contractor and with the County after award and prior to the start of construction. A CCBED staff person will attend to inform the contractor of the applicable federal requirements. Thereafter, the Subrecipient is responsible for monitoring the performance of the contractor subject to periodic reviews by the County and HUD.

The following checklist should be completed and applicable documents prepared by the Subrecipient during the course of the project. The necessary administrative forms and instructions for contractors are attached in order, by section, e.g. Davis-Bacon, Equal Employment Opportunity. Upon completion of the project, the checklist (Form 4E) should be signed and forwarded to the County, with copies of all reports for approval. Final funds will not be released until the checklist is received and subsequently approved by the County.

- a. Contractor, subcontractor certifications
- b. Weekly payrolls for contractor and subcontractor (wage determination comparison)
- c. Record of employee interviews
- d. Notification of Subcontracts Awarded
- e. Monthly employment utilization report
- f. Contractor's list of federal and non-federal work
- g. Section 3 Affirmative Action Plan
- h. Section 3 Final Report
- i. Signage (Davis-Bacon, EEO, OSHA)

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

Checklists for Demolition Projects

1. For Subrecipients conducting a demolition under the set aside program, the Subrecipient shall provide the items set out in the following checklists:
 - a. Court Ordered Demolition Checklist (Form 5A – 15 items)
 - b. Consent Demolition Checklist (Form 5B – 15 items)
 - c. Checklist for Demolition of Municipally-Owned Property (Form 5C – 12 items)

Labor Standards (§570.603)

Davis-Bacon requirements and other Labor Standards [24 CFR 570.603]: these statutes require the payment of prevailing wages for CDBG-assisted construction work, including construction or rehabilitation of residential property containing eight units or more, in excess of \$2000.
The Contract Work Hours and Safety Standards Act also apply to such activities.

Subrecipients are responsible for the creation, maintenance and preservation of labor standards enforcement files for each project. The files shall be current, maintained in a consistent manner, and secured for the life of the active monitoring of the project and preserved for at least three (3) years following the completion of the project and the final disposition of any compliance issues.

For each construction contract, a labor standards file should be maintained which includes the following items:

- Request for Wage Determination Form, copies of all applicable wage rate decisions and related correspondence;
- Evidence that labor standards provisions were included in bid packages and contracts;
- Proof of contractor eligibility;
- Copy of preconstruction conference minutes;
- Contract Reporting Form;
- Evidence that all required notices have been posted at the construction site (such as photographs taken on site);
- Contractor's weekly payroll reports or certified payroll records (numbered sequentially and the final one marked "Final");
- Evidence that the weekly payroll reports have been verified as correct;
- Records of construction worker interviews;
- Evidence of any violations with supporting documentation;
- Evidence of the resolution of any violations;
- Copies of lien releases;
- Completed volunteer certification forms, if applicable;
- Wage transcript schedule;

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

- Information pertaining to additional classifications and wage rates;
- General correspondence and transmittals;
- Contract payment requests, vouchers, copies of checks;
- Escrow account information (the agreement and schedule);
- Construction progress reports;
- Employee interview forms;
- Apprentice and trainee registration forms;

Primary project information including, but not limited to:

- contract award clearance;
- confirmation of contract award date;
- start of construction notice;
- completion notice;
- final payment clearance; and
- confirmation of final payment.

Cook County Staff will ensure that:

- A checklist is located within the project files. Upon project completion certified weekly payrolls, employee interviews, and construction start date documentation is inserted into the files. CDBG staff inserts the results into the project files and check the appropriate section on the checklist.
- Cook County CDBG staff will continue to receive HUD guidance and trainings to ensure Labor Standards requirements and construction management compliance methods are implemented.

Section 3 Requirements

The Subrecipient agrees to abide by the regulations promulgated under Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), as amended, and as contained in 24 CFR Part 135. The Subrecipient must submit the Section 3 Final Report (Form 2C) at the end of all capital improvement projects of \$200,000.00 or more.

APPENDIX 4

ENVIRONMENTAL REVIEW CHECKLIST4-35
FORM 4A-LABOR STANDARDS4-37
FORM 4C-CHANGE ORDERS4-38
FORM 4D-BIDS4-39
FORM 4E- EQUAL EMPLOYMENT OPPORTUNITY4-40
FORM 4F-EMPLOYEE INTERVIEW FORM4-41
24 CFR SECTIONS 84.32-84.34; 84.40-84.48; 85.32-85.334-42

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

Environmental Review Checklist

**Environmental Assessment
Statutory Checklist**

Project Name and Identification: Lake City, IL

Area of Statutory - Regulatory Compliance

- 1 - Not Applicable to This Project
- 2 - Consultation Required*
- 3 - Review Required*
- 4 - Permits Required*
- 5 - Determination of Consistency – Approvals, Permits Obtained*
- 6 - Conditions and/or Mitigation Actions Required
- 7 – Documentation

	1	2	3	4	5	6	7
Historic Properties							See IHPA/SHPO letter dated 9-19-11
Floodplain Management							Zone X Floodplain FIRM# 170072 0756 J & FIRM # 170072 0668 J
Wetlands Protection							None in project area
Noise							Short-term during construction activities
Manmade Hazards - • Thermal/Explosive Hazards							None expected
• Airport Clear Zones							None in project area
Air Quality							Short-term dust from construction activities

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

Water Quality - Aquifers							None in project area
Coastal Areas - • Coastal Zone Management							None in project area
• Coastal Barrier Resources							None in project area
Endangered Species							None in project area
Farmlands Protection							None in project area
Wild and Scenic Rivers							None in project area

* Attach evidence that required actions have been taken

Statutory Checklist

**Permits, Licenses, Forms of Compliance Under Other Laws
(Federal, State and Local Laws)**

Project Name and Identification No. ___[

Other Areas of Statutory And Regulatory Compliance Applicable to Project

- 1 - Not Applicable to This Project
- 2 - Consultation Required
- 3 - Review Required*
- 4 - Permits Required*
- 5 - Determination of Consistency - Approvals, Permits Obtained
- 6 - Conditions and/or Mitigation Actions Required*
- 7 - Documentation

	1	2	3	4	5	6	7
Water Quality							Should not be affected
Solid Waste Disposal							Should not be a problem

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

Fish and Wildlife							None in project area
State or Local Statutes (to be added by local community)							Local municipal/County building permits, etc... to be obtained by contractors.

* Attach evidence that required actions have been taken

Prepared by

Planner

Title: Environmental

Date:

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

FORM 4A-Labor Standards

**FORM 4A
LABOR STANDARDS**

(Contracts over \$2,000 and 8 or more units)

Subrecipient: _____

Project Number: _____

Project Title: _____

Estimated Amount of Contract:

Project Award: _____

\$ _____

Approximate Date Project will be advertised for bid: ____/____/20__

INCORPORATED IN DOCUMENT SPECIFICATIONS	X
Davis-Bacon Wage Determination (To be requested from HUD 60 days in advance of award of contract. (http://www.gpo.gov/davisbacon/)	
Date Wage Determination Received:	
Labor Standards Provisions (covering Davis-Bacon Act and Copeland Anti-Kickback Act) (http://www.dol.gov/compliance/laws/comp-dbra.htm)	
Contract Work Hours and Safety Standards Act Provisions (http://www.dol.gov/compliance/laws/comp-cwhssa.htm)	
EQUAL EMPLOYMENT OPPORTUNITY - Contracts over \$10,000	In Specifications
Certification of Bidder regarding Equal Employment Opportunity	
Equal Employment Opportunity Notice, Clauses and Specification http://www.dol.gov/compliance/guide/discrim.htm	
SECTION 3	
Section 3 Clause	
OTHER PROVISIONS (If applicable)	
Clean Air Act of 1970 and the Federal Water Pollution Control Act Provisions (if contract is estimated to exceed \$100,000)	
Architectural Barriers Act of 1968 Provisions (if contract is for construction of a facility i.e. recreation center)	
INCORPORATED IN DOCUMENT SPECIFICATIONS	
Davis-Bacon Wage Determination (To be requested from HUD 60 days in advance of award of contract. (http://www.gpo.gov/davisbacon/)	
Date Wage Determination Received:	
Labor Standards Provisions (covering Davis-Bacon Act and Copeland Anti-Kickback Act)	

NOTE: Cook County approval is based upon review of federally required documents. Because of limitations in any plan review, errors and irregularities may nevertheless occur and not be detected. Our plan review would not necessarily disclose design or technical omissions which are the responsibility of the licensed architect or the licensed engineer for the project.

Check here to indicate that a copy of the bid documents has also been sent to:

Date sent: ____/____/20__

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

COOK COUNTY OFFICE OF CONTRACT COMPLIANCE
118 North Clark Street - Room 1020
Chicago, Illinois 60602

CITY/VILLAGE OF: _____ Cook County, Illinois
Signed by: _____ Date: ___/___/20___
Title: _____
Approved by Cook County: _____ Date: ___/___/20___

FORM 4C-Change Orders



**Form 4CO - Change Order for Construction
CAPITAL IMPROVEMENTS**

Subrecipient:

Project Contact:		
Contact Phone Number:		Fax:
Project Number:		Change Order No:
Contractor Name:		
Project Description:		

The construction contract dated _____ between the Subrecipient and Contractor have requested the following changes are ordered by the engineer and approved by the Subrecipient to become part of the construction contract.

Reason and description for Change Order – must be specific:

Extension of the Contract Completion date from _____ to _____	
1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
6.	\$
7.	\$
8.	\$
9.	\$
10.	\$

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

		Original Contract: \$
		Other Change Orders: \$
		Amount this Order: \$
		Net Contract: \$
APPROVED:		DATE:
Subrecipient		
Contractor		
Cook County		
Planner/Inspector		

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

FORM 4D-BIDS

FORM 4D

Subrecipient: _____

Project Number: _____

Project Title: _____

Date of Bid Opening: _____

REQUIREMENT	COMPLETED (X)
Made affirmative efforts to obtain a bid or bids from minority contractors. Must be documented.	
Verified that EEO Certifications in the bid documents have been signed by all bidders.	
Full Bid Tabulation (Attached)	
Copy of Affidavit of Publication (Attached)	
Have obtained a bid bond from required bidders to assure that, if a bid is accepted, the bidder will enter into a contract and furnish performance and payment bonds, as well as, furnish signed waivers of lien from all contractors, subcontractors, and suppliers.	

LOW BIDDER:	AMOUNT: \$
ADDRESS:	
#2 BIDDER:	AMOUNT: \$
ADDRESS:	
#3 BIDDER:	AMOUNT: \$
ADDRESS:	

Signed by: _____

Date: ___/___/20___

Title: _____

Approved by Cook County: _____

Date: ___/___/20___

Davis Bacon Wage Determination General Decision IL

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

FORM 4E- Equal Employment Opportunity

FORM 4E

Subrecipient: _____

Project Number: _____ Project Title: _____

Contract Awarded Date: ___/___/20___ Amount of Contract: \$_____

Construction Start Date: ___/___/20___ Construction Completed Date: ___/___/20___

Notice to Proceed Date: ___/___/20___

LABOR STANDARDS			
FORM OR REPORT	CONTRACTOR	SUBRECIPIENT (x)	DATE RECEIVED
Contractor or Subcontractor Certifications	Before Start of Construction		
Weekly payrolls of Contractor and Subcontractor (for comparison to wage determination in contract).	Seven (7) working days after each pay-week of each week of project	1st Week: Last Week:	
Records of employee interviews (conducted by the Subrecipient with a worker from each trade on the project.) See Form 4F	Once a month for the duration of the project.		
EQUAL EMPLOYMENT OPPORTUNITY			
Notification of Subcontracts Awarded*	Within ten (10) days of award of subcontract.		
Contractor's List of Federal and Non-Federal Work*	With the first Monthly Employment Utilization Report		
*THESE REPORTS ARE SENT TO THE OFFICE OF FEDERAL CONTRACT COMPLIANCE. THE CONTRACTOR IS TO PROVIDE COPIES TO THE SUBRECIPIENT.			
SECTION 3			
Section 3 Affirmative Action Plan	Within fifteen (15) days of award of Contract		
Section 3 Final Report	At completion of project		
OTHER REQUIREMENTS - SIGNS	WHEN POSTED	OBSERVED (X)	DATE
Davis-Bacon, Equal Employment Opportunity and OSHA (to be posted on job site).	Posted at start of construction and during project.		

Signed by: _____

Date: ___/___/20___

Title: _____

Approved by Cook County: _____

Date: ___/___/20___

FORM 4F-Employee Interview Form

www.hud.gov/offices/adm/hudclips/forms/files/11.doc Similar

24 Code of Federal Regulations Sections 84.32-84.34; 84.40-84.48; 85.32-85.33

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2010]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR84.32]

[Page 465-466]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

PART 84 UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT

Subpart C-Post-Award Requirements

Sec. 84.32 Real property.

HUD prescribes the following requirements for recipients concerning the use and disposition of real property acquired in whole or in part under awards:

(a) Title to real property shall vest in the recipient subject to the condition that the recipient shall use the real property for the authorized purpose of the project as long as it is needed and shall not encumber the property without approval of HUD.

(b) The recipient shall obtain written approval by HUD for the use of real property in other federally-sponsored projects when the recipient determines that the property is no longer needed for the purpose of the original project. Use in other projects shall be limited to those under federally-sponsored projects (i.e., awards) or programs that have purposes consistent with those authorized for support by HUD.

(c) When the real property is no longer needed as provided in paragraphs (a) and (b) of this section, the

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recipient shall request disposition instructions from HUD or its successor Federal awarding agency. HUD shall observe one or more of the following disposition instructions.

(1) The recipient may be permitted to retain title without further obligation to the Federal Government after it compensates the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project.

(2) The recipient may be directed to sell the property under guidelines provided by HUD and pay the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the recipient is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

return.

(3) The recipient may be directed to transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the recipient shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

[Code of Federal Regulations]

[Title 24, Volume 1]

[Revised as of April 1, 2010]

From the U.S. Government Printing Office via GPO Access

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TITLE 24--HOUSING AND URBAN DEVELOPMENT

PART 84 UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT

Subpart C-Post-Award Requirements

Sec. 84.33 Federally-owned and exempt property.

(a) Federally-owned property. (1) Title to federally-owned property remains vested in the Federal Government. Recipients shall submit annually an inventory listing of federally-owned property in their custody to HUD. Upon completion of the award or when the property is no longer needed, the recipient shall report the property to HUD for further HUD utilization.

(2) If HUD has no further need for the property, it shall be declared excess and reported to the General Services Administration, unless HUD has statutory authority to dispose of the property by alternative methods (e.g., the authority provided by the Federal Technology Transfer Act (15 U.S.C. 3710 (I)) to donate research equipment to educational and non-profit organizations in accordance with E.O. 12821, ``Improving Mathematics and Science Education in Support of the National Education Goals.'') Appropriate instructions shall be issued to the recipient by HUD.

(b) Exempt property. When statutory authority exists, HUD has the option to vest title to property acquired with Federal funds in the recipient without further obligation to the Federal Government and under conditions HUD considers appropriate. Such property is ``exempt property.'' Should HUD not establish conditions, title to exempt property upon acquisition shall vest in the recipient without further obligation to the Federal Government.

[Code of Federal Regulations]

[Title 24, Volume 1]

[Revised as of April 1, 2010]

From the U.S. Government Printing Office via GPO Access

[CITE: 24CFR84.34]

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TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

PART 84 UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT

Subpart C-Post-Award Requirements

Sec. 84.34 Equipment.

(a) Title to equipment acquired by a recipient with Federal funds shall vest in the recipient, subject to conditions of this section.

(b) The recipient shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.

(c) The recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the equipment without approval of HUD. When the equipment is no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority:

(1) Activities sponsored by HUD which funded the original project; then

(2) Activities sponsored by other Federal awarding agencies.

(d) During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be

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given to other projects or programs sponsored by HUD that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by HUD. User charges shall be treated as program income.

(e) When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of HUD.

(f) The recipient's property management standards for equipment acquired with Federal funds and federally-owned equipment shall include all of the following.

(1) Equipment records shall be maintained accurately and shall include the following information.

(i) A description of the equipment.

(ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(iii) Source of the equipment, including the award number.

(iv) Whether title vests in the recipient or the Federal Government.

(v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.

(vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).

CHAPTER 4: GENERAL ADMINISTRATIVE REQUIREMENTS

(vii) Location and condition of the equipment and the date the information was reported.

(viii) Unit acquisition cost.

(ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates HUD for its share.

(2) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.

(3) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

(4) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was owned by the Federal Government, the recipient shall promptly notify HUD.

(5) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(6) Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.

(g) When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5000 or more, the recipient may retain the equipment for other uses provided that compensation is made to HUD or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. If the recipient has no need for the equipment, the recipient shall request disposition instructions from HUD. HUD shall determine whether the equipment can be used to meet HUD's requirements. If no requirement exists within HUD, the availability of the equipment shall be reported to the General Services Administration by HUD to determine whether a requirement for the equipment exists in other Federal agencies. HUD shall issue instructions to the recipient no later than 120 calendar days after the recipient's request and the following procedures shall govern.

(1) If so instructed or if disposition instructions are not issued within 120

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calendar days after the recipient's request, the recipient shall sell the equipment and reimburse HUD an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the recipient shall be permitted to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.

(2) If the recipient is instructed to ship the equipment elsewhere, the recipient shall be reimbursed by the Federal Government by an amount which is computed by applying the percentage of the recipient's

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participation in the cost of the original project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the recipient is instructed to otherwise dispose of the equipment, the recipient shall be reimbursed by HUD for such costs incurred in its disposition.

(4) HUD may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards.

(i) The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing.

(ii) HUD shall issue disposition instructions within 120 calendar days after receipt of a final inventory. The final inventory shall list all equipment acquired with grant funds and federally-owned equipment. If HUD fails to issue disposition instructions within the 120 calendar day period, the recipient shall apply the standards of this section, as appropriate.

(iii) When HUD exercises its right to take title, the equipment shall be subject to the provisions for federally-owned equipment.

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Subpart C-Post-Award Requirements

Sec. 84.40 Purpose of procurement standards.

Sections 84.41 through 84.48 set forth standards for use by recipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders. No additional procurement standards or requirements shall be imposed by HUD upon recipients, unless specifically required by Federal statute or executive order or approved by OMB.

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Sec. 84.41 Recipient responsibilities.

The standards contained in this section do not relieve the recipient of the contractual responsibilities arising under its contract(s). The recipient is the responsible authority, without recourse to HUD, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in

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support of an award or other agreement. This includes disputes, claims, protests of award, source evaluation or other matters of a contractual nature. Matters concerning violation of statute are to be referred to such Federal, State or local authority as may have proper jurisdiction.

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Sec. 84.42 Codes of conduct.

The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

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Subpart C-Post-Award Requirements

Sec. 84.43 Competition.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well

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as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. The other factors shall include the bidder's or offeror's compliance with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), hereafter referred to as "Section 3." Section 3 provides that, to the greatest extent feasible, and consistent with existing Federal, State, and local laws, and regulations, economic opportunities generated by certain HUD financial assistance shall be directed to low- and very low-income persons. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so.

Subpart C-Post-Award Requirements

Sec. 84.44 Procurement procedures.

(a) All recipients shall establish written procurement procedures. These procedures shall provide for, at a minimum, that paragraphs

(a) (1), (a) (2) and (a) (3) of this section apply.

(1) Recipients avoid purchasing unnecessary items.

(2) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.

(3) Solicitations for goods and services provide for all of the following.

(i) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

(ii) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.

(iii) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

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(iv) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

(v) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

(vi) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(b) Positive efforts shall be made by recipients to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Recipients of Federal awards shall take all of the

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following steps to further this goal.

(1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.

(2) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

(3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

(4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

(5) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

(c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The ``cost-plus-a-percentage-of-cost'' or ``percentage of construction cost'' methods of contracting shall not be used.

(d) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity; compliance with public policy, including, where applicable, Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u); record of past performance; and financial and technical resources or accessibility to other necessary resources. In certain circumstances, contracts with certain parties are restricted by implementation of Executive Orders 12549 and 12689, ``Debarment and Suspension,'' at 2 CFR part 2424.

(e) Recipients shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply.

(1) A recipient's procurement procedures or operation fails to comply with the procurement standards in HUD's implementation of Circular A-110.

(2) The procurement is expected to exceed \$100,000 or the small purchase threshold fixed at 41 U.S.C. 403 (11), whichever is greater, and is to be awarded without competition or only one bid or offer is received in response to a solicitation.

(3) The procurement, which is expected to exceed the small purchase threshold, specifies a ``brand name'' product.

(4) The proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

[59 FR 47011, Sept. 13, 1994, as amended at 72 FR 73492, Dec. 27, 2007]

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Subpart C-Post-Award Requirements

Sec. 84.45 Cost and price analysis.

Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

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Subpart C-Post-Award Requirements

Sec. 84.46 Procurement records.

Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum:

- (a) Basis for contractor selection;
- (b) Justification for lack of competition when competitive bids or offers are not obtained; and
- (c) Basis for award cost or price.

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Subpart C-Post-Award Requirements

Sec. 84.47 Contract administration.

A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

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Sec. 84.48 Contract provisions.

The recipient shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

(a) Contracts in excess of the small purchase threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(b) All contracts in excess of the small purchase threshold shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(c) Except as otherwise required by statute, an award that requires the contracting (or subcontracting) for construction or facility improvements shall provide for the recipient to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the construction contract or subcontract exceeds \$100,000. For those contracts or subcontracts exceeding \$100,000, HUD may accept the bonding policy and requirements of the recipient, provided HUD has made a determination that the Federal Government's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. The ``bid guarantee'' shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. A ``performance bond'' is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. A ``payment bond'' is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

(4) Where bonds are required in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR part 223, ``Surety Companies Doing Business with the United States.''

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(d) All negotiated contracts (except those for less than the small purchase threshold) awarded by recipients shall include a provision to the effect that the recipient, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the

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contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(e) All contracts, including small purchases, awarded by recipients and their contractors shall contain the procurement provisions of Appendix A to this rule, as applicable.

Reports and Records

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PART 85 ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL AND FEDERALLY RECOGNIZED INDIAN TRIBAL

Subpart C-Post-Award Requirements

Sec. 85.32 Equipment.

(a) Title. Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) States. A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section.

(c) Use. (1) Equipment shall be used by the grantee or subgrantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

(2) The grantee or subgrantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate.

(3) Notwithstanding the encouragement in Sec. 85.25(a) to earn program income, the grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute.

(4) When acquiring replacement equipment, the grantee or subgrantee

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may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property,

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subject to the approval of the awarding agency.

(d) Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

(5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

(e) Disposition. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

(1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.

(2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

(3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions.

(f) Federal equipment. In the event a grantee or subgrantee is provided federally-owned equipment:

(1) Title will remain vested in the Federal Government.

(2) Grantees or subgrantees will manage the equipment in accordance with Federal agency rules and procedures, and submit an annual inventory listing.

(3) When the equipment is no longer needed, the grantee or subgrantee will request disposition instructions from the Federal agency.

(g) Right to transfer title. The Federal awarding agency may reserve the right to transfer title to the Federal Government or a third party named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:

(1) The property shall be identified in the grant or otherwise made known to the grantee in writing.

(2) The Federal awarding agency shall issue disposition instruction within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Federal awarding agency fails

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to issue disposition instructions within the 120 calendar-day period the grantee shall follow Sec. 85.32(e).

(3) When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

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Subpart C-Post-Award Requirements

Sec. 85.33 Supplies.

(a) Title. Title to supplies acquired under a grant or subgrant will vest, upon acquisition, in the grantee or subgrantee respectively.

(b) Disposition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are

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not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.

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5.1-INTRODUCTION

This chapter addresses the financial and accounting aspects of the Community Development Block Grant Program. The procurement and contracting, financial management systems and County and Subrecipient financial guidelines including the voucher payment request (29A) process, HUD's Integrated Disbursement and Information System (IDIS), amendments/change orders, project closeout and financial audits should be adhered to in financial transactions to meet federal requirements.

UNIFORM ADMINISTRATIVE Requirements

The CDBG regulations require that grantees and subrecipients that are governmental entities or public agencies adhere to certain administrative requirements. These requirements include:

- **OMB Circular A-87 “Cost Principles for State, Local and Indian Tribal Governments”** - This circular establishes principles and standards for determining allowable costs under Federal grants.
- **Specific provisions of 24 CFR Part 85** (see 570.502(a)) - These regulations set forth uniform requirements for financial management systems, reports and records and grant close-outs for recipients of Federal grant funding.
- **OMB Circular A-133 “Audits of Institutions of States, Local Governments and Nonprofit Institutions”** - States, local government and nonprofit organizations are required to comply with **OMB Circular A-133 “Audits of States, Local Governments and Non-profit Organizations”** which was revised June 24, 1997. In addition, revisions published in the Federal Register on June 27, 2003, are effective for fiscal years ending after December 31, 2003.

In addition, non-profit subrecipients are required to comply with the following uniform administrative requirements:

- **OMB Circular A-122 “Cost Principles for non-Profit Organizations” or, for institutions of higher education, OMB Circular A-21 “Cost Principles for Educational Institutions”** - This circular establishes principles for determining allowable costs under grants, contracts and other agreements with nonprofit organizations.
- **Specific provisions of 24 CFR Part 84 (see 570.502(b))**- These regulations set forth uniform requirements for nonprofit organizations, including financial management systems, property standards, procurement standards, reporting and record keeping. NOTE: 24 CFR Part 84 implements OMB Circular A-110.

5.2-PROCUREMENT AND CONTRACTING

Subrecipients must maintain records regarding any procurement that will be funded by CDBG. Regardless of the method of procurement used, subrecipients must develop and retain documentation to demonstrate their reasons for choosing the method of procurement, the basis for selection or rejection of consultants, consultant qualifications, contract specifications, and scope of work. This documentation should include copies of the RFP, legal advertisements, affidavits from newspapers verifying publication, and other related selection materials. CDBG procurement files must also document the basis for the contract or purchase price.

When subrecipients receive only one response to a competitive solicitation, the procurement process may be reviewed by the Bureau of Economic Development to determine whether it was unduly restrictive or tailored to a particular contractor or supplier. The burden of proof will be on the subrecipient to demonstrate that it made reasonable efforts to assure maximum open and free competition and that its procurement procedures did not have the effect of restricting or eliminating competition.

Financial information in support of any contract payments must also be maintained. This documentation includes vouchers, invoices, contracts, checks, budget transfer memoranda, and other transaction documentation. The Sub recipient must also be able to document that vouchers and invoices were reviewed to verify financial and contractual compliance before payment was made.

Procurement Files should include:

- Documentation of price quotes received for items or services procured with small purchase method, with copy of scope of work
- Request for Proposals (RFPs) and/or Invitations for Bids (IFBs)
- Public notices of RFPs or IFBs
- Mailing list of RFP or IFB recipients
- Qualification statements, proposals and/or bids received
- RFP ratings and documentation of selection process
- Documentation of selection for IFB if lowest bidder not selected
- Sole source justification and approval letters, if applicable
- Cost estimates/data used to determine cost reasonableness, with copy of scope of work
- Draft specifications detailing the specific work to be completed
- Maintain a record of independent estimates of the rehab costs
- Evidence the lowest bidder was selected
- Verification of contractor eligibility
- Signed contracts and all approved amendments

CHAPTER 5: FINANCIAL MANAGEMENT

5.3-FINANCIAL MANAGEMENT SYSTEMS

(570.502, 570.610) 24 CFR Parts 84.20 & 85.20)

The Bureau of Economic Development's existing financial management systems consists of Lotus Approach database and the 29A tracking database is maintained by County financial and administrative staff and serves as the single source of data for separately inputting, updating and manually reconciling CDBG grant and project financial and accounting data with IDIS and the Comptroller's financial management information system (FMIS). The Lotus Approach databases include:

- CDBG Program Year Awards – created from application (agency, project description and budget)
- CDBG Ledger – agencies and payments.
- FMIS (DB2/AS40) Access – to record amount of money due for reimbursement
- Master mailing list
- 29A Tracking Database – tracks 29A's from receipt to submission to Comptroller
- 29A Form/Finance record – log-in 29A, establish record, check for doubles
- 29A Tracking Form (Approvals: Memo1 by planner; Memo2 by supervisor)
- Current drawdown amount, balance before & after, payment recommendation
- 29A Transmittal Form –original budget amount and current drawdown
- Program income – agency, project, check #, amount
- “Cross-Check” - to reconcile IDIS and Approach
- IDIS Setup/Updates - activity information, national objective, funding sources, benefit-beneficiary data, project summary and budget.

5.4-COUNTY CDBG PROGRAM FINANCIAL GUIDELINES

To assist subrecipients in meeting the financial guidelines, the Cook County CDBG Program is updating its standard procedures for authorizations, budget summaries, budget revisions and reimbursement (drawdowns) for CDBG Projects. The following procedures and required documentation (forms, templates and instructions for preparation, processing and filing) should be incorporated in the replacement financial management system.

1. Authorizations

The CDBG Authorized Signature Form authorizes specific individuals to submit budget revision forms and request funds. The card is signed by the subrecipient's highest executive officer (mayor or board chairperson). The CDBG Authorized Signature Form has space for three signatures so that the recipient will be able to request funds even if one or two persons are absent. If the authorized signers change for any reason, completion of a new signature authorization form is required.

2. Budget Summary

The Budget Summary Form - Exhibit “C”, of the Sub recipient Agreement, is used in conjunction with the Drawdown Request Form (2A). It is designed to enable subrecipients, program staff, county finance and federal auditors to more precisely identify and track the expenditure of program funds by budget line item.

CHAPTER 5: FINANCIAL MANAGEMENT

3. Drawdowns (29A Process)

When subrecipients receive billings or incur costs for projects, the amount due can be paid and then reimbursement may be requested from the County, or the subrecipient may request reimbursement from the County and then pay the amount due. The payment (drawdown) schedule by project type and thresholds by budget line items (i.e., project delivery costs cannot exceed a certain percent of the budget or budget line item is limited to dollar amount) are shown in the following table:

Costs which are charged must be included in the approved Budget Summary and must be allowable under Attachment B of A-87 (Cost Principles for State and Local Governments) or Attachment B of A-122 (Cost Principles for Non-Profit Organizations).

Drawdowns must be disbursed or spent by subrecipients within 72 hours of receipt. Subrecipients should not have any CDBG funds on hand after three days.

To request payment for projects, the Sub recipient submits, in writing, a cover letter, a 29A form accompanied ***with backup documentation of costs***. The 29A includes the amount requested by line items according to the contract budget for the project. Backup documentation of costs includes:

- a. billing document – invoice,
- b. deliverable document – inspection checklist, risk assessment report, work write-up, clearance or final report
- c. monthly status report

The County will withhold the final payment to subrecipients until all necessary forms {i.e., required of the contractor by the Davis-Bacon Act} are completed.

5.5-SUBRECIPIENT CDBG PROGRAM GUIDELINES

In accordance with OMB circular A-110, A-128 or A-133 all subrecipients must meet the audit requirements specified therein. Additionally, all financial transactions with CDBG monies are subject to federal audit. Subrecipients must be prepared to explain how transactions were made, why, and be able to account for any funds expended.

1. Project Budget

The approved project budget contained in the subrecipient agreement (Exhibit “C”) identifies the activities determined to be eligible for reimbursement by grant funds. Funds cannot be used for pre-agreement costs that are incurred before the subrecipient agreement is signed, unless specifically pre-authorized by the County. The subrecipient’s financial system must have procedures in place to monitor obligations and expenditures against the approved budget in the subrecipient agreement. The system should:

CHAPTER 5: FINANCIAL MANAGEMENT

- a. Maintain the amounts budgeted for eligible activities in its accounting records;
- b. Include both obligations/expenditures and unexpended/unobligated balances for each line item; and
- c. Periodically compare actual obligations and expenditures to-date against planned obligations and expenditures and against projected accomplishments for the project.

2. Subrecipient Agreement Amendments

Subrecipients must obtain an amendment to the subrecipient agreement if:

- a. The scope of work/project changes; or
- b. The project cannot be completed by the project termination date contained in the agreement.

Subrecipients should contact the County's Bureau of Economic Development's Grants Manager, in writing, if an amendment is needed and process a change order request in accordance with Section 4.3.

3. Internal Controls

Internal controls are a combination of procedures, specified job responsibilities, qualified personnel, and records which create accountability in the financial management system and safeguard its cash, property, and assets. The internal controls must protect the integrity of the CDBG grant funds. **At a minimum, the system should provide for adequate separation of duties so that no one person has authority over an entire financial transaction. One person should not have control over more than one of the following:**

- a. **Authorization to execute transaction;**
- b. **Recording the transaction; and**
- c. **Custody of the assets involved in the transaction.**

Subrecipients should consult with their auditor/accountant to be sure that adequate internal control procedures are in place for the project.

4. Financial Reporting

The subrecipient's financial system must generate regular reports that permit an observer to compare actual expenditures against the approved budget (from the subrecipient agreement). Financial Reporting by subrecipient **for each CDBG activity** should include:

- ***Amount budgeted.***
- ***Advances/reimbursements*** received to date.
- ***Program income and other miscellaneous receipts*** in the current period and to date.
- ***Actual expenditures/disbursements*** in the current period and cumulatively to date, for both program income and regular CDBG grant funds.

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A subrecipient's reporting requirements must be specified by the grantee in the Sub recipient Agreement (24 CFR 570.503(b)(2)). These reporting requirements must be consistent with the provisions of 24 CFR 85.40(a) and (e) and 85.41 (c) and (d) for governmental subrecipients or 24 CFR 84.51(a) for non-profit subrecipients.

The County **requires at least two kinds of reports** from its subrecipients: information on drawdown requests and performance report.

- The County also requires regular **progress reports** from subrecipients. These reports generally will be required quarterly and will usually be designed to **track actual project accomplishments, obligations, and spending patterns against planned operations and accomplishments** as specified in the project schedule and budget portions of the Sub recipient Agreement.
- In addition, the County will need to provide the following information in preparation of the Consolidate Annual Performance and Evaluation Report (CAPER) which must submit to HUD:
 - The activity's name, matrix code, description, and location.
 - The National Objective being met.
 - The amount expended during the program year.
 - The total cost of each multi-unit housing and 570.203(b) economic development activity.
 - The amount of unliquidated obligations for each public service and planning and administration activity if CDBG funds are not disbursed during the 90 days after the end of the grantee's program year.
 - Activity status and specific units of accomplishments, including compliance with the applicable National Objective, during each program year.
- The CAPER also requires data on:
 - The characteristics of beneficiaries of direct benefit activities (expressed in total households/persons assisted, number of extremely low-income, low-income, and moderate-income households/persons, and ethnic characteristics of beneficiaries).
 - The source and amount of program income received during the program year.
 - Number and total dollar amount of loans outstanding.
 - CDBG-acquired parcels of property to be sold.
 - Households displaced in connection with CDBG activities.

5. Other Financial System Requirements

A subrecipient's financial system must be set up to satisfy an auditor conducting a single unit or independent audit, whichever applies. During an audit, the auditor will examine records to ascertain if:

- a. Funds are properly budgeted and approved;
- b. Budget revisions have been documented and approved;
- c. Personnel charges are properly allocated to the block grant and based on payroll

CHAPTER 5: FINANCIAL MANAGEMENT

- documents such as time and attendance records;
- d. All expenditures can be traced to source documents (i.e., purchase orders, invoices, canceled checks);
- e. Drawdowns have been timely;
- f. Only allowable funds have been claimed on the project;
- g. The subrecipient accounting system reflects all assets, liabilities, etc.;
- h. Property has been managed and inventoried properly;
- i. In-kind costs and costs billed to other funds are clearly documented; and,
- j. There are billings for indirect costs and an indirect cost allocation plan has been approved by the {agency or individual}

6. Sub recipient Project Records

- Financial Records should include:
 - Notices of grant awards
 - Authorizations, motions, or resolutions
 - Project Agreement (and agreement modifications) with Cook County
 - Third Party Contracts
 - Written Evidence of CDBG Program Approval of Third Party Contracts
 - Budget revisions
 - Bills for payment
 - Copies of reimbursement requests
 - Copies of approved vouchers and warrants
 - Payroll time sheets
 - Records of technical assistance monitoring visits
 - Audit records
 - Approved indirect cost allocation plan, if applicable
 - Project income records
 - Records documenting source and amount of supplemental (matching) resources
 - Latest City or Agency Audit
- Procurement Records should include:
 - Bid Advertisements
 - Affidavit of Publication
 - RFP's
 - Bids/Proposals
 - Price or Cost Analysis
 - All Third Party Contracts
 - Preconstruction Conference Notes
 - Section 3 Documentation

5.6-INTEGRATED DISBURSEMENT AND INFORMATION SYSTEM (IDIS)

Projects and activities are set-up in IDIS once the Cook County Action Plan is approved by HUD. Using the Action Plan and project descriptions from the CDBG and ESG Program application, information is input in IDIS for project and activity set-up.

CHAPTER 5: FINANCIAL MANAGEMENT

5.7-AMENDMENTS/CHANGE ORDERS

Subrecipients requesting amendments to their projects should submit their request, in writing, with an explanation of why the change is needed. Along with the request letter, the Sub recipient should also provide with their proposed amendments: (2) copies of both their resolution and certification if amendment changes scope of work or location of project. The Amendment request should be directed to the Assistant Grants Manager.

Planner formulates a written recommendation. NOTE: Recommendation should include impacts on the Annual Action Plan, if amendment affects the scope of work/change of location from the original project. The Planner obtains (2) copies of the Sub recipient Agreement from project file. Written recommendation and copies of Agreement are forward to assigned staff. (See Checklist) Request is forwarded to assigned staff to initiate documentation and verify financial information.

Assigned staff forwards Amendment/Transfer Budget Summary to Assistant Grants Manager for review.

Assistant Grants Manager forwards Amendment/Transfer Budget Summary to Grants Manager for review.

Grants Manager forwards Amendment/Transfer Budget Summary to Legal Division for preparation of a Modification Agreement. Legal Division forwards Modification Agreement to Administrative Assistant then forwards to Grants Manager.

Grants Manager forwards Amendment/Transfer Budget Summary to Deputy Director for approval. Once approved, assigned staff drafts a letter of approval.

Projects are revised in IDIS to reflect the transfer/change/close-out. Exhibit C - Project Summary and the IDIS project description is revised.

If the request has been denied, Assistant Grants Manager drafts a letter of denial for Director's signature.

Assigned staff makes all appropriate copies and mail documentation to Sub recipient. Copies are submitted to Finance Division to update internal financial records, as well as appropriate staff and program files.

5-8-PROJECT CLOSEOUT

1. Closeout Procedures

The County will usually initiate closeout procedures relative to a subrecipient when:

- All costs to be paid with CDBG funds have been incurred, with the exception of closeout costs (e.g., audit) or contingent liability costs.

CHAPTER 5: FINANCIAL MANAGEMENT

- The work to be financed with CDBG has been completed, including activities financed through escrow accounts, loan guarantees, or similar mechanisms.
- The other responsibilities of the subrecipient under its agreement with the County have been met, or the County feels that there is no further benefit in keeping the Agreement open for the purpose of securing performance.

When the County has determined that these criteria have been met, or upon the expiration or termination of the Sub recipient Agreement, the County usually will require the subrecipient to provide final versions of all financial, performance, and other reports that were a condition of the award. These reports may include but are not limited to:

- A final performance report.
- A financial status report (including all program income).
- A final request for payment.
- A final inventory of property in the subrecipient's possession that was acquired or improved with CDBG funds.

Although an alternate deadline may be established by the County, frequently these reports are due within 90 days of the expiration/termination of the Sub recipient Agreement or notification by the County. The grantee generally will also require the subrecipient to liquidate all obligations incurred under the CDBG award before the submission of the final financial status report.

Based on the information provided by the subrecipient in these final reports and other relevant information, the County may closeout a project if:

- Any closeout costs or contingent liabilities subject to payment with CDBG funds after the closeout agreement are signed.
- The amount of any unused CDBG funds and process for reporting disposition of "excess" funds, transfers and reconciliation of balances.
- The subrecipient's responsibilities after closeout includes:
 - Preparation of the Performance Report
 - Determine final audit requirements

5.9-PROGRAM INCOME

Refer to Chapter 4 Program Income

CHAPTER 5: FINANCIAL MANAGEMENT

5.10- FINANCIAL AUDITS

Refer to Chapter 4 Financial Management

5.11-FINANCIAL RECORDS

These include:

- chart of accounts,
- manual on accounting procedures,
- accounting journals and ledgers,
- Source documentation (purchase orders, invoices, canceled checks, etc.),
- Procurement files, bank account records, financial reports, audit files, etc.
- Financial records, accounts and other records – per subrecipient agreement
- General ledger supporting costs charged to CDBG program
- Records documenting procurement of goods and services
- Contracts for goods and services,
- lease and rental agreements
- Invoices
- Billing statements
- Cancelled checks
- Timecards signed by employees and supervisors
- Personnel authorization of records
- Payroll registers
- Payroll tax records
- Bank statements
- Bank reconciliation reports
- Subcontractor agreements
- Schedules containing comparisons of budgeted amounts and actual expenditures
- Construction progress schedules signed by the appropriate party

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CHAPTER 5: FINANCIAL MANAGEMENT

Request for Payment (FORM 3)

THE BOARD OF COMMISSIONERS

TONI PRECKWINKLE

PRESIDENT

EARLEAN COLLINS	1st Dist.	BRIDGET GAINER	10th Dist.
ROBERT STEELE	2nd Dist.	JOHN P. DALEY	11th Dist.
JERRY BUTLER	3rd Dist.	JOHN A. FRITCHEY	12th Dist.
WILLIAM M. BEAVERS	4th Dist.	LAWRENCE SUFFREDIN	13th Dist.
DEBORAH SIMS	5th Dist.	GREGG GOSLIN	14th Dist.
JOAN P. MURPHY	6th Dist.	TIMOTHY O. SCHNEIDER	15th Dist.
JESUS G. GARCIA	7th Dist.	JEFFREY R. TOBOLSKI	16th Dist.
EDWIN REYES	8th Dist.	ELIZABETH ANN DOODY GORMAN	17th Dist.
PETER N. SILVESTRI	9th Dist.		



COOK COUNTY
BUREAU OF ECONOMIC DEVELOPMENT

HERMAN BREWER
DIRECTOR

GEORGE W. DUNNE COOK COUNTY OFFICE BUILDING
69 W. WASHINGTON, SUITE 2900
CHICAGO, ILLINOIS 60602- 3171
TEL: (312) 603- 1000
FAX: (312) 603- 9971

REQUEST FOR PAYMENT CERTIFICATION

FORM 3

PROGRAM:

CDBG ESG HPRP CDBG-R NSP HOME

PAYABLE TO: _____

AMOUNT: _____

PROJECT NO: _____

PURPOSE: _____

_____ hereby certify to the authenticity and accuracy of the provided information. I further certify that all statements made regarding the _____ project are true and accurate and that I have authority to submit the attached documentation. I understand that providing false information will subject my organization or municipality to termination from the above referenced grant program(s) and there may be additional penalties for providing false information including, but not limited to, referral to the appropriate law enforcement agencies for filing of criminal charges. 18 U.S.C. § 1001 makes it a felony to knowingly, and willfully, make a material false statement on a matter within the jurisdiction of any Federal agency. I understand that knowingly and willfully making a material false statement or concealing a material fact could subject me to a fine or imprisonment of up to 5 years, or both.

Printed Name

Organization/Municipality

Title

Signature

Date

CHAPTER 5: FINANCIAL MANAGEMENT

Subrecipient 29A Certification (FORM 4)

THE BOARD OF COMMISSIONERS

TONI PRECKWINKLE

PRESIDENT

EARLEAN COLLINS	1st Dist.	BRIDGET GAINER	10th Dist.
ROBERT STEELE	2nd Dist.	JOHN P. DALEY	11th Dist.
JERRY BUTLER	3rd Dist.	JOHN A. FRITCHEY	12th Dist.
WILLIAM M. BEAVERS	4th Dist.	LAWRENCE SUFFREDIN	13th Dist.
DEBORAH SIMS	5th Dist.	GREGG GOSLIN	14th Dist.
JOAN P. MURPHY	6th Dist.	TIMOTHY O. SCHNEIDER	15th Dist.
JESUS G. GARCIA	7th Dist.	JEFFREY R. TOBOLSKI	16th Dist.
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TEL: (312) 603- 1000
FAX: (312) 603- 9971

SUBRECIPIENT 29A CERTIFICATION (FORM 4)

PROGRAM:

CDBG ESG HPRP CDBG-R NSP HOME

PAYABLE TO: _____

AMOUNT: _____

PROJECT NO: _____

PURPOSE: _____

_____ hereby certify to the authenticity and accuracy of the provided information. I further certify that all statements made regarding the _____ project are true and accurate and that I have authority to submit the attached documentation. I understand that providing false information will subject my organization or municipality to termination from the above referenced grant program(s) and there may be additional penalties for providing false information including, but not limited to, referral to the appropriate law enforcement agencies for filing of criminal charges. 18 U.S.C. § 1001 makes it a felony to knowingly, and willfully, make a material false statement on a matter within the jurisdiction of any Federal agency. I understand that knowingly and willfully making a material false statement or concealing a material fact could subject me to a fine or imprisonment of up to 5 years, or both.

Printed Name

Organization/Municipality

Title

Signature

Date

CHAPTER 5: FINANCIAL MANAGEMENT

Drawdown Request and Certification

THE BOARD OF COMMISSIONERS

TONI PRECKWINKLE
PRESIDENT

EARLEAN COLLINS	1st Dist.	BRIDGET GAINER	10th Dist.
ROBERT STEELE	2nd Dist.	JOHN P. DALEY	11th Dist.
JERRY BUTLER	3rd Dist.	JOHN A. FRITCHEY	12th Dist.
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TEL: (312) 603- 1000
FAX: (312) 603- 9971

DRAWDOWN REQUEST AND CERTIFICATION

PROGRAM TYPE:

CDBG ESG HPRP CDBG-R NSP HOME

PROJECT DRAW

Select One: Hard Costs Delivery costs Administrative Costs

Subrecipient: _____

Project No: _____

Activity Draw No: _____ Activity Balance: \$ _____

Requested Draw Amount: \$ _____ Recommended Draw Amount: \$ _____

Activity Balance after Draw \$ _____

I have received and reviewed documentation to support the attached invoice.

_____ Full supporting documentation is attached and in the Department files. I, therefore, recommend payment to be processed and mailed to the Subrecipient by the Comptroller's Office.

_____ Outstanding supporting documentation is forthcoming to Department files.

_____ Above project is now 100% complete. Project should be closed and audited. Any excess funds must be re-programmed - See "Balance After Draw."

CERTIFICATION

I certify that I have reviewed the above request along with the attached documentation. I further certify that the request has met all eligibility and approval guidelines pursuant to the rules of the Department of Housing and Urban Development (HUD) and Cook County. 18 U.S.C. § 1001 makes it a felony to knowingly, and willfully, make a material false statement on a matter within the jurisdiction of any Federal agency. I understand that knowingly and willfully making a material false statement or concealing a material fact could subject me to a fine or imprisonment of up to 5 years, or both.

Planner's Printed Name Signature Date

Program Manager/Assistant Program Signature Date
Manager's Printed Name

CHAPTER 6: PERFORMANCE REPORTING

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CHAPTER 6: PERFORMANCE REPORTING

6.1-INTRODUCTION

The County's performance reporting is focused on:

- program performance – the performance measures established in the written subrecipient agreement
- financial performance – timely completion and expenditures within budget
- regulatory performance – data and documentation required by regulations
- and an ongoing process of planning, implementation, communication and follow-up that continuously accumulates data to be reported in the CAPER.

The County's primary focus is the adequacy of performance under subrecipient agreements [24 CFR 570.501(b) and 24 CFR 84.51 and 85.40 as applicable]

6.2-OVERVIEW OF COUNTY REQUIREMENTS

The County's primary subrecipient performance reporting tool is the Performance Report Worksheet used to prepare the CAPER (Consolidated Annual Performance and Evaluation Report). The CAPER explains how a jurisdiction is carrying out its housing and community development strategies, projects, and activities.

The Performance Report worksheet can also be used in support of the annual risk analysis, project selection and review process, and preparation of the subrecipient agreement including the adequacy of performance measures compared to past performance.

Annual Performance Report

The U.S. Department of Housing and Urban Development (HUD) requires annual updates on the Cook County CDBG Program and reports from Subrecipients on their progress in administering CDBG-funded projects. In order to meet HUD's reporting requirements, the Performance Report was designed to capture all the data needed to satisfy federal requirements.

The County reports to HUD on Performance Measures. The performance measurement is a tool to capture information about program performance. The subrecipient data collected from the Annual Performance Report is extremely valuable to the success of the CDBG Program for future funding. The data captured by the annual performance report is used to report the subrecipient and Grantee's (Cook County) progress to the funder (HUD).

Subrecipients report on all projects considered "open". An "open" project is one in which there has been any activity on the project during the program year. Activity means the Subrecipient has either expended funds, transferred funds from another project, changed

CHAPTER 6: PERFORMANCE REPORTING

the scope of the project, or completed the project. In some cases, the Subrecipient completed the project in a prior year, however, funds were drawn in the current program year.

Section 3 Reporting

Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be directed to low and very low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low and very low income persons.

A Section 3 resident is a public housing or a low or very low income person residing in the area where the Section 3 covered assistance is expended. Section 3 is both race and gender neutral.

A Section 3 covered project involves:

- the construction or rehabilitation of housing
- including reduction of lead-based paint hazards
- or other public facades

Section 3 applies to recipients who receive more than \$100,000 in CDBG, ESG, NSP, or HOME funds.

Section 3 applies to projects that are fully or partially funded with HUD assistance. If the subcontractor has the need to hire new persons to complete the Section 3 covered contract or needs to subcontract portions of the work to another business, they are required to direct their newly created employment opportunities to Section 3 residents and business concerns.

Agencies must document all actions taken to comply with the requirements of Section 3. They must submit a Section 3 Annual Summary Report (Form HUD-60002) for all covered funding. This report can be found at www.hud.gov/section3.

Quarterly Performance Report

The Quarterly Performance Report (QPR) measures the performance of subrecipients per quarter. The QPR is far less intensive than the Annual Performance Report and is another tool to monitor progress of the project. This tool will be used to alert CCBED (Cook County Bureau of Economic Development) program planners of technical assistance that may be needed by the subrecipient. The QPR also will capture valuable data to report CCBED performance management of the CDBG program. The QPR data will highlight the CCBED successes and point out areas for improvement.

CHAPTER 6: PERFORMANCE REPORTING

HUD Reporting

- Cook County has assigned a CDBG staff person to prepare all required HUD Reports to include Semi-Annual Report of Contract and Subcontract Activity (HUD 2516), Semi-Annual Labor Standards Enforcement Report (HUD 4710) and Annual Section 3 (HUD 60002). The entire CDBG project planning Staff assist with obtaining Section 3 information from Subrecipients and this information is inserted into the project files.
- Cook County developed a master calendar/schedule of key reporting periods as noted below:
 - HUD 2516 and 4710: The report(s) preparation begins in January and the first semi-annual reports are due mid-March. The second semi-annual report preparation begins in mid-July and the reports are due in mid-September (EXACT DATES TO BE CONFIRMED W/HUD).
 - HUD 60002 (Section 3): This report is due annually and requested during the CDBG's annual performance reporting period between September – November. All Subrecipients are notified in writing and due dates are scheduled. Prior to submittal, reports are reviewed for compliance with federal regulations.
 - Upon approval, reports are forwarded to HUD via email and mailed or hand delivered and inserted into the program file.
- A checklist is included in the program file and upon completion of the reports the assigned CDBG Staff inserts the information into the program file and the appropriate section on the checklist is selected.

6.2-SUBRECIPIENT REQUIREMENTS

The Subrecipient Agreement (the “Contract”) is the plan for undertaking project activities as well as a tool for tracking performance (what, how and when, and how paid).

- i. Statement of Work (“Project Plan”) – the major stages/activities are set forth, by project type, in Chapter 3.
- ii. Budget by Task/Activity –payment vouchers and financial status; use processes in Chapters 3 and 5 for substantiating documents
- iii. Schedule by Task/Activity – Start within 3 months of NTP and complete in 12 months; expend all funds by September 30th.

CHAPTER 6: PERFORMANCE REPORTING

- iv. Standard Provisions – performance measures and compliance requirements are satisfied by preparing, completing and recording or filing the documents called out in Chapters 3, 4, 5 and 7.

- v. Amendments – Changes to project scope of work, budget, or time of completion that are approved by Cook County.

CHAPTER 6: PERFORMANCE REPORTING

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CHAPTER 6: PERFORMANCE REPORTING

Sample Annual Performance Report Worksheet



CDBG PROGRAM YEAR - 2010
PERFORMANCE REPORT WORKSHEET
October 1, 2010 - September 30, 2011

PART I

SUBRECIPIENT NAME: _____

PROJECT NUMBER: _____ **HUD ACTIVITY NUMBER:** _____

Faith Based Organization: Yes No

Community Based Development Organization: Yes No

I. INTRODUCTION and GENERAL INSTRUCTIONS

- A. The completion of this Subrecipient Performance Report is a required condition of your Subrecipient Agreement with Cook County. In evaluating the Subrecipient's performance, the County will consider all available information, including the information in this Subrecipient Performance Report. The review of performance is designed to determine:
1. Whether the Subrecipient has commenced its CDBG funded activities and its commitments to the Cook County Annual Action Plan in a timely manner;
 2. Whether the Subrecipient has commenced those CDBG activities and its certifications in accordance with the requirements and the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended and other applicable laws;
 3. Whether the Subrecipient has a continuing capacity to continue to carry out those CDBG funded activities in a timely manner; and
 4. Whether a Subrecipient can submit a final subrecipient performance report for open projects other than current year 2010 projects.
- B. **This Subrecipient Performance Report covers the activities of the specific project for the period October 1, 2010 through September 30, 2011.**
- C. Subrecipients need to accurately complete all applicable sections of this Report for each specific project.
- D. Subrecipients who are submitting more than one Subrecipient Performance Report may submit the identical information for Section VII, Fair Housing Achievements.
- E. The Subrecipient Performance Report(s) **MUST** be received by Cook County no later than **October 3, 2011.** Return them to:

Ms. Sonia Brown
Cook County Department of Planning and Development
69 West Washington, Suite 2900
Chicago, Illinois 60602

II. PROJECT DESCRIPTION AND LOCATION:

CHAPTER 6: PERFORMANCE REPORTING

Provide a brief but complete description of the **project** and each activity carried out with CDBG funds. The description should accurately describe the nature and purpose of the project. **The activity should be described with sufficient detail to permit a clear understanding of the project by citizens or readers of this report.**

Please note that if the CDBG funds are used for staff salaries, **describe the duties of the person being paid with CDBG funds as it relates to the overall project.** For example: Case Manager - conducts a detailed needs assessment, public benefits advocacy, and assists with money management, employment and housing needs. **The description should be comparable to that contained in the Subrecipient Agreement or in any amendments approved by the County.** Census tract data, i.e., number and percentage of low-to-moderate-income individuals served by the project, as well as the total number of people served should be provided for low-to-moderate area benefit capital improvement projects.

ACCOMPLISHMENTS: (For example, number of housing units, number of L/M persons in census tract; number of households served, etc.)

On the next page, provide a brief and concise summarization of the **actual accomplishments** and status achieved **during the reporting period** (October 1, 2010 through September 30, 2011). If it is not possible to provide a numerical unit description, enter a percentage estimate of that portion of the project that was completed by the end of the reporting period. Include any major milestones that have been completed.

Include in the accomplishments narrative, **only** detailed project activity from the 2010 Program Year. Describe the linear feet or units completed, persons or households served (whatever is applicable) and the completion percentage of the project.

III. SPECIFIC ACCOMPLISHMENTS NARRATIVE *(for the project number identified above):*

IV. STATUS OF FUNDS

A. **The reporting period for CDBG and non-CDBG funds covered in this section is cumulative from the year of project approval through September 30, 2010.**

CHAPTER 6: PERFORMANCE REPORTING

- B. The following definitions pertain to funds reported in this section:
1. Expenditures - The sum of actual cash paid out.
 2. Unliquidated Obligations - Funds that have been obligated, i.e., orders placed, contracts let, etc., but no cash has been paid out whether or not goods have been received or services performed.
 3. Unobligated Balance - The amount of CDBG funds remaining after all expenditures and all unliquidated obligations have been subtracted from the budget allocation for the project.
 4. Non-CDBG Funds - Funds earmarked for the project from other private or government sources.

C. Complete the following CDBG Financial Summary for this project as of September 30, 2011. Include any budget transfers **approved** by the County during the reporting period.

- | | | |
|---|-------|-------|
| 1. Budget Authority
(Amount of CDBG funds allocated to this project) | _____ | |
| 2. Expenditures: | | _____ |
| 3. Unliquidated Obligations: | | _____ |
| 4. Unobligated Balance: | | _____ |

Complete the following Non-CDBG Funds Financial Summary for this project as of September 30, 2011:

- | | | |
|---|-------|-------|
| 1. Budget Authority
(Amount of Non-CDBG funds allocated to this project) | _____ | |
| 2. Expenditures: | | _____ |
| 3. Unliquidated Obligations: | | _____ |
| 4. Unobligated Balance: | | _____ |

V. THIS SECTION IS FOR REPORTING ON CAPITAL IMPROVEMENT PROJECTS OR INFRASTRUCTURE PROJECTS - FILL IN THE INFORMATION BELOW:

CDBG AREA BENEFIT DATA: LOW/MOD AREA (LMA) POPULATION BENEFITTING:

For area wide projects such as Capital Improvements you need only to complete the census tract data below:

Percentage of Low/Mod in service area: _____
 Survey or census tract determination (S/C): _____C

Census Seq.Tract No.	Block Groups	L/M Percentage

- 1) Need 4-digit, a decimal point and 2 digits for census tract.
- 2) Fill in block group numbers.

PUBLIC FACILITIES AND IMPROVEMENT ACTIVITIES:

Total benefiting for Program Year 2010: _____

Of the persons assisted, enter the number that:

Now have new access to this type of public facility or infrastructure improvement:	
---	--

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Now have improved access to this type of public facility or infrastructure improvement:	
That are served by public facility or infrastructure that is no longer substandard:	
TOTAL	
Homeless persons given overnight shelter	
# of beds created in overnight shelter or other emergency housing:	

PUBIC SERVICE ACTIVITIES:

Total benefitting for Program Year 2010: _____

Of the persons assisted, enter the number that:

Now have new access to this service or benefit:	
Now have improved access to this service or benefit:	
Now receive a service or benefit that is no longer substandard:	
TOTAL	
Homeless persons given overnight shelter	
# of beds created in overnight shelter or other emergency housing:	

THIS SECTION IS FOR REPORTING ON LIMITED CLIENTELE OR PUBLIC SERVICE PROJECTS, FILL IN THE INFORMATION BELOW:

VI. LIMITED CLIENTELE (LMC) POPULATION BENEFITTING:

For the purposes of this Subrecipient Performance Report, an LMC activity is defined as a CDBG activity which requires the beneficiary to submit an application or to complete a personal record as an integral part of receiving the benefit of that activity. Generally, applications and personal records are completed by beneficiaries for the following five (5) types of activities.

Projects benefitting LMC beneficiaries include:

1. Economic Development;
2. Capital Improvement - Limited Clientele projects;
3. Housing Counseling; and
4. Public Services

For capital improvements for limited clientele, housing counseling and public services, furnish the following required data: (You do not have to include the income data for limited clientele groups that are presumed benefit by HUD being made up principally of low to moderate income persons.)

The following groups are presumed to be low to moderate-income as defined by HUD:

- Abused children
- Elderly persons
- Battered spouses
- Homeless persons

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- Illiterate adults
- Adults who are severely disabled (not children; children must be LMC)
- Persons living with AIDS/HIV
- Migrant farm workers

To complete the LMC benefit data section you need to determine the total number of beneficiaries by “Households” or “Persons”, respectively, and the number and percentage of low to moderate income beneficiaries. You then need to calculate the number and percentage of beneficiaries who are moderate income 61% to 80% (mod-income); low-income (low-income) as represented by those beneficiaries falling between 51% to 60% of median income; those who are low income (very low-income) as represented by those beneficiaries falling between 31% to 50% of median income and those who are extremely low-income as represented by those beneficiaries falling between 0% to 30% of median income.

LMC CDBG DIRECT BENEFIT DATA – *BY PERSONS*:

RACE AND ETHNICITY DATA FOR PY 2010		
RACE	TOTAL	
<i>Single Race</i>	All	Hispanic
(11) White		
(12) Black/African American		
(13) Asian		
(14) American Indian/Alaskan Native		
(15) Native Hawaiian/Other Pacific Islander		
<i>Multiple Race</i>		
(16) American Indian/Alaskan Native & White		
(17) Asian and White		
(18) Black/African American and White		
(19) American Indian/Alaskan Native and Black/African American		
(20) Other Multi-racial		
TOTAL NUMBER ASSISTED		
NUMBER OF FEMALE-HEADED HOUSEHOLDS		

VII. _____ INCOME DATA:

CDBG BENEFICIARY INCOME LEVELS – *BY PERSONS*:

Number of ***persons*** benefiting: _____

Totals for Program Year 2010:

INCOME LEVEL	TOTAL NUMBER OF PERSONS
Extremely Low-Income 0-30%	
Very Low-Income 31-50%	
Low-Income 51-60%	
Mod-Income 61-80%	
TOTAL	

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CDBG BENEFICIARY INCOME LEVELS - BY HOUSEHOLDS:

Number of **households** benefiting: _____

Totals for Program Year 2010:

INCOME LEVEL	TOTAL NUMBER OF HOUSEHOLDS	
	OWNER	RENTER
Extremely Low-Income 0-30%		
Very Low-Income 31-50%		
Low-Income 51-60%		
Mod-Income 61-80%		
TOTAL		

Income Limits effective March 2010:

Number in Household	Extremely Low-Income 0-30%	Very Low-Income 31-50%	Low-Income 51-60%	Mod-Income 61-80%
1	\$15,800	\$26,300	\$31,560	\$42,100
2	\$18,050	\$30,050	\$36,060	\$48,100
3	\$20,300	\$33,800	\$40,560	\$54,100
4	\$22,550	\$37,550	\$45,060	\$60,100
5	\$24,400	\$40,600	\$48,720	\$64,950
6	\$26,200	\$43,600	\$52,320	\$69,750
7	\$28,000	\$46,600	\$55,920	\$74,550
8+	\$29,800	\$49,600	\$59,520	\$79,350

NOTE: If the project benefits clientele who are presumed by HUD to be principally low-to-moderate income persons, only the total number of persons assisted needs to be entered.

VIII. SUMMARY OF PROJECT ACCOMPLISHMENTS

In order to quickly summarize the accomplishments of your project and to differentiate the cumulative and current progress of this project, please complete the following table. Identify specific numerical information appropriate to this project only under projects benefitting limited clientele (LMC) beneficiaries, economic development, public facility, housing counseling and public services. You must also complete the information under V, VI.

<i>PROJECT TYPE</i>	<i>CURRENT PROGRAM YEAR (2010)</i>	<i>CUMULATIVE NUMBER</i>	<i>CENSUS TRACT/ BLOCK GROUP</i>	<i>LOW TO MODERATE PERCENTAGE</i>
<i>Housing Activities:</i>				
# of households counseled				
# Occupied by the elderly				
Units moved from substandard to standard (HQS or local code)				
Units qualified as Energy Star				

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<i>PROJECT TYPE</i>	<i>CURRENT PROGRAM YEAR (2010)</i>	<i>CUMULATIVE NUMBER</i>	<i>CENSUS TRACT/ BLOCK GROUP</i>	<i>LOW TO MODERATE PERCENTAGE</i>
Units made ADA accessible				
Brought into compliance with lead safety rules (24 CFR Part 35)				
<i>Economic Development:</i>				
# of jobs created				
# of jobs retained				
<i>Capital Improvements (LF = Lineal Feet):</i>				
LF Street Reconstruction				
LF Street Resurfacing				
LF Alley Reconstruction				
LF Alley Resurfacing				
LF Sidewalk Construction				
LF Sidewalk Reconstruction				
LF Curb/Gutter Construction				
LF Curb/Gutter Reconstruction				
# of Streetlights installed				
# of Streetlights replaced				
LF Watermain Reconstruction				
LF of Fire Hydrants Replaced				
LF Sanitary Sewer Reconstruction				
LF Storm Drainage Improvements				
# of ADA Curb Cuts				
Other:				
<i>Site Improvements:</i>				
ADA Compliance/Architectural Barrier Removal (explain below)				
Recreational Facility (explain below)				
Parking Lot Construction (explain below)				
# of Demolitions (explain below)				
Facility Renovation (explain below)				
Facility Construction (explain below)				
Acquisition (explain below)				
Other:				

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<i>PROJECT TYPE</i>	<i>CURRENT PROGRAM YEAR (2010)</i>	<i>CUMULATIVE NUMBER</i>	<i>CENSUS TRACT/ BLOCK GROUP</i>	<i>LOW TO MODERATE PERCENTAGE</i>
Public Services:				
Housing Counseling (# of people and seminars)				
Homeless Persons (# of people and seminars)				
Senior Citizens (# of people and seminars)				
Emergency Domestic Violence Services (# of people and seminars)				
Other:				
Administration/Planning:				
Planning Grant (explain below)				
Fair Housing Activities (# of people and seminars)				
Other:				

IX. FAIR HOUSING ACHIEVEMENTS - 2010 PROGRAM YEAR

The Secretary of the United States Department of Housing and Urban Development requires that Community Development Block Grant recipients certify that they will comply with Title VIII of the Civil Rights Act of 1968.

To fulfill this certification, Cook County requires each municipal Subrecipient to take action each year to affirmatively further fair housing. The actions that your community defined are in the 2010 Fair Housing Action Plan that you submitted with the 2010 grant application as required in order to be eligible for funds.

As part of the performance review of your grant, please provide County staff with documentation and evidence that supports activities undertaken during the program year to further fair housing. Documentation may be in the form of:

- ✓ Copies of fair housing brochures published and distributed among realtors and other businesses in your community;
- ✓ Copies of newspaper articles published locally about fair housing issues in your community;
- ✓ A summary of activities conducted by the Human Relations Committee to promote an open community.
- ✓ Agenda for workshops held.
- ✓ Realtor, appraiser, or lender workshop held.
- ✓ If you participated in a County sponsored Fair Housing workshop, list the name of person who attended, the date, and any activities in your community that occurred as a result.

These points are suggestions for the types of documentation that are acceptable to demonstrate your community's active commitment to fair housing. Additional or different documentation may be acceptable as well, and your submissions are not limited to those types listed above.

The County is required to provide documentation supporting its activities in compliance with Title VIII of the Civil Rights Acts of 1968. The activities of Cook County's Subrecipients, therefore, require this

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documentation. Failure by a community to provide this information to the County in a timely manner may jeopardize future funding for that community.

Name of Subrecipient: _____

Summary of actions taken (please attach additional pages, as page 15A, as necessary for narrative as well as any other documentation):

PERFORMANCE REPORT WORKSHEET

PROGRAM YEAR - 2010

PART II

INSTRUCTIONS TO COMPLETE PERFORMANCE MEASURES

The U.S. Department of Housing and Urban Development is instituting these performance measures to gather information to prove that the programs funded with CDBG and HOME are meeting local needs. The County will use these same performance measures to show how HUD funds are leveraged with local dollars. Reporting information in this manner will ensure program outcomes are reported in a consistent manner. All information will be disseminated to HUD.

There are three main components to the Outcome Performance Measurement System:

- Objectives;
- Outcomes; and
- Indicators.

1. OBJECTIVES - *the first component of the system:*

Outcome Performance Measurement System offers three possible objectives for each activity (project).

- **Creating Suitable Living Environments** - relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- **Providing Decent Housing** - covers the wide range of housing activities that are generally undertaken with HOME or CDBG funds. This objective focuses on housing activities whose purpose is to meet individual family or community housing needs.
- **Creating Economic Opportunities** - applies to activities related to economic development, commercial revitalization, or job creation.

2. OUTCOMES - *the second component of the system:*

The Program outcome helps further refine the nature of the change or the expected result of the objective. Outcomes correspond to the question "what is the expected result of the activity?"

- **Availability/Accessibility** - applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not

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refer only to physical barriers, but also to making the basics of daily living available and accessible to low- and moderate-income people where they live.

- **Affordability** - applies to activities that provide affordability in a variety of ways to low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
- **Sustainability** - applies to activities that are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income people or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

3. INDICATORS - *the third component of the system:*

There are four common indicators that are relevant for most activities (projects).

- Amount of money leveraged from other federal, state, local, and private sources, per activity.
- Number of persons, households, businesses, units or beds assisted, as appropriate.
- Income levels of persons or households by 30%, 50%, 60% or 80% of area median income (AMI).
- Race, ethnicity, and disability data for activities that currently report these data elements.

In addition to the common indicators that are used for all program activities, there are major activity-specific indicator categories. For each category, there are several required data items that measure key characteristics of activities performed.

KEY INDICATORS

1. Infrastructure and Public Service Activities - Number of persons assisted:

	Number of Persons
With NEW access to service or benefit	
With IMPROVED access to service or benefit	
Where activity was used to meet a quality standard (code) or measurably improved quality, report number of households that no longer have access to substandard service.	

2. Are these activities part of a geographically targeted revitalization effort?

- Yes [] No [] *If yes, is it:*
- Comprehensive - please clarify further below
 - Commercial
 - Housing
 - Other: Specify: _____

Number of new businesses assisted	
Number of businesses retained	
Number of jobs created or retained in target area	
Amount of money leveraged (from other public or private sources)	
Number of low-income persons serviced	
Slum/blight demolition	
Number of low-income households assisted	
Number of areas of remediated Brownsfield	

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Number of households with new or improved access to public facilities/services	
Number of commercial facade treatment/business building rehabilitation	
Other - can include: crime number, property value change, housing code violations, business occupancy rates, employment rates, homeownership rates.	

3. **Does the activity address slum and blight spot basis?:**
 Yes No
4. **Number of commercial facade treatment/business building rehab** (site, not target area based).
5. **Number of acres of Brownfield redeveloped** (site, not target area based)
6. **Number of RENTAL UNITS constructed NEW per project or activity:**

<i>Total number of units, of which are:</i>	
Number affordable	
Number made Section 504/ADA accessible	
<i>Of the affordable units:</i> Number of subsidized by program	
Number of years affordability guaranteed	
<i>Number of housing units:</i>	
How many for the chronically homeless	
Number made Section 504/ADA accessible	

7. **Number of RENTAL UNITS rehabilitated:**

<i>Of the total number of units:</i>	
Number affordable	
Number made Section 504/ADA accessible	
Number brought from substandard to standard (code) condition	
Number meeting IBC energy standards	
Number meeting Energy Star standards	
Number brought into compliance with lead safe housing rule	
<i>Of the affordable units:</i>	
Number of subsidized by federal, state or local programs	
Number subsidized by CDBG/HOME Programs	
Number of years of affordability guaranteed	
Number of housing units for persons with AIDS	
Number made Section 504/ADA accessible	
Number of units for homeless persons and families	

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VII. SUBRECIPIENT INFORMATION and CERTIFICATION

A. Enter the name, address and telephone number of the municipality or agency responsible for implementing this project.

NAME: _____

ADDRESS: _____

TELEPHONE NUMBER: (____) _____

3. Enter the name, address and telephone number of the person responsible for completing this report.

NAME: _____

ADDRESS: _____, City _____

TELEPHONE NUMBER: (____) _____

C. Enter the name and title of the Subrecipient's Chief Executive Officer (Mayor, Village President, or Executive Director), to certify this Report.
The CEO must sign and date below.

CERTIFICATION: I certify to the best of my knowledge and belief that the data in this report is true and correct.

Signature of CEO

Typed Name and Title: _____

Date: _____

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Sample Quarterly Performance Report Worksheet



Toni Preckwinkle
President

Cook County Board of Commissioners

CDBG PROGRAM YEAR – 2011

1ST QUARTERLY PERFORMANCE REPORT WORKSHEET

(Reporting Period: October 1, 2011 – December 31, 2011)

SUBRECIPIENT NAME: _____

PROJECT TITLE: _____

PROJECT NUMBER: _____

Capital Improvement Projects:

Planning Studies and Public Service Projects:

(Please check the appropriate box applicable to your open project.)

The completion of this 1st Quarterly Performance Report is a required condition of your Subrecipient Agreement with Cook County. In evaluating the Subrecipient's performance, Cook County will consider all available information that will include the information in this quarterly performance report.

Please accurately complete all applicable sections of this report for each open project and return it by no later than **January 13, 2012** to the following:

Cook County Bureau of Economic Development
Department of Planning and Development
Attn: Ms. Sonia Brown
69 West Washington Street, Suite 2900
Chicago, IL 60602

Planning Studies and Public Service Projects:

(Please check the appropriate box applicable to your open project.)

Planning Studies

Public Services

Economic Development

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Capital Improvement Projects:

(Please check the appropriate box applicable to your open project.)

Infrastructure

Demolition

Public Facilities

Economic Development

Current Status:

Has the Subrecipient Agreement been fully executed? Yes No
(If yes, please provide the date: _____.)

Has the Notice to Proceed been issued? Yes No
(If yes, please provide the date: _____.)

If the answer is "Yes" to both of the above questions, please provide an estimated project start date
_____.

Please list CDBG funds that have been expended for this period.

1. Original Budget Authority
(Amount of CDBG funds allocated to this project.) \$ _____
3. Expenditures: \$ _____
4. # of Drawdown requests submitted: _____

Current Subrecipient Contact Information:

Please provide the contact name, address and telephone number of the person responsible for implementing this project and completing this report on behalf of the municipality or agency.

NAME: _____

ADDRESS: _____

CITY: _____

STATE/ZIP: _____

TELEPHONE NUMBER: (____) _____

EMAIL ADDRESS: _____

CERTIFICATION: *I certify to the best of my knowledge and belief that the data in this 1st Quarterly Report is true and correct.*

Date: _____

Signature

Typed or Print Name and Title: _____

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7.1-INTRODUCTION

The Cook County Bureau of Economic Development (CCBED) is responsible for monitoring project activities that receive funds from the CDBG program. The County's monitoring process follows the standards and procedures detailed in HUD monitoring handbooks, guidelines and technical assistance publications. The department requires that each subrecipient receive a monitoring visit every year.

The key document in the monitoring process is the subrecipient agreement. The agreement details all pertinent regulations, certifications and project schedule, deliverables and budget that the subrecipient must comply with in carrying out project activities. The agreement, with the guidance provided by this Manual, also details the performance measures that the subrecipient must meet, including the documentation required to substantiate both performance and compliance. CCBED planners will use the subrecipient agreement and the project file checklist (documentation required from application to project closeout) to tailor standard HUD CDBG subrecipient monitoring checklists for continuous monitoring of project activities and conducting on-site monitoring visits.

7.2-RISK ANALYSIS

The Risk Analysis provides the information needed for Cook County to effectively target its resources to Subrecipients that pose the greatest risk to the integrity of BED (Bureau of Economic Development) programs, including identification of the grantees to be monitored on-site and remotely, the program areas to be covered, and the depth of the review. The selection process should result in identifying those subrecipients and activities that represent the greatest vulnerability to fraud, waste, and mismanagement

1. The CCBED's policy is to conduct at least one subrecipient monitoring visit every year. CCBED will perform an annual risk analysis to select subrecipients and determine the priority and timing of monitoring visits.
 - a. Each planner should prepare and maintain a Subrecipient Risk Analysis Worksheet that identifies subrecipient strengths, weaknesses and risks from the approved application. The worksheet should be updated to include risk areas or items in the subrecipient agreement and performance and compliance benchmarks or issues extracted from periodic status reports and payment vouchers including required documentation. The worksheet should document the on-going monitoring and technical assistance activities, including "desk audits", between each planner and the subrecipient and include information about subrecipient:
 - Newly funded Projects.
 - Municipalities/Agencies with open project(s) and funding is over \$100K.
 - Annually funded municipalities/agencies that demonstrate limited capacity in the areas of expenditures, timeliness and non-responsiveness.

CHAPTER 7: MONITORING

- Project(s) with previous monitoring Findings and/or major concerns.
 - Municipalities/Agencies with high turnover rates.
- b. Each planner should provide their recommendations, priority and timing for subrecipient monitoring visits with the subrecipient risk analysis worksheets.

7.3-MONITORING SCHEDULE AND PROCESS

1. Subrecipient Monitoring Schedule

Each planner should use the subrecipient agreement as a monitoring and performance tracking tool. The agreement is the subrecipient's plan for undertaking activities and specifies what is required, how and when the work must be done and how the subrecipient will be paid. The planner can schedule and conduct monitoring activities as periodic progress reports, drawdown requests, and substantiating documentation are received. The planner should coordinate the site visit procedures and actual dates for the on-site monitoring visit with the subrecipient.

Annual Monitoring Schedule

- Onsite Subrecipient File Monitoring Period (July 1 – August 31); ***Extended thru October 31.***
- Onsite Subrecipient Project Inspection Period (April 1 – September 30); ***Extended thru November 30.***
- Annual Financial Monitoring and Audit Close-out Period (October 1 – December 31)

County staff will remotely and internally monitor Subrecipients projects on a quarterly basis, as needed. The monitoring site visits will be conducted in an effort to address compliance concerns, such as eligibility, construction, services, reporting, expenditures, etc. On site monitoring will also be used to provide project and administrative technical assistance and guidance to the municipality/agency, if needed.

2. Monitoring Process

The monitoring processes should include:

- a. Reviewing subrecipients' fiscal, program and project files
- b. Preparing memoranda outlining the findings of the file review and site visit
- c. Notifying subrecipients of findings and the necessary actions to be taken, if any; and
- d. Following up to ensure appropriate action, when required

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The Cook County requires a written performance report from subrecipients at the end of each program year to assess the overall performance of each program/activity. The assigned planner is involved in the initial project review, follows the funded project from award to closing in IDIS, and participates in the annual risk analysis.

The CCBED emphasizes to subrecipients the importance of the timeliness of expenditures. The subrecipient agreement usually provides for a project schedule with timeframes to complete all activities within 12 months but subrecipients are encouraged to expend all funds by September 30. The department has taken the following steps to improve the County's grant spending:

- Written notices are sent to encourage subrecipients to secure engineering and bid documents prior to the Notice To Proceed for the project.
- Streamlined the drawdown procedure by specifying required substantiating documentation for making payment
- Conducted meetings with subrecipients who have timeliness issues and substantial amounts of unspent funds which need to be addressed

3. Monitoring Checklists

Monitoring checklists are tailored from the HUD monitoring checklists in Chapter 5 of "A Guidebook for Grantees on Subrecipient Oversight" (see Appendix 7).

7.4-SITE VISIT MONITORING PROCEDURES

1. Site visit monitoring procedures include the following five basic steps:

- a. Issue Notification Letter
 - confirm the dates and the scope of the monitoring;
 - provide a description of the information you want to review during your visit; and
 - specify the expected duration of the monitoring, which of your staff will be involved, what office space you require, and what members of the subrecipient's staff you need to talk with.
- b. Conduct Entrance Conference
 - subrecipient staff have a clear understanding of the purpose, scope and schedule of the monitoring
- c. Documentation, Data Acquisition and Analysis
annotate a monitoring checklist or handbook with notes about particular case numbers, statistics or financial figures, review and analyze the subrecipient's written policies obtained from the file reviews, on-site inspection of projects, or discussions with subrecipient

- d. Conduct Exit Conference with the following four objectives:
 - to present preliminary results of the monitoring visit;
 - to provide an opportunity for the subrecipient to correct any misconceptions or misunderstandings;
 - to secure additional information from subrecipient staff to clarify or support their position; and
 - for any deficiency that the subrecipient agrees with, to provide an opportunity for subrecipient staff to report on steps they are already taking to correct the matter.
 - To give sub-recipient opportunity for questions and additional technical assistance.

- e. Prepare Follow-up Monitoring Letter
 - describe any deficiencies formally and quickly in a letter that also includes recommendations or requirements for improvement.
 - create a permanent written record of what was found during the monitoring review.
 - document non-compliance with the rules and regulations of the CDBG program and ensure **finding** is :
 - accurately identified;
 - based on applicable law, regulation, or program policy;
 - supported by the facts presented in the monitoring letter.identify
 - corrective actions and timeframes for correction; and
 - concerns that are documented with specific recommendations for improvement
 - Results letter must be mailed within 3-5 days after monitoring visit. (All findings must be mailed to Subrecipients via certified mail.)
 - Subrecipients must confirm via written response within 10 days upon receipt of monitoring finding letter. (Monitoring: File, Inspection and Financial Audit Close-out)

2. A sample Monitoring Letter is included in Appendix 7.

7.5-IMPOSING SANCTIONS

1. At a minimum, the department has the option of withholding payment when compliance or performance issues are involved. The subrecipient is requested to provide additional information and/or substantiating documentation to resolve the discrepancy, issue or finding before the County will make subsequent payments.
2. These steps have already been accomplished and cited in Monitoring Procedures above. Progressive sanctions to be implemented in stages as follows:
 - Stage I intervention strategies for initial problems or issues include:
 - i. plan an intervention strategy with the subrecipient that involves additional training or technical assistance
 - ii. require more frequent and more thorough reporting by the subrecipient
 - iii. conduct frequent on-site follow-up monitoring of the subrecipient
 - Stage II intervention strategies for more serious or persistent problems
 - i. restrict the subrecipient payment requests
 - ii. require repayment of expended grant funds (This item seems to me to be more Stage III than II.)
 - iii. impose probationary status
 - Stage III intervention strategies leading to termination
 - i. suspend the subrecipient (or the activity being carried out)
 - ii. do not renew the subrecipient the next program year
 - iii. terminate the subrecipient in the current program year
Require repayment of grant funds already expended.
 - iv. initiate legal action.

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Sample Monitoring Checklist

**CHECKLIST FOR ON-SITE MONITORING OF A SUBRECIPIENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

Subrecipient _____
Project Name/Agreement No. _____
Project Director _____

In-house review and general oversight conducted on _____
On-site monitoring visit(s) conducted on _____

Monitoring letter sent on _____
Follow-up monitoring visit conducted/letter sent on: _____

A. National Objective and Eligibility

1. Which National Objective does this project meet (570.208)*?

Benefit to Low- and Moderate-Income Persons

- ___ Low/Mod Area Benefit
- ___ Limited Clientele Benefit
- ___ Low/Mod Housing Benefit
- ___ Job Creation or Retention

Aid in the Prevention or Elimination of Slums or Blight

- ___ on an Area Basis
- ___ on an Spot Basis

An Urgent Need

- ___ Needs having a Particular Urgency

2. Which eligibility category does the project meet? (570.201-6)?

B. Conformance to the Subrecipient Agreement

1. Contract Scope of Services – Is the full scope of services listed in the Agreement being undertaken? List any deviation.

2. Levels of Accomplishments – Compare actual accomplishments at the point of monitoring with planned accomplishments. Is the project achieving the expected levels of performance (number of persons served, number of units rehabbed, etc.) and reaching the intended client group? Explain any problem the subrecipient may be experiencing. **Acknowledge major accomplishments.**

3. Time of Performance – Is the work being performed in a timely manner (i.e., meeting the schedule as shown in the Agreement)? Explain.
4. Budget – Compare actual expenditures versus planned expenditures. Note any discrepancies or possible deviations.
5. Requests for Payment – Are requests for payment being submitted in a timely manner and are they consistent with the level of work accomplished? Is program income properly accounted for and recorded? Explain.
6. Progress Reports – Have progress reports been submitted with payment requests (where required) on time and were they complete and accurate?
7. Special Conditions – Does the project conform to any special terms and conditions included in the Subrecipient Agreement? Explain.

C. Record-Keeping Systems (570.506)

Records should demonstrate that each activity undertaken meets the criteria for National Objectives compliance. Such records should be found in both the grantee's project file and the subrecipient file.

1. Filing System – Are the subrecipient's files orderly, comprehensive, secured for confidentiality where necessary, and up-to-date? Note any areas of deficiency.
2. Documentation (activities, costs and beneficiaries) – Do the HCD project file and subrecipient records have the necessary documentation supporting the National Objective being met, eligibility, and program costs as they relate to 570.506? Do the project files support the data the subrecipient has provided for the CAPER?
- 3 Record Retention – Is there a process for determining which records need to be retained and for how long?
4. Site Visit (where applicable) – Is the information revealed by a site visit consistent with the records maintained by the subrecipient and with data previously provided to the grantee? Explain any discrepancies.
 - a. Is the project manager located on-site and running the day-to-day operations? Do the staff seem fully informed about program requirements and project expectations? Explain.
 - b. Is the project accomplishing what it was designed to do? Explain any problems.

D. Financial Management Systems [85.20 (local governments) and 84.21–28 (non-profits)]

1. Systems for Internal Control – Are systems in compliance with accounting policies and procedures for cash, real and personal property, equipment and other assets (85.20(b)(3) and 84.20(b)(3))?
2. Components of a Financial Management System – Review the chart of accounts, journals, ledgers, reconciliation, data processing, and reporting system. Note any discrepancies.
3. Accounting – Compare the latest performance report, drawdown requests, bank records, payroll records, receipts/disbursements, etc. Note any discrepancies.
4. Eligible, Allocable, and Reasonable Costs – See OMB Circulars A-87, A-122. Pay particular attention to the time distribution records where the subrecipient has employees who work on both CDBG and non-CDBG funded activities. Note any discrepancies.
5. Cash Management/Drawdown Procedures – See Treasury Circular 1075, 85.20(b)(7), and 84.20. Has all cash been promptly drawn down and deposited? Are all drawdowns of Federal funds properly recorded? Note any discrepancies.
6. Management of Program Income – If the subrecipient generates program income, refer to 570.504 and the Subrecipient Agreement about its use. Note any discrepancies.
7. IPA Audit Reports/Follow-up – (OMB Circular A-133) Determine if the subrecipient has expended \$500,000 or more in Federal funds for the subject program year.

IPA Audit Required Yes___ No___ N/A___
Date Conducted_____

Any findings related to CDBG activity? Status? Explain.

8. Maintenance of Source Documentation – (85.20(b) and 84.20(b)) Note any discrepancies in sample records, invoices, vouchers and time records traced through the system.
9. Budget Control – Do actual expenditures match the line item budget? Refer to 85.20(b)(4) and 84.20. Note any discrepancies.

E. Insurance

1. Has the subrecipient submitted a current copy of its Certificate of Insurance?
2. Is the County named as an additional insured?

F. Procurement

1. Procurement Procedures – Do the procedures the subrecipient uses for procurement of goods and services meet CDBG requirements? Review a sample number of procurements.
2. Conflict of Interest – How does the subrecipient assure there was no conflict of interest, real or apparent? Review the process and comment.

G. Equipment and Real Property

1. Has the subrecipient acquired or improved any property it owns in whole or in part with CDBG funds in excess of \$25,000? If yes, review for compliance with 570.503(b)(7).
2. Has the subrecipient purchased equipment with CDBG funds in excess of \$1,000? Does the subrecipient maintain the records required at 84.34?
3. Has a physical inventory taken place and the results reconciled with property records within the last two years?
4. If the subrecipient disposed of equipment/property that was purchased with Federal funds within the last five years:
 - a. Were proceeds from the sale reported as program income?
 - b. Did the grantee approve expenditure of program income?
 - c. Was the program income returned to the grantee?

H. Non-Discrimination and Actions to Further Fair Housing

1. Equal Employment Opportunity – Refer to 570.506, 601 and 602. Note any deficiencies.
2. Section 3 – Opportunities for Training and Employment for Local Residents – Refer to 570.506(g)(5) and 570.607(a) (affirmative action). Note any deficiencies.
3. Fair Housing Compliance – Refer to 570.904 and 570.601(b). Note any deficiencies.
4. Requirements for Disabled Persons – Refer to 8.6. Note any concerns.

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5. Women and Minority Business Enterprises – Refer to 570.506(g), 85.36(e), and 84.44, affirmative steps documentation. Note any concerns.

I. Conclusion and Follow-up

1. Is the subrecipient meeting the terms of the Subrecipient Agreement and HUD regulations? Discuss both positive conclusions and any weaknesses identified.
2. Identify any follow-up measures to be taken by the grantee and/or the subrecipient as a result of this monitoring review.
 - a. List the required schedule for implementing corrective actions or making improvements.
 - b. List the schedule for any needed technical assistance or training and identify who will provide the training.

Project Monitor

Date

Sample Monitoring Letter

Date

Mayor, President, Executive Director
Municipality, Township, Agency Name
Address
City, IL Zip

Re: Community Development Block Grant Program (CDBG) Project Monitoring
Project #:
Project Title:

Dear Mayor, President, Executive Director:

Cook County's Bureau of Economic Development submits this letter is to communicate the results of the monitoring visit conducted on Date for the above referenced project. The basic monitoring entailed a review of the Subrecipient files and subsequent evaluation of project implementation. This assessment was undertaken to fulfill Cook County's record keeping requirements, as well as, assure completion of the project within 12 months of the Notice to Proceed.

The projects were reviewed in the areas of accountability, financial management, procurement, cost allowances, fair housing and national objectives for compliance with the following guidelines:

- o The CDBG Subrecipient Agreement - including all exhibits
- o Project File Checklist of Required Documentation
- o Recommended File organization system

The monitoring visit revealed adequate record keeping, and no findings resulted from this monitoring.

The County's monitoring procedures were limited in scope to those stated herein. Our procedures were substantially less than an audit, which your CPA firm will conduct, in compliance with the Single Audit Act and the CDBG Subrecipient Agreement. This monitoring does not substitute for an Audit. There may be audit findings in any of the monitored areas, since an audit would supersede information contained herein. You are reminded to submit a copy of your audits, when completed to the Bureau of Community Development, Attention: Financial Control Director.

We would like to thank you for the cooperation extended during the monitoring visit. If you have any additional questions, please call me at (312) 603-1000.

Sincerely,

Planner Name
Community Development Planner

cc: Sylvia Parham, Grants Manager
File

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Sample Risk Analysis

COOK COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM RISK ANALYSIS ASSESSMENT FORM (SUBRECIPIENT MONITORING)

Date of Monitoring
Risk Analysis Assessment: _____

Subrecipient Name: _____

Subrecipient Location/
Facility: _____

Subrecipient Staff
Contacts: _____

CDBG Project #: _____

Notice to Proceed Date
(Effective): _____

Project Budget
Authority: _____

Date Subrecipient last
monitored: _____

New Subrecipient: Yes: _____ No: _____ N.A. _____

Findings or Concerns as of last monitoring visit:
If Yes, have findings or concerns been addressed
adequately by the Subrecipient? Yes: _____ No: _____ N.A. _____

Any additional follow-up necessary? Yes: _____ No: _____ N.A. _____

Are CDBG funds being spent in a timely
or appropriate manner? Yes: _____ No: _____ N.A. _____

Any Evidence of critical staff turnover
during the past year? Yes: _____ No: _____ N.A. _____

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COOK COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM Subrecipient Risk Analysis Assessment Form

**Overall Subrecipient Risk Analysis
per Indications of Assessment Review:**

No Risk: _____

Slight Risk: _____

Strong Risk: _____

Monitoring Action Recommendation:

Desk/ IDIS Monitoring: _____

**Regular Field Site
Monitoring Visit:** _____

**Extensive Field Site
Monitoring Visit with
Financial Follow-up:** _____

CHAPTER 7: MONITORING

Sample Risk Analysis Matrix

Subrecipient: _____
 Project Number: _____
 Planner's Name: _____

Total Score: _____
 Date: _____
 Reviewer Initials: _____

RISK FACTORS	SCORING CRITERIA					AVG.
	10	20	30	40	50	
<i>Program Complexity</i>						
Project Award Amount (select one):						
\$200,000 or above						
\$50,000 - \$200,000						
\$50,000 or below						
Funds Assist (select one):						
Program and Operations						
Program Only						
Operations Only						
Subrecipient Receives Other Funds: <i>(during ranking consider ratio & amount)</i>						
Activity Generates Program Income: <i>(during ranking consider ratio & amount)</i>						
Subrecipient Engages in two or more CDBG Funded Activities						
Subrecipient Organization (select one):						
<i>(during ranking consider size, stability, age, & independent resources)</i>						
Non-profit						
Municipalities						
Public Services						
<i>(during ranking consider required L/M income documentation; lesser risk if limited clientele for eligibility)</i>						
Public Facilities						
<i>(during ranking consider known complexity & extent of subrecipient prior experience)</i>						
RISK FACTORS	SCORING CRITERIA					AVG.
	10	20	30	40	50	
<i>Cont'd Program Complexity</i>						

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	Capital Improvements <i>(during ranking consider known complexity & extent of subs prior experience)</i>						
	Housing <i>(during ranking consider size, rehab, & subrecipient prior experience)</i>						
	Economic Development (select one):						
	<i>(during ranking consider known complexity & extent of subrecipient prior experience)</i>						
	Job creation/retention, client eligibility						
	Area Benefit						
	Provide direct financial assistance						
	Provide technical assistance						
	Subrecipient Capacity						
	Subrecipient is (select one):						
	Newly incorporated						
	We established, but new to Cook County's CDBG Program						
	Ongoing, but adding new activities						
	Ongoing and continuing activities						
	Administrative Structure/Procedures appear appropriate for funds accountability						
	Program Procedures appear appropriate to deliver/verify/record L/M benefit						
	Rate of progress toward completing activities						
	Ability to overcome and avoidance of past problems						
	Staff Capability <i>(during ranking consider experience & training)</i>						
	Staff Turnover <i>(during ranking consider number, frequency & reason)</i>						
RISK FACTORS		SCORING CRITERIA					AVG.
		10	20	30	40	50	
Recent Problems							
	Inaccurate or Incomplete Performance Reports						
	Major Unresolved Audit Findings						

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	Major Displays or Failure to Provide Data						
	History of Project Cancellation (not justifiable)						
	Citizen Complaint Investigations						
	Persistent Difficulties with the Payment Request Process (29A Submittals)						
<i>Past On-Site Monitoring</i>							
	Rank if not monitored within the last year						
	Scope of last monitoring visit						
	Inability to clear findings adequately & expeditiously						