



# 2019 Program Year CDBG Subrecipient Workshop for Infrastructure Activities



EQUAL HOUSING  
OPPORTUNITY

# Funding Sources

<b>2019 Funds Available</b>		
	2019 CDBG Formula Entitlement	\$1,583,493
	2019 Program Income	\$75,000
	2017-2018 Deobligated Funds/Projects	\$15,000
<b>Total 2019 Budget</b>		<b>\$1,704,962</b>
<b>2019 Budget Allocation</b>		
	2019 City of Spokane Valley Set-Aside	\$316,699
	2019 Program Administration	\$331,699
	2019 Public Service Projects	\$244,947
	2019 Public Facilities, Infrastructure, Economic Development, Housing Projects, etc.	\$811,617
	2018 Federal Allocation Unobligated to be Carried Over to 2019	\$31,469
<b>Total 2019 Budget Allocated</b>		<b>\$ 1,704,962</b>

# Roles CDBG

- **US Department of HUD**

- CDBG Funding
- CDBG Oversight
- CDBG Monitoring
- CDBG Labor Compliance



- **Spokane County**

- CDBG Needs Assessment – Consolidated Plan
- Annual Action Plans and CAPERS to HUD
- Monitored by HUD for compliance

- **Subrecipients**

- Carry out projects & fulfill obligations
- Comply with contract / agreement / Davis Bacon

# Requirements

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- Compliance
    - Agreements & Documents (bid specs)
    - Amendments – requires written request
    - Technical Assistance – to Prime & Subs etc.
    - Monitoring - desk & on site- employees & location
    - HUD Income Limits (application area-wide)
    - Davis Bacon Requirements must be met
  - Reporting
    - Progress Reports
    - Timely submission of requests for reimbursement
- Submission by USPS or Electronic (not both)

# Amendments



- Amendment requests must be submitted to HCD Program staff in writing.
- Agreements may only be amended in writing and agreed to by all parties.

# Documents for CDBG Project Management

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All documents for CDBG project management can be downloaded at:

<https://www.spokanecounty.org/4134/CDBG-Subrecipient-Management-Documents>

- 2019 Playing by the Rules
- 2019 Income Limits
- Signature Authorization Sample
- Letter Single Entity Notarized letter for SAM Example
- Sample Summary Doc 1
- Sample Summary Doc 2
- Infrastructure Project Management 101
- Project Closure Retainage Release Guidance
- Annual Action Plan Amendment Policy
- Grievance Policy
- Fiscal Policies and Procedures Template
- Monitoring Fraud and Abuse Policy Template

# Agreements & Documents

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**Agreements must be submitted with the following documents:**

- 2 Signed Copies of Agreement
- Proof of Insurance Form
- Exhibit B - Applicant Assurances
- Exhibit E - Anti Lobbying (if applicable)
- Exhibit F - Federal Funding Accountability and Transparency Act of 2006 (FFATA)
- Exhibit G - Audit Form



# Other Requirements

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# Insurance

- Up to date & current insurance **must be** on file before request for funds will be processed.
- Insurance Company needs to have:
  - A- or better AM Best rating
  - VII or better Financial Size
- Professional Liability- 1million/3 million
  - Errors and Omissions
  - Fidelity bond
- General Liability- 1 million/2 million
- Auto- 1 million
- Certificate Holder- Spokane County
- Additionally Insured Endorsement must be on a separate page:
  - Spokane County
  - Certificate Holder

# FFATA

## Federal Funding Accountability and Transparency Act

- Federal grant subrecipients are required to provide all applicable entity information required by FFATA and OMB Guidance.
- Required information:
  - DUNS number
    - Entity must have a Data Universal Numbering System (DUNS) number obtained from the firm Dun and Bradstreet (D&B) ([www.dnb.com](http://www.dnb.com)).
  - Names & total compensation of the 5 most highly compensated officers *if*
    - In the preceding fiscal year, entity received 80 percent or more of its annual gross revenues from federal awards and \$25,000,000 or more in annual gross revenues from federal awards; **AND**
    - The public does not have access to this information about the compensation of the senior executives of the organization.

# Affirmatively Further Fair Housing – The LAW

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- Subrecipients receiving HUD funds must display a fair housing poster in office location. (city hall)
- Must be posted for monitoring *visit (along with income limits)*

# BEFORE FIRST REQUEST HCD MUST HAVE

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- SIGNATURE AUTHORIZATION FORM FOR THE CURRENT PROGRAM YEAR AND PROJECT
- CERTIFICATE OF INSURANCE WITH CORRECT AMOUNTS AND NAMING SPOKANE COUNTY
- FFATTA FORM
- APPLICANT ASSURANCES
- AUDIT FORM
- MUST BE REGISTERED IN SAM

# Technical Assistance



- HCD Staff shall provide technical assistance to all Subrecipients to ensure compliance with their agreements and federal, state and local regulations.
- Please contact your designated HCD Program Staff for assistance.
- SAM registration - renewals required annually

# Monitoring



- Subrecipient's transactions and other significant events are to be clearly documented and the documentation shall be readily available for monitoring by CSHCD.
- Monitoring may include site visits for employee interviews, desk monitoring of certified payrolls and fiscal review of expenditures.

# Progress Report

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- Subrecipient shall prepare, complete and submit reports and other information as required by the County to demonstrate compliance with applicable regulations
- Reports will be submitted in the formats provided by the County.
- All reports unless otherwise specifically noted will be due Quarterly, by the 15th of the month
- End of Year Report is due ASAP when project is completed.



# Request for Reimbursement

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- Subrecipients should submit requests for reimbursement by the 15th of each month for the prior month.
- CSHCD may request submittals prior to the 15<sup>th</sup>, especially on two critical months:
  - End of Calendar Year
  - End of Program Year
- Reimbursement requests must be submitted on the CSHCD provided invoice template.
- Request for reimbursement should include a summary of expenditures (see samples) and any other documentation requested by CSHCD

# Internal Controls & Financial Records

- **2 CFR Part 200** - Subrecipient needs to be aware of cost eligibility as defined in 2 CFR.
  - **Chapter 2 of “Playing by the Rules”** - Subrecipient should review this document for cost eligibility. (Found on the website)
  - **Subrecipient Agreement** - Management and Fiscal Staff needs to review agreement in it’s entirety.
- **Financial Management System** –at a minimum shall include source documentation in support of allowable actual costs necessary to indicate costs incurred by the Subrecipient directly relating to the cost identified in the Budget.
- **Records Retention** - All Subrecipient agreements require 6 years from the date the agreement ends.
- **Internal Controls** – Subrecipient shall establish effective internal controls that provides reasonable assurance that the award is managed in compliance with Federal, State and Local requirements.
- **Fraud & Abuse** – Subrecipient shall establish, maintain and utilize internal systems and procedures sufficient to prevent, detect and correct incidents of waste, fraud and abuse.

# Audit Requirements

- If Subrecipient expends a total, from all income sources, of Seven Hundred and Fifty Thousand Dollars, (\$750,000.00) or more of federal funds per fiscal year, the Subrecipient must have a single or program-specific audit conducted of its financial statement and condition.
- The Subrecipient shall submit its audit report, including any “Management Letter no later than thirty (30) days after completion of the audit.
- If Subrecipient expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards, Subrecipient records must be available for review or audit.
- If Subrecipient is exempt from Federal audit requirements yet has an annual independent fiscal audit conducted of its financial statement and condition, the Subrecipient shall submit the completed independent audit and audit report to the County within 30 days of completion.

# Fiscal Policies & Procedures

- The subrecipient shall develop and adopt fiscal policies and procedures that cover at minimum the following topics:
  - Internal Controls
  - Financial Planning & Reporting
  - Revenue & Accounts Receivable
  - Expense & Accounts Payable
  - Procurement
  - Asset Management
  - Record Retention & Destruction
  - Fraud & Abuse

A Sample Policy & Procedures has been developed and is available on website

# Infrastructure NEED TO KNOW

- Selection of engineering firm must go through a public process and professional services agreement provided to CSHCD
- Bid Specs must be approved by CSHCD prior to publication and must include federal wage determination
- The PRIME Contractor must provide copies of contractor/subcontractor agreements to CSHCD prior to start of work by Subs
- Subcontractors must be registered in SAM prior to start of work by that sub.
- Municipality or their representative is expected to assist CSHCD in gaining the required documents from the Prime prior to the start of work and certified weekly payrolls.
- No retainage bonds will be accepted by Spokane County CSHCD
- 5% of total contract will be withheld for retainage and released when all close out documents have been reviewed and accepted by CSHCD

# Prevailing Wages Web Location Change

- Beginning 5/29/2019 required to use new website:  
<https://beta.sam.gov/>
- Login required, register now for future projects to access prevailing wage decisions to be used for HUD funded infrastructure improvements.
- Auto redirect from DOL website will begin on June 14, 2019.
- Videos are available on youtube and on sam.gov
- See attached document for details.

# Davis Bacon and Related Acts

## Prime Contractor

- Inform Subs of Federal Prevailing Job
- Provide contractor/subcontractor agreements – copies to HCD
- Provide prevailing wages and posters to subs for work site.
- POST wages and poster at work site
- Provide weekly certified payrolls

## Sub Contractors

- Provide proof of SAM prior to work
- Post prevailing wages and Poster at work site
- Provide Prime contractor certified payrolls weekly or “no work” forms
- Fringe benefit documents
- Apprenticeship documents



# THANK YOU

Please reach out to us at Spokane County's Community Services, Housing, and Community Development Department should you have any questions or concerns.

**email** [tlandsiedel@spokanecounty.org](mailto:tlandsiedel@spokanecounty.org)

**web**

<https://www.spokanecounty.org/4134/CDBG-Subrecipient-Management-Documents>



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