

NJ CDBG-Disaster Recovery Program (Hurricane Irene)

HANDBOOK

GRANT MANAGEMENT

CDBG-DISTASTER RECOVERY PROGRAM HANDBOOK

GRANT MANAGEMENT

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GRANT MANAGEMENT PLAN STANDARDS & PROCEDURES

(Effective as of February 1, 2009)

The CDBG-Disaster Recovery Program requires a great deal of administrative oversight. The federal statute and implementing regulations as well as all other applicable laws require careful attention by qualified people selected by the grantee. Because administration is so important in implementing a Small Cities project, the grantee must submit a GRANT MANAGEMENT PLAN to the Department for approval. The GRANT MANAGEMENT PLAN must:

1. Identify one person, either an employee or elected official, as Project Director. The Project Director shall be responsible for overseeing all grant activities and must certify that Monthly Fiscal and Program Progress Reports are accurate.
2. Identify one person as Project Coordinator with overall responsibility for day to day administration of the grant and liaison with the CDBG-Disaster Recovery Program. The Project Coordinator may be an employee or consultant hired by the Grantee for this purpose, but may not be the Project Director or Chief Financial Officer for that unit of local government (i.e., the grantee).
3. Identify the person serving as Chief Financial Officer for the grantee who will be responsible for fiscal administration of this grant.
4. Persons serving in any of the above administrative positions may not serve in any other official capacity related to this grant.
5. Identify all other persons having any responsibility for implementing the grant. Such persons may include housing inspectors or cost estimators, engineers, architects, Lead Paint Inspectors, and Labor Standards Compliance Officer (the Project Coordinator normally has responsibility for labor standards compliance, but exceptions are allowed in certain cases).
6. Identify all administrative tasks required to implement the grant, estimating the time it will take to complete them and specifying which person(s) identified above has direct responsibility for each task.
7. Provide a schedule which indicates when each task is to be undertaken and completed.
8. Provide names, qualifications, addresses (including email), cell, and telephone/fax numbers of all persons identified above. Where a consultant is involved, all individuals participating in grant activities must be identified.
9. The Grant Management Plan must be approved by Resolution at an official meeting of the governing body, as well as any changes made in the future. Both the Grant Management Plan and Resolution must be submitted to your DCA Program Manager for approval.

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Policy and Procedures For Consulting Services

1. Grantees that hire consultants with program funds must submit draft consultant agreements to the Department for approval. No funds will be released for such costs until the Department has approved the respective consultant agreement.
2. Consultant fees must be based upon specific work products not on a fixed time basis. A fixed monthly consultant fee regardless of work actually performed is prohibited.
3. The Department will process payment requests for consultant services only when accompanied by a specific work product that has been accepted by the grantee or for a specific service performed that the grantee certifies as acceptable.
4. It is the grantee's responsibility to determine the need for consultant services in the overall management of the grant.
5. The grantee will designate a person to work with and oversee the consultant for the purpose of assuring that work products and services are acceptable.
6. Grantees must take and document affirmative actions to involve minority and female-owned businesses in the implementation of the project. Local consulting services must also be solicited for consulting contracts.
7. Each consulting services contract will be reviewed by the Department to insure that it includes the following information:
 - a) A description of each task to be performed and/or service to be provided and the product(s) or service(s) to be delivered. Sizeable tasks may be divided into discrete parts for the purpose of providing progress payments.
 - b) The length of time estimated to complete each task or service with either an hourly or per diem cost accompanied by a schedule for completion of each product or service identified.
 - c) The method of payment, the standard of performance (e.g., specific work product or service), and the actual cost.
 - d) A provision that permits the grantee to modify, suspend, or terminate the contract for deficient performance.
8. Grantees must prepare and retain records which describe the process used to select consultants retained to perform grant-related activities and the reasons for selecting those retained.

Note: The fact that a consultant is performing other services for the grantee is not in itself an adequate justification for selection.

Setting Up Your Grant Account

It is recommended that each Grantee establish a separate, non-interest bearing checking account for each CDBG-Disaster Recovery Program grant. Funds received from the Department should be deposited in this account and checks to pay bills drawn on that account.

Funds should only be requested from the State to cover incurred costs and/or bills received. CDBG-DR funds must be disbursed within five days of receipt. Any interest that does accrue must be returned to the federal government.

By establishing your account in this way, auditing of the account later will be simple and problems and confusion avoided. If you need additional information, contact your assigned Program Representative.

Local Recordkeeping Standards

Contract Records

- A. Grantee application to which one can refer
- B. Copy of executed grant agreement
- C. Copies of executed amendments
- D. General correspondence
- E. Log of visitors

Fiscal Records

- A. Books of Original Entry
 - 1. Charts of Accounts
 - 2. Voucher - Register
 - 3. Cash Receipts Journal
 - 4. Cash Disbursements Journal
 - 5. Payroll Journal
 - 6. General Journal
 - (all other entries not affecting cash, e.g. depreciation, sale of fixed assets, etc.)
 - 7. General Ledger
 - 8. Year-To-Date Trial Balance
- B. Internal Review Questionnaire and Documentation Guide
- C. Monthly Fiscal Monitoring Report
- D. Copy of New Jersey State Payment Voucher
- E. Copy of audit of CDBG-Disaster Recovery Program and responses to any findings indicated
- F. Vendor Contracts
- G. Vouchers, Invoices, etc.
 - (alphabetically and chronologically or numerically by document #)
- H. Time Sheets for all CDBG-Disaster Recovery Program Personnel
- I. Inventory of personal property, indicating serial number and location

General Program Records

- A. Copy of all Program Progress Reports
- B. Chronological file for memos of meetings, changes, etc.
- C. Copy of staff field inspection and progress reports
- D. Grant Management Plan

Environmental Review

- A. For every project, the recipient must maintain an Environmental Review Record (ERR) that includes the following:
 - a description of the project and all project activities;
 - an evaluation of the project and all activities on the human environment;
 - documentation of compliance with applicable statutes and authorities (24CFR 58.5 and 24CFR 58.6);
 - written determinations and findings (e.g., exempt and categorically excluded project determinations, findings of no significant impact);
 - documentation to support findings; and
 - public notices and proof of publications, as required.
- B. Departmental correspondence concerning the ERR including the Request For Release of Funds and Certification and Notice of Approval For Release of Funds and Environmental Certification.
- C. Correspondence from objectors and municipal replies to objections and other public requests for environmental review information.

Civil Rights

The following items should be kept in the Grantee's Civil Rights File:

Fair Housing

- A. A copy of the Fair Housing Resolution adopted by the Grantee's ruling body.
- B. Copies of internet requests or letters to the N.J. Department of Law and Public Safety and the U.S. Department of Housing and Urban Development requesting fair housing information and copies of fair housing materials received.
- C. A Copy of the Public Notice announcing the Fair Housing Program.
- D. Supporting documentation of actions taken regarding fair housing. Such documentation may include records on funds provided, if any, for such actions; list of places where notices were posted; list of places where fair housing literature was distributed; written discrimination complaint procedures; minutes of fair housing meetings.

Minority & Women's Business Enterprise

- F. Documentation of efforts to inform and contract with minority & women-owned businesses (e.g., advertisements, list of minority and women's business enterprises contacted).

Equal Employment

- G. Employment data indicating the racial/ethnic characteristics and sex of the Grantee's employees responsible for carrying out an activity funded in whole or in part with CDBG funds. The data may be reported on the FR-2 form provided or on the Equal Opportunity Commission's EEO-4 form. The data should be compiled at the beginning of the grant period and updated during the term of the agreement as necessary.
- H. If the Grantee hires staff to implement the CDBG program, written personnel policies, advertisements, and other documentation consistent with equal opportunity employment law and regulations must be on file.

Equal Opportunity

- I. FOR DIRECT BENEFIT ACTIVITIES - Data documenting the extent to which persons participated in or benefited from any program or activity funded in whole or in part with CDBG funds. Records must be kept by race, ethnicity, handicapped status and gender of heads of household (Use the FR-1 form provided).
- J. FOR AREAWIDE ACTIVITIES - Data on the characteristics of those benefiting from CDBG funded activities (From application).
- K. Data indicating the race and ethnicity of households, and handicapped status of persons displaced as a result of CDBG activities, including the address to which each displaced household relocated. Where activities cause a significant level of displacement of businesses, data indicating the impact on businesses owned by women and minorities must also be provided.
- L. Documentation of actions taken to overcome the effects of prior discrimination as determined through a formal compliance review or court proceedings (if applicable).

Labor Standards

- A. Contract documents which contain actual wage rates used and which were included in the solicitation and award documents.
- B. Contracts containing proper and applicable labor standards provisions. File may also contain certification from contractor.
- C. Evidence that the recipient inquired and was informed that the successful bidder and all subcontractors were not on list of debarred contractors.
- D. Actual payrolls submitted & evidence that payrolls were reviewed by Grantee.
- E. Evidence that worker interviews were conducted.

Citizen Participation

- A. Evidence that the recipient has held a performance hearing at the point the project is approximately 50% complete including:
 - a copy of the display advertisement and proof of publication announcing the hearing;
 - a copy of the performance hearing minutes;
 - a copy of the performance hearing attendance sheet; and
 - correspondence from citizens in response to the advertised hearing and responses from the recipient.
- B. A copy of the resolution adopting the State Citizen Participation Plan as approved by the governing body of the recipient.
- C. Record of citizen complaints received, written replies issued by the recipient and records concerning the disposition of complaints.

Uniform Relocation Assistance And Real Property Acquisition

The following information shall be maintained for at least three years after each owner of the property and each person displaced from the property have received the final payment to which they are entitled.

Acquisition

- A. Identification of property and property owner(s). Evidence owner was informed on a timely basis about acquisition and his/her rights.
- B. Copy of each appraisal report, including review appraisal report, if applicable, and evidence that owner was invited to accompany each appraiser on appraiser's inspection of the property.
- C. Copy of written purchase offer and summary statement of the basis for the determination of just compensation; date of delivery to owner.
- D. Copy of purchase contract and documents conveying property.
- E. Copy of settlement statement and evidence that the owner received purchase price.
- F. Copy of any appeal or complaint filed and response.

Relocation

- A. Identification of person, displacement property, racial/ethnic group classification, age, sex of all members of household, monthly gross income of all members of household older than 17, monthly rent and average utility costs; type of enterprise, relocation needs and preferences.
- B. Evidence person received timely written notice informing person of eligibility for relocation assistance and related information.

- C. Evidence and dates of personal contracts; a description of services provided.
- D. Identification of referrals to replacement properties, dates of referral, sale or rental price, date of availability, reason(s) for declining referral.
- E. Identification of replacement property, monthly rent and utility costs, date of relocation.
- F. Replacement dwelling inspection report; date of inspection.
- G. Copy of approved claim form(s) and related documentation; evidence that person received payment.
- H. Copy of appeal or complaint filed and response.

Close-Out Records

- A. Final Program Progress & Fiscal Monitoring Report
- B. Final Monitoring Letter
- C. Final Performance Report

Acknowledgement in Advertising

Any advertising of your CDBG-Disaster Recovery Program assistance program must include an acknowledgment of the State's involvement in the program.

Your advertisements in any medium used must contain the following wording in a prominent place:

Financial assistance for this (these) activity(ies) is made possible by a grant from the:

New Jersey Department of Community Affairs
Division of Housing and Community Resources
CDBG-Disaster Recovery Program

Governor
State of New Jersey

Commissioner
New Jersey Department of Community Affairs

Revolving Loan Fund Reporting Procedures

The Grantee shall submit periodic reports to the Department with regard to the operation of the revolving loan fund. The report will be due annually on July 1st for the first two years immediately following grant closeout.

The report will include the following information:

- The activities which the Grantee has assisted during the preceding year through loans made from the revolving loan fund, showing cash flow identifying payment by users, amount of loan, amount of repayment, date of repayment by mode, and special provisions regarding payment if applicable. Example: 3 year balloon, interest free, 2 years, etc.;
- The amounts that the Grantee has disbursed during the preceding report period from the revolving loan fund;
- The amounts which the Grantee has received during the preceding report period in repayment for loans made from the revolving loan fund;
- The approved activities which the Grantee proposes to support during the coming period through loans from the revolving loan funds;
- The amounts which the Grantee will have to disburse during the coming report period from the revolving loan fund; and
- Any other information which the Department may, in its discretion, require regarding the operation of the revolving loan fund.

The Grantee shall take whatever action is necessary or appropriate to secure the repayment of any loan made from the revolving loan fund to be established pursuant to this agreement by requiring any party which receives such a loan to execute a mortgage for any real property acquired or rehabilitated through the use of revolving loan funds. The Department shall be named as a secured party along with the Grantee in any such mortgage or security device.

The Grantee will ensure that at least one of the national objectives will be met as stated in the Housing and Community Development Act of 1974, as amended, Section 101 (c).

Conflict Of Interest

Federal regulations (24 CFR, 570, 570.611) require grantees to request a waiver from the Department based on an actual, potential or appearance of a conflict of interest in the provision of grant related assistance (e.g., housing rehabilitation grants and loans) or in the procurement of supplies, equipment, or construction contracts.

Conflict of interest regulations apply to any person who is an employee, agent, consultant, officer, or elected official of the grantee. Any persons who exercise any functions or responsibilities with respect to CDBG-DR related activities, or have an interest in any CDBG-DR contract, subcontract or agreement, either for themselves or for family members or business associates, are covered by this provision.

The Department may grant a conflict of interest waiver to the Grantee on a case by case basis. Grantees may request a waiver by submitting the following:

A disclosure of the nature of the conflict, including evidence that there has been public disclosure of the conflict (e.g., minutes of a public hearing of the grantee's governing body); and

A written opinion from the grantee's attorney that the interest for which an exemption is sought would not violate State or local law;

Factors that the Department will consider in granting a waiver include:

Whether the exception would provide a significant cost benefit to the grantee or an essential degree of expertise would not otherwise be available;

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

Whether the person affected is otherwise a potential program beneficiary and the exception will result in the person receiving the same assistance as that offered to other program beneficiaries;

Whether the affected person has withdrawn from his or her decision-making role in respect to the specific program activity;

Whether the interest or benefit was present before the affected person was in the conflict of interest situation;

Whether undue hardship will result to the grantee or the affected person; and/or any other relevant considerations.

CDBG-Disaster Recovery Program Financial Review

**Grantee:
Agreement #:**

**Date:
Program Representative:**

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1. Are Federal funds deposited in a separate, non-interest bearing account? OR Are Federal funds accounted for through grant-loan fund control accounts?	_____	_____	_____
2. Do the procedures, charts of accounts, etc., provide for identifying receipts and expenditures of program funds separately for each grant?	_____	_____	_____
3. Does the accounting system provide for accumulating and recording expenditures by grant and cost category shown in the approved budget?	_____	_____	_____
4. Are all disbursements properly supported by evidence of receipt and approval of the related goods and services?	_____	_____	_____
5. Do the supporting documents, such as invoices, purchase orders and receiving reports accompany checks for the check signers' review?	_____	_____	_____
6. Are payroll charges reviewed against program budgets and are deviations reported to management for follow-up action?	_____	_____	_____
7. Are executive authorizations and approvals required for originating expenditures for capitol items?	_____	_____	_____
8. Are at least two signatures required on all checks or on checks over a certain amount?	_____	_____	_____

Write Comments And Findings On The Back Of This Form