



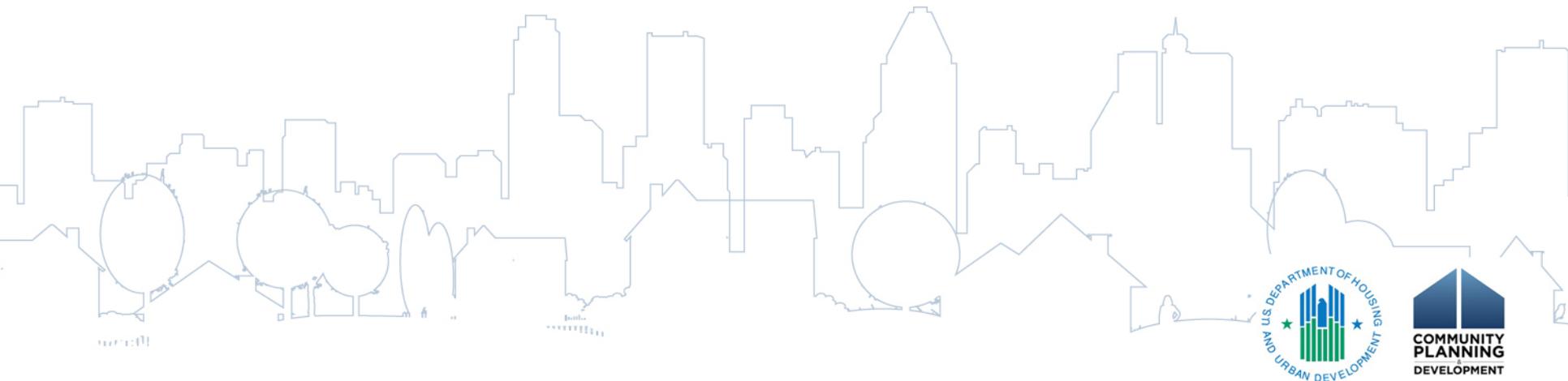
CDBG Disaster Recovery Recordkeeping Requirements & Website Maintenance

U.S. Department of Housing and Urban Development

Welcome

Goal for today:

To get a broad understanding of the CDBG-DR recordkeeping and website maintenance requirements.



Why is Recordkeeping Important?

- Accurate recordkeeping is crucial to the successful management of CDBG-funded activities
- Insufficient documentation is likely to lead to monitoring findings, even if project implementation has been “successful”
- A record of a project or activity should tell the story on its own
- Monitoring findings will be harder to resolve if records are missing, inaccurate, or inadequate



Overview

- Goals and regulatory citations
- Recordkeeping requirements for:
 - General Administration
 - Financial Transactions
 - Projects and Activities
 - National Objectives
 - Income Eligibility
 - UGLGs and Subrecipients
 - Waivers and Alternative Requirements
- Record Retention and Access
- Tips and Tricks for improving Recordkeeping
- Website requirements



Key Recordkeeping Goals

- Maintain a clearly defined process for acquiring, organizing, storing, retrieving and reporting information about CDBG-funded activities
- Have a clearly identified person(s) responsible for recordkeeping and reporting tasks, and ensure they are properly trained and supported
- Create standardized policies and procedures to streamline the recordkeeping and reporting process
- Ensure the removal of duplicative records



Regulatory Citations

- CDBG Entitlement Communities
 - Section 104(e); (a)(2)(D) and (a)(3)(b)
 - §570.506 (records to be maintained)
 - §570.508 (public access to records)
- CDBG States
 - Section 104(e); (a)(2)(D) and (a)(3)(b) and §570.490
 - States and HUD will jointly agree on required records
 - States establish recordkeeping requirements for UGLGs
 - States and UGLG records must include FHEO data on applicants, participants, beneficiaries, and cross cutting requirements



Federal Registers, Waivers and Alternative Requirements

- CDBG Disaster Grantees may have additional record keeping requirements:
 - Described in *Federal Register* Notices to comply with Appropriations Acts
 - Due to waiver and alternative requirements
- Grantees should check:
 - *Federal Register* Notices for additional record keeping requirements; and
 - With CPD Rep to determine what additional records, if any, should be kept to comply with waiver requests approved by HUD



General Administrative Records

- Published Action Plans and amendments, certifications, etc.
- Executed grant agreement(s)
- Description, geographic location and budget of each activity
- Eligibility and national objective determinations for each activity
- Personnel files
- HUD monitoring correspondence
- Citizen participation compliance documentation
- Fair Housing and Equal Opportunity records
- Environmental review records
- Documentation of compliance with crosscutting requirements (e.g., Davis-Bacon, Uniform Relocation Act, and Lead-Based Paint)



Financial Records

- Chart of accounts
- Accounting procedures
- Accounting journals and ledgers
- Source documentation (purchase orders, invoices, canceled checks)
- Procurement files (including bids, contracts, etc.)
- Real property inventory
- Bank account records (including RLF records, if applicable)
- Draw down requests
- Payroll records and reports;
- Financial reports
- Audit files; and
- Relevant financial correspondence

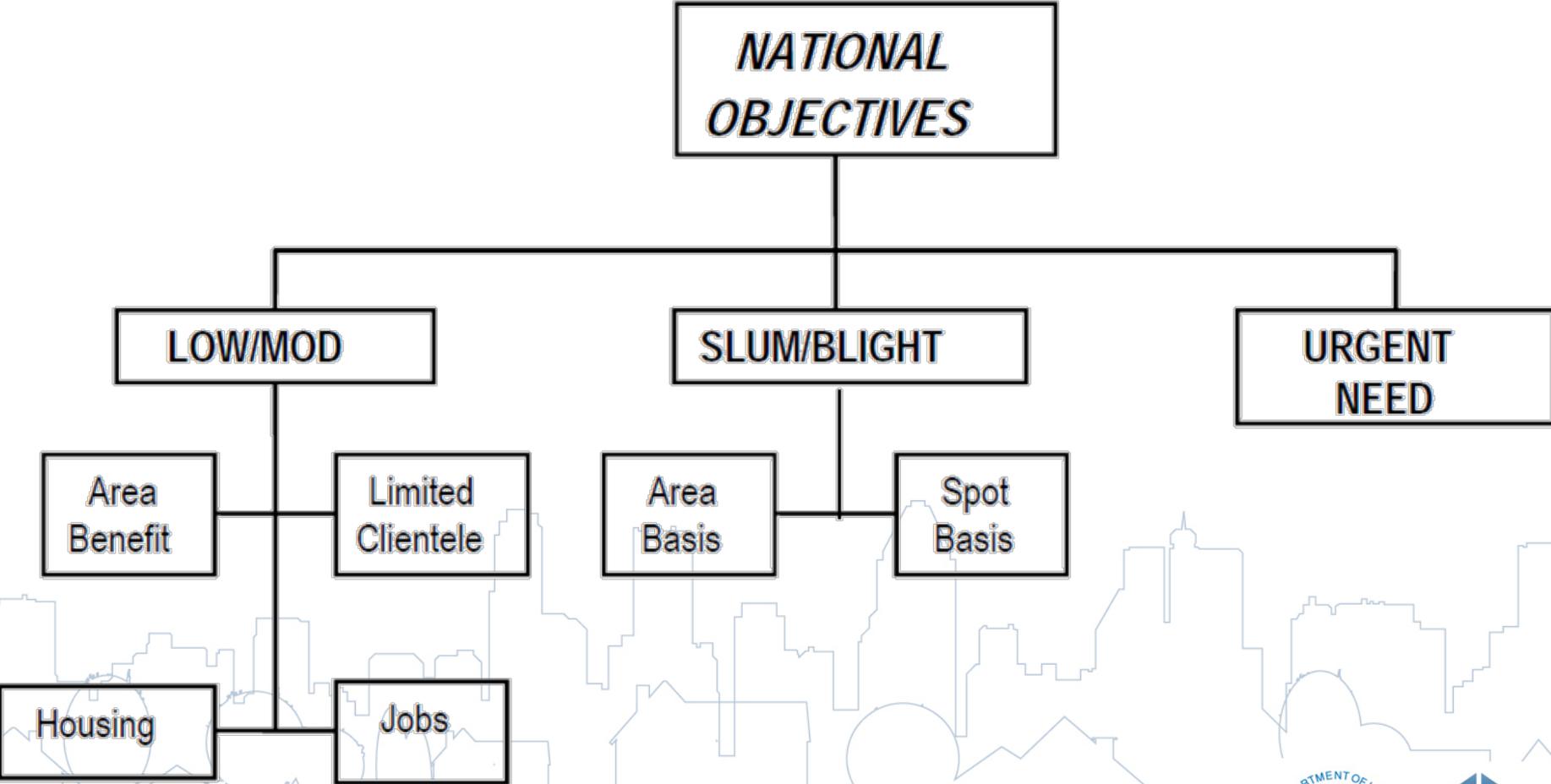


Project and Activity Records

- Eligibility of the activity
- Evidence of having met a national objective (covered in following slides)
- UGLG agreement (if applicable)
- Any bids or contracts
- Characteristics and location of the beneficiaries
- Compliance with special program requirements (e.g. environmental review records)
- Budget and expenditure information (including draw requests)
- The status of the project/activity

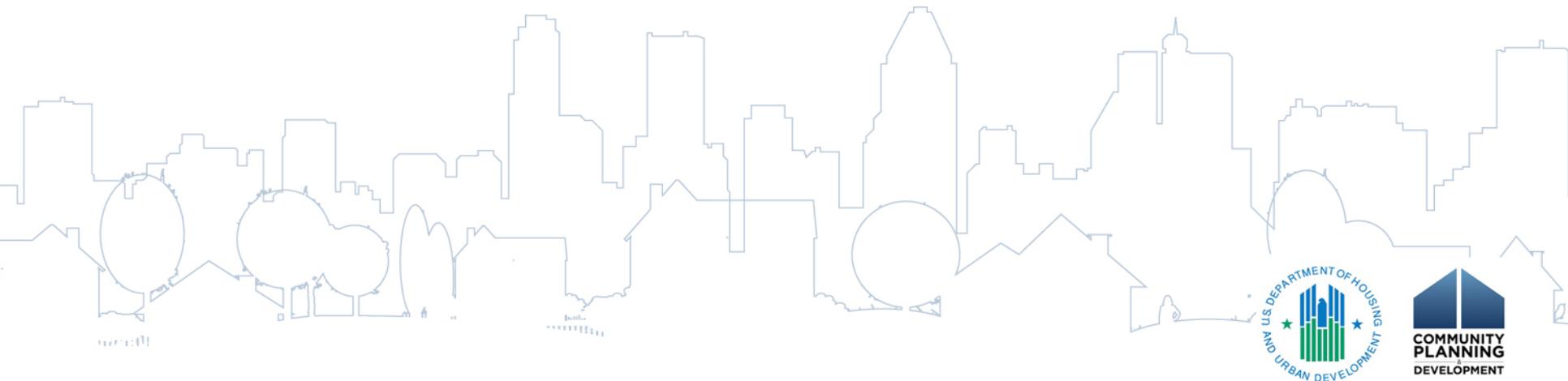


Documenting National Objective



Documenting LMI Area Benefit

- Boundaries of the service area; and
- Income characteristics of residents of the entire service area
 - Census
 - Survey



Documenting LMI Area Benefit: LMISD

- Low- and Moderate-Income Survey Data (LMISD)
 - Previously based on 2000 Census
 - Updated for 2014
 - American Community Survey (ACS) 5-Year 2006-2010 survey
- CPD-15-05
 - Guidance for CDBG-DR grantees transition to the use of the 2014 LMISD
- DRGR Fact Sheet and Webinar posted online



Documenting LMI Area Benefit

- The service area must be populated by at least 51% LMI persons using census tracts and block groups from the LMISD
- HUD-Defined Exception Grantees (“Upper Quartile”)
 - Some communities have no or very few areas in which 51 percent of the residents are LMI. For these grantees, the CDBG law authorizes an exception criterion in order for such grantees to be able to undertake area benefit activities



Documenting LMI Area Benefit

- 24 CFR 570.208(a)(1)(ii) identifies the following methodology:
 - all block groups within the grantee's jurisdiction are rank ordered from the highest percentage of LMI persons to lowest
 - The total number of block groups is divided by 4
 - If the percentage of LMI persons in the last block group in the top quartile is less than 51 percent, that percentage becomes the grantee's LMI threshold



Documenting LMI Area Benefit: Survey

- Survey regulations
 - 24 CFR 570.208(a)(1)(vi) - Entitlements
 - 24 CFR 570.483(b)(1)(i) - States
- The LMISD must be used “to the fullest extent feasible” unless a grantee believes:
 - the data are not current, **or**
 - do not provide enough information regarding income levels in the entire service area



Documenting LMI Area Benefit: Survey

- Entitlements are required:
 - To demonstrate that the method meets standards of statistical reliability that are comparable to the ACS and
 - To have their survey instruments and methodology reviewed and approved by HUD.
- State CDBG regulations at 24 CFR 570.483(b)(1)(a) require that the survey be methodologically sound.



Documenting LMI Area Benefit: Survey

- Determine service area
- Select the type of survey
 - Mail questionnaires
 - Face-to-face
 - Web-based
 - Telephone
- Develop the questionnaire
- Select the sample
- Conduct the survey
- Analyze the results



Documenting LMI Area Benefit: Survey

Table B – Sample Sizes at 95% Confidence Level

Total Number of Families in the Service Area	Sample Size: Number of Families	
	95% Confidence Level	
	Confidence Interval = 4	Confidence Interval = 5
50	46 – 50 (may conduct a census)	43 – 50 (may conduct a census)
60	51 – 59	47 – 57
80	67 – 75	61 – 71
110	89 – 97	81 – 91
150	116 – 124	103 – 113
210	152 – 160	131 – 141
290	192 – 200	160 – 170
400	236 – 244	191 – 201
700	319 – 327	243 – 253
1200	396 – 404	286 – 296
1800	446 – 454	312 – 322
2500	480 – 488	328 - 338

Documenting LMI Clientele

1. Demonstrate the activity is designed for and used by populations presumed to be LMI persons (e.g. seniors, disabled); or
2. Describe how the nature and the location (if applicable) of the activity is used predominantly by LMI persons; or
3. Data showing the household size and annual income of the beneficiary, and that at least 51% of those served are LMI; or
4. Data showing that the activity is a special project removing accessibility barriers.



Documenting LMI Housing

- The total cost of the activity, including both CDBG and non-CDBG funds
- The size, annual income, and FHEO characteristics of households occupying CDBG-assisted and designated LMI units
- A copy of the written agreement indicating the total number of dwelling units and the number of LMI units
- For rental housing only:
 - Rent charged (or to be charged) after assistance for each assisted unit
 - Documentation showing the affordability of units occupied (or to be occupied) by LMI households



Documenting Job Creation and Retention

- Three ways to meet the LMJ National Objective
 - Job Creation
 - 51% of new jobs made available to LMI persons
 - 51% of new jobs held by LMI persons
 - Job Retention
- Measured by Full Time Equivalent (FTE)



Job Creation – Made Available To

- Written agreement of each assisted business must include:
 - A commitment to make at least 51% of FTEs created available to LMI persons, and will provide training for any of those jobs, if necessary;
 - A listing by job title of the permanent jobs to be created, indicating which jobs will be available to LMI persons, which jobs require special skills or education, and which jobs are part-time;
 - A description of the actions to be taken to ensure that LMI persons receive first consideration; and
 - A listing by job title of the permanent jobs filled, which jobs were available to LMI persons, as well as a description of how first consideration was given to such persons.



Job Creation – Held By

- Written agreement of each assisted business must include:
 - A commitment by the business that at least 51 percent of the permanent jobs on a full-time equivalent (FTE) basis will be held by LMI persons;
 - 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 held by LMI persons; and
 - For each LMI 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 the person qualifies as presumed to be LMI based upon location of the business or the person's residence.



Documenting Job Retention

- Written agreement of each assisted business must include:
 - Evidence that the jobs would be lost absent CDBG assistance.
 - A listing by job title of permanent jobs retained, indicating which of those jobs are part-time and which are held by LMI persons.
 - Where applicable, identification of any of the retained jobs (other than those held by LMI persons) which are projected to become available to LMI persons through job turnover within two years.
 - For each retained job held by a LMI person, information on the size and annual income of the household, or evidence the person is presumed LMI based on the business location or the person's residence.
 - For jobs claimed to be available to LMI persons based on job turnover: a description covering the items required for "available to" jobs; and a listing of each job that has turned over to date, indicating which of those jobs were either taken by, or made available to LMI persons.



Documenting Slum/Blight Area

- Boundaries of the area.
- Description of conditions demonstrating how the area met qualifying criteria (i.e. the area meets a definition of a slum, blighted, or deteriorated/ing area under state or local law).
- How the assisted activity addressed one or more of the conditions that contributed to the deterioration of the area.
- For each residential rehabilitation activity:
 - Local definition of "substandard" that must be at least as stringent as the Housing Quality Standards (HQS) used in the Section 8 Housing Assistance Payment Program—Existing Housing;
 - Pre-rehabilitation inspection report describing the deficiencies in each structure to be rehabilitated; and
 - Details and scope of CDBG-assisted rehab by structure.



Documenting Slum/Blight Spot

- A description of the specific condition of blight or physical decay treated; and
- For rehabilitation carried out under this category, a description of the structure, including:
 - The specific conditions detrimental to public health and safety that were identified; and
 - Details and scope of the CDBG-assisted rehabilitation, by structure.



Documenting Urgent Need

113-2 Waiver

- The documentation requirements of urgent need are waived for 113-2 grantees until two years after the date HUD obligates funds to a grantee for the activity.
- Instead, each grantee receiving a direct award under 113-2 must document how all programs and/or activities funded under the urgent need national objective respond to a disaster-related impact identified by the grantee.
 - Grantees must reference in their Action Plan the type, scale, and location of the disaster-related impacts that each program and/or activity is addressing.



Determining and Documenting Income

- Annual income is the gross amount of income anticipated by all adults in a family during the 12 months following the effective date of the determination.
- Three definitions of income:
 - Annual income as defined under the Section 8 Housing Assistance Payments Program (24 CFR 5.609);
 - Adjusted gross income as defined for purposes of reporting under IRS Form 1040 (long form) for Federal individual income tax purposes; and
 - Annual income as defined for reporting under the Census long form for the most recent available decennial Census.



Determining and Documenting Income

To document Income-eligibility grantees can maintain:

- Evidence that the household/person assisted qualified under another program having income qualification criteria at least as restrictive as that used in the definitions of LMI household/person, such as Job Training Partnership Act (JTPA) and welfare programs; **or**
- Evidence that the assisted person is homeless; **or**
- Verifiable certification from the assisted person that his/her family income does not exceed the applicable income limit; **or**
- Referral from a state, county or local employment agency or other entity that agrees to refer individuals it determines to be LMI persons based on HUD's criteria and agrees to maintain documentation supporting these determinations.



Records on UGLGs and Subrecipients

- Application
- Written agreement;
- Financial statements and records;
- Audits;
- Progress reports;
- Draw down requests (with source documentation, including invoices, purchaser orders, etc.); and
- Monitoring reports and correspondence.



Records Retention

- CDBG Entitlement Communities
 - Must maintain records for **four years** following end of program year activity funded
- CDBG States, longer of:
 - Records of state and UGLG retained for **three years from** closeout of HUD's grant with state; OR
 - Keep records relating to State's Con Plan & use of program funds during **preceding five years**; OR
 - Other specified periods:
 - 24 CFR 570.487, other applicable laws
 - 24 CFR 570.488, displacement, relocation, etc.
- Records related to any open audits, reviews, or investigations should be retained



Access to Records

- HUD and the Comptroller General of the United States, or their authorized representatives, have the right to access grantee and UGLG program records.
- Requirements regarding public access to records include:
 - Grantees are required to provide citizens with reasonable access to records regarding the past use of CDBG funds, consistent with applicable state and local laws regarding privacy and confidentiality.
 - The Consolidated Plan regulations require that states provide citizens, public agencies and other interested parties with reasonable and timely access to information and records relating to the jurisdiction's Consolidated Plan and the use of assistance under the programs covered by the Consolidated Plan.



Tips/Tricks for Improving Recordkeeping Practices

- How can the documentation and reporting systems be strengthened?

AKA: How to avoid findings/concerns!

- Create a file checklist for each type of activity. Put the checklist in the file and have someone ensure that all required documents are present and final.
- If you have an electronic system – create a road map for the system to ensure that moving from screen to screen is user-friendly and that it's 100% clear where to go to find the required documents.
- Do your own records monitoring. Have an intern or staff person not familiar with that project walk through a file using the HUD Monitoring Exhibits. Can they answer all the questions using only the information found in the file? Have them check for any duplicate or incomplete records.



Tips/Tricks for Improving Recordkeeping Practices

- What types of records and reports could be automated?
 - Utilization of web-based reporting and file storage
 - Live data feeds to FEMA and SBA
 - Standardized digital intake processes across subrecipients
 - Use of DRGR data upload templates to:
 - Collect and insert beneficiary data into QPR
 - Create vouchers
 - Use of DRGR MicroStrategy reports for:
 - Financial analyses
 - Data clean up



Website Maintenance

- Provide citizens easy and quick access to:
 - Available programs and key contacts
 - Plans and reports
 - Upcoming hearings and other citizen engagements
- Requirements
 - Vary by Appropriation
 - Described in applicable *Federal Registers*
- Achieve compliance with:
 - Citizen Participation requirements
 - Limited English Proficiency (LEP) plan



P.L. 113-2 Website Requirements

- Appropriations Act and *Federal Registers* (3/5/15 and 7/11/14) require the grantee to maintain the following on its website:
 - Published Plan and amendments
 - DRGR Action Plan and QPRs
 - Copies of first level contracts
 - Summary of all contracts and procurement policies
 - Citizen Participation requirements
 - Information on programs and contacts



Recordkeeping And Website Maintenance

THANK YOU

