



**City of Chandler  
Housing and Human Services Commission**

***Community Development Block Grant  
REQUEST FOR PROPOSAL GUIDELINES***

**2017-2018**

*Public Service  
&  
Neighborhood Revitalization*

*Applications Available: October 19, 2016*

*Applications Due: November 22, 2016*

City of Chandler Neighborhood Resources  
235 S. Arizona Avenue  
Chandler, AZ 85225

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# City of Chandler CDBG Funding Criteria & Proposal Guidelines

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<b>2017-18 HHSC Members</b>	<b>Term Expires</b>	<b>Date Appointed</b>
<b>Rick Becker</b>	<b>2017</b>	<b>03-22-2012</b>
Rick is a retired Navy Supply Officer and also worked 15 years for the City of Chandler in Public Works Administration. He currently works at a Chandler senior assisted living facility providing logistical services and serving the residents through various program activities. He has volunteered at various non-profit agencies, has a Bachelor of Science in Business Management, and is an ASU Certified Public Manager.		
<b>Jadine Bowens</b>	<b>2019</b>	<b>04-25-2013</b>
Jadine A. Bowens is an educator and a linguist, currently working as an instructor with the Kyrene School District. She served as a community activist in the Escalante community of Tempe where she helped to expand the Orbit Transit Line and worked with the homeless population. Jadine holds a B.A. in Spanish /Linguistics from Montclair State University in N.J.; Certification in Technical Communications from M.I.T in Cambridge, M.A and an M.Ed. in Educational Leadership from NAU. She is her second year on the Commission and has participated in and volunteered for events like the Back to School Backpack Drive which is held yearly.		
<b>Irene Artigas</b>	<b>2018</b>	<b>10-22-2015</b>
Irene Artigas has spent her entire professional career working in social services, education, and non-profit organizations. Irene worked as a caseworker for the Texas Department of Human Services, and spent 11 years working for the Chandler Unified School District, in various roles of service, including Human Resources and Parent Education Specialist. She currently works as a Community Impact Coordinator with Valley of the Sun United Way.		
<b>Joseph Curbelo</b>	<b>2019</b>	<b>09-26-2013</b>
Jose "Joseph" Curbelo moved to Chandler in 2005 from Bellflower, California. He is currently a Real Estate Broker with Homesmart. His passion is community leadership and diversity and is a dedicated volunteer, experienced professional and involved homeowner. Joseph enjoys working with people, both on professional and personal levels. He is committed to working hard for the residents of Chandler. He is a Graduate of the 2013 Chandler Chamber Community Foundation Leadership Institute, 2011 Graduate of the SE Valley Regional Association of REALTORS® Leadership program, and Kino Institute Catechetical Studies and Parish Leadership Formation.		
<b>Dylan Raymond</b>	<b>2018</b>	<b>08-14-2014</b>
Dylan was born and raised in Chandler, Arizona, graduating from Chandler High School in 2013 through the International Baccalaureate Program with Honors. Following graduation, Dylan moved to Flagstaff, Arizona where he attended Northern Arizona University for a year. Dylan moved back to Chandler, Arizona to pursue a degree from W.P. Carey School of Business at Arizona State University. While attending college, Dylan works full time assisting homeowners with their loan closing on the purchase of their new home. Dylan has served on the General Funds Allocation Youth Panel for 4 years and has been on the commission for 2 years. Dylan loves to be involved in the community and believes that giving back is the greatest way to bring unity and happiness.		
<b>Tammy Clow-Kennedy, Chair</b>	<b>2017</b>	<b>01-12-2012</b>
<b>Vanessa Agee</b>	<b>2019</b>	<b>05-11-2016</b>
<b>Dean Quелlette</b>	<b>2019</b>	<b>05-11-2016</b>
<b>Greg Rodriguez</b>	<b>2019</b>	<b>05-11-2016</b>

*We would also like to recognize additional panel members from other City of Chandler Boards and Commissions and the Community at Large who have served on the HHSC Funding Subcommittees for the last four years.*

## KEY FOCUS AREAS FOR FUNDING ALLOCATIONS

The City of Chandler has established funding priorities by population and key focus areas. The Focus Areas for the CDBG program year is described below. **Proposals submitted outside of the specified priority funding areas will not be considered for funding.**

### 2017-18 CDBG Eligible Funding Priorities

#### Public Services

- **Homeless Services**
- **Fair Housing Programs**
- **Public Housing Youth**

#### Neighborhood Revitalization

- **City Code Enforcement**

#### **PUBLIC SERVICE**

CDBG public services funds may be used to pay for personnel cost, fringe benefits, program supplies and materials, as well as operational support (utilities, rent, insurance) for a portion of a facility where the service will be offered. To utilize the public service funds, the activity must be; 1) a new service; or 2) a quantifiable increase in the level of service currently being provided and services must be designed serve to low and moderate income Chandler residents. Public Service priority activities include: homeless services and fair housing initiatives and programs.

- ***Homeless Services***

Homeless Services include services provided to homeless individuals and families including the cost of housing case management to support homeless persons receiving Tenant Based Rental Assistance (TBRA).

- ***Fair Housing Services***

Fair housing services include costs associated with the provision of services to address the City's impediments to fair housing, including education and training of residents regarding their fair housing rights. Fair Housing Services also includes education regarding the rights applicable to homebuyers and renters.

- ***Public Housing Youth Services***

After school programming for youth who live in a City of Chandler Public Housing.

#### **NEIGHBORHOOD REVITALIZATION (Designated Priority)**

- ***City Code Enforcement***

Code enforcement refers to the payment of salaries and overhead costs that are directly related to state and/or local (City of Chandler) code enforcement. The costs incurred for code enforcement efforts are an eligible expense under CDBG provided that:

- The enforcement takes place in deteriorated or deteriorating area(s); and
- The enforcement effort is accompanied by public or private improvements or services (e.g., a homeowner rehab program) and can be expected to arrest the decline of the area(s).

Eligible costs under code enforcement include: Costs incurred for inspections for code violations (including salaries and overhead); and The enforcement of code requirements (including salaries, overhead and legal proceedings). Both residential and commercial structures may be included in the code enforcement effort.

## SECTION 1 GENERAL PROPOSAL REQUIREMENTS

Congress created the CDBG program and federal regulations apply. Agencies requesting CDBG funding through the City of Chandler's Housing and Human Services Commission, will adhere to the Request for Proposal guidelines and criteria outlined below.

Agencies seeking CDBG funding for any type of funding must adhere to these requirements:

1. Must be a Arizona nonprofit corporation with a 501(c)(3) tax exempt status or a City of Chandler department/division.
  - a. Non-Profit Corporations – Services and programs must primarily serve low and moderate income City of Chandler residents. Nonprofits must be incorporated with the Arizona Corporation Commission and in good standing.
  - b. Public and Charter Schools – Proposals sponsored by schools must also primarily service low and moderate income City of Chandler residents and meet a CDBG National Objective to be eligible. Special Note: Charter Schools are allowed to accept grants and gifts to supplement their state funding. However, the base support a charter school receives from a federal or state agency intended for the basic maintenance and operations of the school may be reduced if the school receives a CDBG award for the same dollars already provided by the State.
  - c. Faith-Based Organizations – Faith-Based Organizations are an important part of the social service network. HUD issued a final rule amendment allowing faith-based organizations to compete for CDBG funding on the same basis as other nonprofits. However, faith-based organizations cannot use CDBG funds to support worship, religious instruction or proselytization. Religious activities must be offered separately from the CDBG supported activity. Faith-based organizations that participate in the CDBG program will retain independence from federal, state, and local governments and may carry out its mission provided CDBG funds are not used to support religious activities.
  - d. City of Chandler – Proposals can be submitted by City of Chandler Departments and/or Divisions.
2. CDBG activities must meet a program National Objectives: benefit to low-and moderate-income persons or prevention of slum and blight. For more information on how your proposed activities qualify, applicants' are encouraged to contact CDBG program staff.
3. Cannot be indebted to the IRS, or any public entity nor have judgments, liens or levies.
4. Proposers must submit their single audit report if they expended \$750,000 or more in a year in federal funds. For institutions expending \$750,000 or more they may submit either an organization-wide audit or an audit of each federal award. Audits must be conducted by an independent accounting institution able to render unqualified statements regarding the fiscal status of the organization for three years, except under the following conditions:
5. One hundred percent (100%) of funds received from the City of Chandler must serve Chandler residents. Funds will be returned to the City if it is found that an agency is not meeting this requirement.

6. Priority will be given to agencies physically based in Chandler, except under the following conditions:
  - a. There is no Chandler-based service provider meeting the identified need; or
  - b. An agency outside of Chandler collaborates with or offers essential services to Chandler-based organizations or residents. In this case, the applicant agency will need to provide documentation (such as a letter of partnership, signed agreement, or memorandum of understanding) that outlines the relationship between the applicant agency and the Chandler-based organization/entity (i.e., school, church, etc.) where services are provided.
7. Funding for any given year does not guarantee funding for succeeding years.
8. Agencies may apply for the Federal Funding CDBG Categories and City of Chandler General Funds Categories. **Submit one (1) complete proposal for each funding request.** Copies of all requested forms and documentation should be included in each application. Organizations submitting multiple proposals should complete a separate proposal for each. Careful attention should be given to completing each question and attaching documentation requested.
9. Premature committing of funds prior to City Council award, environmental clearance and the execution of the CDBG contract are not eligible for reimbursement.
10. Programs, projects, information, participation, communications and services must be accessible to persons with disabilities and comply with Americans with Disabilities Act.
11. Agencies must follow nondiscrimination employment practices and have a Drug Free Workplace.
12. Submitted proposals shall become the property of the City of Chandler and shall become a part of the public record available for review pursuant to Arizona law.
13. As mandated by Arizona Revised Statutes 41-4401, the City of Chandler is prohibited from awarding funds to any Agency/Contractor who fails to comply with the Arizona Revised Statute 23-214-A, which requires that employers verify the employment eligibility of their employees through the Federal E-Verify system. The City is authorized to randomly inspect records related to an employee of the Agency to ensure they are complying with the state statutes. Agency must certify that it does not have a scrutinized business operation in either Sudan or Iran.
14. The City reserves the right to request additional information or documentation not specified in this Request for Proposal at any stage during the process and conduct discussions with applicants for the purpose of understanding minor proposal irregularities. Applicants will be expected to respond and comply with any additional requests in a timely manner.
15. The proposal narrative portion, not including the required attachments, should be brief and limited to the word count provided. All pages must be consecutively numbered and project budgets should reflect all costs associated with carrying out the project.
16. **CDBG proposals are NOT be submitted through eC-impact.** Proposals are to be submitted to directly to the City where indicated and be postmarked or delivered by the due date. Late proposals will be rejected.
17. Applicants should be aware of the following proposal information:

- a. The City of Chandler reserves the right to accept or reject any or all proposals received.
- b. The City of Chandler reserves the right to seek additional information from organizations, especially those not previously funded by the City.
- c. The City reserves the right to establish spending guidelines for all projects.

**18. Proposal document submission requirements are as follows:**

- a. **Submit one (1) original and two (2) copies of the of the entire application package by 5:00 pm, Tuesday, November 22, 2016.** The original must be *TYPED and UNBOUND* on 8.5" x 11" standard paper, single printed pages.
- b. Please use binder clips to fasten each proposal.
- c. Proposals must include the following attachments:
  - 1. 501 (c)( 3) Letter
  - 2. Agency Organizational Chart & Board of Directors
  - 3. Most Recent Single Audit or Financial Statement
  - 4. Certificate of Good Standing from the Corporation Commission

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## **FUNDING ALLOCATION TIMELINE**

October 19, 2016	Agency Request for Proposal Orientation
October 19 – November 18	Technical Assistance available for agency applicants
November 22, 2016	Proposal Submittal Deadline - 5:00 p.m.
December, 2016	Proposal Eligibility Reviews <ul style="list-style-type: none"> <li>• Agencies notified if proposal is not eligible.</li> <li>• Proposal Technical Review mailed to agencies</li> </ul>
January 10, 2017	Agency responses to Technical Review due by 12 noon
January 18, 2017	HHSC Allocation Orientation & Subcommittee Assignments
February 6-10, 2017	HHSC CDBG/HOME Subcommittee Meetings
February 15, 2017	Agency Presentations
February 16, 2017	Follow Up Questions to Agencies. Agency responses to questions due to the City Feb. 21
February 24, 2017	Agency Responses provided to CDBG/HOME Subcommittee
Feb 27 – March 3	HHSC Special Meeting re: CDBG Scoring Recommendations Reviewed and Initial Funding Recommendation Developed
March 22, 2017	Agencies Notified of Initial Funding Recommendation
March 23, 2017	HHSC Special Meeting – CDBG/HOME Public Hearing – Annual Plan and Final Funding Recommendations
April 13, 2017	City Council Public Hearing for CDBG and HOME 2017-2018 Annual Action Plan including Final Funding Recommendations
May 11, 2017	City Council approves CDBG/ HOME recommendations
May 19, 2017	Award Letters to agencies
June 2017	CDBG and HOME Pre-Contract Agency Orientation
July 1, 2017	General Funds & CDBG Funds available (contingent upon approval by City Council). CDBG Contracts developed and environmental reviews underway.

## **SECTION 2 PROPOSAL EVALUATION INFORMATION**

The proposal review process is designed to increase effectiveness and standardize of the evaluation process. The City intends to ensure the delivery of fair and objective funding recommendations to the Mayor and City Council for approval of awards to selected applicants whose proposals are results oriented and will serve City of Chandler low and moderate income residents.

### **Proposal Review Process**

- All applications will be initially reviewed by City staff for eligibility, completeness, and feasibility.
- Proposals that are ineligible, incomplete or not feasible will not be considered for funding. Agencies will be notified if their proposal is not eligible and will be given an opportunity to appeal the decision.
- The HHSC is provided eligible proposals, staff technical summaries with past performance history (report card) and any responses to the staff technical review.
- The HHSC will review, evaluate, and score each proposal based on the criteria outlined in the RFP Guidelines. All correspondence with the HHSC and agencies will be distributed via email.
- From the proposal score ranking, the HHSC will develop the funding recommendations and forward their recommendations to the Mayor and City Council for approval.

### **Proposal Evaluation Criteria**

#### **PROJECT DESCRIPTION AND NEED (0 to 10 points)**

- Well-defined project with realistic implementation plan
- Addresses unmet needs and is not duplicative of other services
- Evidence of collaboration with existing programs and services
- Evidence of sustainability for future program years

#### **PROPOSED OUTCOME (0 to 10 points)**

- Proposal addresses the priority
- Results oriented, measurable outcomes and objectives which are challenging yet realistic
- No. of low/moderate income residents to benefit from the project in relation to funds request

#### **AGENCY PAST PERFORMANCE – REPORT CARD (0 to 10 points)**

- Prior experience with documented results in the type of work being proposed
- Date organization formed or incorporated
- Fiscal and organizational capacity to implement project
- Appropriate level of licensing or site control

#### **PROJECT BUDGET (0 to 10 points)**

- Amount of project leveraging of other resources
- Funding request is realistic and budget/expenses are reasonable
- CDBG funds are an appropriate resource for the project
- Project is ready to start and all resources are on hand

CRITERIA	POOR	FAIR	AVERAGE	GOOD	EXCELLENT
Project Description	1 2	3 4	5 6	7 8	9 10
Proposed Outcomes	1 2	3 4	5 6	7 8	9 10
Past Performance / Report Card	1 2	3 4	5 6	7 8	9 10
Project Budget	1 2	3 4	5 6	7 8	9 10
<b>TOTAL POINTS</b>					

**SECTION 3 AGENCY PRESENTATIONS & TECHNICAL ASSISTANCE**

As a part of the FY 2017-18 CDBG allocation process, applicants will be asked to give a three minute presentation before the HHSC CDBG Subcommittee regarding the specifics of their funding request as follows:

- A timer will be used to keep the presentations on schedule. The HHSC CDBG Subcommittee will have an opportunity for follow-up questions. City staff will follow up with agencies to obtain answers to questions asked by the HHSC if the Agency is not able to address during the presentation.
- Staff will mail the presentation date and time well in advance to allow agencies plenty of time to prepare their presentation. The presentation letter will also provide guidance on presentation content and format. Applicants should be prepared to have an agency representative available to attend and present during their appointed time.
- Presentations will be heard in order as they appear in the schedule and will not be rescheduled.
- The presentations are public meetings and agencies will be asked to arrive at least 10 minutes prior to their scheduled time.
- Power point, audio tape presentations and printed program materials will not be permitted. However, agencies will have the option of bringing a photo display board (no larger than 24" x 36") to accompany their presentation.
- The agency proposal and presentation is taken into consideration by the HHSC Subcommittee. The HHSC Subcommittee will make funding recommendations to the full HHSC and forward to the Mayor and Council for approval.

**Technical Assistance**

Technical Assistance is available to help organizations develop a viable proposal. Staff reviews will consist of reviewing the proposal for CDBG eligibility and the proposals compatibility with the RFP criteria including funding priorities and eligible activities. If you have specific questions, regarding the eligibility of a proposed activities and/or their compliance with national objectives or technical questions regarding specific activities proposed for grant funding, please contact us.

## **SECTION 4 CDBG REQUIREMENTS**

### **Environmental Review**

An Environmental Review is required for each project that receives CDBG funding. If the proposal is funded, City staff will initiate the review and notify the agency when the project is cleared to proceed. Public Facility projects require a higher level environmental review and obtaining clearance can take 45 days to four months depending on type of project.

### **Ineligible Public Services**

- Political activities
- Income payments
- Programs that include stipends
- Marketing and/or fundraising activities
- Gifts / Awards paid for by CDBG
- Religious instruction as a part of a CDBG program
- Payment of debt or pre-project expenses
- Entertainment, furnishings and personal property purchases
- Ongoing grants or non-emergency payments (defined as more than 3 consecutive months) to individuals for their food, clothing, rent, utilities, or other income payments
- Equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible.

### **Proposal Budget**

The proposal budget must show Personnel (salaries) and other project cost components necessary to carry out the project for 12 months. The budgeted columns for agency cash and in-kind contributions must be filled out. Attachment B is to be completed only when CDBG funds will pay for Public Service staff salaries.

### **Finger Printing Requirements**

CDBG-funded staff working with homeless persons, elderly or frail populations must be fingerprinted. This is an eligible CDBG cost and should be reflected in the budget.

### **Using Volunteers**

Volunteers are not employed by the agency and are considered in-kind resources. State-licensing requirements apply to volunteer work. Volunteer contributions should be estimated by calculating the hourly rate normally paid to do the same type of work.

### **Uniform Administrative Requirements, Cost Principals and Audits - 2 CFR Part 200**

The federal Office of Management and Budget published the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) 2 CFR 200 in the December 26, 2013, Federal Register. This new guidance streamlines the requirements from eight existing circulars into one Uniform Grant Guidance document (Super Circular).

### **Audit Requirements 2 CFR Part 200.501**

The type/level of audit required by OMB 2 CFR Part 200 (Super Circular) is based on the amount of federal financial assistance, referred to as federal awards, received by a Subrecipient in any given year. Federal awards means financial assistance provided by the federal government to the entire agency (not just one department or division) in the form of: grants, loans, property, contracts, loan guarantees, insurance, donated property, cooperative agreements, interest subsidies, direct appropriations, food commodities or other assistance.

A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with §200.514 Scope of audit except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.

A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

### **System for Awards Management – Debarment List**

System for Awards Management (SAMS) shows suspension and debarment information. SAMS provides enhanced information and can identify an organization as a woman owned, minority owned or small business. **The City is not able to contract with businesses or organizations that are not a registered provider in SAMS.**

### **Low and Moderate Income Household**

The term "low and moderate income" shall be defined as at or below 80% of the median income adjusted for family size for the area as defined in Section 102 of the Housing and Community Development Act of 1974, as amended.

### **Conflicts of Interest**

The general rule is that no employee, board member, officer, agent, consultant, elected official, or appointed official of the recipients or sub-recipients that are receiving funds under a CDBG or HOME assisted project who have responsibilities with respect to the federal-assisted activities or are in a position to participate in decision making processes or have access to inside information with regard to the activities can obtain a financial interest or benefit from a CDBG or HOME-assisted activity during their tenure or for one year thereafter (Federal Regulation 24 CFR 570.611). Agencies should maintain a written code of standards of conduct governing the purchase of materials, product, supplies, and services and awarding and administering sub-recipient contracts. Personnel involved in the procurement process must be trained to recognize situations that create conflicts of interest, or the appearance of a conflict of interest. The agency personnel should be familiar with the agency's code of ethics and potential conflict of interest issues and not take gifts or gratuities from persons or organizations associated with the procurement process.

### **Other Resources and In-Kind Resources**

Other agency resources needed to carry out a program or project must be immediately available to be applied to the project. In-kind contributions must have a specific dollar value established in accordance with generally accepted accounting principles. The basis of determining the value for personal services and donated materials and supplies must be identified and documented in the proposal. Volunteer services may be counted if the service is an integral and necessary part of an approved CDBG funded project. Rates for hours should be consistent with those paid for similar work. The value assigned to donated materials and supplies should be reasonable and should not exceed market value.

### **Minimum Documentation Standards**

Funded subrecipients must maintain at least three major categories of records as follows:

- **Administrative records** – files and records that pertain to the program administration
- **Financial records**- chart of accounts, ledgers, accounting journals, source documentation (invoices, receipts, cancelled checks, timecards, payroll, client eligibility records, etc), legal files, contracts, reimbursements, corporation papers
- **Project / Case Files** – document activity undertaken with respect to specific beneficiaries, property owners, properties, public service beneficiaries, ect.

### **Recordkeeping & Records Retention**

The City of Chandler is responsible for ensuring that subrecipient activities are on track with the objectives outlined in the agency contract. Accurate recordkeeping is crucial to the successful management of CDBG & HOME funded programs and projects. Insufficient documentation can lead to delayed payments and monitoring findings which are hard to resolve if records are missing, inadequate or inaccurate. All CDBG & HOME files must be maintained for at least six (6) years following completion of all program reporting.

For each project, the agency should determine what data must be maintained in the project files and establish a system for ensuring that every file contains the necessary information. In general most project should include the following:

- Grant proposal, City contract, procurement information, bids and other contracts
- budget, expenditure and payment information with supporting documentation
- characteristics and location of clients served, client eligibility documentation
- project status, progress reports, audits, monitoring reports and correspondence

### **Access to Records**

The U.S. Department of Housing and Urban Development and the Comptroller General of the United States, or their authorized representatives, have the right to access subrecipient agency program records. All CDBG grantees are required to provide citizens with reasonable access to records regarding past and current funded projects, consistent with applicable state and local laws regarding privacy and confidentiality.

### **Financial Records**

These are the types of financial records that must be maintained by the agency:

- chart of accounts, written accounting procedures, accounting journals/ledgers;
- payment and source documentation (bills, receipts, cancelled checks, etc.);
- procurement files (bids, contracts, etc.) and real property inventory;
- bank account and payroll records, financial reports, correspondence and audit files.

### **Written Agreements**

Organizations that are funded will be required to execute a written agreement with the City and CDBG funds are reimbursed on a monthly based upon documented receipts for eligible costs incurred. Funded agencies must acknowledge the CDBG or HOME contribution to the funded program in materials, brochures and written acknowledgements. Funded agencies will be required to comply with all federal regulations associated with the funding and will be required to submit documents demonstrating administrative and financial capacity to manage a federally funded project. Funded agencies will be required to track and report accomplishment data in accordance with HUD's Performance Measurement System. Performance Measurements and IDIS were developed to help HUD and its grantees use a standardized methodology and system to measure the outcomes of CDBG. The system classifies activities, objectives, outcomes and indicators.

The City and funded subrecipients must abide by HUD's program rule for timely expenditures. HUD can withhold future grants if the City does not effectively spend existing resources. With the

enormous need for community development programs, it is vital that funds are spent quickly. Subrecipients under contract to receive funds must complete project work within time specified in the contract unless an extension is obtained from the City. Failure to complete project scope of work may be grounds, at the City's discretion for contract termination. Agencies shall comply with all applicable federal, state, and local laws, and with applicable license requirements. Funded program records are subject to review by the City of Chandler and/or HUD.

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## Reimbursement Payment Policy for Funding Agencies

The City developed the standards to keep projects on track and to ensure that the specified activity is being carried out in a timely manner. The standards for determining reasonableness and allocability of costs incurred as part of CDBG financed activities are found in the OMB Super Circular, 2 CFR Part 200. All program expenditures must be reasonable, CDBG-eligible, necessary and directly related to the project activities and identified in the budget which is an exhibit to the written agreement.

Funded agencies will be expected to submit separate monthly payment requests and performance reports each month. The City requires one invoice per month with back up documentation for the expenses and progress, outcome, demographics data for that month. Failure to bill the City for the activities each month can become a serious problem. Agencies should be aware that their CDBG grant performance history and adherence to timely start-up and monthly billing/reporting is provided to the City of Chandler Housing and Human Services Commission as they review next year's proposals.

Monthly reimbursement request will include:

- **Agency Letter of Request** – Request must be on Agency letterhead and indicate the reimbursement month, amount of the request, contract balance, invoice number and performance information data for the month.
- **Monthly Performance Report** - Performance Report explains the progress the project has made in relation to the goals and performance indicators outlined in the Scope of Work.
- **Billing Statement / Monthly Expenditures** - summarizes the monthly and year-to-date expenditures by type and includes the agency's contribution (match) from other sources.
- **Source Documentation/ Supports Expenditures** – all expenses must be supported by source documentation in accordance with HUD regulation. Source documentation must explain the basis of the costs incurred, as well as showing the actual dates, amount of expenditure and clearly display the expenditure type. Support documentation is needed to verify that the expenses charged against the CDBG funds were incurred during the effective period of the contract; the expense was actually paid; and the expense was an allowable item in the budget.
- **Payment Review** – City staff will review the agency's performance report and payment request for the project's progress, goals achieved during the month including client data, and any procurement activity.
- **Cost Allocation** - If program costs are split between the CDBG funds and other sources, there must be a cost allocation plan that describes how to fairly allocate the charges among the sources. CDBG charged expenditures must be in proportion to the relative benefit of the CDBG project objective. The cost allocation plan must be approved by City staff.

## SECTION 5 PROGRAM MONITORING

The City of Chandler Neighborhood Resources is responsible for ensuring that federally assisted activities are carried out in accordance with administrative, financial and programmatic requirements. This includes assuring that performance goals are achieved within schedule and budget, and for taking appropriate actions when performance problems arise.

As a part of the City's ongoing monitoring standards, staff will evaluate the adequacy of a subrecipient by conducting a risk assessment, review contract performance and takes appropriate action when problems arise (24 CFR 570.501(a)). The City's monitoring goal is to improve delivery of services to low and moderate income Chandler residents.

Monitoring programs for ***compliance is not a one-time event*** and happens throughout the contract year. Formal site visits are conducted throughout the year using checklists and other materials to guide a comprehensive review of the funded activities. ***Levels of reviews are selected based upon a risk assessment analysis for program areas*** and on information gathered from desk audits and monthly performance reporting. ***City staffs perform formal site visits as needed according to a risk assessment.*** The formal site visit will review program operations, recordkeeping and overall accountability for the federal funds. Monitoring is also accomplished by requiring fiscal audits on a yearly basis from all sub-grantees. Audit reports are then reviewed for findings and concerns.

In June each year, ***Pre-Contract training sessions are held with all City and non-City project sponsors*** to explain the required federal and other applicable laws, monitoring standards and procedures. Internal written agreements explaining all program requirements and monitoring standards are executed with City Departments using federal funds. Detailed contracts are executed for all agency (non-City) project sponsors. ***Non-profits are required to submit pre-contract documents and information*** on fiscal and program capability, non-profit status, handicapped accessibility, and other required information prior to the execution of a contract. ***City staff performs desk audits of the pre-contract documents*** and when necessary conduct site visits to determine whether the agency can meet the requirements for undertaking a federally funded project.

***All agreements and contracts require written measurable objectives*** and monthly reporting on spending and progress in meeting the objectives. ***Payment to non-City entities is made on a reimbursement basis contingent upon the agency's submittal of supporting source documents.*** These expenses are checked by City staff for accuracy, allowability and reasonableness before processing for reimbursement.

Monthly ***fiscal and program reports are reviewed to assure that expenditures are within budget and that program objectives are being met in accordance with the contract.*** All construction draws are reviewed by an agency architect and the CDBG Program Supervisor. Documentation of an open solicitation and outreach/utilization of minority and women owned business enterprises is required for procurement of goods, services and labor.

### **Formal Site Visit Selection & Monitoring Procedures**

Grants Administration staff will conduct formal site visits on projects based on a Risk Assessment and the Program Performance Monitoring Checklist (below) will be used to conduct the review as follows:

1. Prior to site visit, staff will conduct a desk audit of the program and answer as many questions as possible contained in the Program Performance Monitoring Checklist. Since it would take staff

an excessive amount of time to ask each question on the checklist at a site audit, a risk analysis of factors and prioritizing of questions and areas should occur. This will allow for proper in-depth review of the more serious areas. The values assigned to each question (1 to 10, with 10 being "essential or necessary") should be used as a guide in prioritizing factors.

2. Six general areas will be examined as part of this risk analysis:

Program Outcomes - Progress in meeting outcome objectives in Scope of Work, review of rehabilitation work payments, review and totaling of service data and other information provided in monthly reports.

Handicapped Accessibility Assessment – building accessibility compliance and verification.

Fiscal Management Assessment- identification of weaknesses; review of Fiscal Audit Reports and any findings, review of Audit Management Letters regarding adequacy of agency's internal controls.

Procurement – review of agency procurements procedures and documentation for open procurement and cost reasonableness.

Program/Client Records – review of target population served, and verification of compliance with national low/moderate income objective.

Board Operations - Review list of Board members and backgrounds, other information in file pertaining to Board.

3. Once the areas for review have been identified, staff will coordinate the site visit date with the Executive Director of the Agency.

4. A formal site visit letter will then be mailed confirming the date and identifying the priority areas to be reviewed. Letter is mailed a minimum of two weeks before the date of the site visit.

5. At the formal site visit, the following general steps will occur:

a. Entrance discussion with Executive Director, Program Manager and Grant Accountant to review the nature and purpose of the formal monitoring, obtain info on general program issues.

b. Review of Handicapped Accessibility items, inspection of bathrooms, handicapped parking, ramps, barriers to handicapped accessibility, conformation of handicapped policy and ADA brochure language and other program announcements, confirmation that the agency has completed a self-evaluation to remove all barriers to accessibility.

c. Review of fiscal records, transactions, procedures, internal control, agency wide financial statements showing budget variances, review of financial statements regularly by governing board.

d. Review of procurement policies, confirmation of MBE/WBE outreach and bids to verify open procurement, testing of cost reasonableness and allowability.

e. Review Board Minutes, ascertain if Board is actively involved in governance and knowledgeable about CDBG & HOME regulations, obtain copy of most recent audit.

f. Exit Conference – City staff will indicate preliminary findings and concerns and give a date for a formal letter to be sent to agency. The City will normally send its formal letter to the Agency within 30-45 days.

g. Development of Site Visit Report Letter to Agency, including timelines for response to areas of concern and corrective action if applicable. Review of agency response to City monitor corrective actions to ensure they have been addressed.

## **SECTION 6 CDBG PERFORMANCE MEASUREMENTS**

This covers the three primary aspects of ensuring and documenting compliance with program rules and requirements for monitoring, reporting and recordkeeping.

### **Performance Measurement**

This is systematic organized process for gathering information to determine how well programs are meeting established goals. The measurement system was established to enable HUD and the City to standardized methods to measure outcomes. The system provides a framework for classifying activities in the City's Consolidated Plan and for reporting in IDIS and the CAPER. There are three main components to the Outcomes Performance Measurement System 1) objectives; 2) outcomes; 3) indicators.

Objectives: Three possible objectives to choose from for each activity:

- Creating Suitable Living Environments
- Providing Decent Housing
- Creating Economic Opportunities

Outcomes: further define the City's objectives and capture the nature of the change or result of the objective. Three possible outcomes to choose from for each activity:

- Availability / Accessibility
- Affordability
- Sustainability

Indicators: further define the City's objectives and capture the nature of the change or result of the objective. Three possible outcomes to choose from for each activity:

- Availability / Accessibility
- Affordability
- Sustainability

### **IDIS & CAPER INFORMATION**

Funded subrecipients will provide the City information needed to input into IDIS and for the preparation of its CAPER which is submitted to HUD annually. In IDIS and in its CAPER, the City must provide the following information for each CDBG funded activity.

- Activity name, description, location
- The HUD National Objective being met
- Dollars expended in program year
- Amount of unliquidated obligations for each activity
- Activity status and accomplishments
- Delivery cost for rehabilitation activities
- Number of units proposed, number completed

- For multi unit rehab, no of units occupied by low/mod income households following rehab
- For multi unit properties the dollars expended from CDBG and non federal sources
- Characteristics of beneficiaries
- Source and amount of program income, dollar amount and number of outstanding loans
- CDBG acquired parcels to be sold
- Households displaced as a result of CDBG activity