

# UNITED STATES VIRGIN ISLANDS HOUSING FINANCE AUTHORITY

## CDBG-DR/MIT SUBRECIPIENT MANAGEMENT POLICY AND PROCEDURES

**VERSION: 2.0**

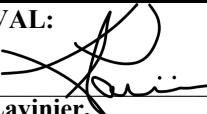
**Date: July 11, 2023**

Prepared by:

Virgin Islands Housing Finance Authority – CDBG-DR/MIT Program



The policies and procedures stated in this manual are current as of July 11, 2023. This Manual represents the current version of the Virgin Islands Housing Finance Authority's (CDBG-DR and CDBG-MIT) policies which shall provide general guidance for the operation of the CDBG-DR and CDBG-MIT Programs. All manuals will be reviewed periodically and will be updated. Therefore, you are strongly urged to visit our website [www.vihfa.gov/cdbg-dr](http://www.vihfa.gov/cdbg-dr) to ensure that you have the latest version.

<b>SUBJECT: CDBG-DR/MIT Subrecipient Manual</b>	
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**Table 1: Subrecipient Management Manual Version Control Table**

<b>Version Number</b>	<b>Date</b>	<b>Description</b>
<b>1.0</b>	12/10/2018	CDBG-DR Subrecipient Management Policies and Procedures
<b>2.0</b>	12/ 15/ 2022	<ul style="list-style-type: none"><li>• Added Table of Contents</li><li>• Added Section 1.1 (Acronyms)</li><li>• Modified section 2.0 (Introduction) to include more narrative information</li><li>• Updated Section 3.0 (CDBG-DR &amp; CDBG-MIT Programs)</li><li>• Updated Section 5.0 (Program Governance and Oversight)</li><li>• Added Section 6.0 (Method of Distribution)</li><li>• Updated Section 7.0 (Subrecipient Responsibilities and Program Requirements)</li><li>• Added Section 8.0 (Application Process)</li><li>• Updated Section 9.0 (Technical Assistance and Training)</li><li>• Updated Section 10.0 (Subrecipient &amp; Interdepartmental Agreements)</li><li>• Added Section 13.0 (Resources)</li></ul>
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## **1.0: ACRONYMS & DEFINITIONS**

### **1.1: Acronyms**

- **CDBG** – Community Development Block Grant
- **CDBG-DR** – Community Development Block Grant – Disaster Recovery
- **CDBG-MIT** – Community Development Block Grant – Mitigation
- **CDRO** – Chief Disaster Recovery Officer
- **CFR** – Code of Federal Regulations
- **DOB** – Duplication of Benefits
- **HUD** – Department of Housing and Urban Development
- **LEP** – Limited English Proficiency
- **LMI** – Low- to Moderate-Income
- **LMA** – Low- to Moderate-Income Area
- **LMC** – Low- to Moderate-Income Limited Clientele
- **LMH** – Low- to Moderate-Income Housing
- **LMJ** – Low- to Moderate-Income Jobs
- **M/WBE** – Minority/Women-Owned Business Enterprises
- **NOFA** – Notice of Funding Availability
- **QPR** – Quarterly Performance Report
- **VIHFA** – Virgin Islands Housing Finance Authority

### **1.2: Definitions**

CDBG – Community Development Block Grant Program

CDBG-DR – Community Development Block Grant – Disaster Recovery Program

Contractor – An entity competitively procured and selected to provide specified goods or services.

Grantee – The state entity (VIHFA) that has a binding agreement in place with U.S. Department of Housing and Urban Development (HUD) to administer the CDBG Disaster Recovery program(s) and/or project(s). May also be referred to as Recipient.

Subrecipient – An entity that is provided CDBG-DR funds by VIHFA for their use in carrying out agreed-upon, eligible activities including autonomous and semi-autonomous, and other governmental agencies and non-profit organizations (see Chapter 1 of HUD Guidebook for Entitlement Grantees on Subrecipient Oversight).

## **2.0: INTRODUCTION**

As a result of Hurricanes Irma and Maria, federal funding was allocated to the U.S. Virgin Islands from Congress and through the Department of Housing and Urban Development (HUD) for disaster recovery activities. Subsequently, in 2019 Congress awarded additional funds to States and Territories for the purpose of enacting disaster resiliency measures. These funds, known as Community Development Block Grants – Disaster Recovery (CDBG-DR) and Mitigation (CDBG-MIT), provide the Territory with a unique opportunity to both recover from the previous disaster while also mitigating future disaster risks.

These funds carry a myriad of legal and regulatory requirements that **must** be followed in order to avoid punitive action for misuse/abuse. Therefore, this document shall assist Subrecipients and beneficiaries with understanding the requirements and processes associated with CDBG-DR/MIT programs and allow them to take full advantage of receiving these funds.

## **3.0: CDBG-DR & CDBG-MIT PROGRAMS**

The Community Development Block Grant (CDBG) Program supports community development activities to build stronger and more resilient communities. To support community development, activities are identified through an ongoing process. Activities may address needs such as infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance, etc.

CDBG-DR funds are a special appropriation from Congress associated with a presidentially declared disaster under supplemental appropriation laws (“Supplemental Appropriations Acts” authorize CDBG-DR funding). These funds focus on long-term disaster recovery efforts and addressing unmet needs that other funding sources could not resolve.

CDBG-MIT funds provide opportunities for grantees to use Federal assistance in areas impacted by recent disasters to carry out strategic and high-impact activities to mitigate disaster risks and reduce future losses. While it is impossible to eliminate all risks, CDBG-MIT funds will enable grantees to mitigate disaster risks, while at the same time allowing grantees the opportunity to transform State and local planning.

### **3.1: Action Plans**

The CDBG-DR/MIT Action Plan (Action Plan or Plan) serves as the overarching document that guides and authorizes the use of funds allocated to the Territory. Action Plans provide a summary of the intended programs, projects, and activities, that will be utilizing specific federal and non-federal resources to address the priority needs and specific goals identified by the Grantee. Additionally, the Plan specifies the fundamental requirements applicable to these funds, such as national objectives, eligible activities, cross-cutting requirements, etc. These requirements are detailed further in this manual.

It is possible that circumstances or funding priorities change, thus requiring a modification of the Action Plan. Such modifications are known as Amendments, which can be “substantial” or “non-substantial”. According to the Federal Register, substantial changes to the Plan are those that entail the following:

- A change in program benefit or eligibility criteria;
- The addition or deletion of an activity; or
- The allocation or reallocation of a monetary threshold specified by the grantee in its action plan.

Substantial amendments require at least a 30-day public comment period so that the affected community may provide input on proposed changes. Such propositions must be addressed prior to submitting the Amendment to HUD for final approval.

### **3.2: Waivers**

Specific requirements are typically included in the appropriation law adopted to cover a specific appropriation and/or disaster (found in the published Public Law and Federal Register). Waivers and alternate requirements may modify, or authorize HUD’s Secretary to modify, various statutes and regulations that could impede the prompt implementation of associated community development and disaster relief programs. These waivers and alternate requirements are published in the Federal Register(s) for the specific disaster event (See Resources at the end of each chapter for links to Federal Registers).

## **4.0: DEFINING SUBRECIPIENTS**

Subrecipients are public or nonprofit entities that are provided funds by a grantee (or another subrecipient) to undertake agreed-upon, CDBG-DR eligible activities (see 24 CFR 570.500 (c)) Subrecipients are clearly defined in the CDBG regulations as follows:

- Selected using specific criteria
- Responsible for programmatic decision-making
- Responsible for compliance with Federal program requirements
- Performance and compliance monitored by the grantee

Subrecipients are **not**:

- Contractors, which must be competitively procured and complete a specific scope of services;



- Developers, who are awarded funds for a specific development and can be either for-profit or nonprofit entities. They are typically organized for a single purpose or undertaking
- Businesses, which may be a privately or publicly held for-profit entity, receiving funds as a beneficiary under a specific CDBG-DR-funded program.

**COMPARISON:**

<b>Subrecipients</b>	<b>Contractors</b>
Designated/selected by the grantee	Must be selected through a competitive procurement process
Subject to all applicable administrative, financial & cross-cutting rules	Subject to requirements for the specified scope of work
Must adhere to written agreement outlining responsibilities	Required to deliver services identified in the contract
Recipient/grantee (VIHFA) monitors all aspects of program	

## **5.0: PROGRAM GOVERNANCE AND OVERSIGHT**

The entity responsible for designing and administering the CDBG-DR/MIT programs (i.e., the Grantee) depends upon the nature of the disaster. In recent catastrophic disasters, HUD left the design and implementation of the disaster relief programs to the affected state; or in some instances to local governments directly; or to local governments with state oversight. HUD’s role is to: work with the states and/or local governments to ensure the designs of the Action Plans (and Amendments) are acceptable; grant waivers of existing statutory requirements and the associated implementation regulations; define alternate requirements when necessary; and, monitor state implementation activities. The states (or when applicable, local governments) submit Action Plans and Amendments for approval to HUD, thus assuring the proposed actions are within the intent of existing statutes.

As the Grantee of CDBG-DR and CDBG-MIT funding in the U.S. Virgin Islands, the VIHFA CDBG-DR/MIT Program (or a designated program management entity) will administer and oversee all program activities and expenditures. Employees managing these grants, Subrecipients, Contractors, and Developers must ensure that the activities undertaken meet all program requirements, including the disaster threshold, eligibility, low- to moderate-income benefits, national objectives, compliance, fair housing, labor standards, nondiscrimination, environmental regulations, and procurement regulations.

In addition to regulatory compliance, the purposes of subrecipient management include the following:

- Improve performance
- Ensure timeliness
- Improve project management
- Address monitoring issues
- Improve communications
- Avoid audit issues

Given the nature of CDBG-DR funded activities, strong performance and timeliness are critical to the ability of the Territory to achieve full recovery from the 2017 disasters. In addition, many of the entities with a significant role in implementing activities have little or no previous experience using CDBG-DR funds, which are highly scrutinized. Thus, careful oversight and management, focused on continuous process improvement and providing service and support to Subrecipients is essential.

The primary responsibility for management of these Programs will be the Grantee's (or designated program management entity's) program staff. Their oversight will be supplemented by the Grantee's Compliance and Monitoring Unit, whose responsibility is to ensure that all funded activities are carried out in accordance with the general program requirements and federal cross-cutting requirements. This will be done in the form of capacity assessments, site visits, monitoring reports, and other methods as deemed appropriate.

## **6.0: METHOD OF DISTRIBUTION**

Funding for activities under the CDBG-DR and CDBG-MIT programs is provided via a Subrecipient Agreement.

Interested entities can apply for this funding through a Notices of Funding Availability and other selection processes. All applicants must go through the same procedures to ensure that funds are used appropriately and in a non-duplicative manner.

## **7.0: SUBRECIPIENT RESPONSIBILITIES & PROGRAM REQUIREMENTS**

It is the Subrecipient's responsibility to adhere to all requirements of the CDBG-DR/MIT Programs as specified in the Subrecipient agreement or any other contractual agreement executed between them and VIHFA. Additional information on all requirements can be found in the CDBG-DR/MIT Administrative Manual.

### **7.1: National Objectives**

Projects utilizing CDBG-DR funds must meet one of the following HUD-designated national objectives and must document how they have met the CDBG-DR national objectives specified in their application. Funds cannot be awarded until the national objective(s) is clearly defined

and documented for all programs. The national objective requirements can be found at [24 C.F.R 570.483](#). For information regarding the documentation requirements for each national objective, please see the Recordkeeping section, under Subrecipient File Checklist.

### **7.1.1: Primarily benefitting low and moderate income (LMI) persons.**

A low and moderate-income person means a member of a family whose total combined family income is equal to or less than the Section 8 lower income limit as established by HUD. The term family means all persons living together in the same housing unit, as further defined under [24 CFR 570.3](#). This objective requires that 51% of the people benefiting from the USVI CDBG-DR funded activity are low and moderate income, based on area median income calculations.

#### *7.1.1.1: Low to Moderate Income Area (LMA)*

Low- to Moderate-Income Area activities are those that benefit all residents in a particular service area, at least 51% of which must be LMI. Factors to be considered when determining whether an activity qualifies under this section are:

- Nature of the activity
- Location of the activity
- Accessibility issues
- Availability of comparable activities
- Boundaries for facilities and public services

Some examples of area benefit are:

- Water/sewer line replacement;
- Street Reconstruction; or
- Utility work benefiting a water supply corporation service area.

VIHFA and its Subrecipients must keep a record of the number of people who are receiving area-wide benefits from the CDBG-DR project. CDBG-DR requires Subrecipients to document and report the beneficiaries of each funded activity regardless of the national program objective met by the activity. Therefore, sub-recipients must document the beneficiaries for each activity included in a CDBG-DR application under each of the CDBG-DR fund categories.

Individual benefit is an activity that will benefit an LMI individual directly. Some examples of individual LMI benefit are:

- Housing rehabilitation or reconstruction for single family homes;

- Reimbursement of costs to repair event damaged homes; or
- Relocation and down payment assistance.

#### *7.1.1.2: Low-to Moderate-Income Limited Clientele (LMC)*

Activities qualifying under this national objective are those that benefit a limited clientele, at least 51% of whom are LMI persons. To qualify as a limited clientele activity, it must meet at least one of the following tests:

- It must benefit a clientele who are generally presumed to be principally low- and moderate-income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low and moderate income:
  - Abused children
  - Battered spouses,
  - Elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled". Such activities benefiting this group include:
    - The reconstruction of a public facility or improvement, or portion thereof, that does not qualify under § 570.483(b)(1);
    - The rehabilitation of a privately owned nonresidential building or improvement that does not qualify under § 570.483(b) (1) or (4); or
    - The rehabilitation of the common areas of a residential structure that contains more than one dwelling unit and that does not qualify under § 570.483(b)(3).
  - Homeless persons,
  - Illiterate adults,
  - Persons living with AIDS, and
  - Migrant farm workers;
- It must require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low- and moderate-income limit; or

- It must have income eligibility requirements which limit the activity exclusively to low- and moderate-income persons; or
- It must be of such a nature, and be in such a location, that it may be concluded that the activity's clientele will primarily be low- and moderate-income persons.

Microenterprise activities authorized by Section 105(a)(23) of the Housing and Community Development Act or 24 CFR 570.482(c) that focus on the owners of microenterprises or those developing microenterprises may also qualify under this national objective.

The following types of activities do **not** qualify under this national objective:

- Activities, the benefits of which are available to all the residents of an area;
- Activities involving the acquisition, construction or rehabilitation of property for housing; or
- Activities where the benefit to low- and moderate-income persons to be considered is the creation or retention of jobs, except:
  - Activities that provide job training, placement, and/or other employment support services (e.g., peer support, counseling, child care, transportation, etc.) and serve a population that is less than 51% LMI may qualify if:
    - In such cases where such training or provision of supportive services is an integrally-related component of a larger project, the only use of CDBG assistance for the project is to provide the job training and/or supportive services; and
    - The proportion of the total cost of the project borne by CDBG funds is no greater than the proportion of the total number of persons assisted who are low or moderate income.

#### *7.1.1.3: Low to Moderate-Income Housing (LMH)*

Activities qualifying under this national objective are those that provide or improve permanent residential structures that, upon completion, will be occupied by LMI households. This includes the following activities:

- The acquisition or rehabilitation of property by the unit of general local government, a subrecipient, an entity eligible to receive assistance under section 105(a)(15) of the HCDA, a developer, an individual homebuyer, or an individual homeowner;

- Conversion of nonresidential structures;
- New housing construction

If two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered for this purpose as a single structure.

The following occupancy requirements must be adhered to for activities under this national objective:

- If the structure contains two dwelling units, at least one must be occupied by an LMI household
- If the structure contains more than two dwelling units, at least 51 percent of the units must be occupied by LMI households. When less than 51 percent of the units in a structure will be occupied by LMI households, CDBG assistance may be provided in the following limited circumstances:
  - The assistance is for an eligible activity to reduce the development cost of the new construction of a multifamily, non-elderly rental housing project; and
  - At least 20% of the units will be occupied by LMI households at affordable rents; and
  - The proportion of the total cost of developing the project to be borne by CDBG funds is no greater than the proportion of units in the project that will be occupied by low and moderate income households.
- For all rental housing, occupancy by LMI households must be at affordable rents, as determined by the State (Territory).

#### *7.1.1.4: Low- to Moderate-Income Jobs (LMJ)*

Activities qualifying under this national objective are those that create permanent full-time jobs, 51% of which must benefit LMI persons. Documentation must be provided to show that 51% of the jobs created are held (or will be held) by LMI persons.

Activities that retain jobs may also qualify under this objective, if the State (Territory) can document that the jobs would be lost if CDBG-DR assistance is not provided. The projected job loss must show that at least 51% of those impacted are LMI persons. This can be documented through the following:

- The job is known to be held by an LMI person; or
- The job can reasonably be expected to turnover within the next 2 years and that it will be filled (or that steps will be taken to ensure that it will be filled) by an LMI person upon turnover.

Jobs are considered to be available to LMI persons only under the following circumstances:

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

Individuals are considered LMI under this national objective based on the following:

- The individual resides within a census tract (or block numbering area) that either:
  - Has at least 70 percent of its residents who are low- and moderate-income persons; or
  - Exists within a Federally designated Empowerment Zone or Enterprise Community, or if it meets the following requirements:
    - It has a poverty rate of at least 20 percent as determined by the most recently available decennial census information;
    - It does not include any portion of a central business district, as this term is used in the most recent Census of Retail Trade, unless the tract has a poverty rate of at least 30 percent as determined by the most recently available decennial census information; and
    - It evidences pervasive poverty and general distress by meeting at least one of the following standards:
      - All block groups in the census tract have poverty rates of at least 20 percent;
      - The specific activity being undertaken is located in a block group that has a poverty rate of at least 20 percent; or

- Upon the written request of the Recipient, HUD determines that the census tract exhibits other objectively determinable signs of general distress such as high incidence of crime, narcotics use, homelessness, abandoned housing, and deteriorated infrastructure or substantial population decline; or
- The assisted business is located within a census tract (or block numbering area) that meets the poverty level requirements above and the job under consideration is to be located within that census tract.

Generally, each assisted business counts as a separate activity, except in the following cases:

- In certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided the businesses are not otherwise assisted by CDBG funds.
- Where CDBG funds are used to pay for the staff and overhead costs of an entity specified in section 105(a)(15) of the HCDA making loans to businesses exclusively from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during any one-year period.
- Where CDBG funds are used by a Recipient or Subrecipient to provide technical assistance to businesses, this requirement may be met by aggregating the jobs created or retained by all of the businesses receiving technical assistance during any one-year period.
- Where CDBG funds are used for activities meeting the criteria listed at [§ 570.482\(f\)\(3\)\(v\)](#), this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during any one-year period, except as provided at paragraph 24 CFR 570.483(e)(6).
- Where CDBG funds are used by a Community Development Financial Institution to carry out activities for the purpose of creating or retaining jobs, this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during any one-year period, except as provided at 24 CFR 570.483(e)(6).



- Where CDBG funds are used for public facilities or improvements which will result in the creation or retention of jobs by more than one business, this requirement may be met by aggregating the jobs created or retained by all such businesses as a result of the public facility or improvement.
  - Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, provided that the cost (in CDBG funds) for the facility/improvement is less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.
  - In any case where the cost per job to be created or retained is \$10,000 or more, the requirement must be met by aggregating the jobs created or retained as a result of the public facility or improvement by all businesses in the service area of the facility/improvement. This aggregation must include businesses which, as a result of the public facility/improvement, locate or expand in the service area of the public facility/improvement between the date the state awards the CDBG funds to the Recipient and the date one year after the physical completion of the public facility/improvement. In addition, the assisted activity must comply with the public benefit standards at [§ 570.482\(f\)](#).

### **7.1.2: Urgent Need**

An activity meets this objective if it addresses needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community; is of recent origin (within 18 months) or which recently became urgent; and has no other available source to complete the funding package and the community cannot finance the activity on its own.

Under Federal Register Notice FR-6066-N-01, the standard certification requirements were waived due to disaster impacts. For activities meeting this national objective, documentation must show how each program and/or activity funded under the urgent need national objective responds to a disaster-related impact. Additionally, the Recipient must reference in its Action Plan needs assessment the type, scale, and location of the disaster-related impacts that each program and/or activity is addressing over the course of the applicable deadline for the expenditure of obligated grant funds.

## **7.2: Eligible Activities**

Eligible Activities will be detailed in the approved Action Plan. Examples of eligible activities are acquisition, construction, reconstruction, rehabilitation or installation of homes or public facilities.

Public facilities include water facilities, sewer facilities, solid waste disposal facilities, other publicly owned utilities, public systems, fire protection equipment, and community or senior citizens centers. Street improvements and drainage/flood control improvements are also eligible public facilities activities.

The CDBG-DR program provides a great amount of flexibility in the activities eligible for funding, but CDBG-DR prioritizes the range of activities based on the needs identified in its applicable Action Plan. A full list of eligible activities can be found at [Section 105\(a\) of the HCDA \(42 USC Section 5305\)](#) and additional parameters are found at [24 CFR 570.482](#).

## **7.3: Disaster Tie**

### **7.3.1: CDBG-DR Funding**

For all projects receiving funding under the CDBG-DR Program, there must be a tie to the 2017 Hurricanes (Irma and Maria). Projects that cannot demonstrate a connection to either of these disasters are **not eligible** for CDBG-DR funding.

### **7.3.2: CDBG-MIT Funding**

All projects receiving funds under the CDBG-MIT Program must mitigate risk and damage from future disaster impacts. All projects that do not result in such disaster risk reduction are **not eligible** for CDBG-MIT funding.

## **7.4: Policies and Procedures**

CDBG-DR/MIT Subrecipients will be required to develop and follow policies and procedures that adhere to the VIHFA's CDBG-DR programmatic, administrative, and cross-cutting requirements. Subrecipients that do not have policies and procedures to this effect may follow the requirements outlined in all applicable VIHFA's CDBG-DR/MIT policies and procedures.

For more information, please reference the CDBG-DR/MIT Policy Guidance.

## **7.5: Conflict of Interest**

The Virgin Islands Housing Finance Authority (VIHFA or the Authority) is dedicated to upholding the greatest standards of integrity, and it anticipates that its staff will act objectively and honestly in their interactions with one another, the Authority, and other organizations. This policy's goal is to offer guidance for identifying and addressing real and perceived conflicts of interest. It establishes a standard of conduct to protect the financial well-being, reputation, and legal obligations of the Authority.

The requirements of this policy apply to the following individuals (“covered persons”), either within VIHFA or one of its subrecipients/subgrantees:

- Agents
- Consultants
- Elected or appointed officials
- Employees
- Officers

Covered persons must adhere to all requirements, declare any ethical, legal, financial, or other conflicts of interest involving a VIHFA-assisted activity, and vacate any positions of decision-making authority regarding any such conflicts, per the following regulations:

- [2 C.F.R. §§ 200.317 and 318](#) – Procurement
- [24 C.F.R. § 92.356](#) – HOME Investments Partnership Program
- [24 C.F.R. § 576.404](#) – Emergency Solutions Grant Program (ESG)
- [24 C.F.R. § 570.489\(h\)](#) – Community Development Block Grant Program (CDBG)

## **7.6: Recordkeeping Requirements**

### **7.6.1: General Requirements**

Recordkeeping requirements are standardized rules for record management and the record keeping of information about VIHFA CDBG-DR/MIT-funded programs, to ensure they are applied consistently and transparently maximizing accountability and compliance. In addition, it establishes the rules and procedures for the evaluation and process of giving persons access to public information, in accordance with federal and local laws and regulations. It is crucial for the successful completion of CDBG-DR/MIT activities that VIHFA and Subrecipients fully document compliance with all applicable territory and federal regulations. This is accomplished through maintaining comprehensive records, submitting all necessary reports, and ensuring all Subrecipients and Developers are adhering to the requirements laid out. The filing system should be easy to use, access and provide a historic account of activities for examination and review by VIHFA, HUD, and Auditors. All records must be available to the following entities upon request:

- U.S. Department of Housing and Urban Development
- The Office of Inspector General
- The General Accounting Office

These entities must have access to any pertinent books, records, accounts, documents, papers, and CDBG-DR Record Keeping, Management and Reporting other property that is relevant to the grant. Certain records must be available to the public as well. However, Subrecipients and Developers must keep files that contain personal information, such as social security numbers,

in a secure place. It is important to make note of VIHFA and local Freedom of Information laws.

Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the retention period, then all such records must be retained until completion of the actions and resolution of all issues, or the retention period, whichever occurs later. Every subrecipient and contractor is required to establish and maintain at least three major categories of records: Administrative, Financial, and Project/Case Files.

### **7.6.2: Financial Recordkeeping**

VIHFA must comply with the recordkeeping requirements of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards including 2 CFR 200.333-.337.

The VIHFA will charge to the CDBG-DR and CDBG-MIT grants only allowable costs incurred during the period of performance and authorized pre-award costs. Additionally, the VIHFA's SAP and EMGrantsPro will be in a manner that captures effective control and accountability over all CDBG-DR/CDBG-MIT funds, property and additional assets to ensure solely authorized purposes.

All financial records and documents pertaining to the CDBG-DR and CDBG-MIT grants will be maintained for a minimum period of four (4) years after closeout, as described in § 570.487 and § 570.488 per 24 CFR 570.490.12 If electronic source documents are maintained, in accordance with 2 CFR 200.335, the documents will be easily retrievable and readable for review. During this period, the VIHFA will allow access to those records by the U.S. Department of Housing and Urban Development (HUD); territory officials and their representatives; internal and external auditors.

### **7.7: Procurement Requirements**

The VIHFA shall provide for a procurement system of quality and integrity; provide for the fair and equitable treatment of all persons or firms involved in purchasing by the VIHFA; ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to the VIHFA; promote competition in contracting; and assure that VIHFA purchasing actions are in full compliance with applicable Territorial laws. The VIHFA is committed to the stewardship of the environment and in this effort, will strive to reduce the adverse environmental impact of our purchasing decisions by buying goods and services from manufacturers and vendors who share our commitment to the environment.

Departments, Authorities and/or agencies that are statutorily created by the Virgin Islands Code and deemed state agencies and who elect to use their own documented procurement policy and procedures shall submit said policy and procedures to VIHFA for review to ensure compliance with the terms and conditions of all federal awards and applicable sections of the Code of Federal Regulations during their Capacity Assessment.

The Subrecipient shall submit to VIHFA a complete package for each procurement. Each procurement package must contain all items on the procurement checklist under the pre-procurement section that are relevant to that procurement.

The subrecipient shall make available for VIHFA review, all procurements prior to issuance.

The subrecipient shall submit to VIHFA all the required documentation on the procurement checklist under the pre-award section for review prior to issuing an award.

The subrecipient will submit to VIHFA for approval any change order that deviates from the original contract.

Subrecipients shall follow procurement checklist to remain compliant with VIHFA's requirements:

*Pre-Procurement process requires the following:*

1. Subrecipient Project Agreement
2. SAMS registry check for the awarded subrecipient, disclosure of any conflict of interest and corporate documents
3. Subrecipient's Procurement Policies and Procedures
4. Independent Cost Estimate for project
5. Solicitation Package including federal requirement language:
  - a. Minority/ Women in Business
  - b. HUD Rider
  - c. Davis Bacon Section 3

*Pre-Award process requires the following:*

1. Verification of Advertisement of solicitation in local publication
2. Receipt and Review of any addendums (if applicable)
3. Cost or Price Analysis
4. SAMS registry check for the awarded contractor, disclosure of any conflict of interest and corporate documents

*Post Award process requires the following:*

1. Copy of Executed Contract
2. Contractor's Performance Evaluation



VIRGIN ISLANDS HOUSING FINANCE AUTHORITY  
PROCUREMENT DIVISION  
SUBRECIPIENT CHECKLIST

- STT/ STJ
- STX
- Territorial

Project: Name & Number \_\_\_\_\_

Tab #	Document Description
<input type="checkbox"/>	1 Subrecipient Project Agreement
<input type="checkbox"/>	2 SAMS registry certification Conflict of Interest Corporate Documents from subrecipient
<input type="checkbox"/>	3 Procurement Policies & Procedures Review Program Mgr Compliance Procurement Department
<input type="checkbox"/>	4 Independent Cost Estimate for project
<input type="checkbox"/>	5 Solicitation Package including M/WBE HUD Rider Davis Bacon & Supporting documents
<input type="checkbox"/>	6 Verify Advertisements CDBG-DR Website Daily News Avis V. I. Source ODR
<input type="checkbox"/>	7 Review Addendums Program Mgr Procurement Department
<input type="checkbox"/>	8 Cost / Price Analysis Program Mgr Procurement Department
<input type="checkbox"/>	9 SAMS registry certification Conflict of Interest Corporate Documents from awarded contractor
<input type="checkbox"/>	10 Executed Contract posted on CDBG-DR Website -Exp. Date _____
<input type="checkbox"/>	11 Report Card (Contractor's Performance Evaluation)

- Pre-Procurement
- Pre-Award
- Post Awarded Procurement

### 7.7.1: Contractual Agreements

Subrecipients engaging in procurement actions to effectuate CDBG-DR/MIT program activities must ensure that all contractual agreements meet certain minimum standards so that contractors can be held accountable. Accordingly, all contractual agreements must contain the following sections:

- Services – This section will describe the services to be provided under the contract.
- Term and Effective Date
- Compensation
- Liquidated Damages
- Performance Bond
- Payment Process
- Indemnification
- Workmanship/Warranty
- Defective Work
- Completion & Extension of Contract Work
- Additional Work
- Mold Assessment & Remediation
- Acceptance of Plans and Consent to Perform the Project
- Contractor's Representations
- Representations, Warranties, and Covenants by the Contractor

- Condition of Premises
- Contractor, Materialmen or Mechanics' Liens
- Independent Contractor
- Liabilities
- Force Majeure
- Indemnity and Limitation of Liability
- Workmen's Compensation
- Insurance and Bonding
- Sub-Contracting
- Assignment of the Project
- Waivers and Amendments
- Right to Withhold
- Termination
  - Termination for Cause
  - Partial Termination
- Non-Discrimination
- False Claims
- Section 3
- Executive Order 11246 Non-Discrimination
- Affirmative Action Plan
- Federal Labor Standards
- Section 106 Compliance
- Conflict of Interest
- Warranty of Non-Solicitation
- Preliminary Inspections
- Final Inspection
- Records
- Amendments
- Notice
- Taxes
  - Gross Receipt Taxes
- Governing Law and Venue

- Severability
- Entire Contract
- Counterparts
- Federal Cross-Cutting Measures
- HUD Rider (See Resources Section)

### **7.7.2: Contractor Performance**

Subrecipients must evaluate the performance of all contractors funded with CDBG-DR/MIT funds to ensure funds are being effectively spent. Performance evaluations must examine the following **at minimum**:

- Project timeliness
- Invoicing
- Reports
- Communication
- Cost Control
- Quality and Technical Competence

These criteria must be ranked and weighted based on its importance and relevance to the project for which the contractor was procured. A sample evaluation is provided in the Resources section of this document.

## **7.8: Financial Management**

Subrecipient's financial management system must be consistent with the standards set forth in 24 CFR 85.21 et seq. and 24 CFR 85.20 et seq., and 2 CFR Part 200.302(b), Post Federal Award Requirements and Standards for Financial and Program Management. VIHFA may review the adequacy of the financial management system in adherence to CDBG-DR requirements.

### **7.8.1: Single Audit**

Non-Federal entities that expend \$750,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR 200 Subpart F. VIHFA is audited as part of the Virgin Islands Territory-wide audit in compliance with the provisions of 2 CFR 200 Subpart F.

### **7.8.2: Internal Controls**

The VIHFA maintains a system of internal controls to protect the integrity of the flow of funds to help ensure that they are used for their intended purpose. The internal controls procedures provide adequate separation of duties so that no one individual has authority over



all fiscal functions. Internal controls and its processes are fundamental and indispensable when there are specific program and financial management responsibilities.

At minimum, the VIHFA utilizes the following as a guide regarding segregation of duties:

- No individual has complete control over all phases of any significant transaction. In other words, the same person does not authorize payment, records the transaction, and sign the checks.
- Record keeping is separate from operations and the handling and custody of assets.
- Monthly reconciliations and verifications of cash balances with bank statements are made by employees who do not handle, record cash, or sign checks.
- Purchase orders, journal entries, expenses and expense approvals each require multiple levels of approval by different staff members.
- Adding, deleting and updating system access permissions are separated from all financial management activities.
- Staff preparing payrolls are not handling, approving, or signing payroll disbursements.
- Lines of responsibility are clearly established and adhered to as closely as possible.

### **7.8.3: Capital Assets**

A capital asset is defined as a financial resource meeting all the following criteria:

1. It is tangible in nature either movable or immovable.
2. It has an extended useful life, more than one year.
3. It is not a repair part or supply item.
4. It has a value greater than the capitalization threshold or is considered to be an asset for which control accountability is desirable. (Section 4 outlines the Authority's threshold).
5. It will be used in operations and not for resale.

The Authority will capitalize all capital assets having a useful life exceeding one year and costing over \$1,000.00. Exceptions to this include certain office equipment such as computers or laptops whose cost may be below \$1,000.00 but has a useful life of more than one year and are susceptible to theft.

Expenditures for improvements to current capital assets are to be added to the cost of the existing asset, where practical (in certain cases, improvements may be identified to be a unique asset.) These expenditures must be capitalized when it improves the condition of the assets beyond its originally assessed standard of performance or capacity. This can occur through an increase in the annual service potential provided by the assets or increases the useful life of the asset.

Expenditures that do not meet the above criteria or merely restore the asset to its original function must be expensed as repairs and maintenance as incurred.

#### *7.8.3.1: Tagging and Tracking of Assets*

The Authority will utilize an inventory tracking system to account for all assets to include but not limited to the following information:

- Purchase cost and date
- Location
- Employee it is assigned to (custodian)
- Record of receipt of purchase
- Funding used for purchase
- Disposition approval and method

All capitalizable assets will be marked with a tag upon acquisition that identifies:

- Asset type
- Assigned department
- Funding source

Non-capitalized assets may also be tagged to show the Authority's ownership but will be identified differently from capitalized assets.

For assets purchased with Federal funds, both capitalizable and non-capitalizable, the items will be tracked and tagged to readily identify the federal program source used to obtain the item and so a complete inventory can be performed for all asset types. This will be a requirement as well for all VIHFA's sub-grantees.

#### *7.8.3.2: Transfer and Disposal of Capital Assets*

At times, a capital asset may need to be transferred from one department to the next or retired by the Authority for different reasons. The asset may need to be retired if it becomes obsolete, damaged beyond repair, excess cost of maintenance, completely depleted/used or stolen. Before any asset can be transferred, disposed of, sold or written off due to theft, the responsible custodian must first submit a completed Fixed Asset Transfer/Retirement Form (See Appendix) to their Division Director who will be responsible to obtain written approval from the CFO and Executive Director (ED) as to what action is approved. If the asset was stolen, a police report must accompany the Fixed Assets Transfer/Retirement Form.

Once approved, the action to be taken and the required signatures will be noted on the Fixed Asset Transfer/Retirement Form and submitted to the Accounting Department to properly record the transfer or removal of the capital asset.

For more information, please refer to the VIHFA Capital Asset Policy in the General Administrative Manual.

#### **7.8.4: Costs**

##### *7.8.4.1: Administration Costs*

Program administration costs are associated with salaries, wages, and related costs of the VIHFA's staff, including consultants and Subrecipients engaged in program administration for the awarded CDBG-DR Grant Award. Examples of eligible CDBG-DR and CDBG-MIT program administrative costs can include:

- a) Providing local officials and citizens with information about the CDBG-DR funded project;
- b) Internal meetings for general program administration and review that is not related to program delivery activities;
- c) Preparing program budgets and schedules, and amendments thereto;
- d) Developing systems for assuring compliance with CDBG-DR program requirements;
- e) Costs associated with the Environmental Review Record for the overall program, including the release of funds;
- f) Preparing for Requests for Proposals (RFP) with consultants for grant administration or other related work and Requests for Qualifications (RFQ);
- g) Monitoring program activities for progress and compliance with the program requirements;
- h) Coordinating the resolution of audit and monitoring findings;
- i) Evaluating program results against territory objectives;
- j) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described above;
- k) Purchase of capital equipment, such as file cabinets, and used exclusively for CDBG-DR grant administration; and
- l) Prorated costs of obtaining audits in compliance with Subpart F of 2 CFR 200.

##### *7.8.4.2: Planning Costs*

Planning costs are the costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans. Planning costs include:

- Comprehensive plans;
- Community development plans;

- Functional plans;
- Capital improvement programs;
- Individual project plans, excluding engineering and design costs related to a specific activity;
- Environmental studies and project specific environmental assessments; and
- Policy planning management capacity building activities which enable VIHFA to:
  - Determine its needs;
  - Set long-term goals and short-term objectives
  - Devise programs and activities to meet these goals and objectives;
  - Evaluate the progress of such programs and activities in accomplishing these goals and objectives; and
  - Carry out management, coordination and monitoring of activities necessary for effective planning implementation excluding the costs necessary to implement such plan

#### *7.8.4.3: Activity Delivery Costs*

Activity Delivery Costs are costs which can be attributed directly to the delivery of the specific proposed activities such as:

- a) Compensation of employees for the time devoted to the performance of implementing and carrying out a specific eligible CDBG-DR activity;
- b) Cost of materials acquired, consumed, or expended by staff in carrying out a specific eligible CDBG-DR activity;
- c) Travel costs incurred specifically for carrying out eligible activities, such as visits made to the job site of a construction activity to ensure legitimate progress payments; and
- d) Consultant and subrecipient costs directly attributable to the implementation of specific activities.

#### *7.8.4.4: Allowable Costs*

All costs must meet the following criteria from 2 CFR Part 200.402 – 406, Basic Considerations, in order to be treated as allowable direct or indirect costs under a federal award. The VIHFA ensures that all allowable costs meet the following general criteria in order to be allowable as a charge against any federal award:

- a) Be necessary and reasonable for proper and efficient performance and administration of federal awards;

- b) Be allocated to the grant;
- c) Be authorized under the Territory's laws or regulations;
- d) Conform to any limitations or exclusions set forth in 2 CFR 200 Subpart E and other applicable laws and regulations;
- e) Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and Territory laws;
- f) Costs are not allowable to, or included as a cost of, any other federally financed program;
- g) Be accorded consistent treatment; and
- h) Be determined in accordance with generally accepted accounting principles (GAAP)
- i) Be adequately documented.

#### **7.8.5: Source Documentation**

The VIHFA retains source documents which provide all details of the transaction. Certain invoice approval documents are created and maintained in electronic version. The VIHFA uses this documentation to show how grant monies are being utilized as well as how the grant requirements are being met. These documents include but are not limited to:

- a) Purchase orders
- b) Vendor contract agreements, subrecipient agreements, memorandum of understanding
- c) Vendor task orders
- d) Invoices and payment requests with approvals
- e) Receipts
- f) Travel vouchers
- g) Time and effort documentation
- h) Employee salary and payroll records
- i) Bank Statements
- j) Copies of checks and cancelled checks

#### **7.8.6: Payment Requests**

A vendor or subrecipient can submit a payment request via the following methods.

Option 1: Mail request or invoice to VIHFA's mailing address to the attention of the CDBG-DR Division Accounts Payable:

1110 Beltjen Road, Suite 200  
St. Thomas, VI 00802

Option 2: Email request or invoice to [drawrequestcdbgdr@vihfa.gov](mailto:drawrequestcdbgdr@vihfa.gov).

Users in the email group include the DR Finance Unit staff.

Option 3: Enter request in EMGrantsPro payment request portal.

Due to the estimated frequency of requests, complexity and the nature of the product or services rendered, some vendors and subrecipients will only be allowed to submit via option 3 once external users are given access to EMGrantsPro.

For payment request submitted via options 1 and 2, the Accounts Payable Specialist will initiate the payment request in EMGrantsPro. For option 3, vendors and subrecipients will initiate the payment request themselves directly into EMGrantsPro.

Access for the external parties identified on the Delegation of Authority form to submit payment requests will be granted after an email is sent to the vendor's designees. Access is approved through a defined workflow process controlled by the Admin users in EMGrantsPro (Option 3 will be available after initial training sessions occur with subrecipients and vendors on EMGrantsPro and access to view training videos in the resources library becomes available).

#### **7.8.7: Recapture of Funds**

The Virgin Islands Housing Finance Authority Community Development Block Grant-Disaster Recovery (VI CDBG-DR) is the Lead Agency in charge of ensuring that Subrecipients of CDBG-DR/MIT funding comply with the requirements of their award. It is also accountable for making a good faith attempt to ensure that all VI CDBG-DR/MIT grants are awarded and disbursed in accordance with the United States Virgin Islands (USVI) Action Plan and subsequent amendments, the grant agreement executed between the USVI and the Department of Housing and Urban Development (HUD), and applicable State and federal regulations. However, situations may arise where an applicant needs to return all or part of the awarded funding to the respective program. While carrying out these obligations, the VI CDBG-DR/MIT Program may attempt to recoup money given to Subrecipients who did not spend the funds in accordance with the Program's regulations, or who were awarded funds in error, or in excess of an unmet need (i.e., duplication of benefits).

HUD makes no distinction between individual and/or entity who received funds because of an error on the part of staff or an error on the part of the applicant; however, HUD allows different recapture (collection) processes for individuals and entities who intentionally withheld or falsified information during the application process, as this is fraud.

### **7.8.8: Program Income**

Any program income earned as a result of activities funded under a federal grant will be subject to alternate requirements of 24 CFR 570.489(e), which defines program income. Program income is defined as gross income received by a State, a unit of general local government, or a subrecipient of the unit of general local government that was generated from the use of Federal grant funds, regardless of when the funds were appropriated and whether the activity has been closed out, except for certain exemptions outlined at 570.489(e)(2). Any program income derived by the VIHFA will follow Federal requirements for administering program income found at the above-referenced section. Program income generated under individual contracts with the subrecipients shall be returned to the VIHFA each month. At VIHFA's discretion, program income could be allowed to remain with a program subrecipient.

### **7.9: Fraud, Waste, and Abuse**

Fraud, waste, and abuse requirements apply to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, sub-recipients, sub-grantees, applicants or outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Virgin Islands Housing Finance Authority (VIHFA).

VIHFA's fraud, waste and abuse policy complies with the False Claims Act and the United States Code (U.S.C.) by defining fraud, waste and abuse and providing a reporting mechanism, in compliance with 18 U.S.C.287, 1001 and 31 U.S.C. 3729. These regulations refer to the False Claims Act, which places liability upon federal grantees who defraud the government in executing federal funds.

It is required that all departments administering federal resources including but not limited to federal reconstruction resources, CDBG, Community Development Block Grant – Mitigation (CDBG-MIT), Community Development Block Grant – Disaster Recovery (CDBG-DR), HOME Investment Partnership Program (HOME), Emergency Solutions Grants Program (ESG), HOUSING TRUST FUND, and local funds, follow a framework that will provide comprehensive and stringent safeguards to ensure that all federal resources are utilized through an ethical and transparent process.

### **7.10: Federal Cross Cutting Requirements**

CDBG-DR/MIT funding carries a myriad of federal regulatory requirements in addition to regular CDBG program requirements. These cross-cutting requirements are listed below. Total compliance with these requirements is **mandatory** for all Subrecipients receiving CDBG-DR/MIT funding.

- Allowability and Allocability of Costs
- Americans with Disabilities Act
- Audits

- Bonding Requirements
- Cash Management
- Citizen Participation Plan
- Confidentiality & Personally Identifiable Information
- Conflict of Interest
- Civil Rights Act and Non-Discrimination
- Davis-Bacon & Related Acts
- Duplication of Benefits
- Drug Free Workplace
- Environmental Review
- Fair Housing
- Financial Management
- Flood Insurance
- Fraud, Waste, and Abuse
- Lead-Based Paint
- Limited English Proficiency (LEP)
- Minority and Women-Owned Business Enterprises
- Property Management & Disposition
- Recordkeeping
- Section 104
- Section 504
- Section 3
- Timely Distribution of Funds
- Uniform Relocation

Detailed information on each of these requirements can be found in the [HUD's CDBG Toolkit](#) and the General Administrative Manual.

## **7.11: Reporting**

The Disaster Recovery Grant Reporting (DRGR) system will be used for HUD Programs including the CDBG-DR and CDBG-MIT programs. The DRGR system was developed by HUD's Office of Community Planning and Development (CPD) for the CDBG Disaster Recovery (CDBG-DR) and CDBG Mitigation programs, in addition to other special appropriations such as the Neighborhood Stabilization Program (NSP). DRGR system is primarily used by grantees to access grant funds and report performance accomplishments for



grant-funded activities. The DRGR system is used by HUD staff to review grant-funded activities, prepare reports to Congress and other interested parties, and monitor program compliance. Subrecipients are required to report to VIHFA monthly their accomplishments towards meeting the CDBG-DR and CDBG-MIT National Objective requirements, comparisons from budget to actuals and performance narratives. The monthly information is utilized by VIHFA to prepare the Quarterly Progress Report (QPR) which is required to be reported in DRGR. The QPRs are also posted on VIHFA's website which provides external parties with information on the overall progress of the CDBG-DR and CDBG-MIT grants. The VIHFA has previously used DRGR for Neighborhood Stabilization Program (NSP) funds received in February 2009 as a part of the ARRA funding.

### **7.11.1: Monthly Reports**

The CDBG-DR Compliance and Monitoring Unit will require monthly reports to be submitted by the subrecipients to be reviewed for progress and spending against project scope, performance measures, and budgets. Monthly reports must include but are not limited to the following:

- Narrative
  - List project or program activities worked on to include activity progress
  - Subrecipient procurement status
- Images
  - Maps
- Draw requests and total expenses
- Quantitative performance metrics
  - Project tracker
    - Project deliverables
    - Project benchmarks/timeline
    - Project variance

### **7.11.2: Federal Compliance Reporting**

Subrecipients are required to document compliance with all federal cross-cutting requirements as listed in Section 7.10. Specific reporting guidelines for cross-cutting requirements can be found in the General Administrative Manual.

## **8.0: APPLICATION PROCESS**

The Virgin Islands Housing Finance Authority (VIHFA) Community Development Block Grant – Disaster Recovery (CDBG-DR) Division has the ongoing responsibility to ensure projects slated to be funded with CDBG-DR/MIT funds are eligible and suitable based on HUD requirements. The task of certifying eligible CDBG-DR/MIT documents will be conducted

using the CDBG-DR/MIT Project Application. The CDBG-DR/MIT Project Application is normally introduced to potential Subrecipients, during the Capacity Assessment process but can be provided prior to or after the Capacity Assessment process is complete. Potential Subrecipients and other applicants, such as Developers, may also obtain the CDBG-DR/MIT Project Application during their relationship with VIHFA once a project is in the most recently approved VIHFA CDBG-DR or CDBG-MIT Action Plan.

The CDBG-DR/MIT Project Application should be completed with concise information to populate the Subrecipient's Project Agreement. (See VIHFA's CDBG-DR Subrecipient Checklist for the order of steps at [cdbgdr.vihfa.gov](http://cdbgdr.vihfa.gov).) The CDBG-DR/MIT Project Application must be guided by program staff through each unit until final approval. A copy of the Project Application can be accessed [here](#).

## 8.1: Application Procedures

The standard operating procedures (SOP) detailed in this manual are designed to guide individuals through the review and approval of the CDBG-DR/MIT Project Application. The SOP will ensure the application is guided to the appropriate unit/unit representative for review and approval upon completion and submission.

### 8.1.1: Public/Private Entity

- a. Subrecipients are provided the CDBG-DR Project Application for completion by the VIHFA CDBG-DR Compliance and Monitoring unit during the Capacity Assessment or by the respective Program or Senior Manager. Subrecipients may also download the application from the VIHFA website at [cdbgdr.vihfa.gov](http://cdbgdr.vihfa.gov).
- b. Subrecipients must complete the CDBG-DR Project Application in its entirety. Questions that do not pertain to a Subrecipient **CANNOT** be left blank and should be populated using "Not Applicable" or "N/A".
- c. Subrecipients must provide support for the dollar amounts entered in the budget section of the application by completing a cost/price analysis. ***Note:** The cost/price analysis must be submitted with the completed application for review. A template can be provided by the CDBG-DR program staff if requested.*
- d. Completed applications must be initialed, signed and dated by organization heads prior to submittal. ***Note:** The signature of the organization head will confirm awareness and agreement with the content in the application. The organization head must ensure signatures are provided in two areas: Project Budget Form and*

*Overall Application. Prior to signing, a draft of the application can be reviewed and commented on by program staff if technical assistance is needed.*

- e. Subrecipients are required to submit a completed editable application and a PDF copy of the application via e-mail to the respective CDBG-DR Program Manager copying the CDBG-DR Senior Manager. Subrecipients may remove all pages with directions in the PDF copy of the application prior to submitting. **Note:** *In the event there is no Program Manager, the completed CDBG-DR Project Application(s) must be submitted directly to the respective Senior Manager.*
  
- f. The CDBG-DR Project Application will be returned to the Subrecipient should VIHFA deem the application ineligible or require additional detail, attachments, etc. VIHFA will not sign and date any application that does not meet eligibility or requires additional information.

## **8.1.2: VIHFA**

### *8.1.2.1: Program Manager*

- a. Program Managers will receive a Subrecipient's CDBG-DR Project Application(s) via e-mail (preferred), or hand delivered.
  - i. Note: If hand delivered the application must be date stamped upon receipt.
  
- b. Program Managers will review submitted applications within ten (10) business days from the date of receipt. During the review period Program Managers will ensure that:
  - i. All sections are concise and complete supporting an eligible and suitable CDBG-DR project including compliance with national objectives, CDBG-DR activity eligibility, the CDBG-DR Action Plan and tie to the disaster;
  - ii. Adequate documentation is provided to support dollar amounts populated in the budget templates to determine cost reasonableness;
  - iii. Dollar amounts are correctly calculated;
  - iv. Disbursement schedules are completed properly in conjunction with project dates; and

- v. Attachments are provided, if necessary, detailing information provided in the application.
- c. Program Managers will sign and date the application signifying acceptance once satisfied with the information provided in the completed application. Program Managers are responsible for ensuring signatures are obtained by walking the application through each unit for review. Note: The signature of the program staff will confirm awareness and agreement with the content in the application. The program staff must ensure signatures are provided in two areas: Project Budget Form and Overall Application. Prior to the program staff signing, the Subrecipient's application can be sent for review and comment by the environmental, compliance, and finance staff if technical assistance is needed.
- d. If the application does not meet eligibility or requires additional detail, attachments, etc. the Program Manager is responsible for communicating those deficiencies to the Subrecipient in writing and must not sign and date the application.

#### *8.1.2.2: Senior Manager*

The Senior Manager provides a secondary review of the project application, focusing on eligibility, cost reasonableness, adequacy of documentation, and compliance with the appropriate program policies and procedures.

- a. Senior Managers will receive signed and dated CDBG-DR Project Application(s) once reviewed and accepted by their respective Program Manager. Senior Managers will review submitted applications within ten (10) business days from the date of receipt. If in agreement, Senior Managers will sign and date the project budget and initial and date the DR Application signifying approval.
- b. If the application does not meet eligibility or requires additional detail, attachments, etc. the Senior Manager is responsible for communicating those deficiencies to the Program Manager in writing and must not sign and date the application. (See Section 2d for the Program Manager's responsibility.) Note: Resubmitted applications must be reviewed by Senior Managers to ensure issues/concerns have been addressed.
- c. The approved application is then sent to the Environmental Unit for review.

#### *8.1.2.3: NEPA Environmental and Compliance Specialists*

The NEPA Environmental and Compliance and Monitoring team (including the Senior Manager) will receive approved CDBG-DR Project Applications from the respective program Senior Managers following their review and approval of the application. The members of the individual teams will review applications independently.

- a.** The Environmental Specialists are expected to review completed DR Applications within five (5) business days to confirm the existence of a detailed project scope and all pertinent environmental information, such as geographic boundaries, is provided to conduct an environmental review.
- b.** Compliance and Monitoring Specialists are responsible for reviewing the completed DR Application within five (5) business days (to run concurrently with Environmental team) to ensure it meets all CDBG-DR eligible requirements (Tie to the Storm, National Objectives, and Eligible Activities) and identify cross cutting requirements the application may trigger. The specialists will also verify that all prior signatures and initials have been captured.
- c.** If satisfied, the lead Environmental and Compliance and Monitoring Specialist (including the Senior Manager) are required to sign, initial and date the DR Application (where applicable) signifying approval. The signed and initialed application is then sent to the CDBG-DR Finance Director or a representative of the DR Finance Unit identified by the DR Finance Director for review and approval.
- d.** Should the DR Application require changes, additional information, and/or questions or concerns, the NEPA Environmental and Compliance and Monitoring team will meet to discuss those items with the Program and Senior Managers (optional). The respective Program Manager will receive all application notes to convey to the Subrecipient. Note: This task may also be performed during technical assistance as mentioned in the note of section 2.1c. Once concerns have been addressed, the DR Application must be re-submitted to the NEPA Environmental and Compliance and Monitoring Specialist for review. If the Specialists are satisfied with the completed application, he/she must sign, initial and date (where applicable) to signify review and approval of the application.

#### *8.1.2.4: CDBG-DR Finance Director and Budget Specialist*

The Budget Specialist or the CDBG-DR Finance Director are responsible for reviewing the project budget to ensure that the subrecipient has submitted sufficient documentation to

substantiate the cost of the project and the budget page is complete and supports the information populated in the DR Application.

The CDBG-DR Budget Specialist will receive DR Project Application(s) to confirm, within five (5) business days: the assumptions utilized and documentation submitted supports the budgeted cost, and that the subrecipient provided a complete and proper cost/price analysis in support of the application's project scope to prudently determine cost reasonableness. **Note:** *All supporting documentation (cost analysis) used to complete the project budget must be submitted with the completed DR Application for review.*

- a. The DR Budget Specialist will discuss the review of the project's budget with the DR Finance Director. If a Budget Specialist is not present, the entire review will be conducted by the DR Finance Director.
- b. Once satisfied, the DR Finance Director will sign and date the signature page of the project budget section of the DR Application before forwarding to the CDBG-DR Director.
- c. Required changes, additional information, and/or questions and concerns must be sent to the respective Program Manager with a copy to the Senior Manager. The DR Application must be re-submitted to the DR Finance Director and the Budget Specialist (if present) for review.

#### *8.1.2.5: Chief Disaster Recovery Officer (CDRO)*

The CDBG-DR Director or representative is expected to review the DR application for complete understanding and eligibility approval.

- a. The DR Director will receive DR project applications once all signatures have been captured from the respective units previously discussed.
- b. The DR Director will review all sections of the DR application within five (5) business days to confirm the application meets all the eligibility requirements (Tie to the Disaster, National Objectives, etc.) before moving forward for final approval by the VIHFA Executive Director.
- c. Once satisfied, the DR Director will sign and date the signature pages of the project budget section and overall application before forwarding to the VIHFA Executive Director. The DR Director must select the 'Approved or Rejected' option when signing the application.

- d. Should the application require rejection, the application must be returned to the Program Manager, copying the Senior Manager for notification.

#### *8.1.2.6: VIHFA Executive Director*

The VIHFA Executive Director is expected to review DR Applications for complete understanding and eligibility approval. The Executive Director's approved signature triggers the start of the following: Environmental Review and Project Agreements.

- a. The VIHFA Executive Director will receive DR Applications with all required signatures. The Executive Director should not receive an application that has not been reviewed by the respective units above.
- b. Once satisfied, the Executive Director will sign and date the signature pages of the project budget section and overall application. The Executive Director must select the 'Approved or Rejected' option when signing the application.
- c. Should the application require rejection, the application must be returned to the Program Manager, copying the Senior Manager for notification.
- d. The final approved application must be returned to the Program Manager and Senior Manager for record keeping purposes.

#### **IMPORTANT:**

1. All review dates will reset once the application is returned to the Subrecipient for corrections or issues.
2. Subrecipients must have a completed and approved DR Project Application before receiving a Project Agreement.
3. Final approved applications must be shared with the NEPA Environmental team to begin Environmental Reviews.

#### **8.1.3: Amended CDBG-DR Application**

In the event of changes or adjustments to approved project activities and/or budgets. Subrecipients are required to submit an amended CDBG-DR Project Application to its respective Program Manager. Note: The submittal of an amended CDBG-DR Project Application may affect environmental reviews and may require a re-evaluation.

Subrecipients must complete the following in the event of an amendment:

1. Complete the DR Application Coversheet with the Agency and Project Name. Note: After entering the project name, please identify the amendment number. Ex. XYZ Project – Amendment 2.
2. Ensure the amendment number is entered in the general description section and amended application is selected.

#### General Description Form

Place a check mark in the appropriate box:

Original Application

Amended Application #

3. All other questions must be completed if there are changes to previous responses in the originally approved application or a prior approved amended application. If there is no change to information given in a previously approved application, please enter “No Change” as the response.
4. Amended applications must follow the approval process explained in the section titled, Application Process.

## 8.2: Capacity Assessment

Using a capacity assessment model, potential and existing subrecipients receiving CDBG-DR and CDBG-MIT grants will be reviewed to determine the level and frequency of monitoring that should be performed to determine if the subrecipient is accounting for and expending grant funds according to grant terms and federal and territorial laws, regulations, and guidelines. Working units outside of the Compliance and Monitoring Section will be consulted for their input regarding subrecipient performance, risks, and program compliance.

Capacity assessments include an evaluation of both the magnitude of potential noncompliance and the probability that noncompliance will occur. Subrecipient characteristics examined include, but are not limited to, the following:

- Staffing, Experience, and Leadership
- Adequacy of Policies and Procedures
- Compliance History Including Monitoring and/or Audit Results
- Complexity of Projects
- Accounting and Financial Management Including Procurement



- Size of the Grant(s)

The VIHFA Compliance and Monitoring Unit will use a rubric of relevant capacity factors to evaluate potential and existing subrecipients in terms of risk (very low, low, medium, high, very high). A final, total score will then be computed for each subrecipient based on this analysis.

An important element in the capacity assessment is documentation of the process and results. This is critical in determining the frequency and type of monitoring that will occur (desk monitoring and onsite visits). Capacity Assessments are conducted annually. The subrecipient’s work performance, changes in the organization, or the nature of its activities may account for a capacity re-evaluation within the same year of when an assessment was conducted. This will be considered and determined on a case-by-case basis. Any deviations from the initial assessments will be fully documented and approved by senior management.

**Table 1 Capacity (Risk) Assessment Rubric**

<b>Category</b>	Staffing, Experience, Leadership	Policy and Procedures	Compliance History	Complexity of Projects	Current Accounting Processes	Size of Grant	<b>Total</b>
<b>Score Range</b>	0-20	0-15	0-15	0-15	0-15	0-20	<b>0-100</b>

Very Low Risk: 0-20   Low Risk: 21-40   Medium Risk: 41-60  
High Risk: 61- 80   Very High Risk: 81-100

## **9.0: TRAINING AND TECHNICAL ASSISTANCE**

### **9.1: Subrecipient Orientation**

Prior to the initialization of the CDBG-DR and CDBG MIT programs, all Subrecipients must complete a subrecipient orientation (Subrecipient Management Training). The orientation will provide an initial introduction to the Community Development Block Grant - Disaster Recovery and Mitigation programs. It will also present an opportunity to review the requirements tied to the funding awarded through CDBG-DR and CDBG-MIT. Subrecipients will be given a timeline of no more than thirty (30) days to complete orientation.

Each individual or group technical assistance session may briefly cover the topics discussed in the initial orientation as well as bring all parties up to date with the status of the CDBG-DR and MIT programs and their respective project(s). The sessions are intended to ensure that no subrecipient is left behind when executing the programs. Missed mandatory technical assistance sessions may affect CDBG-DR and CDBG-MIT funding. Subrecipients in that position must make every effort to remedy the situation.

## **9.2: On-Demand Technical Assistance & Training**

If there is an identified need for technical assistance, the Compliance and Monitoring team or the Senior Manager providing oversight to the Program/project will provide assistance based on the Subrecipient's needs. Examples of technical assistance that may be provided, but is not limited to, the following:

- Training
- Additional capacity/resource support
- Written guidelines
- Job aids
- Flow of funds and disbursements
- Reporting requirements, i.e., monthly progress report
- Fraud, Waste, and Abuse
- Conflict of Interest
- Subrecipient Management

Recurrence and extent of technical assistance will be determined by the Compliance and Monitoring Unit and/or Program staff based on working with the Subrecipients and based on additional outcomes of ongoing monitoring.

## **9.3: Monitoring Procedures**

VIHFA will perform both desk reviews and onsite monitoring, based on the capacity assessment and according to the procedures described in the Compliance and Monitoring Policy and Procedures. Although monitoring is an aspect of subrecipient oversight and management, it does not replace strong and ongoing communication between VIHFA and Subrecipients.

Effective August 1, 2023, annually, Subrecipients will receive correspondence indicating their risk level and the frequency and type of monitoring that will occur. Official Monitoring Notification Letter will be sent forty-five (45) days prior to monitoring. Monitoring will include an entrance and exit conference. Upon completion of monitoring, the Compliance and Monitoring Unit will provide a Monitoring Report within 60 days. Subrecipients have 60 days to respond to Monitoring Findings.

## **10.0: SUBRECIPIENT & INTERDEPARTMENTAL AGREEMENTS**

Subrecipient and Interdepartmental agreements are a legal means to convey all applicable requirements, roles, and responsibilities (see CDBG regulations at 24 CFR 570.503). It is required that applicable entities enter into a Subrecipient or Interdepartmental agreement with

the CDBG-DR/MIT Program that includes these general provisions and any additional special conditions, based on the results of the capacity assessment.

This agreement must include but is not limited to the following provisions:

- Statement of Work
- Records to be maintained, reports to be submitted
- Program Income
- Uniform administrative/financial requirements (e.g., financial management, procurement, conflict of interest, etc.)
- Cross-cutting requirements (e.g., environmental review, duplication of benefits, Uniform Relocation Act, etc.)
- Suspension and Termination of the agreement
- Reversion of assets
- Other Program Requirements

Agreements include a concise statement of the CDBG-DR rules and conditions that govern the relationship under which funds are provided. The agreement covers all regulatory and legal requirements that apply to the eligible activities being carried out and provides a yardstick for measuring Subrecipient performance and the degree to which the Subrecipient is achieving the objectives specified. VIHFA staff will compare actual progress with the terms of the grant agreement to determine whether the Subrecipient is carrying out the activities as approved, on time, and within budget.

VIHFA will require that Subrecipients enter into an agreement that includes general provisions and special conditions based on the results of the capacity assessment of the Subrecipient. This agreement will include appendices detailing such requirements as recordkeeping, retention and reporting and other administrative requirements. Once the conditions for each Subrecipient agreement have been met, VIHFA will produce an addendum to the original agreement for each program or project in which the subrecipient will participate. Instances may occur where the Subrecipient is allowed to proceed while working on the condition. An example of such an instance may surround the completion of necessary policy and procedures. The addendum will include a detailed scope of work, associated timeline and budget. Each subrecipient must comply with the conditions of the general agreement, any special conditions contained in the

general agreement, the provisions contained in the appendices to the general agreement and all provisions in the appropriate addendum(s).

### **10.1: Project Agreements**

Once the conditions for each Subrecipient agreement have been met, the CDBG-DR/MIT Program will produce an Appendix, also known as the Project Agreement, which shall be attached to the Subrecipient/Interdepartmental Agreement for each program or project in which the Subrecipient will participate. The CDBG-DR/MIT Program will include the following provisions in a Project agreement:

- a. Verification of CDBG-DR eligibility of the specific activity funded
- b. Scope of Work
- c. Time of Performance
- d. Personnel Assigned to Scope of Work
- e. Detailed Project Budget
- f. Performance Metrics
- g. Project schedule/milestones
- h. Compensation and method of payment
- i. Program income
- j. Budget modifications
- k. Qualifying National Objective compliance

### **10.2: Special Conditions**

Special conditions are additional requirements that are imposed upon a Subrecipient based on the results of the capacity assessment (see section 7.2). These conditions may range from a high frequency monitoring schedule to disallowing the Subrecipient's direct access to funding. These conditions provide necessary safeguards to ensure that the projects can be properly executed despite a Subrecipient's demonstrated shortcomings.

All special conditions must be outlined in a Subrecipient Agreement prior to expenditure of funds. If a Subrecipient's circumstances change to the extent that special conditions must be levied, the Subrecipient Agreement must be amended to include such conditions before additional funds are expended.

### **10.3: Amendments to the Subrecipient Agreement**

Subrecipient Agreements may be amended over the period of performance, as needed. All amendments will be made in writing. Changes to the scope of services or budget may be

requested by VIHFA or the Subrecipient and incorporated into the written agreement if mutually agreed upon. The Subrecipient may submit a written request for VIHFA to authorize reallocation of budget amount among eligible funded activities. A line item transfer request, justification and, if applicable a cost allocation plan, must accompany the budget revision. Line item or eligible activity expenditures cannot exceed the contracted amount.

## **11.0: TRACKING SUBRECIPIENT PROGRESS**

The system for Subrecipient tracking, to the extent possible, will utilize all required reports and documentation and avoid duplicating other reporting requirements imposed on Subrecipients.

The principal sources of information required for effective Subrecipient tracking include:

- Written Agreement and addendum (as a guide to progress)
- Financial Statements
- Audits
- Monthly Progress Reports
- Payment (Reimbursement) Requests/Reports
- Record-Keeping Systems/Files
- Monitoring Visits
- Telephone Conversations

The Subrecipient tracking system will enable VIHFA to determine the following throughout the implementation of the project:

- Activities addressing National Objective
- CDBG-DR eligibility
- Beneficiaries of the activity and their characteristics
- Accomplishment of objectives specified in the Subrecipient Agreement
- Delivery of services or products specified in the Statement of Work
- Compliance with project budget
- Compliance with project schedule
- Maintenance of expected levels of quality in the delivery of products and services
- Submission of accurate Subrecipient Progress Reports and payment on a timely basis
- Maintenance of all required records, consistent with CDBG regulations
- Complete and up-to-date communications with the Subrecipient

## **11.1: Tracking Through Required Monthly Progress Reports**

Reporting requirements incorporated into the Subrecipient Agreements include Monthly Progress Reports, in a format to be prescribed by VIHFA. These reports will be submitted to the assigned VIHFA program manager for each Subrecipient/program or project and will form the basis for the required Quarterly Progress Report (QPR) to be submitted to HUD through DRGR.

The required Monthly Progress Reports are structured to include the following:

- Performance measures established in the written agreement
- Data required by regulations
- Data required to be reported in the QPR

Subrecipients may have the option, but not be required, to include other data (particularly narrative information) to provide a fuller picture of their activities.

VIHFA will provide clear and detailed instructions to Subrecipients on preparing and submitting the required reports. VIHFA will notify a Subrecipient within five (5) days if a report is not submitted on time or is not completed correctly. Monthly reports submitted by Subrecipients, will be shared with the VIHFA Compliance and Monitoring staff and any identified issues/concerns will be addressed with both the Program Manager and the Subrecipient. Progress reports will also be compared with requests for payment and Subrecipients will be requested to explain any discrepancies in writing.

In addition to using the QPR, the data in the Monthly Progress Reports submitted by Subrecipients will be used to identify possible performance issues and in planning monitoring visits. The QPRs will be posted to the disaster recovery website to allow the public to compare accomplishments to published action plans and amendments.

## **11.2: Tracking Through Payment Requests**

Payment requests provide considerable insight about the status of the Subrecipient's operations and whether projects are being carried out on schedule and within budget. Once the written agreement has been executed and the work has been started, the Subrecipient should follow procedures prescribed by VIHFA (in the Subrecipient Agreement) in order to request CDBG-DR funds.

At a minimum, requests for payment from each Subrecipient should include the necessary information to track the following:

1. The overall status of the Subrecipient's CDBG-DR funds, showing cumulative amounts for:
  - a. CDBG-DR funds approved to date

- b. Total approved budget
  - c. Actual disbursements to date
  - d. Amount of the current request
  - e. Remaining balance (of CDBG-DR funds) following the requested payment
2. For each activity or budget category:
    - a. Original budgeted amount
    - b. CDBG-DR funds drawn to date
    - c. Grant funds expended to date
    - d. Current request for payment

The Subrecipient should also submit source documentation (such as invoices from contractors) to support the expenditures claimed.

From this information, VIHFA can determine the Subrecipients' rates of spending in their various activity areas or budget categories and whether they are using their funds in a timely fashion and requesting appropriate amounts in relation to the activities completed.

## **12.0: SUBRECIPIENT FOLLOW-UP**

VIHFA is responsible for following up with Subrecipients regarding the results of monitoring as well as any other program management or compliance issues identified through review of Monthly Progress Reports, payment requests or other communication.

The principles associated with effective subrecipient follow-up are as follows:

1. **Accountability:** VIHFA will ensure that Subrecipients are aware they are accountable for their performance, as defined in the agreement, and for observing all program rules and related regulations. VIHFA will provide clearly understood consequences for failure to observe rules, regulations and comply with the executed agreement.
2. **Consistency:** VIHFA will ensure that the standards for satisfactory performance and the sanctions and rewards for performance are clear and consistent and well known in advance of program implementation. VIHFA will communicate the definition of satisfactory performance and maintain this definition throughout the period of performance.
3. **Regular Feedback:** VIHFA staff will provide regular and complete feedback to Subrecipients resulting from monitoring as well as all other opportunities to observe activities and performance.

4. Timeliness: VIHFA will communicate all information, especially the results of monitoring visits, to Subrecipients in a timely manner to ensure that any identified issues are addressed promptly.

Through adherence to these principles, VIHFA and Subrecipients will be able to resolve most issues through a process of timely communication, regular training and focused technical assistance. In cases where this process is not effective in correcting deficiencies in program management, compliance or reporting, VIHFA may need to implement sanctions.

### **12.1: Progressive Sanctions**

VIHFA may utilize the principle of progressive sanctions, which involves a gradual escalation of penalties for continued poor performance, while affording the Subrecipient a reasonable opportunity at each stage to settle the problem before more serious sanctions are considered.

The effectiveness of progressive sanctions depends on:

- Identification and discussion of problem areas in the subrecipient's operations as early as possible.
- Clear and effective communication to the Subrecipient the standards for correcting those problems and the consequences for failing to meet these standards within a prescribed period of time.

The benefits of the progressive sanctions approach are:

1. Most problems and issues can be resolved when they are still minor.
2. If the Subrecipient continues to refuse to take corrective action, there is documentation that VIHFA has given every possible consideration before imposing more serious penalties.
3. The gradual approach to sanctions demonstrates (to HUD and others) that VIHFA is pursuing a reasonable, yet serious course to encourage the Subrecipient to address its deficiencies in a timely manner.

Progressive sanctions can be applied in a series of stages, from making the Subrecipient aware of operational weaknesses to disallowing expenses or terminating its activity. Please consult the Monitoring and Compliance Manual for a detailed description of possible sanctions and the process for applying them.

## **13.0: RESOURCES**

1. CDBG-DR/MIT General Administrative Manual



2. [HUD Cross-Cutting Requirements Toolkit](#)
3. Federal Register Notices
  - a. CDBG-DR Allocation: [FR-6066-N-01](#)
  - b. CDBG-DR Waiver: [FR-6109-N-01](#)
  - c. CDBG-MIT Allocation: [FR-6109-N-02](#)
  - d. CDBG-MIT Waiver: [FR-6109-N-03](#)
4. Code of Federal Regulations
  - a. [2 CFR 200](#)
  - b. [24 CFR 570](#)
5. [CDBG-DR/MIT Policies and Procedures](#)
6. [Contractor Evaluation Sample Form \(Florida Division of Environmental Protection\)](#)
7. [HUD Rider](#) (Regulations for Contractors and Subcontractors)