

CITY OF PHOENIX
Community Development Block Grant
Public Service Project Management Guide

Table of Contents

1.1 SECTION 1 PRE-CONTRACT PROCEDURES

1.1.1 SUMMARY OF PROCEDURES AND RESPONSIBILITIES

1.1.2 ENVIRONMENTAL CLEARANCE

1.1.3 OBJECTIVES OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1.1.3.1 PRIMARY OBJECTIVE (570.208)

1.1.3.2 NATIONAL OBJECTIVES (570.208)

1.1.3.3 ELIGIBLE ACTIVITIES / COSTS

1.1.3.4 INELIGIBLE ACTIVITIES / COSTS

1.1.4 PROJECT START UP AND COMPLETION STANDARDS

1.1.5 SYSTEM FOR AWARD MANAGEMENT OR SAM

1.2 SECTION 2 DOCUMENT REQUIREMENTS

1.2.1 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1.2.2 CORPORATE RESOLUTION AUTHORIZATION TO EXECUTE CONTRACT

1.2.3 INSURANCE REQUIREMENTS FOR PUBLIC SERVICE PROJECTS

1.2.4 INSURANCE CHECKLIST, SAMPLE CERTIFICATE

1.2.5 JOB DESCRIPTION SAMPLES

1.2.6 ADA ACCESSIBILITY QUESTIONNAIRE

1.2.7 FISCAL MANAGEMENT ASSESSMENT

1.2.8 AUDIT REQUIREMENT

1.2.9 SUBSTITUTE W-9

1.2.10 NON-DISCRIMINATION FACT SHEET

1.2.11 DISCLOSURE OF INDEBTEDNESS TO THE IRS OR OTHER PUBLIC ENTITIES

1.2.12 OTHER IMPORTANT REQUIREMENTS

1.3 SECTION 3 CONTRACT REQUIREMENTS

1.3.1 SUMMARY OF PROCEDURES AND RESPONSIBILITIES

1.3.2 PUBLIC SERVICE CONTRACT

1.3.3 SCOPE OF WORK

1.3.4 SAMPLE PROGRAM BUDGET

1.3.5 EXHIBIT C

1.4 SECTION 4 PROCUREMENT PROCESS

1.4.1 PROCUREMENT REQUIREMENTS FOR PUBLIC SERVICE PROJECTS

1.4.2 PROCUREMENT FORM

1.4.3 CONFLICT OF INTEREST

1.4.4 CONSULTANT AGREEMENT

1.5 SECTION 5 PERFORMANCE REPORTS AND PAYMENT REQUESTS

- 1.5.1 PERFORMANCE REPORTS AND PAYMENT REQUESTS SUMMARY OF PROCEDURES AND RESPONSIBILITIES
- 1.5.2 AGENCY COVER LETTER SAMPLE
- 1.5.3 CDBG SALARY AND FRINGE BREAKDOWN SAMPLES
- 1.5.4 EXPENSE DETAIL AND PAYMENT VERIFICATION
- 1.5.5 MILEAGE REPORT SAMPLE
- 1.5.6 INVOICE SAMPLES
- 1.5.7 EMPLOYEE TIME SHEET
- 1.5.8 EMPLOYEE TIME SHEET
- 1.5.9 PAYROLL SAMPLE

1.6 SECTION 6 PERFORMANCE MEASUREMENTS SPENDING YOUR CDBG FUNDS IN A TIMELY MANNER

- 1.6.1 HUD PERFORMANCE MEASUREMENTS
 - 1.6.1.1 OBJECTIVES:
 - 1.6.1.2 OUTCOMES:
 - 1.6.1.3 INDICATORS
 - 1.6.1.4 SPECIFIC INDICATORS:
- 1.6.2 PUBLIC SERVICE SPECIFIC INDICATORS
 - 1.6.2.1 PUBLIC SERVICE SPECIFIC INDICATORS:
- 1.6.3 PUBLIC FACILITIES SPECIFIC INDICATORS
 - 1.6.3.1 PUBLIC FACILITIES / INFRASTRUCTURE SPECIFIC INDICATORS:
- 1.6.4 HOMELESS HOUSING AND SUPPORT SERVICES
- 1.6.5 ECONOMIC DEVELOPMENT ACTIVITIES
- 1.6.6 HOMEOWNER AND RENTAL REHABILITATION / CONSTRUCTION
- 1.6.7 TIPS ON SPENDING YOUR CDBG GRANT IN A TIMELY MANNER

1.7 SECTION 7 PROJECT MONITORING AND FINANCIAL MANAGEMENT

- 1.7.1 MONITORING REVIEWS
- 1.7.2 MONITORING CHECKLIST
- 1.7.3 RECORD KEEPING
- 1.7.4 FINANCIAL MANAGEMENT

1.8 SECTION 8 CDBG INFORMATION

- 1.8.1 SUMMARY OF O.M.B. CIRCULAR A-122
- 1.8.2 SUMMARY OF O.M.B. CIRCULAR A-133
- 1.8.3 SUMMARY OF O.M.B. CIRCULAR A-110
- 1.8.4 SUMMARY OF OMB CIRCULAR A-87

1.1 SECTION 1 PRE-CONTRACT PROCEDURES

1.1 SECTION 1 PRE-CONTRACT PROCEDURES

1.1.1 SUMMARY OF PROCEDURES AND RESPONSIBILITIES

1.1.2 ENVIRONMENTAL CLEARANCE

1.1.3 OBJECTIVES OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1.1.3.1 PRIMARY OBJECTIVE (570.208)

1.1.3.2 NATIONAL OBJECTIVES (570.208)

1.1.3.3 ELIGIBLE ACTIVITIES / COSTS

1.1.3.4 INELIGIBLE ACTIVITIES / COSTS

1.1.4 PROJECT START UP AND COMPLETION STANDARDS

1.1.5 SYSTEM FOR AWARD MANAGEMENT OR SAM

1.1.1 SUMMARY OF PROCEDURES AND RESPONSIBILITIES

GENERAL INFORMATION

RESPONSIBLE PARTY

Release of Funds - U.S. Department of Housing and Urban Development (HUD) approves the City's program application and releases the funds to the City in July.

HUD / City

Environmental Clearance Required - FUNDS CANNOT BE OBLIGATED OR EXPENDED UNTIL AN ENVIRONMENTAL CLEARANCE IS COMPLETED AND THE CONTRACT IS EXECUTED. ANY EXPENDITURES FOR A PROJECT THAT TAKE PLACE BEFORE THE EXECUTION OF A CONTRACT AND THE COMPLETION OF THE ENVIRONMENTAL CLEARANCE CANNOT BE REIMBURSED.

City

Project Manager Assignment - Each project will have an assigned Project Manager to work with the agency. The Project Manager will provide ongoing technical assistance needed to support the project/program and to ensure timely contracting, project/program implementation and successful completion.

City

Mandatory Orientation & Technical Assistance Session - The mandatory Orientation is held after the City Council allocates the awards and prior to the contract year. If the agency is unable to attend, the assigned Project Manager will arrange to conduct the orientation at another time. The Orientation is to educate subrecipient agencies about the basic rules under which all CDBG activities must operate. It provides an opportunity to establish clear expectations with respect to performance standards, policies, and procedures. The agency will find out how and when to start their program.

City / Agency

Pre-Contract Documents - Refer to Section 2 of this guide for a complete listing of all documents required prior to the execution of your contract. For your convenience, all City forms are also included in Microsoft Word format on the Compact Disk accompanying this manual.

Agency

Site Visit - A site visit may be conducted to review the agency's fiscal management and operational procedures, compliance with ADA requirements, and to survey the program or services offered

City / Agency

Procurement Requirements - If you plan to purchase program materials, products, or services under the CDBG program, the agency must follow a free and open competitive process in securing products or services. Agencies must properly document the purchase activity and decisions. All procurement undertakings must try to outreach/utilize Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) firms. Documentation must be

Agency

maintained to verify the outreach efforts. (See procurement process, Section 4).

Contract Form - Each agency should review the boilerplate contract in this handbook. The contract is the central part of the subrecipient agreement of the CDBG program. It fulfills a legal requirement by presenting a concise statement of rules of the CDBG program, the conditions under which funds are provided, and measures fiscal and program performance

Agency

GENERAL INFORMATION

Audit Required - An audit for the agency's most recent audited year should be provided, if available, including any management letters and any responses the agency has made to the audit.

Agency

Formal Monitoring Visit - During the year the City or HUD may conduct a Program and Financial Performance Monitoring Visit. The purpose of the visit is to ensure subrecipient activities and clients served were eligible and in compliance with the HUD National Objectives and that other regulatory requirements were met

City / HUD

1.1.2 ENVIRONMENTAL CLEARANCE

The Community Development Block Grant (CDBG) regulations require that if a program involves any CDBG funds, an environmental clearance must be performed before any funds are encumbered. The City will perform the environmental clearance. Premature committing or expending of any funds, including the agency's own funds, may jeopardize the project's eligibility. If in doubt, get clarification from your Project Manager before encumbering the funds.

FUNDS ENCUMBERED BEFORE THE ENVIRONMENTAL CLEARANCE CANNOT BE REIMBURSED, AND MAY JEOPARDIZE THE OVERALL PROGRAM.

Environmental reviews are required to comply with the National Environmental Policy Act and HUD's enforcement measures. This includes a review and analysis of 13 federal laws designed to protect certain environmental areas.

The *Scope of Work (detailed description of the project activities)* is necessary in order to evaluate the environmental impact that may result. The assigned Project Manager will initiate the environmental review after reviewing the Scope of Work. The agency will be notified once the environmental clearance is complete and informed if mitigation is required on the project.

The clearance is normally completed at no cost to the agency. If your project requires mitigation i.e. archeological services, your project budget must reflect the mitigation expenses. Your Project Manager can work with the agency to adjust the project budget to cover the necessary costs.

It is estimated that Public Service projects usually can be cleared within 30 days. Public Facilities construction projects can take up to 120 days or longer depending on the project activities and location.

1.1.3 OBJECTIVES OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1.1.3.1 PRIMARY OBJECTIVE (570.208)

The primary objective is development of viable urban communities through the provision of housing, suitable living environments, and economic development for principally low and moderate income persons.

1.1.3.2 NATIONAL OBJECTIVES (570.208)

Each CDBG activity must meet one of the three national objectives and fall under one of the following categories:

Objective 1. Benefit Low and/or Moderate Income Persons

CATEGORIES (Activity must fall under one of the four categories)

Area Benefit - is an activity that benefits residents in a particular area, where at least 51% of the residents are low/moderate income persons;

Client Based/Limited Clientele - is an activity that benefits a limited number of people provided at least 51% of those served are low/moderate income persons. *Abused children and adults, elderly, homeless and persons with disabilities are presumed low/moderate income;*

Housing Activity - activities undertaken to provide or improve permanent residential structures that will be occupied by low/moderate income persons;

Job Creation or Retention- an activity designed to create or retain permanent jobs, at least 51% of which will be filled with low/moderate income people.

Objective 2. Prevention or Elimination of Slums and Blight

Area Based - activities that aid in the prevention or elimination of slums/blight in a designated area. The delineated area must meet a specific definition and there must be a substantial number of blighted buildings in the area.

Spot Basis - activities which eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area.

Urban Renewal - activities located within an urban renewal project area or Neighborhood Development Program (NDP) action area.

Objective 3. Urgent Need

This objective is rarely used. It is designed for activities that alleviate emergency conditions.

1.1.3.3 ELIGIBLE ACTIVITIES / COSTS

CDBG funds may be used to pay for labor, supplies, and material as well as operational and maintenance of the portion of a facility in which the public service is located. This includes lease of a facility, equipment and other property needed for the public service. *Equipment purchases are only allowed when the equipment is an intrinsic part of a service, or unless it is an immovable equipment fixture. Equipment leasing is sometimes preferred, contact your Project Manager for details.*

1.1.3.4 INELIGIBLE ACTIVITIES / COSTS

CDBG funds cannot be used for the following activities:

Income payments (cash or checks made out to an individual or family for items such as food, shelter, rent, utilities, or clothing)

Political Activities

Equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used to purchase such items when essentially and necessary for use in connection with the administration of an eligible public service activity.

Marketing

Fundraising

Services that do not primarily serve Phoenix residents

Services that do not primarily serve low-to-moderate income persons

Board/Staff/Client Meals or Snacks (unless funded program is a meal or food program, or if food is essential to service of program)

Programs/services that promote religion

Stipends (flat fees for volunteers or clients served)

Payment of Debt

Pre-Project Expenses

Entertainment, furnishings and personal property purchases

Scholarships

Gifts/Awards

1.1.4 PROJECT START UP AND COMPLETION STANDARDS

BACKGROUND

The primary purpose of the CDBG program is to provide services to low- and moderate-income persons. If an agency is unable to promptly implement the program, these lower income persons are not receiving the intended benefits. Agencies who receive a CDBG grant must be able to implement their program soon after the award. The City developed the standards to keep projects on track and to ensure that the specified activity is being carried out in a timely manner.

Agencies should be aware that their performance history on past Phoenix CDBG-funded programs and the agency's adherence to the Project Start-up and Completion Standards is provided to the Community Development Review Committee when they review and consider proposals for future funding recommendations.

POLICY

The standard states: all applicants must have the needed support, confirmed matching resources, sufficiently developed plans, and budget to start the proposed project within two months after the funding approval and complete the project within eighteen months after start up. Unspent funds are subject to potential reprogramming to other eligible CDBG projects as determined by the City Council.

METHODS TO IMPROVE TIMELY IMPLEMENTATION AND USE OF FUNDS

Study the handbook and become familiar with the Pre-Contracting requirements. Submit the required documents to the assigned Project Manager soon after the Orientation Session.

Review the sample contract in the handbook. This will give the agency an opportunity to become familiar with the recitals and requirements in advance and should accelerate the signature process.

Request a follow-up one-on-one Orientation Session so specific topics that relate to your particular program can be addressed and other key staff can attend.

Failure to bill the City for the activities can become a serious problem. Agencies will be expected to submit separate monthly payment requests and performance reports. Do not save up several months of payment requests and submit them in bulk.

If the agency experiences key staff changes, such as new Executive Director or financial staff, contact the assigned Project Manager and schedule another orientation.

Stay abreast of the program activities through sound management principles.

The assigned City Grants Project Manager is an important member of the team. They are available to explain the program processes and help the project get started and stay on track. Please contact the assigned Grants Project Manager if you have any questions or need assistance.

1.1.5 SYSTEM FOR AWARD MANAGEMENT OR SAM

To register in SAM as an entity:

Step 1: Create a user ID and password at www.sam.gov

Step 2: Login to SAM with your user ID and password.

Step 3: Gather all of the required information needed to complete your registration.

Step 4: Click on "Register New Entity" from the left side navigation pane.

Step 5: Complete and submit the online registration. It is estimated that it will take approximately 30 minutes to complete registration if you already have all the necessary information on hand, depending upon the size and complexity of your entity.

Step 6: You will receive an email confirming that your registration is in process. Note that new registrations can take an average of 7-10 business days to process in SAM. SAM must send out some information for validation with outside parties before your registration can be activated; this includes TIN validation with the IRS and CAGE validation/assignment with DoD. This timeframe may be longer if the information you provide is flagged for manual validation by either party. If you notice your registration has had a 'Submitted' status for longer than 10 business days, and you have not otherwise been contacted to correct or update information, please contact the Federal Service Desk at 866-606-8220 or <https://www.fsd.gov>.

What information do I need to register my entity in SAM?

DUNS number

Name

Address

CAGE or NCAGE code (automatically assigned if needed)

Taxpayer number

General information

- 1.2 SECTION 2 DOCUMENT REQUIREMENTS
- 1.2.1 Community Development Block Grant Program
- 1.2.2 CORPORATE RESOLUTION AUTHORIZATION TO EXECUTE CONTRACT
- 1.2.3 INSURANCE REQUIREMENTS FOR PUBLIC SERVICE PROJECTS.....
- 1.2.4 Insurance Checklist, Sample Certificate
- 1.2.5 Job Description Samples
- 1.2.6 ADA Accessibility Questionnaire.....
- 1.2.7 Fiscal Management Assessment
- 1.2.8 Audit Requirement.....
- 1.2.9 Substitute W-9
- 1.2.10 NON-DISCRIMINATION Fact Sheet.....
- 1.2.11 Disclosure of Indebtedness to the IRS or other Public Entities.....
- 1.2.12 Other Important Requirements

For electronic documents or questions, please contact your assigned Project Manager.

1.2.1 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Pre-Contract Document Checklist

1. Corporate resolution (authorizing signer of CDBG contract)
2. Certificate of Insurance naming the City of Phoenix as an additional insured.
(Additional child molestation insurance is required for programs serving youth. See your Project Manager for guidance.)
3. Job Descriptions and Resumes (if CDBG Funded positions(s)).
4. 501 (c) 3 Letter
5. Scope of Work and Budget (See sample in section 3)
6. ADA Accessibility Questionnaire
7. Federal Grant Subrecipient Fiscal Management Assessment
8. Financial Audit and Management Letter (if applicable)
9. Articles of Incorporation and By-laws
10. Board of Directors List (including each name, address, and phone numbers of all members of the Board of Directors)
11. Verification of Staff Fingerprinting (for positions serving youth and/or seniors)
12. Copy of Lease Agreement (if CDBG funded)
13. Professional Consultant Contracts (if CDBG funded)
14. Disclosure of Indebtedness to the IRS, State and city of Phoenix
15. Taxpayer ID Information
16. System for Award Management (SAM) Verification

Note: All documents are to be submitted prior to the issuance of contract

1.2.2 CORPORATE RESOLUTION AUTHORIZATION TO EXECUTE CONTRACT

CORPORATE RESOLUTION AUTHORIZATION TO EXECUTE CONTRACT

The Board of Directors of the _____, does
(Agency)

authorize and direct _____,
(Name)

_____ to enter into a contract with the City
(Title)

of Phoenix Neighborhood Services Department for utilization of CDBG
funds for fiscal year _____. The Board further authorizes and directs

_____, _____
(Name) (Title)

to take such action as necessary in conjunction with the performance of
said contract. Authorization was granted through an action of the Board of

Directors at their meeting held on _____.
(Date)

(Signature)

(Type or Print Name and Title of Corporate Officer Signing)

(Agency Name)

1.2.3 INSURANCE REQUIREMENTS FOR PUBLIC SERVICE PROJECTS

If a proposal is funded the agency will enter into a contract with the City of Phoenix. All City contracts require insurance and indemnification language so that the responsibility for paying claims is established with the agency and ensures that financial resources are available to pay claims. The insurance requirements listed below are minimum requirements and the City in no way warrants that the minimum limits are sufficient to protect the agency from liabilities that might arise from carrying out the funded program. The agency is free to purchase additional insurance, as they deem necessary. Depending upon the program activities and the program beneficiaries, several types of insurance coverage will be required. This information is provided to help in the development of the overall operating cost of the proposed program and to ensure sufficient funds are set aside for insurance.

Minimum Scope and Limits of Insurance – coverage with limits of liability not less than those stated below are required for funded CDBG Public Service projects.

Commercial General Liability	
General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

Sexual Abuse and Molestation

Policy endorsement required if the activities involve working with or caring for children or physically/developmentally disabled people

Automobile Liability – Combined Single Limit \$1,000,000

Required only if activities involve the use of transportation in the provision of services. Bodily injury and property damage for any owned, hired, and non-owned vehicles used in the performance of this contract.

Worker's Compensation and Employer's Liability

Workers Compensation Statutory Employers' Liability Each Accident	\$100,000
Disease-Each Employee \$100,000 Disease-Policy Limit	\$500,000
Professional Liability – Errors and Omissions Liability (see definition below)	
Required only if activities involve providing professional services	
Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

Notice of Cancellation

Insurance policies must be the appropriate coverage for and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits.

Acceptability of Insurers

Insurance is to be placed with insurer's duly licensed or approved unlicensed companies in the state of Arizona with an 'A.M. Best' rating of not less than B+ VI. The City in no way warrants that the above required minimum insurer rating is sufficient to protect the Agency from potential insurer insolvency.

Verification of Coverage

The City must receive certificates of insurance (ACORD form or equivalent approved by the City) as required. The certificates for each insurance policy are to be signed by a person authorized by the insurer to bind coverage. The City of Phoenix must be listed as an additional insured (to the extent City is indemnified pursuant to the Indemnity Provisions herein) on all certificates of insurance.

Professional Liability Insurance

Professional liability insurance protects against losses that occur when a 'professional' fails to practice his or her art to the usual and customary standards of that profession. Therefore, there can be risks to the Agency associated with errors (or allegations of errors) in the professional's work product or judgment. In order to determine if your proposed program will need professional liability insurance, ask yourself:

Will the program employ professional licensed or certified workers (i.e. accountants, teachers, medical professionals, psychologist, etc.)?

Will the information developed by the professional be used in a decision-making process within the Agency that could create a liability?


If the answer is YES to either of these questions, then professional liability insurance would be required.

The types of losses that can occur under such circumstances are often excluded under general liability policies. They can be covered through separate professional liability insurance policies, also known as 'errors and omissions' (E&O) liability insurance.

Examples of services that would require professional liability insurance coverage include but are not limited to:

Accountants	Child care workers	Consultants
Auditors	Financial Consultants	Teachers
Attorneys	Medical Professionals	Social Workers

1.2.4 INSURANCE CHECKLIST, SAMPLE CERTIFICATE

MARSH		CERTIFICATE OF INSURANCE			CERTIFICATE NUMBER LOS-000424950-01	
PRODUCER Marsh Risk & Insurance Services 777 South Figueroa Street CA License #0437153 Los Angeles, CA 90017 Attn: Michelle Ridgle (213) 346-5588 DIV11		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.				
		COMPANIES AFFORDING COVERAGE				
		COMPANY A ACE American Insurance Company				
		COMPANY B N/A				
		COMPANY C				
		COMPANY D N/A				
INSURED						
COVERAGES						
THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	XSLG19848218	10/01/03	10/01/04	GENERAL AGGREGATE	\$ 4,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$ 4,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$ 2,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$ 2,000,000
					FIRE DAMAGE (Any one fire)	\$ 1,000,000
				MED EXP (Any one person)	\$ N/A	
A	AUTOMOBILE LIABILITY	ISAH06958059	10/01/03	10/01/04	COMBINED SINGLE LIMIT	\$ 5,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	\$
	<input type="checkbox"/> HIRED AUTOS					
	<input type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
	EXCESS LIABILITY				EACH OCCURRENCE	\$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM					\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WLRC43530872 (SEE BELOW	10/01/03	10/01/04	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER
A		(AK, HI, ID, MT, NM, NV, TX & UT)	10/01/03	10/01/04	EL EACH ACCIDENT	\$ 1,000,000
A		<input checked="" type="checkbox"/> INCL WCU014465 - (CO,AZ,OR)	10/01/03	10/01/04	EL DISEASE-POLICY LIMIT	\$ 1,000,000
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE:	<input type="checkbox"/> EXCL			EL DISEASE-EACH EMPLOYEE	\$ 1,000,000
	OTHER					
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS 12-060 Purpose: For CDBG Grant for - Funding 2 part-time home delivered meals driver. Where required by written contract, the The City of Phoenix, Municipal Corporation, its officers, agents and employees are included as additional Insured (except for work comp) as respects the operations of the Named Insured						
CERTIFICATE HOLDER			CANCELLATION			
CITY OF PHOENIX NEIGHBORHOOD SERVICES DEPARTMENT/GRANTS ADMINISTRATION 200 W. WASHINGTON, 4TH FLOOR PHOENIX, AZ 85003			SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.			
			MARSH USA INC. By: John F Wesley 			
			MM1(3/02) VALID AS OF: 07/08/04			

1.2.5 JOB DESCRIPTION SAMPLES

Sample

JOB DESCRIPTION

Position Title:	Employment Counselor
Summary of Duties:	Responsible for vocational counseling to all participants including; vocational assessment, development of Employment Training Plan, and follow up on placement.
Professional Qualifications:	Bachelor of Arts and/or three years experience in human development work. Knowledge of vocational assessment and counseling is preferred.

Duties and Responsibilities:

- ✓ Review existing data relevant to the individual.
- ✓ Utilize assessment and other information to orient participation of vocational counselor's role.
- ✓ Assess a participant's need/readiness for vocational counseling and develop an individual 'Support Service Plan' and Employment Training Plan.
- ✓ Provide appropriate referrals for individuals and families.
- ✓ Meet with clients individually and in groups to discuss placement planning, options, and process.
- ✓ Maintain monthly contact with clients who are working and training.
- ✓ Prepare and submit reports as required.

Salary Range

\$27,000-\$38,000 Appointments can be made above the minimum depending upon qualifications. Annual salary increases of up to 5% are dependent upon job performance.

Sample

JOB DESCRIPTION

Director/Educational Specialist

General Statement of Duties:

Administration and coordination of community education programs, including hiring and training of staff, program development, and corporation record keeping.

Responsibilities:

- Develop and implement staff training in adult education and social services
- Develop program materials adapted to needs and interests of participants
- Develop and implement education and career planning workshops
- Assist participants with difficult social problems
- Network with other community agencies to provide a wide range of social services for participants
- Recruit staff and volunteers
- Train and supervise interns from the ASU School of Social Work and Women's Studies Department
- Financial Accountability
- Overall management of the community educational programs

Required Knowledge and Skills:

- M.A. in Adult Education, Social Sciences or related field
- Arizona Certification in ESL or ABE
- Knowledge of South Phoenix services and resources
- Experience in the administration of community-based organization
- Ability to work well with people from diverse backgrounds
- Bilingual in Spanish and English preferred

Salary Range:

\$40,000- \$50,000 – Appointments can be made above the minimum depending upon qualifications. Annual salary increases of up to 5% are dependent upon job performance.

1.2.6 ADA ACCESSIBILITY QUESTIONNAIRE

ACCESSIBILITY QUESTIONNAIRE

AGENCY NAME: _____

SERVICE DELIVERY LOCATION _____

ACCESSIBILITY COORDINATOR YES NO

1. Has one person been designated to coordinate the accessibility issues for the agency? _____

If yes, NAME _____ PHONE # _____

BUILDING ACCESS

1. Does the facility provide a continuous unobstructed path to and from the following?

- | | | |
|---------------------------|-------|-------|
| a. Public Transportation | _____ | _____ |
| b. Parking Lot | _____ | _____ |
| c. Passenger Loading Zone | _____ | _____ |
| d. Streets and Sidewalks | _____ | _____ |

2. Does the facility have designated accessible parking spaces?

- | | | |
|---|-------|-------|
| a. Are the accessible parking spaces located closest to building entry? | _____ | _____ |
| b. Is each one marked with vertical sign showing the universal symbol of accessibility? | _____ | _____ |
| c. Are 96 inch wide parking spaces designated with a 60 inch access aisle? | _____ | _____ |

3. Where passenger loading zones are provided, is at least one accessible? _____

4. Is the gradient from parking to building entrance? _____

5. Is path of travel free from obstruction and wide enough (at least 36 inches) for a wheelchair? _____

6. Are the entrance doorways at least 32 inches wide? _____

7. Are the entrance door handles, locks, and latches operable with one hand without twisting the wrist? _____

8. Is the threshold no more than ½ inches high? _____

YES

NO

BUILDING ACCESS

- 9. Are the doors easy to open (less than 8 lbs. pressure)?
- 10. Are other than revolving doors available?

BUILDING CORRIDORS/APPLICATION/INTERVIEW/SERVICES AREA

- 1. Are all meeting rooms and common areas used for intake, certification, meetings, etc. reached without steps or escalators?
- 2. Is path of travel free of obstruction and wide enough (at least 36 inches) for a wheelchair?
- 3. Where obstacles (phones, fountains) protrude into corridor/path of travel, do they protrude no more than 4 inches?
- 4. Is the floor surface hard and not slippery?
- 5. Are doors at least 32 inches wide?
- 6. Are doors easy to open?
- 7. Are thresholds no more than 1/2 inches high?
- 8. Is the path of travel between desks, tables, etc., wide enough (at least 36 inches) or wheelchairs?
- 9. Where drinking fountains are provided, are they accessible to the disabled individuals?
- 10.
 - a. Where there is an elevator, are elevator controls low enough (48 inches) to be reached from a wheelchair?
 - b. Are elevator markings in Braille?
 - c. Does elevator provide audible signals?
 - d. Does elevator interior provide a turning area of 51 inches for wheelchairs?

RESTROOMS

- 1. Is there at least one accessible restroom for disabled individuals at the facility?
- 2. Do doors have lever handles?
- 3. Are doors at least 32 inches wide?
- 4. Is restroom large enough for wheelchair turnaround (51 inches minimum)?
- 5. Are stall doors at least 32 inches wide?

- | | | | |
|-----|--|-------|-------|
| 6. | Are reinforced grab bars provided in toilet stalls? | _____ | _____ |
| 7. | Is toilet height 17 to 30 inches high? | _____ | _____ |
| 8. | Are sinks 30 to 34 inches high with room for a wheelchair to roll under? | _____ | _____ |
| 9. | Are sink handles operable with one hand without twisting the wrist? | _____ | _____ |
| 10. | Are soap dispensers, towels, no more than 48 inches from the floor? | _____ | _____ |

COMMUNICATION

- | | | | |
|----|---|-------|-------|
| 1. | Is the agency able to communicate its services to disabled applicants, clients, and employees of the agency (e.g. - telecommunication device (TTY) number for the deaf)? | _____ | _____ |
| 2. | Are applicants, clients, and employees of the agency, including those with impaired vision, or hearing; notified of the agency's policy of non-discrimination on the basis of handicap? | _____ | _____ |
| 3. | Does the agency's brochures/general printed information include a statement of this policy as well as a telecommunications device (TTY) number for deaf persons? | _____ | _____ |

ALTERNATIVE ACCESSIBILITY

YES NO

If the facility is not accessible to disabled individuals, what alternative service delivery methods are used to achieve accessibility?

AGENCY SELF EVALUATION

YES NO

- | | | | |
|----|--|-------|-------|
| 1. | Has the agency conducted a full self-evaluation of its programs, policies, procedures, employment practices, etc., in relation to non-discrimination on the basis of handicap? | _____ | _____ |
|----|--|-------|-------|

Agency Signature

Date

For Grants Administration Use Only

Reviewed by: _____ Date: _____

On-Site Monitoring Visit Date: _____

Comments:

1.2.7 FISCAL MANAGEMENT ASSESSMENT

CITY OF PHOENIX FEDERAL GRANT SUBRECIPIENT FISCAL MANAGEMENT ASSESSMENT

Agency Name _____

Address _____

Accounting Contact _____ Title: _____

ACCOUNTING SYSTEM - System used to record, control, and report financial data.

_____ Manual System _____ Microcomputer (PC) _____ Minicomputer

Describe in detail the system used. If computer software is used, indicate the specific software used and the financial application.

_____ Accounting/Bookkeeping Service Name: _____

Services provided: _____

_____ Computer Service Name: _____

Services provided: _____

ACCOUNTING RECORDS - Records that identify adequately the source and application of funds.

Do accounting records identify expenditures and revenue by specific funding source?

_____ Yes _____ No Describe method used. _____

Do accounting records reflect obligations such as contracts, purchase orders issued, etc.?

_____ Yes _____ No Describe how recorded. _____

Do you use a Chart of Accounts with your accounting system? _____ Yes _____ No

If "Yes" please describe the type of accounts used or provide a copy of your Chart of Accounts.

Do you use separate accounting codes or accounts to record expense and revenue received from your Federal grant program contract? _____ Yes _____ No

If "Yes", list the accounts used to record your Federal grant program accounting data.

Account Title

Type of Account

INTERNAL CONTROL - Effective control over and accountability for all funds, property and other assets.

Describe internal control procedures. _____

Please complete the attached "Accounting/Bookkeeping Responsibility" form showing the specific responsibilities of each member of your accounting/bookkeeping staff.

CASH MANAGEMENT - Procedures for the control of cash receipts, disbursements, and cash balances.

Describe your procedures for the control of cash and cash transactions. _____

How many signatures are required on checks? _____

Who has the responsibility for signing checks? _____

ACCOUNTING/BOOKKEEPING STAFF POSITIONS

<u>Position Title</u>	<u>Number of Positions</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

AUDITS

Do you receive \$500,000 or more in total federal financial assistance? _____ Yes _____ No

Do you have a regular audit? _____ Yes _____ No

Name of Auditor _____

Date of last audit _____ Period Covered _____

Prepared by _____ Date _____

Title _____ Telephone _____

.....
For Grants Compliance Administration Use Only

Reviewed by _____ Date _____

On-Site Monitoring Visit Date _____

Comments _____

CITY OF PHOENIX

FEDERAL GRANT SUBRECEPIENT FISCAL MANAGEMENT ASSESSMENT

ACCOUNTING/BOOKKEEPING RESPONSIBILITIES

Accounting/Bookkeeping Position Title	Payroll Preparation	Check Preparation	Receipt of Cash	Record Cash Receipts	Bank Statement Reconciliation	Financial Statement Preparation	Contract Billing	Ledger Maintenance	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
Accounting/Bookkeeping Service									
Computer Service									

1.2.8 AUDIT REQUIREMENT

AUDITS

The United States General Accounting Office (GAO) states that subrecipient agencies must ensure that federal program resources are applied "efficiently", economically and effectively to accomplish the program objectives. The financial and performance audits are designed to assure that subrecipient agencies are accountable to HUD, the City and the public. In particular:

1. *Financial audits* are designed to provide an independent opinion on the agency's financial statements, internal central structures, and compliance with specific financial systems and procedural requirements.
2. *Performance audits* provide an independent point of view on the extent to which the agency has efficiently and effectively carried out its operations, and achieved the intended program results and benefit.

The primary goal of the audit is to determine whether your agency has adequate systems in place to assure that:

- ✓ goals and objectives are met,
- ✓ resources are safe-guarded,
- ✓ laws and regulations are followed, and
- ✓ reliable data are obtained, maintained and accurately disclosed

GENERAL AUDIT REQUIREMENTS

\$500,000 or more

If your agency/organization receives \$500,000 or more (\$750,000 for agency fiscal years beginning after December 26, 2014) in total federal financial assistance in a year you must obtain an independent audit in accordance with the single audit act of 1984 and OMB Circular A-128 (Government Subrecipients) and A-133 (Non-Profit Subrecipients). To calculate the total, add all federal funds received by the entire agency/organization. The federal assistance may be received directly or passed through state or local government or another non-profit.

Less than \$500,000

If your agency/organization receives less than \$500,000 in total federal financial assistance these awards are exempt from federal audit requirements. However, records must be maintained for review or audit by HUD and the City.

Audit Due Date

The agency's audit is due within 9 months after the close of the agency's fiscal year during which funds were expended.

1.2.9 SUBSTITUTE W-9



City of Phoenix

**FINANCE DEPARTMENT
ACCOUNTS DIVISION**

**SUBSTITUTE W-9 FORM
REQUEST FOR TAXPAYER IDENTIFICATION INFORMATION**

Vendor # _____

Dear Payee:

Please complete and return this form as soon as possible, as all payments will be held until the information is returned to us on this form. The City of Phoenix is required by federal tax law to file information returns to certain non-exempt payees on various transactions. In order to comply with IRS regulations we must have a correct Taxpayer Identification Number (TIN) on file, otherwise payments can be subject to backup withholding and possible penalties. Our records indicate that we do not have this information, or the correct information on file for your account.

Please print or type the information requested below and mail the form to:

**City of Phoenix
Neighborhood Services Department
200 W. Washington, 4th Floor
Phoenix, AZ 85003**

For your convenience, you can return this form via Fax at **(602) 534-1555**

Type of payee (check one)

Corporation _____ Individual/Sole Proprietor _____ Partnership _____ Other: _____

Taxpayer Identification Number (TIN)

Individuals and Sole Proprietors- Provide your full name as it appears on your Social Security Card.

Name (If joint names, list first and circle the name of the person in part I below): _____

Business Name (Sole proprietors see instructions on reverse side): _____

Corporations/Partnerships/Others –

Business Name: _____

PART I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate space. For Individuals, this is your social security number (SSN). For sole proprietors, see the instructions on reverse. For other entities, it is your employer identification number (EIN).

Social Security Number: _____ - _____ - _____

PART II

Employer Identification Number: _____ - _____

PART III Please sign and date to certify:

I certify that the number shown on this form is correct.

Signature/Title

Date

Telephone No.

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note: You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2);
2. The United States or any of its agencies or instrumentalities;
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities;
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities; or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation;
7. A foreign central bank of issue;
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States;
9. A futures commission merchant registered with the Commodity Futures Trading Commission;
10. A real estate investment trust;
11. An entity registered at all times during the tax year under the Investment Company Act of 1940;
12. A common trust fund operated by a bank under section 584(a);
13. A financial institution;
14. A middleman known in the investment community as a nominee or custodian; or
15. A trust exempt from tax under section 664 or described in section 4947.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may

from backup withholding for certain payments, such as interest and dividends.

Note: If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

1.2.10 NON-DISCRIMINATION FACT SHEET

FACT SHEET

DEFINITIONS

Section 504 of the Rehabilitation Act of 1973, As Amended - Prohibits discrimination based on handicap in information, participation, services, housing, employment, building accessibility or any other aspects of a program funded by HUD. Regulations issued in 1988 are now being implemented to assure compliance with the ACT.

Americans with Disabilities Act of 1990 (ADA) - Prohibits discrimination based on disability by all public/private employers, discrimination in public services by state or local governments, discrimination in places of public accommodations (restaurants, hotels, parks, schools, etc.). This law became effective in 1992.

Individuals with Disabilities - This includes persons that are: 1) mobility impaired; 2) hearing impaired; 3) visually impaired; 4) developmentally disabled; and 5) persons who remain in-home or institutionalized care settings.

REQUIREMENTS FOR HUD-FUNDED AGENCIES

1) General Requirements:

- a) No qualified individual with disabilities shall, solely on the basis of disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program funded by HUD.
- b) An agency may not deny the opportunity, provide less of an opportunity or otherwise limit qualified individuals with disabilities from participating in or receiving service and benefits. This includes participating as a member of the planning or advisory boards or occupying a housing unit provided by the agency.

2) Communications:

- a) Approximate auxiliary aids shall be provided where necessary or reasonably requested (e.g. telecommunication devices for deaf persons) for applicants, clients, and employees of the agency. This does not include wheelchairs, hearing aids, or other devices of a personal nature.
- b) Procedures shall be in place to ensure that individuals with disabilities can obtain information on services and their location. This may include the provision of printed materials in Braille, large type, cassette or disk.
- c) Agencies shall provide proper notification (e.g. in brochures and general printed information) to applicants, clients, and employees of the agency, including those with impaired vision or hearing, that the agency does not discriminate based on disability
- d) The above notifications should include a telecommunications device number for deaf persons (TTY). Agencies may list and utilize the Arizona Relay System, 1-800-842-4681 (voice) and 1-800-367-8939 (TTY) to comply with this requirement; the City of Phoenix TTY number is 534-5500.

3) Employment

- a) An agency may not discriminate in its hiring practices against qualified individuals with disabilities. Discrimination in employment also applies to promotion, tenure, transfers, terminations, rates of pay, job assignments, leaves of absence, sick leave, fringe benefits, and any other terms of employment.
- b) An agency shall make reasonable accommodations to the known physical or mental limitations of an otherwise qualified applicant or employee with disabilities. This may include the provision of equipment or devices, job relocation, job restructuring, or facilities modifications.

4) Building and Program Accessibility:

- a) New Construction - Non-housing facilities shall be designed and constructed to be readily accessible to individuals with disabilities in conformance with the City of Phoenix Building Code, Part 31.
- b) Rehab or Alterations - Rehabilitation of non-housing facilities shall be made to be readily accessible to individuals with disabilities in conformance with the City of Phoenix Building Code, Part 31. Rehab does not include re-roofing, interior decorations, or changes to mechanical systems. However, rehab shall not be performed in such a manner that it reduces accessibility.
- c) Existing Non-Housing Facilities - An agency shall locate and operate each program receiving HUD assistance so the program, when viewed in its entirety, is readily accessible to and usable by individuals with disabilities. An agency may achieve accessibility through methods such as the following:
 - Location of programs or services to accessible facilities or accessible portions of facilities.
 - Assignment of aides to assist beneficiaries.
 - Home visits.
 - The addition or redesign of equipment or furnishings.
 - Acquisition or construction of additional facilities.
 - Rehab or alteration to facilities on a selective basis.

5) Self Evaluation:

- a) Each agency shall conduct a review and self-evaluation of its programs, policies, procedures, communications, employment practices, facilities, and other aspects of its programs to determine compliance with regulations concerning accessibility and non-discrimination on the basis of disability.
- b) The evaluation should cover the four basic categories described previously. The Accessibility Questionnaire may be used for reviewing the accessibility of the agency's facility.
- c) Any practices or policies that do not meet accessibility requirements shall be modified to achieve accessibility, and any discrimination revealed by the self-evaluation shall be corrected.
- d) An agency employing 15 persons or more shall:
 - Maintain the results of the above self-evaluation on file and make it available for three years.
 - Designate an employee to coordinate compliance with HUD disability regulations.
 - Adopt grievance procedures for people with disabilities.

Provide proper notices that the agency does not discriminate based on disability.

6) Additional Requirements Applicable Only to Housing Projects:

- a) New housing projects shall be designed and constructed to be readily accessible to and usable by individual with disabilities in conformance with the city of Phoenix Building Code.
- b) Renovation to housing projects shall, to the maximum extent feasible, be made to be readily accessible and usable by individuals with disabilities in conformance with the city of Phoenix Building Code. Once five percent (5%) of the dwelling units are readily accessible, additional units do not need to be accessible, but are encouraged.

The City of Phoenix provides accessibility to information, services, and employment for persons with disabilities. Persons with disabilities may use the Arizona Relay Service for VOICE/TTY calls, at 1800-842-4681 and 1800-367-8939 (TTY).

1.2.11 DISCLOSURE OF INDEBTEDNESS TO THE IRS OR OTHER PUBLIC ENTITIES

Prior to entering into and during the time period covered by the agency's CDBG Contract, the agency shall disclose any information related to the paragraph below. This disclosure requirement shall also include the immediate reporting of breaches in payback arrangements or breaches in other related agreements to the agency's assigned project manager. The agency will be considered in default if it fails to comply with this disclosure provision.

Any judgment, lien, levy, or outstanding amount owed to the Internal Revenue Service, State, County, City, or other public entity by the agency is considered a default or breach of contract, unless previously approved by the city in writing, and shall constitute sufficient reason for termination of the contract by the City.

Agency acknowledgement that it understands and will comply with the indebtedness disclosure requirement:

Authorized Representative Printed Name

Signature

Title

Date

1.2.12 OTHER IMPORTANT REQUIREMENTS

Fingerprinting Requirements

Fingerprinting is required for all CDBG funded staff working with or caring for children or physically/developmentally disabled people directly.

For example; childcare providers, youth mentors, youth tutors, after school program staff are all required to provide fingerprint clearance cards.

This requirement can be met by providing a copy of clearance cards for all CDBG funded staff prior to executing contract. As you hire new staff, a copy of their fingerprint clearance card should be forwarded to your project manager as soon as possible to ensure a timely reimbursement.

To obtain fingerprint clearance cards:

Please contact Department of Safety (DPS) at 602-223-2279 or go to:

<http://www.azdps.gov/services/fingerprint/#2> to obtain a fingerprinting packet and additional information. The Phoenix Police Department can do the fingerprinting or provide a referral to another fingerprinting service. Fingerprint clearance cards issued prior to October 1, 2003 are good for three years and cards issued after October 1, 2003 are valid for six years after the date they are issued. Fingerprinting Requirement Verification of staff fingerprinting is required for each staff person serving youth. Please provide this verification prior to executing your CDBG contract.

Fingerprinting cost:

Obtaining a fingerprint clearance card for staff is *an eligible CDBG expense* and should be reflected in the program budget.

Agency Articles of Incorporation and By-laws

A copy of the agency's articles of incorporation and by-laws are required prior to contract execution. This information should detail the Board of Directors policies such as the term limits, meeting frequency, etc. Please see your Project Manager for any further information regarding this requirement.

Agency Board of Directors

Board of directors list should be submitted on agency letterhead and include the name, title, address and phone number of all board members. While the CDBG contract is in effect, if board membership changes, agencies are required to forward a revised list to the Community Development Division assigned Project Manager.

Copy of Rental Agreement (Lease)

If CDBG funds will be used to pay a portion of your rental agreement, please provide your project manager with a recent copy of your lease agreement.

Professional Consultant Contracts

If an agency is utilizing CDBG funds to hire a professional consultant, proper procurement procedures should be followed. Please see section 4 of this manual for procedures. Once a consultant has been procured, a copy of their contract must be submitted to your Project Manager prior to obtaining reimbursement for their services.

1.3 SECTION 3

CONTRACT REQUIREMENTS

- 1.3 SECTION 3 CONTRACT REQUIREMENTS
- 1.3.1 Summary of Procedures and Responsibilities
- 1.3.2 PUBLIC SERVICE CONTRACT
- 1.3.3 SCOPE OF WORK
- 1.3.4 SAMPLE PROGRAM BUDGET
- 1.3.5 EXHIBIT C

1.3.1 SUMMARY OF PROCEDURES AND RESPONSIBILITIES

GENERAL INFORMATION

RESPONSIBLE PARTY

Each agency funded is responsible for assuring that the project is properly administered and completed in compliance with all applicable regulations. Contract execution and project implementation requirements necessitate that the agency determine an administrator for the project. This person will have authority to execute the contract and be held responsible for all contract requirements (see page 2-3). It must be clearly understood that whoever signs the contract is legally committing the agency to the proper administration of the project and compliance with all applicable regulations. The City will contact the authorized administrator when communicating with the agency unless otherwise directed in writing by the agency.

Agency/City

Project Scope of Work Development - The Scope of Work will become a principal contract exhibit. Utilizing your proposal, develop a clear, concise program description that has measurable, result oriented goals and performance indicators (Sample format page 3-16)

Agency

Project Budget Development - The budget will also become a principal contract exhibit. Based on the actual amount of the award, submit a budget for the total project. Assign the project expenses in the appropriate funding source column. CDBG funds should pay for 100% of the specific cost components. Mixed funding of personnel services and other budget items requires extensive documentation and is therefore not recommended. When personnel services costs are included, a Personnel schedule must be prepared detailing the costs for the positions to be funded.

Agency

Job descriptions, credentials, and related project experience of CDBG funded management and program staff responsible for the implementation of the CDBG project must be submitted (See sample page 3-24).

Agency

Each project must adhere to applicability of Americans With Disabilities Act and related HUD regulations.

Agency/City

All required information as specified must be submitted to the Project Manager prior to contract execution.

Agency

1.3.2 PUBLIC SERVICE CONTRACT

CITY OF PHOENIX CONTRACT NO. _____

Community Development Block Grant

THIS CONTRACT (the "Contract") is made and entered into by and between the CITY OF PHOENIX, an Arizona municipal corporation, whose principal address is 200 West Washington, Phoenix, Arizona 85003 (the "CITY") and <insert agency name>, an Arizona nonprofit corporation, whose principal address is <insert agency address> (the "AGENCY").

RECITALS

- A. The CITY has received certain funds pursuant to the Housing and Community Development Act of 1974, as amended, as part of a Community Development Entitlement Grant (the "CD Grant").
- B. The CITY is authorized to utilize the CD Grant in accordance with the rules and regulations prescribed by the United States Department of Housing and Urban Development ("HUD") for its Community Development Block Grant Program (the "CDBG Program").
- C. The AGENCY is a community service nonprofit corporation and is qualified pursuant to OMB Circular A-122 as an eligible subrecipient under the CDBG Program.
- D. The AGENCY has developed a program (described in the Scope of Work attached hereto as Exhibit A and incorporated herein by this reference) (the "Program") which qualifies as a public service under 24 CFR 570.201(e) and meets the national objectives under 570.208(a)(2), and, therefore, the AGENCY is eligible to receive a portion of the CD Grant for the Program.
- E. The AGENCY desires to obtain a portion of the CD Grant for the Program and, subject to the following terms and conditions, the CITY desires to utilize a portion of the CD Grant to assist the AGENCY with the Program:

AGREEMENT

NOW THEREFORE, it is mutually agreed by and between the parties hereto as follows:

1. AMOUNT AND NATURE OF ASSISTANCE BY CITY:

- (a) Subject to all of the terms, covenants and conditions of this Contract, the CITY will provide up to <insert amount> of the CD Grant to the AGENCY (the "Subrecipient Grant") to operate the Program as described in the Scope of Work. The Scope of Work shall not be amended or supplemented without the prior written consent of the CITY.
- (b) The AGENCY specifically agrees to be responsible for all sums in excess of the Subrecipient Grant necessary to operate the Program.
- (c) The CITY shall disburse portions of the Subrecipient Grant in such amounts and increments as may be approved by the CITY to reimburse the AGENCY for expenses reflected in the approved budget (the "Budget") (attached as Exhibit "B" and incorporated herein by this reference) upon submission by the AGENCY of proper invoices and supporting documentation,

as required by the CITY in its reasonable discretion. The Budget may not be amended or supplemented without the prior written consent of the CITY.

(d) In order to be considered for reimbursement, the AGENCY must submit its final request for reimbursement no later than forty-five (45) days after expiration or any other termination of this Contract.

2. ACTIVITIES:

(a) The AGENCY will use a portion of the CD Grant for <insert activity> to operate the Program as described in the Scope of Work.

(b) The AGENCY hereby certifies to the CITY that the AGENCY has other funding to operate the Program after this Contract expires. The AGENCY also agrees and acknowledges that the Subrecipient Grant is a one-time only allocation of a portion of the CD Grant for the Program.

3. COMMENCEMENT AND EXPIRATION OF CONTRACT:

The Program described in the Scope of Work shall be commenced on <insert date>, and this Contract shall expire automatically 18 months thereafter on <insert date>

4. PERFORMANCE REPORTS AND WORK CONFERENCES:

(a) The AGENCY shall prepare and submit monthly performance reports, and other reports and records as may be required by the CITY from time to time which shall summarize data of operation of the Program. The AGENCY's Executive Director or key personnel shall attend work conferences and other meetings as may be required by the CITY.

(b) The AGENCY also shall submit such reports as HUD and the CITY may require, including litigation reports, financial management reports required by CFR Part 85, equal opportunity reports, as may be necessary, pursuant to the rules and regulations under Title VI, Civil Rights Act of 1964; Title VIII, Civil Rights Act of 1968; Section 3 of the Housing and Urban Development Act of 1968; Section 109 of the Act, Executive Order 11246, as amended and Executive Order 11053, or any reports as may be further required.

(c) The AGENCY shall submit a financial audit within ninety (90) days after the close of any AGENCY fiscal year in which the aggregate of federal grant funds expended from all sources both inclusive and exclusive of this agreement is Five Hundred Thousand Dollars (\$500,000) or more. The audit shall be in conformance with the audit requirements of OMB Circular A-133. No CDBG funds resulting from this Contract shall be expended for the purpose of an audit without the prior written consent of the CITY. The decision to provide such consent shall be in the sole discretion of the CITY.

(d) Failure to comply with requirements of this Section shall be deemed to be a default under Section 10 hereof.

5. MONITORING AND EVALUATION:

The AGENCY shall have the primary responsibility for day-to-day management and implementation of the Program. The CITY's sole responsibility shall be to monitor and evaluate

the Program in order to determine that the AGENCY has met the goals called for in the Scope of Work in a manner acceptable to the CITY.

6. DRUG-FREE WORKPLACE ACT OF 1988:

The AGENCY certifies that it will maintain a drug-free workplace in accordance with the requirements of 24 CFR Part 21, Subpart F.

7. DISPOSITION OF PROGRAM INCOME:

(a) At the end of the CDBG Program Year, the CITY may require remittance of all or part of any program income balances (including investments thereof) held by the AGENCY except those needed for immediate cash need, cash balances of a revolving loan fund, cash balances from a lump sum drawdown, or cash balances held for Section 108 security needs.

(b) "Any 'program income' as defined in 24 CFR 570.500 (as and if amended) directly related to and derived from the Subrecipient Grant that the AGENCY is permitted to retain shall, subject to Section 8 hereof, be used by the AGENCY for any eligible activity permitted under 24 CFR 570.201, consistent with the Scope of Work attached as Exhibit "A". Such program income shall be subject to all applicable laws and regulations covering the use of Community Development Block Grant (CDBG) funds.

8. REVERSION OF ASSETS:

(a) Upon termination or expiration of this Contract, the AGENCY shall transfer to the CITY any portion of the Subrecipient Grant on hand and any accounts receivable attributable to the use of the Subrecipient Grant, including "program income" as defined in Section 7 hereof.

(b) The CITY, in its sole discretion, may permit the AGENCY to retain possession of any equipment purchased pursuant this Contract. Such permission shall be contingent upon the equipment's continued use to provide an eligible CDBG Program activity throughout the useful life of the equipment.

(c) If permission to retain equipment is not granted as described in Section 8(b), the AGENCY shall, upon written request, deliver the equipment within fifteen (15) days.

(d) If permission to retain equipment is granted as described in Section 8(b), and the equipment's use for an eligible activity ceases prior to the useful life of the equipment expires, the AGENCY shall pay the CITY an amount equal to the fair market value of the equipment as measured at the time that the eligible use ceased.

(e) At the expiration of the useful life of any equipment retained by the AGENCY pursuant to Section 8(b), the AGENCY, in its discretion, shall retain or dispose of the equipment.

9. ACKNOWLEDGEMENT:

The AGENCY shall acknowledge the contribution of the City of Phoenix Community Development Block Grant in all instances where the contributors of the Program are recognized or listed.

10. DEFAULT/REMEDIES:

(a) In the event of any default or breach of this Contract or any of its terms or conditions by the AGENCY, the AGENCY shall, upon written notice from the CITY, proceed immediately to cure or remedy such default or breach. If action to cure or remedy the default or breach is not taken immediately or not diligently pursued, or the default or breach is not cured or remedied within thirty (30) days after receipt of the CITY's notice, the CITY may, without notice, take one or more of the following actions:

(i) Withhold disbursement of the Subrecipient Grant or any portion thereof until such default or breach is cured;

(ii) Terminate this Contract;

(iii) Institute any and all other remedies available at law or in equity.

(b) In the event this Contract is terminated by the CITY in accordance with subsection (a) above, in addition to the requirements of Section 8 hereof, all equipment and other property, and all finished or unfinished documents, data, studies, and reports purchased or prepared by the AGENCY under this Contract shall be transferred, disbursed, assigned, or conveyed in accordance with the CITY's written instructions.

11. INDEBTEDNESS TO INTERNAL REVENUE SERVICE OR OTHER PUBLIC ENTITY:

(a) Any judgment, lien, levy, or outstanding amount owed to the Internal Revenue Service, State, County, City, or other public entity by the AGENCY shall constitute an event of default or breach of this Contract for purposes of Section 10 hereof, unless previously approved by the CITY in writing, and shall constitute sufficient reason for termination of this Contract by the CITY under Section 10 hereof.

Prior to entering into and during the time period covered by this Contract, the AGENCY shall disclose any information related to the preceding paragraph. This disclosure requirement shall also include the immediate reporting of breaches in payback arrangements or breaches in other agreements related to the above. Failure to comply with any disclosure provision in this Section shall constitute a default under Section 10 hereof.

12. ACCESS TO RECORDS:

(a) The CITY, HUD, the Comptroller General of the United States, the Government Accounting Office or any of their duly authorized representatives shall have access to any and all financial and other books, documents, papers and records of the AGENCY which are pertinent to any activity performed under this Contract as required under 24 CFR 85.42 (collectively, the "Records") for the purpose of making audits, examinations, excerpts and transcriptions for as long as the Records are retained by the AGENCY. During such period, the AGENCY also shall permit independent auditors access to the Records as necessary to comply with federal audit requirements.

(b) The AGENCY shall keep and maintain the Records for a period of at least five (5) years calculated as required by 24 CFR 85.42(c). If any litigation, claim negotiation, audit, or other action involving the Records has begun before the expiration of the five (5)-year period, the

Records must be retained until completion of the action and resolution of all issues which arise from it or until the end of the regular five (5)-year period, whichever is later.

13. INDEPENDENT CONTRACTOR STATUS:

The AGENCY is an independent contractor in the performance of all activities and functions pursuant to this Contract. The AGENCY and the CITY are not and shall not be considered as joint venturers, partners, or agents of each other and neither shall have the power to bind or obligate the other. The AGENCY's officers, employees, agents, and subcontractors shall not be considered as officers, employees, agents, or subcontractors of the CITY. The AGENCY hereby agrees not to represent to anyone that the AGENCY is an agent of the CITY or has any authority to act on behalf of the CITY. The AGENCY shall be responsible for all employment compensation claims for Workman's Compensation benefits, or other claims by employees arising as a result of activities funded in whole or in part from the proceeds of this Contract, and the AGENCY shall indemnify and hold the CITY harmless for and against any and all such claims.

14. INDEMNIFICATION CLAUSE:

The AGENCY shall indemnify, defend, save and hold harmless the City of Phoenix and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the AGENCY or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the AGENCY from and against any and all claims. It is agreed that the AGENCY will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the AGENCY agrees to waive all rights of subrogation against the City, its officers, officials, agents and employees for losses arising from the work performed by the AGENCY for the City.

INSURANCE

The AGENCY and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the AGENCY, its agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The City in no way warrants that the minimum limits contained herein are sufficient to protect the AGENCY from liabilities that might

arise out of the performance of the work under this contract by the AGENCY, its agents, representatives, employees or subcontractors and the AGENCY is free to purchase additional insurance as may be determined necessary.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: The AGENCY shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

1. Commercial General Liability – Occurrence Form
Policy shall include bodily injury, property damage and broad form contractual liability coverage.

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

a. The policy shall be endorsed to include coverage for sexual abuse and molestation.

b. The policy shall be endorsed to include the following additional insured language: "The City of Phoenix shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the AGENCY".

2. Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)	\$1,000,000
-----------------------------	-------------

The policy shall be endorsed to include the following additional insured language: "The City of Phoenix shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor".

3. Worker's Compensation and Employers' Liability

Workers' Compensation Statutory Employers' Liability:

Each Accident	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$500,000

a. Policy shall contain a waiver of subrogation against the City of Phoenix.

b. This requirement shall not apply when a contractor or subcontractor is exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate sole proprietor waiver form.

4. Professional Liability (Errors and Omissions Liability)

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the City of Phoenix is named as an additional insured, the City of Phoenix shall be an additional insured to the full limits of liability purchased by the AGENCY even if those limits of liability are in excess of those required by this Contract. The AGENCY's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

C. NOTICE OF CANCELLATION: For each insurance policy required by the insurance provisions of this Contract, the Contractor must provide to the City, within 2 business days of receipt, a notice if a policy is suspended, voided or cancelled for any reason. Such notice shall be mailed, emailed, hand delivered or sent by facsimile transmission to: ATTN. (insert staff name) Neighborhood Services Department, Grants, 200 West Washington 4th Floor, Phoenix Arizona 85003 and email: (insert staff email address).

D. ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect the AGENCY from potential insurer insolvency.

E. VERIFICATION OF COVERAGE: the AGENCY shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by the City before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All certificates required by this Contract shall be sent directly to <PM name>, Project Manager, Neighborhood Services Department, 200 West Washington 4th Floor, Phoenix Arizona 85003. The City project/contract number and project description shall be noted on the certificate of insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. DO NOT SEND CERTIFICATES OF INSURANCE TO THE CITY'S RISK MANAGEMENT DIVISION.

F. SUBCONTRACTORS: The AGENCY'S certificate(s) shall include all subcontractors as additional insureds under its policies or the AGENCY shall furnish to the City separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G. APPROVAL: Any modification or variation from the insurance requirements in this Contract shall be made by the Law Department, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

16. EQUAL EMPLOYMENT OPPORTUNITY:

(a) The AGENCY, in performing under this Contract, shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, gender, national origin, age or disability, nor otherwise commit an unfair employment practice. The AGENCY will take affirmative action to ensure that applicants are employed and that employees are dealt with during employment without regard to their race, color, religion, gender, national origin, age, or disability. Such action shall include but not be limited to the following: Employment, promotion, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The AGENCY agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this Contract.

(b) The AGENCY further agrees that this clause will be incorporated in all subcontracts or job consultant agreements entered into by the AGENCY in connection with this Contract.

(c) The AGENCY assures that its authorized agent will obtain all supplier and contractor certifications and that those suppliers and contractors will adhere to all affirmative action requirements.

(d) The attention of all suppliers, lessees or use permittees is called to Phoenix City Code Sections 18-1 through 18-23.

17. COMPLIANCE WITH LAWS:

(a) The AGENCY shall give all notices and comply with all laws, ordinances, rules, building codes, regulations and lawful orders of any public authority bearing on the performance of activities pursuant to this Contract. If the AGENCY observes that any of the Contract documents are in conflict with any laws, statutes, building codes and/or regulations, it shall promptly notify the CITY, in writing, and any necessary changes shall be accomplished by appropriate written modification.

(b) The AGENCY, and its subcontractors, shall abide by all regulations pursuant to the Immigration and Naturalization Reform Act of 1986, specifically as it relates to employment and client services, and such other provisions as may be applicable.

(c) Should the AGENCY perform any work knowing it to be contrary to applicable laws, ordinances, rules, building codes and/or regulations, and not give proper notice to the CITY, it shall assume full responsibility therefore and shall bear all cost incurred due to its noncompliance.

(d) The AGENCY shall comply with Uniform Administrative Requirements of OMB Circular No. A-122 (Cost Principles for Nonprofit Organizations) and with the applicable sections

of OMB Circular A-110. The AGENCY's financial management system shall include at a minimum accurate, current and complete disclosures of the grant program; records which adequately identify the source and application of funds provided for financially assisted activities; effective control over and accountability for grant cash, real and personal property and other assets; comparison of actual outlays with budgeted amounts; and records supported by source documentation.

(e) The AGENCY and its subcontractors shall comply with the Architectural Barriers Act of 1966 (42 USC 4151-4157).

(f) The AGENCY shall comply with all applicable laws, regulations, bulletins, and directions of HUD necessary to assure that the proceeds of the Subrecipient Grant are utilized in a manner which is consistent with the HUD Community Development Block Grant Program.

18. DISPUTES:

Any dispute not disposed of by mutual agreement by the parties hereto shall be decided in accordance with the applicable laws, ordinances and codes of the State of Arizona and local governments.

19. AVAILABILITY OF FUNDS:

It is expressly understood by the parties hereto that this Contract has been negotiated and executed in anticipation of receipt of funds by the CITY from HUD pursuant to the CDBG Program and that therefore the terms, conditions and sums payable under this Contract are subject to any changes or limitations which may be required by the terms of the CDBG Program and any grant agreement entered into by the CITY in connection with the CD Grant.

20. CONSULTATION:

The AGENCY and the CITY hereby agree to consult with one another on a timely basis regarding any condition which may impact the performance of this Contract and which may arise during the term of this Contract.

21. CONTINUING LIABILITY:

The AGENCY shall have continuing liability after the term of this Contract for any breach of this Contract, including failure to perform in accordance with the requirements of applicable Federal law and rules and regulations promulgated thereunder until after all complaints, investigations and sanctions, including those arising out of audits performed by the CITY, HUD or other authorized agencies are resolved. The AGENCY shall be liable for any sanctions or requirements imposed at any time upon the CITY arising out of the AGENCY's activities performed pursuant to this Contract.

22. CONFLICTS OF INTEREST

(a) All parties hereto agree to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

(1) The AGENCY shall maintain a written code or standards or conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by federal funds.

(2) No employee, officer, or agent of the AGENCY shall participate in the selection, or in the award, or administration of, a contract supported by federal funds if a conflict of interest, real or apparent would be involved.

(3) No covered persons who exercise or who have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the CITY, the AGENCY, or any designated public agency.

(b) All parties hereto acknowledge that this agreement is subject to cancellation by the City of Phoenix pursuant to the provisions of the Section 38-511, Arizona Revised Statutes.

23. SPECIAL CONDITIONS:

The AGENCY shall comply with and require all contractors and subcontractors paid with the proceeds of the Subrecipient Grant or any program income as defined in Section 8 hereof to comply with all of the applicable provisions of the Special Conditions for activities assisted pursuant to Title I of the Housing and Community Development Act of 1974, attached hereto as Exhibit "C", and incorporated herein by this reference.

24. LEGAL WORKER REQUIREMENTS:

As mandated by Arizona Revised Statutes 41-4401, the City of Phoenix is prohibited after September 30, 2008 from awarding a contract to any contractor who fails, or whose subcontractors fail, to comply with Arizona Revised Statute 23-214-A. That statute requires that employers verify the employment eligibility of their employees through the federal E-verify system. An "employer" is an independent contractor, a self-employed person, the State of Arizona or any of its political subdivisions, or any individual or type of organization that transacts business in the State of Arizona, or that has a license issued by an agency in the state and that employs one or more employees in the State. (See A.R.S. 23-211) Therefore, in signing or performing any contract for the City of Phoenix, the AGENCY fully understands that:

(a) It warrants that both it and any subcontractors it may use comply with all federal immigration laws and with A.R.S. 23-214-A;

(b) Any breach of that warranty is material and is subject to penalties up to and including immediate termination of the contract; and

(c) City of Phoenix or its designee is authorized by law to randomly inspect the records relating to an employee of the AGENCY or any of its subcontractors who works on the contract to ensure compliance with the warranty made in paragraph A above.

25. AGENCY WORKER BACKGROUND SCREENING.

(a) Agency Worker Background Screening. Agency agrees that all Agency workers and subcontractors (collectively "Agency Worker(s)") that Agency furnishes to the City pursuant to this Agreement shall be subject to background and security checks and screening (collectively "Background Screening") at Agency's sole cost and expense as set forth in this Section. The Background Screening provided by Agency shall comply with all applicable laws, rules and regulations. Agency further agrees that the Background Screening required in this Section is necessary to preserve and protect public health, safety and welfare. The Background Screening requirements set forth in this Section are the minimum requirements for this Agreement. The City in no way warrants that these minimum requirements are sufficient to protect Agency from any liabilities that may arise out of Agency's services under this Agreement or Agency's failure to comply with this Section. Therefore, in addition to the specific measures set forth below, Agency and its Agency Workers shall take such other reasonable, prudent and necessary measures to further preserve and protect public health, safety and welfare when providing services under this Agreement.

(b) Background Screening Requirements and Criteria. Because of the varied types of services performed, the City has established three levels of risk and associated Background Screening. The risk level and Background Screening required for this Agreement Minimum Risk because the Agency Worker's work assignment will not (i) have contact with vulnerable people such as children, youth, elderly, or individuals with disabilities; and (ii) have responsibility for the receipt or payment of City funds or control of inventories, assets, or records that are at risk of misappropriation.

(c) Agency Certification; City Approval of Minimum Risk Background Screening. Agency shall furnish to insert name, Project Manager for the City's review and approval all Background Screenings. By executing this Agreement, Agency certifies and warrants that Agency has read the Background Screening requirements and criteria in this Section, understands them and that all Background Screening information furnished to the City is accurate and current. Also, by executing this Agreement, Agency further certifies and warrants that Agency has satisfied all Background Screening as required. The City may, in its sole discretion, accept or reject any or all of the Agency Workers proposed by Agency for performing work under this Agreement. An Agency Worker rejected for work under this Agreement shall not be proposed to perform work under other City contracts or engagements without City's prior written approval.

(d) Materiality of Background Screening Requirements; Indemnity. The Background Screening requirements of this Section are material to City's entry into this Agreement and any breach of this Section by Agency shall be deemed a material breach of this Agreement. In addition to the indemnity provisions set forth in Section 13 of this Agreement, Agency shall defend, indemnify and hold harmless the City for any and all Claims (as defined in Section 13 arising out of this Background Screening Section including, but not limited to, the disqualification of an Agency Worker by Agency or the City for failure to satisfy this Section.

(e) Continuing Duty; Audit. Agency's obligations and requirements that Agency Workers satisfy this Background Screening Section shall continue throughout the entire term of this Agreement. Agency shall notify the City immediately of any change to a Maximum Risk Background Screening of an Agency Worker previously approved by the City. Agency shall

maintain all records and documents related to all Background Screenings and the City reserves the right to audit Agency's compliance with this Section pursuant to Section 4.

26. ROLES AND RESPONSIBILITIES:

(a) Chief Executive Officer

The AGENCY's Chief Executive Officer is responsible for the performance of the AGENCY activities and obligations enumerated in this Contract. Unless otherwise directed by the AGENCY, the CITY will contact the Chief Executive Officer when communicating with the AGENCY. The CITY shall be notified, in writing, of changes of personnel filling this position. The Chief Executive Officer may utilize the professional services of other advisors as his/her agent. Said agent shall be responsible to the Chief Executive Officer.

(b) Neighborhood Services Deputy Director

The CITY's Neighborhood Services Deputy Director, currently assigned to the Administrative Services Division, is the CITY's responsible representative to the project. The AGENCY shall contact this individual when communicating with the CITY unless otherwise directed. The AGENCY shall be notified of changes of personnel filling this position.

The Neighborhood Services Deputy Director may utilize the professional services of other advisors as his/her agent. Said agent shall be responsible to the Neighborhood Services Deputy Director.

27. NOTICES, DEMANDS AND COMMUNICATIONS BETWEEN THE PARTIES

(a) Formal notices, demands and communications between the CITY and the AGENCY shall be deemed sufficiently given if hand delivered or dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the CITY and the AGENCY addressed to each party as follows:

CITY:

City of Phoenix, Neighborhood Services Department
Administrative Services Division
200 West Washington, Fourth Floor
Phoenix, Arizona 85003-1611

AGENCY:

<agency name>
<agency address>
Phoenix, AZ <zip code>

Such written notices, demands, and communications may be mailed or hand delivered in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section.

28. CONTRACT DOCUMENTS:

This Contract includes the following exhibits:

Exhibit "A" - Scope of Work

Exhibit "B" - Budget

Exhibit "C" - Special Conditions for Service Activities Assisted Pursuant to Title I of the Housing and Community Development Act of 1974, as amended

DATED this _____ day of _____, 2014.

CITY OF PHOENIX, a municipal corporation
Ed Zuercher, City Manager

By____
Chris Hallett, Director
Neighborhood Services Department

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

By:____

1.3.3 SCOPE OF WORK

REQUIRED FORMAT

Program Description

Describe the program and how CDBG funds will be used. Be concise in stating the nature of the program and what program costs, positions, and operating expenses will be funded with CDBG funds.

Describe the program delivery method and services provided. How the project will be carried out and what services will be provided. Do not list measurable program objectives in this section.

Service Location

List address(es) where services will be delivered.

Agency Background

Provide background information (include administrative office location(s)). Describe mission, purpose and the types of services provided.

Target Population

Provide a description of the client target population that the program will serve.

Goals

Describe the program's measurable outcomes. Outcomes and objectives should be results oriented, specific and measurable. Each outcome and objective should include the time frame for the accomplishment of the particular activity and indicate how many clients will be served by this outcome.

SCOPE OF WORK**Program Description**

Our agency will use the Community Development Block Grant for staffing one Program Coordinator and one Youth Coordinator, as well as operational expenses. The program will provide case management, educational and recreational activities to decrease gang involvement. The program will also provide weekly peer support meetings. Topics addressed at the meetings will include: self-esteem building, teen pregnancy, education, suicide prevention, career choices and family support.

Participants will be recruited through flyers that will be distributed at North and South Mountain High School and through school administration referrals. The overall purpose of the program is to provide an outlet to deter youth from entering into gang activities and involvement. Program services will be provided at 1234 N. Central Ave, Phoenix.

Agency Background

We are a grass roots nonprofit organization established in 1985 to address the ever increasing gang problem in Phoenix. Our administrative offices are located at same address where we offer our programs. Our mission is to offer outreach services and supportive programs to youth at risk and their families. Our programs enhance community involvement, offer prevention services, peer support, educational tutoring classes and self-esteem building.

Target Population

The target population is low income youth between the ages of 10 and 18, who are former gang members or at risk of becoming involved in a gang and their families. 90% of our participants reside in the North High and South Mountain High School service area.

Goals/Outcomes

Activity 1.	Youth Enrollment:	300 during contract year.
Activity 2.	Mentor Recruitment:	15 former gang members will be recruited to facilitate weekly peer support meetings. They understand issues and can mentor others.
Activity 3.	Case Management:	65 of the 300 youth and family participants will receive intensive case management and referral services.
Activity 4.	Academic Tutoring:	225 youth will use academic tutoring services.
Activity 5.	Peer Meetings:	104 meetings during contract year @ two per week.
Activity 6.	Career Choices:	12 presentations during contract year @ one per month. Careers/Trades and options will be introduced and discussed.

1.3.4 SAMPLE PROGRAM BUDGET

Cost Component	CDBG Funding Request	Other Resources		Total Project Budget
		Cash	In-kind	
Personnel Services				
Salaries	25,000			25,000
Fringe	5,000			5,000
TOTAL PERSONNEL SERVICES:	30,000			30,000
Contractual Services				
Professional Services		2,000		2,000
Phone/Internet		1,000		1,000
Rent				
Utilities		3,000		3,000
Insurance		3,000		3,000
Maintenance			8,000	8,000
Travel/Mileage				
Other (Specify):				
TOTAL CONTRACTUAL SERVICES:		9,000	8,000	17,000
Commodities				
Program/Office Supplies				
Printing			5,000	5,000
Postage		2,400		2,400
Office Equipment				
Other (Specify):				
TOTAL COMMODITIES:		2,400	5,000	7,400
TOTAL PROJECT BUDGET	30,000	11,400	13,000	54,400

1.3.5 EXHIBIT C

SPECIAL CONDITIONS FOR SERVICE ACTIVITIES ASSISTED PURSUANT TO TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED

1. Nondiscrimination

A contractor may not, under any program or activity, directly or through contractual or other arrangements, on the ground of race, color, religion, gender, national origin, age or disability:

(1) Deny any facilities, services, financial aid or other benefits provided under the program or activity.

(2) Subject to segregated or separate treatment in any facility in, or in any matter or process related to receipt of any service or benefit under the program or activity.

(3) Restrict in any way access to, or in the enjoyment of any advantages or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity.

(4) Treat an individual differently from others in determining whether the individual satisfied any admission, enrollment, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any facilities, service or other benefits provided under the program or activity.

(5) Deny an opportunity to participate in a program or activity as an employee.

2. Nondiscrimination Based on Disability

No otherwise qualified individual with disabilities in the United States shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in employment, services, housing, building and services accessibility or any other aspects of this program. The contractor shall comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), Section 109 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5309) and the Americans with Disabilities Act of 1990.

3. Employment Opportunities for Business and Lower Income Persons-Section 3

(1) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(2) The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the

parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(3) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(4) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

(5) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

(6) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

(7) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act(25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

4. Ineligible Subcontractors

Contractors shall not use funds received pursuant to this contract to directly or indirectly employ, award, award contracts to, or otherwise engage the services of, or fund any contractor or subrecipient during the period of debarment, suspension or placement on ineligibility status under the provisions of 24 CFR Part 24.

5. Access to Records

The City, the U.S. Department of Housing and Urban Development, the Comptroller General of the United States, the Government Accounting Office or any of their duly authorized representatives shall have access to any books, documents, papers and records of contractor which are pertinent to any activity performed under this contract for the purpose of making audit, examination, excerpts and transcriptions.

Contractor/consultants shall keep and maintain such books, documents, paper and records for a period of at least three years after all claims and audits arising out of this contract are fully settled and concluded.

6. Contracting with Minority, Women and Disadvantaged Business Enterprises

Pursuant to national policy to award a fair share of contracts to Minority, Women and Disadvantaged business enterprises, contractor shall take affirmative steps to assure that Minority, Women and Disadvantaged are utilized when possible as sources of supplies, equipment, construction and services. Such affirmative steps shall include the following:

- (1) Include qualified Minority, Women and Disadvantaged businesses on solicitation lists.
- (2) Assure that Minority, Women and Disadvantaged businesses are solicited whenever they are potential sources.
- (3) When economically feasible, divide total requirements into small tasks or quantities so as to permit maximum Minority, Women and Disadvantaged business participation.
- (4) Where the requirement permits, establish delivery schedules which will encourage participation by Minority, Women and Disadvantaged businesses.
- (5) Use the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce and the Community Services Administration as required.
- (6) Comply with the applicable requirements of the Minority, Disadvantaged and Women Business Enterprise Policy Plan for the City of Phoenix.
- (7) Include affirmative steps, one through six in any subcontract.

7. Anti-lobbying Certification

In all contracts in excess of \$100,000 the contractor hereby certifies, to the best of his or her knowledge the belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employees of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any

cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

1.4 SECTION 4 PROCUREMENT PROCESS
 1.4.1 PROCUREMENT REQUIREMENTS FOR PUBLIC SERVICE PROJECTS...
 1.4.2 PROCUREMENT FORM
 1.4.3 CONFLICT OF INTEREST
 1.4.4 CONSULTANT AGREEMENT

1.4.1 PROCUREMENT REQUIREMENTS FOR PUBLIC SERVICE PROJECTS

When using CDBG funds to purchase materials, products, supplies or services, a free and open competitive process must be followed. Prior to incurring the cost, the agency must conduct a *Price and Cost or Sole Source Analysis* (see definitions). The purchase must be documented on the attached Procurement Form and submitted to the assigned Project Manager for review and approval.

Procurement undertakings must indicate an effort to outreach/utilize Minority & Women Owned Business Enterprises (MBE/WBE) firms when applicable. Documentation must be maintained to verify the outreach efforts. The Project Manager can help you contact minority and women owned businesses through a directory published by the City of Phoenix Equal Opportunity Department.

Expenditures under \$500 for non-inventoried basic supplies necessary for operation of an office (i.e., pencils, pens, stationary, staples, pads, rubber stamps, and file folders) are not subject to procurement requirements.

PROCUREMENT DEFINITIONS

Price and Cost Analysis

A price or cost analysis must be made in connection with every procurement action. *Price analysis* involves comparing the bottom line price quoted by the offeror with typical prices paid for the same or similar materials or services (does not apply to sole source contracts). *Cost analysis* involves an analysis of the individual elements of cost (as requested by the solicitation).

Sole Source

Procurement by noncompetitive process is solicitation from only one source. This process is rare and is acceptable only after solicitation of a number of sources is determined inadequate. *Extensive documentation and justification is required to reflect the actions taken.* City approval is required to establish the audit trail. The agency may make the determination that competition is not feasible if one of the following circumstances exists:

1. The item is unique and available only from a single source. There is a public urgency or emergency that exists that will not permit a delay resulting from a competitive solicitation.

Small Purchases

Dollar limit: \$500 - \$1,000

Examples: Supplies (bulk orders), Printing Services (brochure), Office Equipment (fax machine)

Method: Telephone Solicitations (document information on the "Procurement Form")

Description: Price quotes are received by phone and documented. At least three vendors should be solicited; price, availability, and delivery information should be requested. The purchase order is awarded to the responsible

vendor quoting the lowest price, all other factors considered. Exceptions must be documented in writing and approved by the City. The Procurement Form and other supporting documentation must be submitted to the assigned Project Manager with the payment request.

Larger Purchases

Dollar limit: Over \$1,000

Examples: Professional/Consultants (Bookkeeping, CPA, Audit Services)
Office Equipment

Method: Written Quotation (Prior Approval Required)

Description: This procedure applies to more complex items when a quote in writing is required. Award is made to the responsible vendor quoting the lowest price and meeting the technical requirements. Exceptions must be documented in writing and approved by the City. Prior to incurring the cost, the agency must document the purchase activity and decisions on the Procurement Form, attach written quotations, and forward to the Project Manager for review and approval.

1.4.2 PROCUREMENT FORM

PROCUREMENT FORM

Agency: _____

Program: _____

Choose an item.

Specify/Describe: _____

Small Purchase (\$500-\$1,000)

Larger Purchase (Over \$1,000)

VENDOR/CONSULTANT ADDRESS PHONE	MBE/WBE Yes/No	Telephone Solicitation Check One	Written Quotation	Price Quoted	Selected Yes/No
1.) _____ _____ _____	_____	_____	_____	\$ _____	_____
2.) _____ _____ _____	_____	_____	_____	\$ _____	_____
3.) _____ _____ _____	_____	_____	_____	\$ _____	_____
4.) _____ _____ _____	_____	_____	_____	\$ _____	_____
5.) _____ _____ _____	_____	_____	_____	\$ _____	_____

COMMENT SECTION

Agency Signature

Date

Project Manager Approval

Date

1.4.3 CONFLICT OF INTEREST

Conflict of Interest

24 C.F.R. § 570.611 Conflict of interest.

Title 24 - Housing and Urban Development

PART 570—COMMUNITY DEVELOPMENT BLOCK GRANTS

Subpart K—Other Program Requirements

1.4.3.1.1 § 570.611 Conflict of interest.

(a) *Applicability.* (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to §570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §570.203, 570.204, 570.455, or 570.703(i)).

(b) *Conflicts prohibited.* The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) *Threshold requirements.* HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

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

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

1.4.4 CONSULTANT AGREEMENT

Consultant Agreement

THIS AGREEMENT is made this 12th of January, 2014, between **Frank Jones**, the “CONSULTANT”, **Helping Hands**, the “AGENCY”. This agreement shall terminate May 31, 2014, unless extended.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, both the CONSULTANT and AGENCY agree as follows:

Agreement

- I. CONSULTANT and AGENCY agree to abide by all Federal, State, local and administrative rules that apply to the provision of services identified in this agreement.
- II. CONSULTANT and AGENCY agree that the AGENCY will provide facilities and such other equipment and supplies as necessary to perform this agreement.
- III. CONSULTANT and AGENCY agree to comply with the provisions of applicable State and Federal regulations and directions of HUD necessary to ensure that the expenditures of the CONSULTANT are utilized in a manner consistent with the HUD Community Development Block Grant Program.
- IV. CONSULTANT and AGENCY agree that no waiver, amendment or modification of this agreement shall be valid or binding unless written and signed by both parties.
- V. CONSULTANT and AGENCY agree this agreement may not be assigned by either party without prior written consent of the other party, which consent will not be unreasonably withheld; provided that this agreement shall be binding upon and inure to each Party's respective successors interest.
- VI. CONSULTANT and AGENCY agree if any provision of this agreement is held void or can not be enforced, the remaining provisions shall not be effective, the intent being to effectuate this agreement to the fullest extend possible.
- VII. CONSULTANT and AGENCY agree that all data and other products generated from the performance of the Scope of Work shall belong to Helping Hands and shall not be shared with other outside individuals or organizations.

Roles and Responsibilities

AGENCY will assign Executive Director to directly supervise CONSULTANT. CONSULTANT will be responsible for submitting signed weekly time sheets on the approved CDBG Time Sheet form for the approval of the Executive Director.

Billing and Payment

AGENCY agrees that it shall pay the CONSULTANT on a monthly basis based on time sheets prepared by CONSULTANT and approved by AGENCY Executive Director. The agreed hourly compensation is \$70 per hour and the total amount for this contract is not to exceed \$8,000.

Scope of Work

Consultant will independently review agencies current marketing material(s), mission statement, programs, partnerships, board of directors, funding sources, private donation list, organizational chart, work flows, job descriptions, goals and objectives and program outcomes.

Consultant will conduct individual interviews with management, staff clients (past and present). The interviews will raise general questions on the Helping Hands services they are familiar with, response to

current marketing material, strengths and weaknesses of the agency and their perceived image of the agency. The consultant will gather ideas for improving the marketing material and procedures.

Week 1 and 2:

- Review of all requested material from Helping Hands.
- Full day tour of Helping Hands offices and viewing the service provided in person.
- Individual interviews with front line office staff who works directly with the clients.
- Individual interviews with the management staff.
- Individual interviews with clients (past & present) assisted by Helping Hands.

Week 3:

- Review the material and prepare a written marketing plan. The plan would include recommendations to improve current marketing and provide specific mock-ups of flyers, brochures, merchandise, media campaigns, etc.

Week 4:

- Meet with management to discuss and answer questions regarding marketing plan.

Week 5:

- Finalize marketing plan and prepare a request for proposals to execute the marketing plan.

Termination

AGENCY or CONSULTANT shall have the right to terminate this agreement at any time upon a thirty (30) day notice by either party. Upon termination of this agreement, any equipment, material and /or supplies remaining in the CONSULTANT'S possession will become the property of the AGENCY.

Frank Jones, Marketing Specialist
Marketing the Masses

John Smith, Executive Director
Helping Hands

-
-
-

1.5 SECTION 5 PERFORMANCE REPORTS AND PAYMENT REQUESTS

- 1.5 SECTION 5 PERFORMANCE REPORTS AND PAYMENT REQUESTS
- 1.5.1 Performance Reports and Payment Requests Summary of Procedures and Responsibilities.....
- 1.5.2 Agency Cover Letter Sample
- 1.5.3 CDBG Salary and Fringe Breakdown Samples
- 1.5.4 EXPENSE DETAIL AND PAYMENT VERIFICATION
- 1.5.5 MILEAGE REPORT SAMPLE
- 1.5.6 Invoice Samples
- 1.5.7 Employee Time Sheet
- 1.5.8 Employee Time Sheet
- 1.5.9 PAYROLL SAMPLE.....

1.5.1 PERFORMANCE REPORTS AND PAYMENT REQUESTS SUMMARY OF PROCEDURES AND RESPONSIBILITIES

This procedure is very important to facilitate the expeditious processing of your agency's payment requests. The standards for determining reasonableness and allocability of costs incurred as part of CDBG financed activities are found in OMB Circular A-122. All expenditures must be reasonable, CDBG-eligible, necessary and directly related to the project activities. Please carefully follow the summary of monthly performance / reimbursement requirements listed below:

GENERAL INFORMATION

RESPONSIBLE PARTY

Agencies are expected to submit reimbursement requests and performance reports on a monthly basis. Monthly reimbursements support the project by efficiently releasing funds in a consistent manner which assures expeditious use of the funds. Holding payments and submitting multiple months makes it difficult to track expenses and program accomplishments. Please note that if payment requests and performance reports are not received regularly or if repetitious errors occur, the agency program administrator will be contacted to help identify the barriers. Project Managers are available to provide technical assistance to help identify the barriers. Project Managers are available to provide technical assistance to help an agency comply with the monthly reimbursement process.

Agency

Monthly reimbursement request must include the following:

1. Agency Letter of Request
2. Monthly Performance Report - Goals Achieved
3. Billing Statement - Monthly Expenditures
4. Source Documentation that Supports Expenditures

Agency Letter of Request - The letter must indicate the reimbursement month, the amount the agency is requesting, and the contract balance. The request (all documents) must be reviewed, and signed by the agency administrator or the designated representative, be submitted on the agency's letterhead and reference the CDBG contract number (see page 5-4).

Agency

Monthly Performance Report - The Performance Report explains the progress the project has made in relation to the goals and performance indicators outlined in the contract Scope of Work. The report must include the total number of clients served during the month, client ethnicity and number of female head of households served (see page 5-4 and 5-5).

Agency

Billing Statement / Monthly Expenditures – The Billing Statement summarizes the monthly and year-to-date expenditures by type and includes the agency's contribution (match) from other sources (see page 5-7).

Agency

Source Documentation – All reimbursement requests must be supported by source documentation in accordance with 24 CFR Part 85.20 (b) (6) and OMB Circular A-110, Attachment F, paragraph 2(g) and A-122. The source documentation must explain the basis of the costs incurred, as well as showing the actual dates, amount of expenditure and clearly display the expenditure type. Support documentation is needed to verify that:

Agency

1. The expense charged against the CDBG funds were incurred during the effective period of the contract.
2. The expense was actually paid out.
3. The expense was an allowable item.
4. The expense was approved by the responsible person in the Agency.

Documentation Examples – If CDBG funds will pay for the following types of expenses, submit the following documents:

Salaries / Personnel Services: Time cards signed by both *employee and supervisor*, listing of employer deductions for FICA, unemployment insurance, workman's compensation and others. Copies of payroll checks or if, professional payroll service is used, a copy of the payroll journal.
(Samples on 5-12, 5-13, 5-14, 5-15)

Space and Utilities: Rental or lease agreement, utility bills and check copies.

Office Equipment and Supplies: Invoices, receipts, check copies, in some cases Procurement Form and supporting documentation. *Expenditures under \$500.00 and basic supplies necessary for operation of an office, i.e., pencils, pens, stationary, staples, pads, rubber stamps and files are not subject to procurement requirements.*
(Sample on pages 5-10, and 5-11)

Training / Conference / Workshops / Travel: Training must be directly related to the administration of the CDBG sponsored project and pre-approved by the Project Manager. Submit brochure listing course, content and registration form. *Other eligible expenses may include: airfare, hotel, ground transportation and meals. These expenses can be supported with paid receipts or check copies.*

Professional Services: If CDBG funds will be used to pay a consultant for services, a contract must be submitted detailing the scope of work for the consultant. Status reports and proof of payment are required.

Cancelled Checks/Bank Statements: Check copies must be provided whenever a check is used to make payment. The reimbursement will be processed and the agency will receive a check from the City of Phoenix for the monthly expenditures. In the next monthly request for reimbursement, the agency must include the canceled checks or bank statement to support the previous month's expenses. When prior month's expenses are requested, canceled check or bank statements are required up front. Highlight appropriate checks on Bank Statement or if cancelled checks are provided the check front must show coded numbers in bottom right corner.

Mileage - Mileage is an eligible expense provided it is reasonable and directly related to the CDBG funded activity. A mileage log is required to document the miles driven. The log must clearly indicate the trip odometer reading, total miles driven, destination and purpose of the trip. Both employee and supervisor signatures must appear on mileage log. Only CDBG program related trips within the City of Phoenix are reimbursable. (Sample page 5-9).

Agency

Cost Allocation - If the costs are split between the CDBG funds and other sources, there must be a reasonable method in place to fairly allocate the charges among the sources. The Project Manager must review and approve the allocation. CDBG charged expenditures must be in proportion to the relative benefit of the CDBG project objective. Example: If an office is utilized by two programs during the same hours, the costs of the office must be allocated between the two programs on an equitable basis. The same expense cannot be claimed against more than one grant (double-billing is prohibited).

Agency

Payment Review - The Project Manager will review the agency's performance report and payment request for the project's progress, goals achieved, client data, eligibility, procurement, and source documentation. All reimbursement requests must be packaged in a logical, sequential manner, and must follow the billing statement line items (cost components). The Project Manager will promptly inform the agency of inaccurate/incomplete requests and determine whether they are major or minor. Minor corrections can be resolved over the phone and amendments made by fax. If significant corrections are needed, the Request for Payment will be returned to the agency for revision.

City

Reimbursement Timeframe - The City's reimbursement process takes approximately two to three weeks for the agency to receive the check. If the reimbursement procedures are not followed correctly and the essential documentation is not provided, the process as well as the agency's reimbursement check will be delayed. The first reimbursement takes longer to process, due to the need to set up the account in the City's system.

City

1.5.2 AGENCY COVER LETTER SAMPLE

Helping Hands



Helping children to succeed in life,
ONE hand at a time.

Helping Hands
3500 W McDowell Rd.
Phoenix, AZ 85004

June 1, 2013

(INSERT YOUR PROJECT MANAGER NAME)
Community Development, NSD
200 West Washington Street, 4th Floor
Phoenix, AZ 85033

Contract Award:	\$40,000
Previous Reimbursement:	\$20,000
Current Request:	\$ 3,373
Award Balance:	\$16,627

Re: 2013-14 CDBG Award, Contract #223456
Program: Helping Hands after-School Program

Dear (INSERT NAME):

This reimbursement request represents May 2013 expenditures and includes support documentation as required. During the month, we provided service to 35 clients and accomplished the following program performance objectives. We are requesting funds in the amount of \$3,373.

Count by households (H) or by persons (P): P

Total Clients Served this Month	This Month	Year-to-Date	# of Hispanics in Previous Columns	
			This Month	Year to Date
White	5	62	4	34
Black/African American	7	73	1	23
Asian	1	26		
American Indian/Alaskan Native	3	21	0	2
Native Hawaiian/Other Pacific Islander		1		
American Indian/Alaskan Native & White		0		
Asian and White	4	12		
Black/African American and White	4	56		
Am. Indian/Alaskan Native and Black/African Am.	4	47		
Other Multi-Racial	7	74	7	53
TOTAL	35	372	12	112

Number of Disabled Individuals: This Month 0 Year to Date 0

If you should have questions regarding this request please contact (Insert name of staff to direct questions) at (Insert phone number).

Sincerely,
(Insert name of Executive Director or approved staff)

Program Performance Objectives & Accomplishments Summary
 Project: Helping Hands after-School Program

Program Performance Objectives

	This Month	Year to Date	Contractual Goal
Youth attending after school activities		35	372
Youth receiving tutoring		22	240
Mentors recruited		8	14
Tutoring Classes Provided		8	75
Peer Support Meetings		2	10

Program Accomplishments Summary

Activity 1. Youth attending after school activities

Distributed 853 program flyers to North High school to market the program.
 Sponsored an Open House May 5th 3:30-7:00 to attract youths, 15 youth attended.

Activity 2. Youth receiving tutoring

22 youth were provided tutoring M-F 3:30-6:00.
 15 youth received tutoring in math.
 16 youth received tutoring in science.
 18 youth received tutoring in reading.
 20 youth received tutoring in computer programs.

Activity 3. Mentors Recruited

Marketed the student mentoring through presentations at Gateway Community College, ASU Downtown Center and the Phoenix Rotary club chapter #210. 230 people attended presentations.
 Eight completed intake forms and signed up to be mentors.
 Contacted ASU to identify additional student mentor/ tutor volunteers.
 Three tutors were interviewed.

Activity 4. Tutoring Classes

Math classes provided (2)
 Science classes provided (1)
 English classes provided (3)
 Computer programs provided (2)

Activity 5. Peer Support Meetings

Identified meeting topics/agenda.
 Recruited student facilitator and set schedule.
 Conducted two meetings, May 9th @ 7 p.m., 11 total, May 13th @ 7 p.m., 12 total

1.5.3 CDBG SALARY AND FRINGE BREAKDOWN SAMPLES

CDBG Salary & Fringe Breakdown							
Date of Payroll:		June 13, 2013 and June 27, 2013					
		SALARY			FRINGE		
Employee Name	Monthly Total	CDBG	Other	Monthly Total	CDBG	Other	
1	Rose Wilson	\$ 1,070.03	\$ 1,000.00	\$ 70.03	\$ 160.53	\$ 100.00	\$ 60.53
2	Rose Wilson	\$ 1,405.84	\$ 1,000.00	\$ 405.85	\$ 210.88	\$ 150.00	\$ 60.88
3							
4							
5							
TOTALS		\$ 2,475.87	\$ 2,000.00	\$ 475.88	\$ 371.41	\$ 250.00	\$ 121.41

1.5.4 EXPENSE DETAIL AND PAYMENT VERIFICATION

Month of: June 2013

EXPENSE	DATE	CHECK	AMT	CANCELLED	COMMENTS
Personnel Services					
Don Smith	9/6	1123	850.00		
Maria Jones	9/6	1157	650.00		
David Abbey	9/6	1153	550.00		
Don Smith	9/20	1213	850.00		
Maria Jones	9/20	1278	650.00		
David Abbey	9/20	1218	550.00		
Program Costs					
SRP Electric	9/10	1130	50.00		
Telephone	9/11	1134	35.00		(represents 20%)
Program Supplies	9/15	1135	67.00		(represents 20%)
Printing	9/15	1131	64.00		
Insurance	9/9	1132	124.00		(represents 20%)
Professional Services					
Audit	9/14	1136	225.00		
Bookkeeper	9/14	1137	75.00		

TOTAL CDBG REQUEST: \$4740.00

1.5.6 INVOICE SAMPLES



INVOICE

602 S. 63rd Avenue
Phoenix, Arizona 85043
Phone: 602-269-3131 Fax: 602-272-0491

INVOICE # 009
DATE: June 8, 2013

Ship To:
Helping Hands
3500 W. McDowell Rd.
Phoenix, AZ 85004
Phone 602-262-7158 Fax 602-534-0008

Bill To:
Helping Hands
3500 W. McDowell Rd.
Phoenix, AZ 85004

Comments or special instructions:

SALESPERSON	P.O. NUMBER	SHIP DATE	SHIP VIA	F.O.B. POINT	TERMS
Jason	974296				Due on receipt

DATE	DESCRIPTION	AMOUNT
1/12	Office Supplies	18.95
1/27	Paper	68.44
2/9	Stationary	100.31
2/26	Office Supplies	24.54
SUBTOTAL		210.24
SALES TAX		17.02
SHIPPING & HANDLING		-
TOTAL DUE		\$227.26

Make all checks payable to OFFICE DEPOT

THANK YOU FOR YOUR BUSINESS!

Agency 251 W. Washington Street Phoenix, AZ 85003		1592
		DATE: 6/1/2013
PAY TO THE ORDER	OFFICE DEPOT	\$227.26
Two hundred twenty-seven and 26/100		DOLLARS
Higher Standards 4201 S. Central Ave Phoenix, AZ 85040 602-257-0001		
FOR _____		



INVOICE

BILL TO:

Helping Hands
3500 W. McDowell Rd.
Phoenix, AZ 85004

SHIP TO:

Helping Hands
3500 W. McDowell Rd.
Phoenix, AZ 85004

Invoice #: 0029
Invoice Date: 6/10/13
Customer ID: 974039

Date	Your Order #	Our Order #	Sales Rep.	FOB	Ship Via	Terms	Tax ID
5/8/13	07-40735	291004	Stacy				

Quantity	Item	Units	Description	Unit Price	Total
5	A-1	EA	8.5 x 11 20# Bond White, 23 originals	8.05	8.05
40	A-2	EA	Dup. 8.5 x 11 20# Bond, 23 originals on 1 side	64.40	64.40

Send Payment To: Alphagraphics- Renaissance Center Two North Central Avenue Phoenix, Arizona 85004-2322 Phone: 602-254-4263				Subtotal	72.45
				Tax	5.86
				Shipping	
				Miscellaneous	78.31

Helping Hands 3500 W McDowell Rd Phoenix, AZ 85004		1592
		DATE : 6/8/2013
PAY TO THE ORDER	ALPHAGRAPHS	\$78.31
	Seventy-eight and 31/100	DOLLARS
Higher Standards 4201 S. Central Ave Phoenix, AZ 85040 602-257-0001 FOR _____		

1.5.7 EMPLOYEE TIME SHEET

Helping Hands 3500 W McDowell Rd. Phoenix, AZ 85004

Employee Name: Rose Wilson Position: Program Manager

Time sheets should be filled out on a daily basis. Please record the number of hours that you have worked or if you are using vacation, sick, holiday etc.

1st through 15th of Month

Day	Date	Time In	Time Out	Daily Total	CDBG Total	
Monday	6/2/13	8:00 am	4:00 pm	8	2	
Tuesday	6/3/13	1:00 pm	7:00 pm	6	2	
Wednesday	6/4/13	8:00 am	4:00 pm	8	2	
Thursday	6/5/13	10:00 am	8:00 pm	10	8	
Friday	6/6/13	8:00 am	7:00 pm	11	5	
Saturday	6/7/13	-	-	-		
Sunday	6/8/13	-	-	-		
				Total Hours:	43	19

Day	Date	Time In	Time Out	Daily Total	CDBG Total	
Monday	6/9/13	1:00 am	8:00 pm	9	7	
Tuesday	6/10/13	8:00 am	1:00 pm	5	0	
Wednesday	6/11/13	10:00 am	3:00 pm	5	0	
Thursday	6/12/13	1:00 am	7:00 pm	6	3	
Friday	6/13/13	8:00 am	4:00 pm	9	7	
Saturday	6/14/13	-	-	-		
Sunday	6/15/13	-	-	-		
				Total Hours:	34	17

Employee Signature/ Date: Rose Wilson 6/13/13

Supervisor's Approval/ Date: John Smith 6/13/13

Total Hours This Pay Period: 77

CDBG Hours this Pay Period: 36

1.5.8 EMPLOYEE TIME SHEET

Helping Hands 3500 W McDowell Rd. Phoenix, AZ 85004

Employee Name: Jane Doe

Position: Program Manager

Time sheets should be filled out on a daily basis. Please record the number of hours that you have worked or if you are using vacation, sick, holiday etc.

1st through 15th of Month.

Day	Date	Time In	Time Out	Daily Total	CDBG Total	
1 st day	7/1/13	8:00 am	5:00 pm	8	4	
2 nd	7/2/13	8:00 am	5:00 pm	8	4	
3 rd	7/3/13	8:00 am	5:00 pm	8	4	
4 th	7/4/13			0	Holiday	
5 th	7/5/13			0		
6 th	7/6/13	-	-	0		
7 th	7/7/13	8:00 am	5:00 pm	8	4	
8 th	7/8/13	8:00 am	5:00 pm	8	4	
9 th	7/9/13	8:00 am	5:00 pm	8	4	
10 th	7/10/13	8:00 am	5:00 pm	8	4	
11 th	7/11/13	8:00 am	5:00 pm	8	4	
12 th	7/12/13					
13 th	7/13/13					
14 th	7/14/13	8:00 am	5:00 pm	8	4	
15 th	7/15/13	8:00 am	5:00 pm	8	4	
				Total Hours:	80	40
				Total Hours:	80	40

Employee Signature/ Date: Jane Doe 7/15/13

Supervisor's Approval/ Date: John Smith 7/15/13

Total Hours This Pay Period: 80

Total CDBG Hours This Pay Period: 40

1.5.9 PAYROLL SAMPLE

PAYROLL REGISTER WITH YTD HELPING HANDS- P004							CHECK DATE 06/13/13 Week 16 PERIOD BEGIN 06/01/13 PERIOD END 06/15/13						
EMPLOYEE NAME ID SSN STATE	EARNINGS DESCR	PAY RATE	CURRENT HOURS	CURRENT AMOUNT	YTD HOURS	YTD AMOUNT	DEDUCTS DESCR	CURRENT AMOUNT	YTD AMOUNT	TAXES DESCR	CURRENT AMOUNT	YTD AMOUNT	NET PAY CHECK NO
Wilson, Rose 987-65-4321 AZ 24 SO/SO 16 20.00 Hourly	1 Regular D Addl G Group In S Sick DN Dental		77	1540	77	4280	X Checking	1070.03	1820.3	FEDER OASDI MEDIC STATE	124.52 14.52 31.2 45.23	623 245 953 465	1070.03 DIRDEP
EMPLOYEE TOTAL			77	1285.5	85	3346			1820.3		215.47	2286	
Lewis, John* 123-45-6789 AZ 24 SO/SO 16 10.00 Hourly	1 Regular D Addl		3150	31500	13875	138750	X Checking	180.94	1101.97	FEDER OASDI MEDIC STATE	971 1287 301 97	7280 7938 1857 728	180.94 DIRDEP
EMPLOYEE TOTAL			2075	2075	12800	12800			1101.97		2656	17803	
*not CDBG funded staff													
PAYCHEX MAJOR MKT SVCS							PHONE (602) 266-3660			FAX (602) 277-1905			

1.6 SECTION 6 PERFORMANCE MEASUREMENTS SPENDING YOUR CDBG FUNDS IN A TIMELY MANNER

- 1.6 SECTION 6 PERFORMANCE MEASUREMENTS SPENDING YOUR CDBG FUNDS IN A TIMELY MANNER
- 1.6.1 HUD PERFORMANCE MEASUREMENTS
- 1.6.1.1 OBJECTIVES:
- 1.6.1.2 OUTCOMES:
- 1.6.1.3 INDICATORS
- 1.6.1.4 SPECIFIC INDICATORS:
- 1.6.2 PUBLIC SERVICE SPECIFIC INDICATORS
- 1.6.2.1 PUBLIC SERVICE SPECIFIC INDICATORS:
- 1.6.3 PUBLIC FACILITIES SPECIFIC INDICATORS
- 1.6.3.1 PUBLIC FACILITIES / INFRASTRUCTURE SPECIFIC INDICATORS:
- 1.6.4 HOMELESS HOUSING AND SUPPORT SERVICES
- 1.6.5 ECONOMIC DEVELOPMENT ACTIVITIES
- 1.6.6 HOMEOWNER AND RENTAL REHABILITATION / CONSTRUCTION
- 1.6.7 TIPS ON SPENDING YOUR CDBG GRANT IN A TIMELY MANNER

1.6.1 HUD PERFORMANCE MEASUREMENTS

Beginning with grants awarded in 2006, the US Department of Housing and Urban Development (HUD) implemented new Performance Measurement requirements for all grantees and sub-grantees. The city of Phoenix is requesting all sub-grantees to become familiar with these requirements and to support the Community Development Block Grant program by providing accurate, timely reports.

Performance Measurements are a requirement for ALL federal programs, and are key in program funding decisions. These measurements help demonstrate results of various programs to decision makers and the public; they help grant recipients report their achievements in a quantifiable manner.

There are three main components to HUD's Performance Measurement System:

- 1) Objectives
- 2) Outcomes
- 3) Indicators

Each funded activity must have one OBJECTIVE which best describes the purpose of the service or activity.

1.6.1.1 OBJECTIVES:

Creating a Suitable Living Environment (communities, families, social issues, quality of life)

Providing Decent Affordable Housing (Housing activities whose purpose is to meet individual, family, or community needs)

Creating Economic Opportunities (Economic development, commercial revitalization, or job creation).

Each funded activity must have one OUTCOME which best describes what the activity will achieve.

1.6.1.2 OUTCOMES:

Availability/Accessibility (Activity makes services, infrastructure, public services, or shelter available or accessible to low or moderate income people)

Affordability (Activities that provide affordability in a variety of ways in the lives of low and moderate income people)

Sustainability (Activities that are aimed at improving communities or neighborhoods helping to make them livable or viable by providing benefit to persons of low and moderate income)

These Outcomes and Objectives are determined in-house at the discretion of the city of Phoenix Neighborhood Services Department, and determine the Indicators that grantees will be required to report on.

1.6.1.3 INDICATORS

EVERY PROJECT HAS 4 COMMON INDICATORS:

Amount of money leveraged from other Federal, state, local, and private sources.

Number of persons, households, businesses, units, or beds assisted (as appropriate)

Income levels of persons or households (30, 50, 80% of Area Median Income)

Race, ethnicity, and disability data of clients, utilizing the HUD race/ethnic chart. (This item is not required for activities that qualify for CDBG based on area benefit).

1.6.1.4 SPECIFIC INDICATORS:

In addition to the common indicators that are used for all program activities, there are specific indicators for each program, relevant to the type of activity being undertaken.

1.6.2 PUBLIC SERVICE SPECIFIC INDICATORS

Public Service:

This indicator shows the number of persons that have been assisted with new or improved access to a service. If the activity was used to meet a quality standard or measurably improved quality, then this indicator will report the number of persons that no longer have access to a substandard service.

1.6.2.1 PUBLIC SERVICE SPECIFIC INDICATORS:

Number of persons assisted with new access to a service

New access to a service is when a service did not previously exist, the service is offered for the first time. For instance, a new job transportation program for working mothers.

Number of persons assisted with improved access to a service

Improved access to a service is when a service was offered, but the public service activity allowed the grantee to expand the service in terms of size, capacity, or location. (Greater numbers of people using an existing service)

Number of persons that no longer have access to a substandard service

When an activity was used to meet a quality standard or measurably improve quality, report on the number of persons that no longer have access to a substandard service.

These standards apply even if the grantee under CDBG has chosen the limited clientele national objective and the activity will be serving presumed clientele beneficiaries (abused children, severely disabled adults, homeless persons, battered spouses, persons with AIDS). Grantees still must count the total number of beneficiaries and numbers with new, improved, or enhanced quality of services.

When reporting take credit for ALL accomplishments, do not pro-rate for the CDBG portion. If the agency served 100 customers, but CDBG was only 20% of the project budget, report on all 100.

1.6.3 PUBLIC FACILITIES SPECIFIC INDICATORS

Public Facility or Infrastructure:

This indicator shows the number of persons that have been assisted by public facility activities that provide individuals with new or improved access to the facility or infrastructure. If the activity was used to meet a quality standard or measurably improved quality, then this indicator will report the number of households that no longer have access to a substandard service.

1.6.3.1 PUBLIC FACILITIES / INFRASTRUCTURE SPECIFIC INDICATORS:

Number of persons assisted with new access to a facility or infrastructure benefit

New Access is when the facility did not previously exist and is provided for the first time.

Number of persons assisted with improved access to a facility or infrastructure benefit

Improved access is when the facility or infrastructure is improved or expanded, enabling the grantee to expand the number of people or type of service the facility provides.

Number of persons that no longer have access to a substandard facility or infrastructure.

For example: rehabilitation of a community center that had been closed because of its condition.

When reporting take credit for ALL accomplishments, do not pro-rate for the CDBG portion. If the agency served 100 customers, but CDBG was only 20% of the project budget, report on all 100.

1.6.4 HOMELESS HOUSING AND SUPPORT SERVICES

Homeless Shelters:

This indicator shows the number of homeless persons given overnight shelter.

Emergency Shelter Grants (ESG), SPECIFIC INDICATORS: (All Unduplicated)

of households served by household type

of persons served by special need category (disabled, chronically homeless, etc.)

of persons served by facility type.

of persons served by race/ethnicity type

CDBG-funded Shelter Specific Indicators:

of beds created

of persons provided with overnight shelter

Homeless Prevention:

This indicator shows the number of households that received emergency financial assistance to prevent homelessness and emergency legal assistance to prevent homelessness.

Homeless Prevention Specific Indicators:

Total # of individuals served on an annual basis, non-residential service

of persons served by race/ethnicity

CDBG-Funded Homeless Prevention Specific Indicators:

receiving emergency financial assistance

receiving emergency legal assistance

Emergency Housing:

This indicator shows the number of beds created in an overnight shelter or other emergency housing.

Essential Services to homeless persons not residing in a shelter Specific Indicators:

Total # of individuals served on an annual basis, non-residential service

of persons served by race/ethnicity

CDBG Funded Homeless Service activities Specific Indicators:

Number of persons assisted with new access to a service

Number of persons assisted with improved access to a service

Number of persons that no longer have access to a substandard service

1.6.5 ECONOMIC DEVELOPMENT ACTIVITIES

Jobs Created

Of the total number of jobs created, this indicator shows the number of jobs that have employee-sponsored health care, the types of jobs created (using EDA classifications), and the number of persons unemployed before taking the job.

Jobs Reporting Indicators:

Total # of jobs created in the program year

Number of jobs with employer sponsored health care

Number of persons unemployed prior to the job created

EDA classifications (Officials and Managers, Professionals, Technicians, Sales, Office and Clerical, Craft worker (skilled), Operatives, Laborers, service workers)

Business Assistance:

This indicator shows the total number of businesses assisted. Specifically, it shows the number of new businesses, existing businesses, and the DUNS number of each business so that HUD can track the number of new businesses that remain operational for three years after assistance.

Businesses Assisted Indicators:

Total # of businesses assisted

of new businesses assisted

of existing businesses assisted (expanding or relocating)

of businesses with commercial façade or business building rehab

of businesses that provide a good/service to meet the needs of a neighborhood.

DUNS number for each business assisted

When reporting....take credit for ALL accomplishments, do not pro-rate for the CDBG portion. If the agency served 100 customers, but CDBG was only 20% of the project budget, report on all 100.

1.6.6 HOMEOWNER AND RENTAL REHABILITATION / CONSTRUCTION

Homeownership Units Constructed or acquired with rehabilitation:

This indicator shows the total number of homeownership units constructed, acquired, and/or acquired with rehabilitation per activity. This includes total number of affordable units, number of years of affordability, Energy Star qualified units, section 504 accessible units and number of households previously living in subsidized housing. In addition, data will be collected on the number of units occupied by the elderly, number of units designated for persons with HIV/AIDS, and number of units for the chronically homeless.

Acquisition/New Construction of homeowner units:

Total affordable
affordability period
number energy star
number 504 accessible
number previously living in subsidized housing
occupied by elderly
for persons with HIV
designated for homeless
chronically homeless.

Owner-Occupied Units Rehabilitated:

This indicator shows the total number of owner occupied units rehabilitated, including the number of these units occupied by the elderly, number of units designated for persons living with HIV/AIDS, and number of units for the chronically homeless.

CDBG Homeowner Rehab Specific Indicators:

occupied by elderly (62)
units moved from substandard to standard (can use local code to determine)
units qualified as energy star
units made accessible (not 504)
units brought into compliance with lead safety rules

Rental Units Constructed:

This indicator shows the number of affordable rental units rehabilitated, as well as the number of years of affordability, units for chronically homeless persons, elderly persons, and persons living with HIV/AIDS.

Construction of Rental Units Specific Indicators:

affordable; # 504 Accessible
Energy Star
occupied by elderly
years of affordability
units subsidized with project-based rental assistance by another federal, state or local programs
units designated for persons with HIV, of those # of chronically homeless

permanent housing units designated for homeless and poor families, of those # of chronically homeless.

Rental Units Rehabilitated:

This indicator shows the number of affordable rental units rehabilitated, as well as the number of years of affordability, units for chronically homeless persons, elderly persons, and persons with HIV/AIDS.

Rehab of Rental Units Specific Indicators:

of total affordable

504 accessible

energy star

of units created through conversion of non-residential to residential buildings.

units occupied by elderly

units subsidized with assistance from another program

units designated for persons with HIV, of those # of chronically homeless;

units for homeless persons and families, of those # of chronically homeless.

Direct Financial Assistance to Homebuyers:

This indicator shows the number of homebuyers receiving direct financial assistance, housing counseling, and downpayment assistance/closings costs.

Direct Assistance to Homebuyers (including Housing Counseling):

of first time homebuyers

receiving housing counseling

receiving down-payment and closing cost assistance.

When reporting....take credit for ALL accomplishments, do not pro-rate for the CDBG portion. If the agency served 100 customers, but CDBG was only 20% of the project budget, report on all 100.

1.6.7 TIPS ON SPENDING YOUR CDBG GRANT IN A TIMELY MANNER

Implementing your CDBG program in a timely manner helps meet the program goal of improving the lives of residents in the community, particularly those of low and moderate income individuals. Delays tend to increase costs, particularly because of inflation. Below are some tips to help you spend your CDBG grant in a timely manner.

Have a schedule for the use of funds, preferably tied to key project milestones, so that actual performance can be measured against expectations and problems can be identified at an early stage.

Make certain that your agency has the staff capacity necessary to deal with the expenditures, reimbursement requests, and reporting requirements.

Begin gathering all the Pre-Contract documents immediately following the orientation sessions in order to ensure a timely contract start.

Maintain communication with your project manager throughout the duration of the grant year. Communicate any potential delays promptly.

Submit reimbursement requests to your Project Manager each month; do not hold all requests until the program or grant year has been completed.

1.7 SECTION 7 PROJECT MONITORING AND FINANCIAL MANAGEMENT

- 1.7 SECTION 7 PROJECT MONITORING AND FINANCIAL MANAGEMENT
- 1.7.1 MONITORING REVIEWS.....
- 1.7.2 MONITORING CHECKLIST
- 1.7.3 RECORD KEEPING
- 1.7.4 FINANCIAL MANAGEMENT

1.7.1 MONITORING REVIEWS

The city of Phoenix is responsible for ensuring that subrecipients comply with all regulations and requirements governing their administrative, financial and programmatic operations. This includes assuring that performance goals are achieved within schedule and budget, and for taking appropriate actions when performance problems arise. Monitoring is not a “one-time-event”. To be an effective tool for avoiding problems and improving performance, monitoring must be an ongoing process of planning, implementation and follow-up.

The five basic steps to the formal monitoring visit include:

Notification Letter - Explains the purpose of the visit, confirms date, scope of monitoring and outlines the information that will be needed to conduct the review.

Entrance Conference - Introduces monitoring visit purpose, scope and schedule.

Documentation and Data Gathering - The City will review and collect data and document conversations held with staff, which will serve as the basis for conclusions drawn from the visit.

Exit Conference - At the end of the visit, the City will meet again with the key agency representatives to present preliminary results, provide an opportunity for the agency to correct misconceptions and to report any corrective actions already in the works.

Follow-up Letter - The City will forward a formal written notification of the results of the monitoring visit pointing out problem areas and recognizing successes. The agency will be required to respond in writing how it will address the problems or concerns noted.

INTERVENTION AND SANCTIONS

The City is responsible for ensuring that problem areas are corrected. We will make every effort to work with the agency to find solutions. However, agencies will be held accountable for the performance standards outlined in the agency contract. The City will use three increasingly serious stages to identify and address problem areas.

Stage One: Early Intervention

Plan a strategy that provides training and technical assistance and more frequent and thorough reporting and monitoring reviews.

Stage Two: Intervention for More Serious or Persistent Problems

The City may restrict payment requests, disallow expenses or require repayment or impose probationary status.

Stage Three: Sanctions

The City may temporarily suspend the subrecipient from participation in the program, not extend the agency's contract, terminate the contract or initiate legal action.

1.7.2 MONITORING CHECKLIST

City of Phoenix
Neighborhood Services Department
a) Community Development Division
Community Development Block Grant Program

Program Performance Summary and Regulatory Compliance Checklist

b) Subrecipient/User Department: _____ Date of Review _____

Subrecipient/User Address: _____ Phone: _____

Project Name: _____ Project Address: _____

CDBG Funding Year: _____ Contract No: _____ Contract Period _____

CDBG Category: Public Service Public Facility Housing
 Neighborhood Revitalization Economic Development

CDBG Funding Allocation for this Category: _____ HUD Approval Date: _____

Project Manager: _____ Reviewer: _____

Part A

c) Program Performance Summary

The purpose of establishing Performance indicators is to determine that the project has met or is meeting its objectives by evaluating the program activities and summarizing the community/social benefits of the project. To meet standards, CDBG Subrecipients must contract and expend 100% of the award and/or complete the project within 24 months of HUD approval.

Performance Indicators (24 CFR 570.503, 570.201, 570.208)

Project Award: \$ _____

Project award as a percent of total funds awarded in the fiscal year. (Definition: CDBG funds awarded to the project divided by total CDBG funds allocated for the category) _____%

d) The Subrecipient

e) contracted with the City within 6 months of HUD approval of funding, and/or Meets Standards
 Does Not Meet Standards

f) expended 100% of award and/or completed the project within 24 months of HUD approval of funding Meets Standards
 Does Not Meet Standards

Major project objective (Example: Acquire and rehab building to be used as day care center for low-income children, operating expenses for a program that serves at-risk youths) _____

Proposed number of Units/Clients to be served.

(Definition: Units/Clients are the performance objectives outlined in the scope of work of the CDBG contract)

Total number of Units/Clients served in the contract year.

Percent of performance indicators achieved.

(Definition: Total number of units/clients served divided by the number proposed in the CDBG contract)

g) Number of 'concerns' identified during annual site monitoring visit.

(Definition: A matter which, if not properly addressed, can become a finding and result in sanctions).

h) Number of 'Findings' identified during annual site monitoring visit.

(Definition: A finding is a violation of law or regulation which can result in sanction)

**i) Part B
Project File Records Review**

In preparation for the monitoring visit, a desk audit of subrecipient material contained in the project file will be conducted prior to visiting the agency/project site. The review will ensure subrecipient activities were eligible, in compliance with National Objectives and regulatory requirements were met.

CDBG Eligibility (24 CFR 570.201-570.208)

- | | | | |
|---|-----|----|-----|
| 1. Is there an eligibility determination form on file for the project and is eligibility consistent with contract description of the project? | Yes | No | N/A |
| 2. Does the eligibility determination form indicate that the project is one of the following: | | | |
| a) a limited clientele, low/moderate income certification project, | Yes | No | N/A |
| b) a limited clientele, presumed benefit project, | Yes | No | N/A |
| c) a planning and administration project? | Yes | No | N/A |

- | | | | |
|--|-----|----|-----|
| 3. If this is a limited clientele, low/moderate income certification project: | | | |
| a) is each beneficiary determined eligible based on a certified income declaration? | Yes | No | N/A |
| b) is the agency reporting information on ethnicity of clients, single female-head of household, household size and income status of clients? | Yes | No | N/A |
| 4. If this is a presumed benefit project, is the project primarily serving one of the following groups: abused children, battered spouses, elderly persons, homeless persons, people with disabilities, illiterate persons, or farm workers? | Yes | No | N/A |
| 5. If this is an area benefit project, does the project description include a description of the service area using census block groups? | Yes | No | N/A |
| If yes, are these predominately low/moderate income areas? | Yes | No | N/A |
| 6. If this is a housing project, does the file identify the number of units to be occupied by low/moderate income households at completion? | Yes | No | N/A |
| 7. If this is a job creation/retention project, does the file identify the Expected number of jobs to be created or retained and the number of created or retained jobs which will be available to low-moderate income persons? | Yes | No | N/A |

Comments: _____

Environmental Review (42USC 1857, 33 USC 1251, 40CFR Part 50, 24 CFR Part 58, CRF 570.608, 24C CFR Part 35, others)

- | | | | |
|--|-----|----|-----|
| 1. Has an environmental review been completed for the project? | Yes | No | N/A |
| 2. Was the environmental review completed before any costs were incurred by the project? | Yes | No | N/A |

Comments: _____

Labor Standards Monitoring (Construction Projects Only, 24 CFR 570.603)

- | | | | |
|--|-----|----|-----|
| 1. If this is a construction project, is the City monitoring labor standards requirements? | Yes | No | N/A |
| 2. Do monitoring reports indicate that the agency is in compliance with labor standards? | Yes | No | N/A |

Comments: _____

Performance and Expenditures (24 CFR Part 570.503, 570.201, 507.208)

- | | | | |
|---|-----|----|-----|
| 1. Are performance objectives, performance standards, reporting requirements and timelines clearly established for the project? | Yes | No | N/A |
| 2. Do reports indicate that the agency is meeting contract performance objectives? | Yes | No | N/A |
| 3. Do reports indicate that at least 51% of clients are low-moderate income? | Yes | No | N/A |
| 4. Are CDBG funds being spent at the planned rate? | Yes | No | N/A |

Comments: _____

Reporting Requirements: (24 CFR Part 570.506, Part 570; CFR Part 85, OMB Circular A-110)

- | | | | |
|---|-----|----|-----|
| 1. Is the agency submitting required reports on time? | Yes | No | N/A |
| 3. Are program performance, demographic reports and Invoices usually correct? | Yes | No | N/A |

Comments: _____

Insurance (24 CFR Part 85, OMB Circular A-110)

- | | | | |
|--|-----|----|-----|
| 1. Has the agency submitted an original Certificate of Insurance showing proper coverage and listing the City as 'additional insured'? | Yes | No | N/A |
|--|-----|----|-----|

Comments: _____

Audit (24 CFR 85, OMB Circular A-133, OMB A-87, OMB A-21)

- | | | | |
|--|-----|----|-----|
| 1. Did the agency receive \$500,000 or more in federal funds last year? | Yes | No | N/A |
| If yes, has the agency submitted the required audit to the City? | Yes | No | N/A |
| 2. Did the audit contain concerns or findings and recommendations? | Yes | No | N/A |
| If yes, is there evidence on file that the recommendations have been implemented and the concerns and/or findings cleared? | Yes | No | N/A |

Comments: _____

**j) PART C
ON-SITE INTERVIEW AND VERIFICATION WITH AGENCY PERSONNEL**

Management (24 CFR 570.503, OMB Circular A-110, A-122, A-133)

1. Does the agency have a regular means of monitoring project performance and activities? Yes No N/A

Comments: _____

Budgetary Controls (OMB Circular A-110, A-102, 24 CFR 503 (b) (1))

1. Does the agency have a regular means of monitoring program revenue, program income, and expenditures? Yes No N/A

Comments: _____

Finance and Record Keeping (OMB Circular A-133, A-128, and 24 CFR 570.503)

1. Are project funds accounted for separately within the accounting system? Yes No N/A
2. Does the agency keep separately financial and program records for each project? Yes No N/A
3. Does the agency keep records for the time period required (four years following the completion of project, or four years from the date of the audit, or if audit findings, four years from the date the findings are resolved)? Yes No N/A
4. Do the project files contain copies of the grant application, a determination of eligibility, contract, and any amendments, reimbursement requests, backup documentation for each invoice, copies of approved invoices, and warrants and correspondence with the City? Yes No N/A

Comments: _____

Internal Controls (OMB Circular A-87, A-122)

- | | | | |
|---|-----|----|-----|
| 1. Are duties and responsibilities separated so that no one employee has sole control over cash receipts, disbursements, reconciliation of bank accounts, receivables, etc. | Yes | No | N/A |
| 2. Is the payroll prepared by personnel who are neither responsible for the time-keeping function nor detailed to deliver paychecks or cash to employees? | Yes | No | N/A |

Comments: _____

Inventory Controls (OMB Circular A-110, A-122, A-21, A-133, 24 CFR 570.502 (b))

- | | | | |
|---|-----|----|-----|
| 1. Does the agency have a control system with adequate safeguards to prevent loss, damage or theft of property of non-expendable items with a purchase price of over \$1,000 | Yes | No | N/A |
| 2. Does the agency maintain property records that include: description, serial number, source of property, who holds title, actual cost of the property, and federal share of that cost, location, use and condition of property? | Yes | No | N/A |
| 3. Has the agency purchased any items over \$1,000 with project funds? | Yes | No | N/A |
| 4. Has the agency purchased equipment with project funds? If so, is the equipment appropriately inventoried and tagged as CDBG property? | Yes | No | N/A |

Comments: _____

Procurement (24 CFR Parts 570.503 (b) (8), OMB Circular A-110)

- | | | | |
|---|-----|----|-----|
| 1. Does the agency have written procurement policies and procedures? | Yes | No | N/A |
| 2. If the agency subcontracts or hires consultants, are there adequate steps to outreach and hire MBE/WBEs? | Yes | No | N/A |
| 3. If construction bidding was involved in this project, were appropriate procedures followed? | Yes | No | N/A |

Comments: _____

Personnel Procedures (41 CFR Chapter 60, 24 CFR Part 24 and 49, 12 USC 1700, 24 CFR 570.602, OMB A-110, 24 CFR 570.502, OMB A-87)

- | | | | |
|--|-----|----|-----|
| 1. Does the agency have written policies governing: | | | |
| a) hiring, promotion, and termination? | Yes | No | N/A |
| b) salaries and fringe benefits? | Yes | No | N/A |
| c) annual leave, vacation, and holidays? | Yes | No | N/A |
| d) performance evaluations? | Yes | No | N/A |
| 2. Do personnel records include a current job description for each project employee? | Yes | No | N/A |

Comments: _____

Governing Body (OMB A-87)

- | | | | |
|--|-----|----|-----|
| 1. Is the Board currently constituted in accordance with agency bylaws? | Yes | No | N/A |
| 2. Do the Board and subcommittees meet in accordance with the agency bylaws? | Yes | No | N/A |
| 3. Are the minutes of board meetings taken and distributed? | Yes | No | N/A |

Comments: _____

Conflict of Interest (OMB Circular A-110, 24 CFR 570.611, 24 CFR 85.36)

- | | | | |
|---|-----|----|-----|
| 1. Do written policies prohibit conflict of interest for board members and staff? | Yes | No | N/A |
|---|-----|----|-----|

Comments: _____

Grievance Procedures (RCW 34.05, OMB Circular A-87, 24 CFR 570.431)

- | | | | |
|--|-----|----|-----|
| 1. Does the agency have written procedures specifying how clients and applications for service may appeal decisions, present grievances and obtain a review or a fair hearing? | Yes | No | N/A |
| 2. Are the grievance procedures readily available to program clients and applicants? | Yes | No | N/A |

Comments: _____

Signs (24 CFR 570, 601, 602; 24 CFR 570.607; 41 CFR 60)

- | | | | |
|---|-----|----|-----|
| 1. Is an Equal Opportunity in Employment sign posted in a visible location? | Yes | No | N/A |
| 2. Is a sign stating that the services are supported by the City Of Phoenix Community Development Block Grant program Posted in a visible location? | Yes | No | N/A |
| 3. Is the City of Phoenix business license posted? | Yes | No | N/A |
| 4. Are other required signs, licenses, or permits posted? | Yes | No | N/A |

Comments: _____

Lead-Based Paint (for occupied residential projects only) (24 CFR 570.608, 24 CFR part 35)

- | | | | |
|---|-----|----|-----|
| 1. Is the agency aware of regulations that apply to lead based paint? | Yes | No | N/A |
|---|-----|----|-----|

k)
l) Comments: _____

Americans with Disabilities Act (24 CFR 8.6; Section 504 Title VIII)

- | | | | |
|--|-----|----|-----|
| 1. Has the agency documented a Section 504 self-evaluation? | Yes | No | N/A |
| 2. If the agency employs 15 persons or more, are the self-evaluation results on file and made available? | Yes | No | N/A |
| 3. Is the agency fully in compliance with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act? | Yes | No | N/A |

If NO, does the agency have a Corrective Action Plan indicating steps it will take to make its program and services accessible? Yes No N/A

Separation of Church and State (24 CFR 570.200 (j), 24 CFR 570.503 (b) (6))

1. Are there any religious activities during the time the CDBG program is operating? Yes No N/A

2. Is there any evidence of staff attempting to proselytize CDBG clients? Yes No N/A

Comments: _____

Project Benefits (CDBG Public Community Facility Projects only) 24 CFR 570.503 (b) (8)

1. If this is a community facility project, is the facility currently being used for the purpose for which it was funded? Yes No N/A

2. Does the agency understand that the facility must remain in its current use until: _____? Yes No N/A

Comments: _____

Facility

1. Does the facility appear to be adequate for the delivery of project services? Yes No N/A

Comments: _____

**m) PART D
ON-SITE RECORD REVIEW**

Invoice (OMB Circular A-110, 24 CFR 570.503 (b) (1))

- | | | | |
|---|-----|----|-----|
| 1. The costs billed under the agency's CDBG contract during the month(s) _____ could be traced back to source records and were accurately compiled? | Yes | No | N/A |
| 2. Were the costs billed reasonable and allowable? | Yes | No | N/A |

Comments: _____

Performance (OMB Circular A-110)

- | | | | |
|---|-----|----|-----|
| 1. Sample performance report(s) for the month(s) _____ could be traced back to source records and was accurately compiled? | Yes | No | N/A |
| 2. Records of services provided under the City contract could be separated from services supported by other agency funds? | Yes | No | N/A |
| 3. Source records indicate that performance standards and contract terms and conditions for service delivery are being met? | Yes | No | N/A |

Comments: _____

Client Data (24 CFR 570.201 (a)(e)(b), 24 CFR 570.203, 24 CFR 570.208 (a))

- | | | | |
|---|-----|----|-----|
| 1. A review of source records indicates that client records are complete and contain all information that needs to be reported? | Yes | No | N/A |
| 2. A sample demographic report for the month(s) _____ could be traced back to source records and accurately compiled? | Yes | No | N/A |
| 3. Source records indicate that the agency is serving eligible clients: (either 51% or more of clients meet low-moderate income guidelines, OR client records indicate clients are in a presumed eligible category) | Yes | No | N/A |

1.7.3 RECORD KEEPING

RECORDKEEPING

The city of Phoenix is responsible for ensuring that subrecipient activities are carried out in compliance with all applicable program requirements and that the project goals are on track with the objectives outlined in the agency contract. Accurate recordkeeping is crucial to the successful management of CDBG funded programs and projects. Insufficient documentation can lead to delayed payments and monitoring findings both of which can be difficult to resolve if records are missing, inadequate or inaccurate.

FINANCIAL RECORDS

Financial recordkeeping is one of the primary areas subject to federal reviews and one, which if inadequate, can lead to serious problems. These are the types of financial records that must be maintained by the agency:

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

The agency's financial functions are often handled by staff with accounting skills, but not necessarily with a CDBG background. To ensure proper financial recordkeeping and reporting, the agency should help their financial staff understand:

- what information needs to be kept and why;
- when should information be collected and how often reported;
- how the information should be acquired, organized and stored;
- how the information should be reported (format) and how long the records must be kept.

PROJECT ACTIVITY RECORDS

For each project, the agency should determine what data must be maintained in the project files and establish a system for ensuring that every file contains the necessary information. This list will vary from project to project, but each file should include the following:

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

RECORD RETENTION PERIOD

All CDBG files must be maintained for at least four years following completion of all program reporting.

ACCESS TO RECORDS

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

1.7.4 FINANCIAL MANAGEMENT

Few agencies that provide services under the CDBG program have all the financial systems in place that meet all applicable Federal requirements. Following is a list of key elements required of financial systems for managing Federal funds. The questions under each element can help identify specific areas that the agency may need to strengthen or improve.

INTERNAL CONTROLS

Written policies and procedures that define separation of duties, authority, etc.
Written accounting procedures for approving and recording transactions
Financial records periodically compared to actual assets/liabilities for accuracy

ACCOUNTING RECORDS

Are adequate financial accounting systems in place and maintained?
Is reliable, complete, up-to-date information available and are trial balances performed on a regular basis?
Do accounting records track CDBG income and expenditures separately?
Does the agency use a voucher system for preparing expenditures and assigning them to the proper fund account and budget item?

ALLOWABLE COSTS

Written procedures for determining what's reasonable and allowable under O.M.B. Circulars?

SOURCE DOCUMENTATION

Are up-to-date files of original source documents (receipts, invoices, bills, cancelled checks) maintained for all financial transactions?

BUDGET CONTROLS

Does agency perform a comparison of actual expenditures for each budget category against approved budget?
Does agency regularly compare progress toward the achievement of goals with the rate of expenditures of program funds?

CASH MANAGEMENT

Does agency have a procedure for accurately projecting the cash needs?

FINANCIAL REPORTING

Is agency able to provide accurate disclosure of financial results of the program?

AUDITS

Has a recent audit been conducted? What were the results?

1.8 SECTION 8 CDBG INFORMATION

1.8 SECTION 8 CDBG INFORMATION.....	
1.8.1 SUMMARY OF O.M.B. CIRCULAR A-122.....	
1.8.2 SUMMARY OF O.M.B. CIRCULAR A-133.....	
1.8.3 SUMMARY OF O.M.B. CIRCULAR A-110.....	
1.8.4 SUMMARY OF OMB CIRCULAR A-87.....	

1.8.1 SUMMARY OF O.M.B. CIRCULAR A-122

Cost Principles for Non-Profit Organizations

This Circular establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations. It does not apply to colleges and universities which are covered by Office of Management and Budget (OMB) Circular A-21, "Cost Principles for Educational Institutions"; State, local, and federally-recognized Indian tribal governments which are covered by OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments"; or hospitals. The principles are designed to provide that the Federal Government bear its fair share of costs except where restricted or prohibited by law. The principles do not attempt to prescribe the extent of cost sharing or matching on grants, contracts, or other agreements. However, such cost sharing or matching shall not be accomplished through arbitrary limitations on individual cost elements by Federal agencies. Provision for profit or other increment above cost is outside the scope of this Circular.

Applicability.

a. These principles shall be used by all Federal agencies in determining the costs of work performed by non-profit organizations under grants, cooperative agreements, cost reimbursement contracts, and other contracts in which costs are used in pricing, administration, or settlement. All of these instruments are hereafter referred to as awards. The principles do not apply to awards under which an organization is not required to account to the Federal Government for actual costs incurred.

b. All cost reimbursement subawards (subgrants, subcontracts, etc.) are subject to those Federal cost principles applicable to the particular organization concerned. Thus, if a subaward is to a non-profit organization, this Circular shall apply; if a subaward is to a commercial organization, the cost principles applicable to commercial concerns shall apply; if a subaward is to a college or university, Circular A-21 shall apply; if a subaward is to a State, local, or federally-recognized Indian tribal government, Circular A-87 shall apply.

Definitions.

a. Non-profit organization means any corporation, trust, association, cooperative, or other organization which:

- (1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;
- (2) is not organized primarily for profit; and
- (3) uses its net proceeds to maintain, improve, and/or expand its operations. For this purpose, the term "non-profit organization" excludes (i) colleges and universities; (ii) hospitals; (iii) State, local, and federally-recognized Indian tribal governments; and (iv) those non-profit organizations which are excluded from coverage of this Circular in accordance with paragraph 5.

b. Prior approval means securing the awarding agency's permission in advance to incur cost for those items that are designated as requiring prior approval by the Circular. Generally this permission will be in writing. Where an item of cost requiring prior approval is specified in the budget of an award, approval of the budget constitutes approval of that cost.

5. Exclusion of some non-profit organizations. Some non-profit organizations, because of their size and nature of operations, can be considered to be similar to commercial concerns for purpose of applicability of cost principles. Such non-profit organizations shall operate under

Federal cost principles applicable to commercial concerns. A listing of these organizations is contained in Attachment C. Other organizations may be added from time to time.

6. Responsibilities. Agencies responsible for administering programs that involve awards to non-profit organizations shall implement the provisions of this Circular. Upon request, implementing instruction shall be furnished to OMB. Agencies shall designate a liaison official to serve as the agency representative on matters relating to the implementation of this Circular. The name and title of such

The entire text can be accessed at the Office of Management and Budget here:

http://www.whitehouse.gov/omb/circulars_default

Below is a summary of Attachment A.

SUMMARY OF ATTACHMENT A

Basic Considerations - To be allowable, costs must meet the following general criteria:

Costs must be reasonable:

Recognized as ordinary and necessary.

Arms length transaction.

Individuals concerned acted with prudence.

Not deviating from established practices of the organization.

Costs must be allocated to the grant, project, etc. in accordance with benefits received:

Incurred specifically for the award.

Benefits both award and other work and can be reasonably distributed in proportion to benefits received.

Necessary to overall operation - if no direct relationship to award can be shown.

Direct Costs

Can be identified specifically with a particular grant, award, project, etc.

Direct costs of minor amounts may be treated as indirect.

Unallowable costs may be treated as direct costs for computation of overhead rates.

Indirect Costs

Costs that have been incurred for common objectives, but cannot be readily identified with a particular grant, award, project, etc.

Allocation of Indirect Costs

Simplified Method:

Used when major functions benefit from indirect costs to approximately the same degree.

Distribution base may be total direct costs, direct salaries or other equitable distribution base.

Multiple allocation base method:

Used when major functions benefit in varying degrees from indirect costs.

Costs separated into distinct groupings. Each grouping then allocated to benefiting functions by means of base which best measures relative benefits.

Selected Items of Cost

Advertising - only advertising costs allowable are those associated with:

Recruitment of personnel.

Procurement of goods.

Disposal of surplus materials.

Bad debts - unallowable.

Bonding costs - allowable.

Communication costs - allowable.

Compensation for personnel services:

Includes salaries, wages, director's and executive committee fees, incentive awards, fringe benefits, pension plan costs, location allowances and cost of living differentials.

Allowable provided they are reasonable.

May be direct or indirect. Fringe benefits in the form of vacation, sick pay, holidays, and authorized absences are allowable provided they are absorbed by all organization activities in proportion to relative time or effort devoted to each.

Fringe benefits in the form of social security, employee insurance, workmen's compensation, pension plans, etc. are allowable provided they are distributed in accordance with salaries and wages chargeable to particular awards and activities.

Charges to award for salaries and wages must be supported by documented, approved payroll records:

Distribution must be supported by personnel activity reports (time sheets).

Time sheets must be maintained by all personnel whose compensation in whole, or in part, is charged to government awards.

Time sheets must reflect after-the-fact determination of actual activity of each employee.

Each time sheet must account for employees total time.

Time sheets must indicate total number of hours worked each day.

Time sheets must be signed by employee and approved by supervisor.

Time sheets must be prepared at least monthly.

Contingency reserves - unallowable.

Contributions - unallowable.

Depreciation - allowable.

Donated Services:

Not reimbursable.

May be used in overhead computations in allocating indirect costs.

Employee morale, health, and welfare costs - allowable as indirect cost.

Entertainment costs - unallowable.

Entertainment and other capital expenditures:

Equipment - Personal property with useful life of more than 2 years costing \$5000 or more per unit.

Special purpose equipment - usable only for research, medical, scientific or technical activities - allowable as direct cost with prior approval of items costing over \$1,000.

General purpose equipment - usable for other purposes.

Unallowable as direct cost.

Depreciation allowable as indirect costs.

Land, buildings or improvements.

Unallowable as direct costs.

Depreciation allowable as indirect costs.

Fines and penalties - unallowable.

Idle facilities and idle capacity - unallowable.

Insurance and indemnification - allowable.

Interest, fund-raising and investment management costs - unallowable.

Labor relations costs - allowable.

Losses on other awards - unallowable.

Maintenance and repair costs - allowable.

Materials and supplies - allowable.

Meeting, conferences - allowable provided they do not involve entertainment costs.

Membership, subscriptions and professional activity costs - allowable.

Organization costs (incorporation fees, attorneys, accountants, etc. in connection with establishment or reorganization of organization) - allowable.

Overtime, premium pay - allowable as direct costs with prior approval.

Page charges in professional journals - (email publications) - allowable.

Participant support costs - allowable as direct costs with prior approval.

Patent costs - allowable only if required by award.

Plant security costs - allowable.

Pre-award costs - allowable only with written approval.

Professional service costs - allowable when reasonable in relation to services and not contingent upon recovery from government. In determining allowability, certain factors are relevant:

Nature and scope of service in relation to service required.

Necessity of contracting for service vs. organization's own capability.

Past patterns.

Impact of government awards.

Does proportion of government work to total organization work, justify in favor of incurring cost.

Can service be performed more economically by hiring employee.

Qualifications of individual performing service.

Adequacy of contractual agreement.

Retainer fees must be supported by evidence of services available.

Profits and losses on sale or retirement of depreciable property:

Allowable - charge or credit must be included in cost grouping where depreciation was applicable.

Public information service costs - (pamphlets, news releases and other forms or disseminating information):

Allowable as direct costs with prior approval.

Allowable as indirect costs.

Publication and printing costs:

Allowable as direct costs with prior approval.

Allowable as indirect costs.

Rearrangement and alteration costs - allowable with prior approval.

Reconversion costs - (restoration or rehabilitation cost) - allowable.

Recruiting costs - allowable.

Relocation costs - (employee relocation) allowable within certain limitations.

Rental costs - allowable within certain limitations.

Royalties and other costs for use of patents and copyrights - allowable.

Severance Pay - allowable to the extent required by:

Law

Employer-employee agreement

Established policy

Circumstances of particular employment

Specialized service facilities - allowable within certain limitations.

Taxes - allowable unless exemptions from taxes are available.

Termination costs - (costs in connection with termination of award):

For common items reasonably usable on organization's other work - unallowable.

Cost continuing after termination - allowable only if cannot be discontinued despite all reasonable efforts.

Loss of value of special tooling, etc. - allowable.

Rental costs - (unexpired leases) - allowable.

Settlement expenses - generally allowable.

Training and education costs - allowable.

Transportation costs (related to goods purchases) - allowable.

Travel costs:

Airline travel allowable except first-class.

Foreign travel allowable only with prior approval. Each separate trip must be approved.

Appendix

1.8.2 SUMMARY OF O.M.B. CIRCULAR A-133

Audits of Institutions of Higher Education and Other Non-Profit Institutions

This circular establishes audit requirements for institutions of higher education and other non-profit institutions receiving federal funds. It required non-profit institution that expend \$500,000 or more in a year in federal funds to have a single or program-specific audit conducted for that year in accordance with the for that year in accordance with the circular. Those institutions expending \$500,000 or more may either have an organization-wide audit or an audit of each federal award. Audits must be performed at least biennially by independent auditors in accordance with government auditing standards (“the Yellow Book”). The circular encourages the use of small audit firms or audit firms owned and controlled by socially economically disadvantaged individuals.

Scope

The scope of the audit covers three distinct areas wherein the auditor must determine:

This institution’s financial statements present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles. Audits are to be performed in accordance with the GAO Government Auditing Standards “Yellow Book” and AICPA Statements on Auditing Standards No. 41 & 63.

The institution has an internal control structure to provide reasonable assurance that it is managing federal awards in compliance with applicable laws and regulations, as well as controls that ensure compliance with laws and regulations that could have a material impact on the financial statements. The auditor must obtain an understanding of the internal control structure and assess levels of internal control risk in accordance with statements on Auditing Standards No. 53, 54, 55 and 63.

The institution has complied with laws and regulations that may have a direct and material effect on its financial statement amounts and on each major federal program. The auditor must determine that recipients have identified in their accounts all federal funds received and expended and the programs under which they were received (i.e., fund accounting). This shall include funds received directly from federal agencies or indirectly, through other recipients. The auditor’s review must include the selection and testing of an adequate number of transactions from each major federal program. In making this test, the auditor must determine whether expenditures were for allowable services and records show that those who received services or benefits were eligible to receive them. In addition to transaction testing, the auditor must determine whether matching requirements, levels of effort, and earmarking limitations were met; federal financial reports and the like contain information that is supported by books and records from which basic financial statements have been prepared; and amounts claimed or used for matching were determined in accordance with applicable cost principles or other federal regulations.

B. Reports

The audit reports shall state that the audit was made in accordance with the provisions of the circular and shall be made up of at least the following:

Auditor's report on the financial statements and the schedule of federal financial assistance.

Auditor's report on the internal control structure.

Auditor's report on compliance containing:

An opinion as to whether major federal programs were being administered in compliance with laws and regulations.

A statement of positive assurance with respect to those items tested for compliance relative to the financial statements, including compliance with laws and regulations pertaining to advances and reimbursements.

Negative findings of noncompliance including:

Size of universe in number of items and dollars.

Number and dollar amount of transactions tested.

Number and corresponding dollar amounts in instances of noncompliance.

Identification of total amounts questioned for each federal award as a result of noncompliance, where findings are specific to a particular federal award.

The auditor's recommendations for necessary corrective action.

All fraud or illegal acts, including all questioned costs found as a result of these acts, may be covered in a separate written report.

Recipients shall include comments on the auditor's findings and a plan for corrective action.

Audit Costs

Costs of audits made in accordance with the provision of the circular are allowable charges to federal awards. The charges may be considered a direct cost or an allocated indirect cost determined in accordance with federal principles.

Please note: The A-133 audit requirement threshold goes up to \$750,000 for non-profits after Dec. 26, 2014 and will be applicable to agencies for fiscal years beginning after Dec. 26, 2014.

Appendix

1.8.3 SUMMARY OF O.M.B. CIRCULAR A-110

Uniform Administrative Requirements for Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

Cash Depositories

Physical segregation of cash deposits not required

Federal Funds must be deposited in interest bearing accounts.

Funds must be deposited in a bank with FDIC insurance coverage.

Bonding Insurance

The basic rule is that the government will not require additional insurance or bonding, but will follow the institution's practice.

For Construction grants over \$100,000

If federal oversight agency determines that the government's interest is protected then the institution's policies and procedures are acceptable

If no such determination is made then the government can require bonding.

If determination is made that government's interests are not protected the government will require bonding.

Retention and Custodial Requirements for Records

In general, financial records, supporting documents, statistical records, and any other pertinent records must be retained for three years.

Authorization needed to use microfilm or fiche

The government's duly authorized representative may audit, examine, excerpt, or transcribe any of this information.

Program Income

Recipient organizations are required to account for program income.

Program income is gross income earned by the recipient from federally supported activities, and includes but is not limited to service fees, sales of commodities, rental fees, and royalties.

Program income does not include interest earned on advances of federal funds.

Program income should be retained by the recipient and:

Added to the project to be used to further program objectives,

Used to finance the non-federal share of the project (requires approval), and

Deducted from the total project costs when determining the federal share of the project.

Cost Sharing and Matching

Cost sharing and matching represents that portion of the project or program not borne by the federal government.

Cost sharing or matching may consist of:

Project costs incurred by the recipient

Costs financed from non-federal sources such as contributions and donations.

Project costs represented by services, and real or personal property or use thereof from non-federal sources (aka 'In-Kind' contributions).

In order to be allowable as cost sharing or matching the following criteria must be met:

There must be verifiable records

Should not be included as contribution for any other federally-assisted program
Cost must be necessary and reasonable
Must be allowable under OMB Circular A-122 and the contract.
Costs are not paid for by the federal government under another assistance agreement.
Costs are provided for in the approved budget.

Valuation of in-kind contributions should be based on applicable cost principles.
Value of services should be consistent with those paid for similar work
Value of property must be at fair market value
Volunteer services must be documented
Basis for determining the value of personal services, material, equipment, land and buildings must be documented.

F. Financial Management Systems

Recipients financial management system must provide for:
Accurate, current, and complete disclosure of each project or program.
Documentation of source and applicability of funds for federally sponsored activities
Control and accountability for all funds including safeguards to assure they are used only for authorized purpose.
Comparison of actual outlays with budget amounts for each grant or agreement.
Procedures to minimize elapsed time between receipts of funds and outlays.
Procedures to determine reasonableness, allowability, and allocability of costs in accordance with federal cost principles and terms in grant agreement.
Accounting records supported by source documents
Examination by independent audit.

Financial Reporting Requirements

Purpose is to establish uniform reporting procedures

Reports:

Financial Status Report, Form 269

Federal cash transactions report, Form 272

Request for advance or reimbursement, Form 270

Outlay report and request for reimbursement for construction programs, Form 271

Frequency of reports determined by federal sponsoring agency. Generally Quarterly

Monitoring and Reporting Program Performance

Recipients must monitor and report on technical performance (programmatic) through a report which presents:

Comparison of actual accomplishments to goals

Findings of investigator if appropriate

Reasons why goals were not met

Other pertinent data.

Frequency is same as financial reports

Problems or favorable developments should be reported promptly. This includes changes in budgetary needs.

Payment Requirements

Methods of Payment

Letter of credit

Advance Treasury check

Reimbursement by Treasury check

Letter of credit should be used if:

Continuing relationships for at least 12 months and dollar volume is \$250,000 or more

Recipient has the ability to maintain procedures to minimize elapsed time

Financial management system meets government standards

If there are no continuing relationships over \$250,000 advanced by Treasury check can be used.

If financial management system is not acceptable, then reimbursement by Treasury check is the only method available.

Revision of Financial Plans

Recipients are required to immediately report deviations from financial plans and to request approval for financial plan revisions involving:

A change in scope or objective.

The need for additional federal funds

Other rebudgeting changes.

None of the substantive programmatic work under the grant or other agreement may be subcontracted or transferred without prior approval of the federal sponsoring agency.

Suspension and Termination

Definitions:

Termination – Cancellation

Suspension – Temporary removal of support until corrective action or termination

Each federal sponsoring agency must have procedures for suspension or termination when recipient has not complied with conditions of a program

Termination may be:

For cause – failure to comply.

For convenience – mutual agreement

Applying for Federal Assistance

Standard Form SF 424

Property Management Standards

Adequate property management systems to include:

Unique identification number

Description

Funding Source

Acquisition Cost

Federal participation percentage

Title vesture

Location, use and condition

Disposition data

Other data to support cost allocation

Federal property must be marked as such

Physical inventory to be taken every two years

Property must be made available for shared usage with other federal projects

Control system to be in effect to safeguard against loss, damage or theft of property

Adequate maintenance procedures to be implemented

Disposal procedures require authorization, competitive analysis, highest possible return

Procurement Standards

Recipient may follow their own procedures but must include:

Code of conduct for officers, employees or agents engaged in awarding or administering

i. Officer, employee, or agent may not engage an organization in which he has a financial interest or is negotiating employment

May not accept gratuities.

Disciplinary measures should be provided for violations

Open and free competition

Procedures to avoid purchasing unnecessary or duplicate items- lease purchase analysis

Solicitation based on accurate description of technical requirements

Positive efforts to use small and minority businesses.

Type of contract shall be determined by recipient but not cost plus or percentage of cost contracts.

Use of responsible contractors

Prior approval of sole source over \$5,000

Some sort of price or cost analysis should be made on every procurement

Records for purchases of \$10,000 must include:

i. Basis of contractor selection

Justification for lack of competition

Basis of award

Assurance of contractor compliance with contract.

2. Subcontractors must comply with various laws and regulations.

Appendix

1.8.4 SUMMARY OF OMB CIRCULAR A-87

"Cost Principles for State, Local and Indian Tribal Governments"

This Circular establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally recognized Indian tribal governments (governmental units).

The entire text can be accessed at the Office of Management and Budget here:

http://www.whitehouse.gov/omb/circulars_default

Below is a summary of Attachment B detailing the allowable and unallowable costs. Not all of the allowable costs in the Attachment may be allowed by the City in your contract. None of the costs deemed unallowable by the Circular will be allowed in a City contract.

SUMMARY OF OMB CIRCULAR A-87 ATTACHMENT B

ALLOWABLE COSTS:

Accounting

Advertising and public relations

The only allowable advertising costs are those which are solely for:

The recruitment of personnel required for the performance by the governmental unit of obligations arising under a Federal award;

The procurement of goods and services for the performance of a Federal award;

The disposal of scrap or surplus materials acquired in the performance of a Federal award except when governmental units are reimbursed for disposal costs at a predetermined amount;

Other specific purposes necessary to meet the requirements of the Federal award.

Advisory Councils

Audit services

The costs of audits required by, and performed in accordance with, the Single Audit Act, as implemented by Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" are allowable. Also see 31 USC 7505(b) and section 230 ("Audit Costs") of Circular A-133.

Automatic electronic data processing

Bonding costs

Budgeting

Communications, such as telephone, mail, messenger

Personal services including remuneration for services, including wages, salaries, fringe benefits, severance pay

Disbursing services

Employee morale, health and welfare costs, includes recreational facilities, counseling services, employee publications.

Equipment

Capital expenditure is the cost of the asset including the cost to put it in place, such as taxes, insurance, installation.

Equipment is nonexpendable, tangible personal property with a useful life of more than one year. Other capital assets are buildings, land, improvements to buildings or land that materially increases their value or useful life.

If not directly charged to a grant, the cost may be recovered thru a Use Allowance or depreciation.

Equipment costing less than \$5000 are expensed as supplies.

Insurance and indemnification, including contributions to self-insurance programs, including workers comp, unemployment compensation and severance pay.

Maintenance, operations and repairs of facilities.

Materials and supplies

Memberships and subscriptions in business, technical and professional organizations, including membership in civic and community organizations

Motor pool services

Pre-award costs

Professional service costs, when rendered by persons or organizations who are members of a particular profession or possess particular skills

Proposal costs (treat as indirect costs)

Publication and printing costs

Rearrangement and alteration of facilities.

Rental cost

Taxes

Training for employee development

Travel cost

Working capital cost

UNALLOWABLE COSTS:

Advertising and public relations

Expenses related to other activities of the organization, such as displays, demonstrations, exhibits, promotional items, memorabilia, solely promoting the organization.

Alcoholic beverages

Bad debts

Donated services

Contingency reserve

Contributions and donations to others

Defense and prosecution of criminal and civil proceedings and claims

Entertainment

Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

Fines and penalties

Fund raising and investment management costs

Insurance and indemnification for any reserve covering the risk of loss or damage, including actual losses.

Interest cost on borrowed capital

Lobbying, including cost of membership in organizations substantially engaged in lobbying.

Under-recovery of costs under Federal agreements