



# COMMUNITY DEVELOPMENT BLOCK GRANT

SUBRECIPIENT INFORMATION GUIDE

PROGRAM YEAR 2021-2022

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## **SECTION I - INTRODUCTION**

### **Purpose**

Welcome to the City of Kingsport's Community Development Block Grant (CDBG) program. We appreciate the important community services provided by CDBG-funded Public Service Agencies. The Community Development office is committed to helping you maximize the use of CDBG funds and ensuring compliance with CDBG program regulations and related federal statutes.

As a subrecipient, you are agreeing not only to provide specified services, but also to comply with the CDBG program requirements and responsibilities established by the U.S. Department of Housing and Urban Development (HUD) and the City of Kingsport. This manual has been developed to help facilitate your understanding of these requirements.

The principles presented in this manual are fundamental. They are not intended to replace acceptable existing procedures used by your agency. They represent the minimum level of procedures that must be the foundation of your accounting, internal control, and financial reporting systems, as required by federal regulations and City policies.

Your subrecipient agreement with the City will contain a comprehensive statement of the goals, objectives, and a schedule of work of the specific services or project to be provided by your agency. In addition, the agreement specifies the reports and documentation required for verification of compliance. This manual is meant to assist your agency in complying with the provisions of the agreement, but does not replace the provisions outlined in the agreement. The City of Kingsport reserves the right to revise this manual at any time, for any reason to ensure accurate information is provided.

### **Community Development Block Grant Program**

In 1974, the federal government enacted the Federal Housing and Community Development Act. Title I of this Act combined several previous categorical programs into a single program named the Community Development Block Grant (CDBG) program. Congress designed the CDBG program to enhance and maintain viable urban communities. The CDBG program accomplishes these goals by providing decent housing, suitable living environments and expanded economic opportunities, principally for low and moderate-income persons. The U.S. Department of Housing and Urban Development (HUD) administers the CDBG program through grants to local and state jurisdictions.

As Entitlement City, the City of Kingsport participates in the CDBG program as the "recipient" of annual CDBG funding. Agencies that receive sub-grants of CDBG funds are defined by HUD as "subrecipients" or "subgrantees". At its discretion, the City of Kingsport will use these federal funds to assist eligible projects to meet local community development and housing needs. Under CDBG regulations, assisted projects must serve or be located in the incorporated portion of the City.

## **Eligible Activities**

Federal regulations limit the kinds of activities that the City may carry out with its CDBG funds. The regulations governing the CDBG program provide detailed eligibility requirements. In general, a project may be undertaken when the following requirements are met.

- A. The type of the project must be included within the list of eligible activities in the CDBG regulations. The CDBG regulations also list activities that are explicitly ineligible. Additionally, maintenance and operation expenses and equipment purchases are ineligible except as part of an eligible public service. Ineligible projects also include construction of buildings used for the general conduct of government.
- B. A CDBG project must meet at least one of three national objectives. The project must principally serve low and moderate-income persons, eliminate slums and blight, or address a recent and urgent health and safety need.
- C. The project must be consistent with the objectives and strategies outlined in the City's Consolidated Plan. The Consolidated Plan is accessible on the City's website for reference.
- D. Finally, the project must be able to be completed, in order to meet a CDBG-eligible end use within the timeframe covered by the subrecipient agreement (typically a one year timeframe).

## **Federal Regulations**

The key federal regulations which form the basic administrative requirements of the CDBG program are summarized in this section to provide a framework for the standards referenced throughout this manual. The regulations have been developed by HUD in order to carry out the federal statutes that established the CDBG program. The regulations address the CDBG program itself, and other federal laws or policies relevant to the CDBG program (e.g. National Environmental Policy Act, Americans with Disabilities Act, Davis-Bacon Act, etc.). The acronym "CFR" stands for Code of Federal Regulations.

- A. CDBG Program Management Regulations. The basic program regulations governing management and financial systems for the CDBG program are promulgated by the federal government in 24 CFR Part 570, Subparts J and K. They are applicable both to grantees (i.e., the City) and to public or private sector subrecipients:
  - i. Subpart J (24 CFR 570.500 – 570.513) covers the general responsibilities for grant administration, including uniform administrative requirements, provisions of subrecipient agreements, program income, use of real property, record-keeping and reporting, and closeout procedures.
  - ii. Subpart K (24 CFR 570.600 – 570.614) deals with other CDBG program requirements including civil rights; labor standards; environmental standards; flood insurance; relocation; displacement; acquisition; employment and contracting opportunities; lead-based paint; use of debarred, suspended or ineligible contractors; uniform administrative requirements and cost principles; conflicts of interest and the Americans With Disabilities Act.
- B. General Federal Requirements. In addition to the basic regulations of the CDBG program contained in 24 CFR Part 570, there are three other categories of requirements that affect the

administrative systems and procedures that subrecipients must have in place in order to receive support:

- i. Federal regulations governing administrative and audit requirements for grants and cooperative agreements (governmental subrecipients) for which HUD has oversight responsibilities;
- ii. Administrative circulars from the Office of Management and Budget (OMB) and Department of the Treasury governing cost principles, administrative systems, fiscal procedures and audit requirements for public and private grantees and subrecipients;
- iii. Executive Orders from the Office of the President implementing various equal employment opportunity and environmental policies. The applicability of these general requirements depends upon the kind of public or private organization that receives CDBG funds.

### **Community Based Organizations**

For subrecipients that are non-profit organizations, the key regulations defining administrative requirements are:

- A. OMB Circular A-122 “Cost Principles for Non-Profit Organizations”: A publication of the U.S. Office of Management and Budget, this document establishes principles for determining costs that are allowed to be charged to federal grants, under contracts, and other agreements with non-profit organizations, except educational institutions,

Or,

- B. OMB Circular A-21 “Cost Principles for Educational Institutions”: This document covers much of the same subject matter as OMB Circular A-122, but is designed for use by educational institutions (both public and private),

And,

- C. 24 CFR Part 84 “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations”: This document specifies standards relative to pre-award requirements, financial and program management, property standards, procurement standards, reports and records, termination and enforcement, and closeout procedures. 24 CFR 84 supersedes OMB Circular A-110.

### **Public Agencies**

For “governmental subrecipients” (a public agency that is independent of the City, such as a public housing authority, or a cooperating government/County agency under the City’s CDBG grant), the key administrative requirements are:

- A. 24CFR Part 85 “Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally-recognized Indian Tribal Governments” (also known as the “Common Rule”: For government entities and public agencies, 24 CFR Part 85 details standards for financial management systems, payment, allowable costs, property management, procurement, monitoring and reporting program performance, financial reporting, record retention, and termination.

And,

- B. OMB Circular A-87 “Cost Principles for State and Local Governments”: For government entities receiving CDBG or other federal funds, this document is the government’s version of OMB Circular A-122. Circular A-87 establishes the principles for determining the allowable costs of

programs administered by public agencies under grants or contracts from the federal government. The principles are designed to provide the basis for a uniform approach to determining costs and to promote efficiency.

Additionally, in order to meet federal reporting requirements, all agencies applying for funds must be registered with CCR & DUNS and must provide their EIN number.

## **SECTION II - GENERAL OVERVIEW**

### **Programmatic & Financial**

To be a recipient of CDBG funds, the program of the subrecipient must be related to and be supportive of the defined objectives in the City's Consolidated Plan.

Following an application process defined by the City, successful subrecipients will be asked to refine their goals, expenditures and scope of work based upon the actual amount of the funding to be awarded.

### **The Subrecipient Agreement**

The agreement will contain a comprehensive statement of goals and objectives of the funded program, specific requirements based upon types of expenditure, and a list of the services to be provided. The agreement will outline program compliance requirements.

### **Pre-Agreement Execution Reimbursements**

A subrecipient is STRICTLY PROHIBITED from obligating any funds or incurring any reimbursable expenses unless and until they are in possession of a fully executed agreement.

## **SECTION III - FINANCIAL RESPONSIBILITIES**

In using federal funds, documentation is critical. The achievement of program goals and the completion of activities must be supported by adequate documentation. If activities, personnel, procedures, expenditures, and results are not documented properly, from the federal government's perspective, you have not done your job, regardless of your accomplishments.

All individuals directly benefitting from or receiving CDBG-funded services must provide proof of income. It is the responsibility of the subrecipient to obtain and maintain income documentation for each client served and to make available this documentation upon request to the City or to the U.S. Department of Housing and Urban Development (HUD). Sufficiently detailed documentation must be obtained to verify the income of each client or household benefiting from CDBG funded activity.

Activities funded with CDBG must principally serve clients whose income is less than 80% of Area Median Income, adjusted by household size. See Income Chart Below:

**Kingsport-Bristol-Bristol, TN-VA**

<u>Family Size</u> Effective 4/1/2020 – 3/31/2021	<u>80% AMI Income Limits</u> Effective 4/1/2020 – 3/31/2021
1	\$33,150
2	\$37,850
3	\$42,600
4	\$47,300
5	\$51,100
6	\$54,900
7	\$58,700
8	\$62,450

**SECTION IV - REIMBURSEMENT PROCEDURES**

**SUBRECIPIENT Responsibilities**

- A. Reimbursements will not be processed unless and until the agreement between the City and Public Service Agency is fully executed.
- B. Subrecipients should submit reimbursement requests on a frequent basis. Subrecipients should refer to their approved budget for eligible reimbursable costs.
- C. The subrecipient must submit the Reimbursement Request for Payment (APPENDIX I) to the Community Development Department, with documentation as to the purpose of the expenditure. Documentation should be:
  - a. Copied. Do not send originals.
  - b. Substantiated. All items for which reimbursement is being requested must be accompanied by paid invoices or equivalent documents issued by the vendor or provider of goods and services, verifying that the expenditures were incurred and that payment was made.
  - c. Legible and noted. Any invoice or receipt submitted to identify eligible expenditures must be legible with the specified dollar amount(s) circled or highlighted and clearly noted on the receipt.
  - d. Certified. All reports and documents submitted must be signed and dated by the subrecipient's authorized agent.
  - e. Specific requirements for Payroll/Salary expenditures. The amount of staff time charged to CDBG program activity must be clearly identified. The following documentation is required for Payroll/Salary reimbursement requests:
    - i. Payroll detail registers for each position for which reimbursement is being requested;
    - ii. Timesheets for each position for which reimbursement is being requested. Timesheets must:

1. Reflect an after-the-fact distribution for the actual activity of each employee;
2. Account for the total activity for which each employee is being compensated;
3. Be prepared at least monthly;
4. Be signed by the employee and his/her supervisor.

While not required for submittal with the request for reimbursement, the subrecipient must maintain documentation, including canceled checks, to support payment to employees for salaries and/or fringe benefits. The City, at its discretion, may request copies of this supporting documentation. If an employee's time is split between CDBG and another funding source, time distribution records supporting the allocation of charges among the various sources must be submitted.

#### **City Responsibilities**

- A. The Community Development Department will review and process each Reimbursement Request for Payment. It is important that subrecipients plan expenditures and budget according to the processing time delineated on the payment schedule that is provided at the beginning of each program year.
- B. Checks are generated by the City's Finance Department and are mailed directly to the subrecipient.
- C. The City of Kingsport reserves the right to withhold payments of funds to subrecipients who fail to comply with federal, state and local regulations.

#### **SECTION V - PURCHASING/PROCUREMENT**

The federal rules and regulations related to purchasing and procurement are based on the principles and expectations that tax-funded projects should be managed responsibly and effectively. Prices for goods and services should be reasonable, competitive, and well documented.

The subrecipient and clients being served should receive high quality services and value for the investment of federal funds. It is not required that a bargain be achieved with each purchase or service, but that the subrecipient, the clients, and the taxpayers are receiving fair value. This means that CDBG funds should be used to purchase only what is necessary under the terms of the contract and nothing more. The integrity of purchasing procedures must be documented, substantiating the decision-making process and recording results of the purchases of goods and services.

All subrecipients must adhere to a competitive bidding process,

1. Specific requirements cover any purchase made in whole or in part with CDBG funds. All purchases of more than \$5,000 should have documentation of attempts to obtain at least 3 quotes for the service or item. For purchase or services greater than \$5,000, the subrecipients should contact Community Development Staff for review of the agencies procurement policies.
2. No employee, officer or agent of the subrecipient 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. Such a conflict would arise when the employee, officer or agent,



any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the above, has a financial interest in the firm selected for the award.

3. Minority, Women, Disabled Persons, Veteran-Owned Businesses. Efforts must be taken to solicit Minority, Women, Disabled Person, Veteran Owned Business entities in procurement, per federal regulations.
4. Federal Labor Standards must be followed by all subrecipients.
5. Davis Bacon and Related Acts. Capital projects in excess of \$2,000 total cost for the construction, completion, rehabilitation or repair of any building or work financed in whole or in part with assistance provided with CDBG funds, are subject to Davis-Bacon/Related Acts, with the exception of housing rehabilitation on property with less than 8 units.
6. Section 3 Economic Opportunities. Housing rehabilitation, housing construction, and public construction projects where CDBG funds in excess of \$200,000 will be used, and where contracts in excess of \$100,000 will be awarded, are subject to SECTION 3 ECONOMIC OPPORTUNITIES FOR LOW AND VERY-LOW INCOME PERSONS.
7. Notwithstanding the above, a Construction Checklist will be provided, for subrecipients use on projects involving construction activity. Additional forms and documents associated with Construction projects will also be provided for projects involving construction activity.

## **SECTION VI - PROGRAMMATIC RESPONSIBILITIES**

### **Collecting Data**

The subrecipient is required to collect and report the following data:

- A. Total Number of Clients Served
- B. Total Number of Clients who are Female Heads of Households
- C. Total Number of Clients who are Elderly (62+ years of age)
- D. Client Race
- E. Client Income level (based upon current HUD income guidelines - the City will provide this information to subrecipients who are responsible for using the most current data)
  - a. Presumed Benefit – In the case of projects where benefitting clients are designated as “presumed benefit,” it is not necessary for subrecipients to collect income data. However, the subrecipient client files must contain documentation supporting client eligibility.

### **Records**

Client records shall be maintained by the subrecipient so as to clearly show the names and addresses of clients served, as well as documented income.

### **Amendments**

Revisions to the subrecipient’s project, whether budgetary or programmatic, must be requested in writing to the City for advance approval.

### **Monitoring**

City staff is expected to “stand in the shoes of HUD,” for the purpose of monitoring subrecipient compliance with federal rules and regulations related to the use of CDBG funds. To that end, Community

Development staff will monitor subrecipient files by requesting that files be submitted for a “desk” review, and/or by scheduling periodic on-site project monitoring visits. Subrecipients will be notified in advance of the dates and times of any monitoring visits to be scheduled. A monitoring checklist is provided in APPENDIX II to assist in preparation for a monitoring visit.

During on-site monitoring visits, staff will observe the operation and management of the project. The subrecipient should be prepared for inspection of accounting systems, client records, file organization, goal and objectives review, agreement compliance, budget status/review and program performance.

The details of desk reviews as well as on-site monitoring visits will be documented by City staff. Official records will report the names of subrecipient staff contacted the files that were reviewed, discussion of any concerns, and any findings or recommendations.

## **Reporting**

### **Quarterly Progress Reports**

- A. Subrecipients are required to submit Quarterly Progress Reports (APPENDIX III) within ten (10) days following the end of the each quarter, commencing with the start of the program year, and extending through the end of the agreement period, including any extensions granted. The report should detail quarterly accomplishments compared to the annualized goals set for the activity or program. Information requested on the Quarterly Progress Report form includes the number of individuals or households assisted, the work completed, and any changes that might affect the terms of original application for CDBG funding. Even if no clients are served during any particular quarter and/or no grant funds have been expended, the subrecipient is still required to complete and submit the Quarterly Progress Report, explaining any issues and/or challenges related to the program

#### **Quarterly Reporting Schedule:**

Program Quarter	Date Due
Quarter 1	October 10, 2021
Quarter 2	January 10, 2022
Quarter 3	April 10, 2022
Quarter 4	July 10, 2022

- B. Quarterly Progress Reports are divided into two sections:
- The Client Total Section details the unduplicated client population that the program has served on both a quarterly and year-to-date basis. This section should reflect the unduplicated number of clients who actually received assistance under the terms of the grant, and the number of clients newly served in the quarter. Services to clients who were previously reported should not be reported more than once unless an explanation is provided.
  - The Quarterly Status Section details quarterly progress toward meeting the goals and objectives of the program, as outlined in the CDBG application and agreement. Each quarterly report should include the activities performed during the quarter immediately preceding.

**Annual Progress Report**

- A. Each subrecipient must submit an Annual Progress Report no later than 30 days after the expiration of the agreement. The Annual Report shall be submitted on the same form as the Quarterly Progress Report.

**Annual Report Due:**

Annual Report	Due Date
2021-2022 Annual Report	July 30, 2022

- B. The Annual Report shall:
- Provide a total of all unduplicated clients served by the program;
  - Provide data related to the completion and measured outcome of the program goals and objectives outlined in the agreement;
  - Describe successes and challenges for the program; and
  - Provide a breakdown of program expenditures by funding source/type, as outlined in the report form.
- C. Other Required Reporting. Annual reporting is required for acquisition and construction activities in order to ensure that the project continues to meet a National Objective for a period of five years following the activity completion.

**SECTION VII - GRANT CLOSE-OUT****Programmatic**

All program records must be retained by the SUBRECIPIENT for a period of five years after the close-out of the agreement.

Personnel files must be maintained separately from correspondence and other related program files.

**Financial**

Unless the subrecipient has requested an extension in writing, and the extension has been approved by the City, program funds will no longer be available to the subrecipient following expiration of the agreement.

**Audit Requirements**

- A. Subrecipients that expend more than \$25,000 in federal funds in any fiscal year must submit an Audit to the City no later than 120 days after the subrecipient's fiscal year end. The Audit must be consistent with Generally-Accepted-Auditing Standards, meet the requirements of OMB Circular A-133, and be conducted by a certified public accountant. It is the responsibility of the subrecipient to schedule and pay for the Audit. Any concerns or findings disclosed by the Audit must be addressed in a letter to the City within 30 days of such disclosure.

**Subrecipient Performance Review**

City staff may schedule an evaluation meeting with the subrecipient's staff to review program performance and financial records.

The details of performance reviews will be documented by City staff. Official records will report the names of subrecipient staff contacted as well as a discussion of any concerns, findings, or recommendations.

Subrecipient clients may be asked to complete evaluation forms related to subrecipient performance and delivery of services.

### **Using the Terms “Race” and “Ethnicity” in Reporting**

(Source: “American Fact Finder” [factfinder.census.com](http://factfinder.census.com))

#### **Definition of Race**

The concept of race as used by the Census Bureau reflects self-identification by people according to the race or races with which they most closely identify. These categories are sociopolitical constructs and should not be interpreted as being scientific or anthropological in nature. Furthermore, the race categories include both racial and national-origin groups.

The racial classifications used by the Census Bureau adhere to the October 30, 1997 Federal Register Notice entitled, “Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity” issued by the Office of Management and Budget (OMB).

**White.** A person having origins in any of the original peoples of Europe, the Middle East, or North Africa. It includes people who indicate their race as “White” or report entries such as Irish, German, Italian, Lebanese, Near Easterner, Arab, or Polish.

**Black or African American.** A person having origins in any of the Black racial groups of Africa. It includes people who indicate their race as “Black”, African American, or provide written entries such as African American, Afro America, Kenyan, Nigerian, or Haitian.

**American Indian and Alaska Native.** A person having origins in any of the original peoples of North and South American (including Central America) and who maintain tribal affiliation or community attachment.

**Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam. It includes “Asian Indian,” Chinese, “Filipino,” “Korean,” “Japanese,” “Vietnamese,” and “Other Asian.”

**Native Hawaiian and Other Pacific Islander.** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands. It includes people who indicate their race as “Native Hawaiian,” “Guamanian or Chamorro,” “Samoan,” and “Other Pacific Islander.”

**Some other race.** Includes all other responses not included in the “White”, “Black or African American”, “American Indian and Alaska Native”, “Asian” and “Native Hawaiian and Other Pacific Islander” race categories described above. Respondent providing write-in entries such as multiracial, missed,

interracial, Wesort, or a Hispanic/Latino group (for example, Mexican, Puerto Rican, or Cuban) in the “Some other race” category are included here.

**Two or more races.** People may have chosen to provide two or more races either by checking two or more race response check boxes, by providing multiple write-in responses, or by some combination of check boxes and write in responses.

### **Definition of Ethnicity**

The concept of Hispanic origin is separate from the concept of race. Under OMB 1997 standards, “Hispanic” is not a race category, but an ethnic category that cuts across all races. Those who are White, Black, Asian, Pacific Islander, American Indian, or a multi-race may also be counted as being of Hispanic ethnicity. Percentages for the various race categories add to 100 percent, and should not be combined with the percent Hispanic. When asking the individual/ household to select a race category, the individual/household must also check whether they are of Hispanic ethnicity. One of the 10 race categories must always be selected. A check mark cannot be entered under the Hispanic Column without the Race Category being checked.

### **RESOURCES:**

<https://www.hudexchange.info/programs/cdbg-entitlement/>

<https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-14-Procurement.pdf>

<https://www.law.cornell.edu/cfr/text/24/part-570/subpart-J>

<https://www.law.cornell.edu/cfr/text/24/part-570/subpart-K>

<https://www.law.cornell.edu/cfr/text/24/part-570>

<https://georgewbush-whitehouse.archives.gov/omb/circulars/a122/a122.html>

<https://www.federalregister.gov/documents/2000/08/08/00-19653/omb-circular-a-21-cost-principles-for-educational-institutions>

[https://www.hud.gov/sites/documents/DOC\\_12538.PDF](https://www.hud.gov/sites/documents/DOC_12538.PDF)

<https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn>

<https://www.hud.gov/sites/documents/4010.PDF>

## APPENDIX I. Subrecipient Reimbursement Request for Payment

### REQUEST FOR REIMBURSEMENT FORM CDBG PUBLIC SERVICE ACTIVITIES – Page 1

#### City of Kingsport - Community Development CDBG Reimbursement Request Form

Please complete this form and attach all required supporting documentation (including copies of account expenditure reports checks, payroll time sheets and logs, invoices w/attached receipts, vendor or contractor invoices, etc.). All payments will be made in accordance with City Council meetings. Payments may take up to 45 days to process.

Contact Information			
Name of Organization:			
Contact Person:			
Phone Number:		Date of Request:	
Project Information			
Project (Fiscal) Year:	20	20	
Project Period:	State:	End:	
Request for Period:	From:	To:	
Contract Amount:	\$	\$	
Reimbursement Details			
Amount Reimbursed to Date:	\$	Current Amount Requested:	\$
Describe the activity this reimbursement covers:			
Is this activity covered in the scope of work in your subrecipient agreement?			
Yes      No			
Did these activities result in program income?			
Yes      No			
If so, how much?	\$	Percentage of Work Completed:	%

#### Certification

I CERTIFY THAT, (a) the CITY OF KINGSPORT, as grantee of CDBG funding, has not previously been billed for the costs covered by this invoice, (b) funds have not been received from the federal government or expended for such costs under the terms of the contract agreement or grant pursuant to FMC-74-4 & 24 CFR Part 58; (c) this agency is in full compliance with all applicable provisions under the terms of the subrecipient grant agreement; and (d) this agency is in full compliance with all applicable tax laws.

Name and Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

For Department Use ONLY:	
Audited by: _____	Approved/Authorized by: _____
Date: _____	Date: _____

## APPENDIX I. Subrecipient Reimbursement Request for Payment

### REQUEST FOR REIMBURSEMENT FORM CDBG PUBLIC SERVICE ACTIVITIES – Page 2

#### City of Kingsport - Community Development Itemization of Expenses for reimbursement

*Directions: Please list all items to which reimbursement is being requested*

**Acct Code : 05**

**Community Enrichment**

<i>date</i>	<i>payee</i>	<i>invoice #</i>	<i>amount</i>	<i>description</i>
<i>Example:</i> 07/01/2021	Office Depot	123456	230.00	Supplies for Career Day

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TOTAL	\$	230.00
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## APPENDIX II. Subrecipient Monitoring Checklist

### SUBRECIPIENT MONITORING CHECKLIST Community Development Block Grant (CDBG) City of Kingsport

Subrecipient: \_\_\_\_\_ Interviewee: \_\_\_\_\_  
Program: \_\_\_\_\_ Budget Amount: \_\_\_\_\_  
CDBG Fiscal Year: \_\_\_\_\_ Expended to Date: \_\_\_\_\_  
Reviewer: \_\_\_\_\_ Date of Visit: \_\_\_\_\_

Location of services: \_\_\_\_\_

#### ELIGIBILITY OF ACTIVITIES

1. Is the work being carried out as described in the agreement?

Yes      No

If yes, please describe the services being performed:

If no, please explain and include if activities appear to be eligible:

2. What national objective is the subrecipient meeting? (Circle one)

Low/Mod      Slums/Blight      Area Benefit      N/A

Please describe how this national objective is being met:

3. Do files include adequate documentation of a process in place to accurately track low and moderate income benefit?

Yes      No

4. Are individual client/case files maintained to document the eligibility of the program beneficiaries?

Yes      No

#### REPORTING

1. Has the subrecipient submitted timely reports?

Yes      No

2. Do reports have complete statistics?

Yes      No

3. Is the subrecipient making adequate progress and on course to complete project and fully expend funding on time?

Yes      No



**CONFLICT OF INTEREST**

1. Is the subrecipient aware of the regulations on conflict of interest?

Yes      No

2. Does subrecipient have written conflict of interest policy consistent with City and federal standards?

Yes      No

**FINANCIALS**

1. Does the subrecipient maintain a system on approval authority for financial transactions and guidelines for controlling expenditures (such as purchasing requirements and travel authorizations)?

Yes      No

2. Does the subrecipient utilize multiple funding sources?

Yes      No

If so, are the receipt and expenditure of program funds from each funding source identified separately?

Yes      No

3. Does the accounting system provide for accumulating and recording expenditures by grant and cost category as shown in the approved budget?

Yes      No

4. Does the subrecipient maintain sufficient records to document financial transactions, correspondence, contracts, etc.?

Yes      No

5. Does the subrecipient generate program income?

If yes, is it returned to the grantor or reused in accordance with the contract requirements?

Yes      No

6. Has subrecipient submitted to the City a copy of the annual audit that complies with the Single Audit Act of 1984?

Yes      No

**PAYROLL (if applicable)**

1. Are time sheets, delineating each major project or activity, available for all staff and contractors paid with CDBG/ESG/EZ funds (including those paid via indirect costs)?

Are they approved by a supervisor?

Yes      No

3. Are charges against payroll reconciled with program budgets and are deviations reported for follow-up action?

Yes      No

6. Are payments being made as required for FICA and withholding taxes?

Is documentation provided?

Yes      No

**PROCUREMENT (if applicable)**

1. Does the subrecipient have written procurement policies consistent with OMB Circular A-110 (or other applicable regulation)?

Yes      No

2. Has subrecipient procured any goods or services that require some form of competitive procurement? Did subrecipient follow its written procurement policies in procuring these goods and services?

Yes      No

3. Does the subrecipient have and follow procedures to obtain the best possible price for items not subject to competitive bidding requirements?

Yes      No

4. Does the subrecipient, in its procurement, accounting, or other policies define "equipment"?

If yes, is this definition consistent with OMB requirements?

Yes      No

5. Has subrecipient purchased equipment with funds under this contract?

If yes, does it maintain a current log including: purchase date, serial number, quantity, price, location of equipment, and status, as well as other pertinent information?

Yes      No

6. Has subrecipient sold equipment purchased with contract funds (or prior year contract funds)?

If yes, were the proceeds from the sale kept as program income?

Yes      No

7. Has subrecipient sold equipment purchased with contract funds (or prior year contract funds)?

Yes      No

Monitor(s)

Signature(s): \_\_\_\_\_ Date: \_\_\_\_\_

Staff Signature(s): \_\_\_\_\_ Date: \_\_\_\_\_

INITIAL AREA(S) OF CONCERN:

## APPENDIX III. Subrecipient Quarterly Progress Report Form

### SUBRECIPIENT REPORTING FORMS – page 1 Community Development Block Grant (CDBG) City of Kingsport

#### CDBG Subrecipient Quarterly Report

Date:

Important Note: Following execution of the Subrecipient Grant Agreement, the Subrecipient must submit these quarterly reports throughout the lifespan of the grant. These quarterly reports are due to the City 10 days after the end of each quarter. Delays in submitting required quarterly reports are a violation of the Subrecipient Grant Agreement and may result in denial of cost reimbursements and cancellation of the Subrecipient Grant Agreement.

#### I. Program/Project Status Quarterly Report

Subrecipient Name:

CDBG FY:

Report for Months:

Grant Contract #:

Activity/Project Location:

Instructions: Subrecipient is required to provide summary information outlining the program/project implementation activities carried out during the past quarter, regardless whether or not any progress has been made. If no progress or little progress has been made, Subrecipient is required to provide justifications for the lack of progress and outline plans, steps, and strategies to address the issue.

Brief summary of programs/project progress	If no/little progress to report for the quarter, explain the circumstances and challenges	If no/little progress to report for the quarter, outline plans, steps and strategies to address the issues

## APPENDIX III. Subrecipient Quarterly Progress Report Form

### SUBRECIPIENT REPORTING FORMS – page 2 Community Development Block Grant (CDBG) City of Kingsport

#### II. CDBG Subrecipient Quarterly Report

Date: \_\_\_\_\_

Subrecipient Name: _____					
CDBG FY: _____	Report for Months: _____	Grant Contract #: _____			
Activity/Project Location: _____					
Instructions: To report race information, please include both duplicated and unduplicated in the columns with "Total" in parenthesis and enter unduplicated numbers only in the columns with "Unduplicated" in parenthesis. Please also remember that when you report Hispanic persons, make sure you enter them in such a way that they are recognized as persons of Hispanic ethnicity belonging to one of the race groups listed in the leftmost column.					
Race	All (Accumulative Total)	All (Unduplicated)	Hispanic (Total)	Hispanic (Unduplicated)	Notes:
White					
Black/African American					
Black/African American & White					
Asian					
Asian & White					
American Indian or Alaskan Native					
American Indian/Alaskan & White					
American Indian/Alaskan & Black/African American					
Native Hawaiian/Other Pacific Islander					
Other Mutil Racial					

ONLY TO BE COMPLETED IF A LOW MOD CLIENTELE (LMC) & NOT PRESUMED

Income Level (To determine income group, please refer to the current income limits on the next page)	Total Persons/Households (Unduplicated Persons/Households Only)
Extremely Low (Not Exceeding 30% of AMI)	
Low (Above 30% But Not Exceeding 50% of AMI)	
Moderate (Above 50% But Not Exceeding 80% AMI)	
Non-Low Moderate (Exceeding 80% AMI)	
Totals (This total must equal unduplicated total in the above table)	
# of Female Heads of Households	

\*AMI --- Area Median Income. Please refer to the current Income Guidelines. If you do not have them, please contact the City's Community Development Department staff at (423)224-2877

Name of Preparer: \_\_\_\_\_

Singature: \_\_\_\_\_

Date: \_\_\_\_\_