



Community Development Block Grant (CDBG)

Subrecipient Monitoring Information

CFR Citations

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City of Tucson Monitoring Forms

Subrecipient Monitoring

HCD staff shall conduct a risk assessment of all open CDBG activities and shall conduct on-site monitoring reviews of all activities implemented by subrecipients or City Departments that meet the threshold criteria identified in the annual risk assessment.

The City is responsible for ensuring that subrecipients comply with all regulations and requirements governing the administrative, programmatic and financial management of CDBG funds. Monitoring is an ongoing process beginning with the review of all activities for eligibility and concluding with grant closeout.

The exception to this approach involves situations where the terms and conditions of the subrecipient's CDBG written agreement involve compliance beyond the term of the agreement, such as in the event that CDBG funds were used to acquire or improve property. In those situations, the property must continue to meet a CDBG National Objective for a minimum period of five (5) years, unless a longer period is specified in the CDBG written agreement. In those situations, the City will implement procedures within the CDBG written agreement for ongoing compliance monitoring and will note those any additional monitoring duties within the CDBG file.

To ensure full compliance with the regulations, the City takes a proactive approach to monitoring, including desk monitoring and on-site monitoring that involves several tasks throughout the program year.

Desk Monitoring

Each of the Desk Monitoring tasks corresponds with other sections of this Procedural Manual. Proper documentation of the implementation of the Desk Monitoring tasks in the CDBG activity file will demonstrate to HUD that the City is actively engaged in compliance monitoring throughout the entire grant process. The Desk Monitoring process also serves to inform the City's risk assessment that is used to determine which subrecipients will receive an on-site monitoring visit.

Risk Assessment

The annual Risk Assessment serves as the City's monitoring plan each year. The Risk Assessment is designed to match staff resources with the highest risk activities based on indicators of need and capacity amongst subrecipients.

On-Site Monitoring

The on-site monitoring visit is a collaborative effort between the subrecipient and City staff. The City monitoring team may consist of the assigned project coordinator as well as either a Financial Analyst or a community services project supervisor.

The on-site monitoring process begins with a telephone call or an e-mail to the subrecipient from the project coordinator indicating that the subrecipient has been selected for on-site monitoring. The purpose of the call is to coordinate the date and time of the on-site monitoring visit, to provide information on the nature and scope of the review, and to confirm that key subrecipient staff will be available for the date and time selected.

Subsequent to the introductory telephone call or e-mail, the project coordinator will prepare the Intent to Monitor Letter. This letter is addressed to the Chief Executive Officer of the subrecipient with copies to key programmatic and financial staff. The letter should be sent not less than 30 days prior to the agreed upon date of the on-site monitoring visit.

The Intent to Monitor Letter indicates the purpose of the monitoring visit as well as the proposed date, time and location of the monitoring visit.

This meeting provides the monitoring team with an opportunity to review the subrecipient's progress in the implementation of the activities to be monitored and to begin filling known information into the monitoring tool ahead of time. This is also an opportunity to discuss any areas of concern in advance of the on-site monitoring visit.

Information available to the City in the CDBG activity file that should be reviewed by the monitoring team prior to the visit includes:

- Subrecipient application for funding;
- Eligibility Review;
- CDBG written agreement;
- Performance Reports;
- Reimbursement Requests;
- Correspondence;
- Prior monitoring reviews; and
- Copies of subrecipient's most recent audits.

The on-site monitoring visit begins with an entrance conference between the City's monitoring team and key subrecipient staff, including the Chief Executive Officer, programmatic and financial staff. The purpose of the entrance conference is to ensure that the subrecipient has a clear understanding of the purpose, scope and schedule for the monitoring.

Subsequent to the entrance conference, the monitoring team conducts its assessment of subrecipient file documentation to address assigned sections of the Monitoring Tool. Generally, the review will result in a determination that the subrecipient complied with a given section or that a finding or concern is identified. A finding is a condition where the subrecipient has violated an applicable regulatory provision. A concern is a condition that if not corrected, may lead to findings or may result in deficient program performance. Where appropriate, copies of documentation should be obtained to support any findings or concerns identified.

Subrecipient staff should be interviewed during the assessment phase of the on-site monitoring visit to test their depth of understanding of the regulations and the terms and conditions of the CDBG written agreement. Staff interviews are the City's opportunity to assess how well the subrecipient knows the CDBG program regulations and how those regulations are applied in the implementation of the activity. The assessment of documentation and the information gained from staff interviews will assist City staff in determining whether or not additional technical assistance to the subrecipient is required in order to ensure proper implementation of each CDBG-funded activity.

At the conclusion of the assessment phase of the on-site monitoring visit, an exit conference should be conducted with the same attendees as the entrance conference. The purpose of the exit conference is to:

- Present the preliminary results of the monitoring, including findings that will require additional consultation with the project coordinator in order to close the monitoring review;
- Secure additional information to solidify or resolve any preliminary findings or concerns;
- Provide an opportunity for the subrecipient to correct any misconceptions or misunderstandings;
- Establish timeframes for the resolution of any findings; and
- If applicable, provide an opportunity for the subrecipient to report on steps the organization may already be taking to address areas of noncompliance or nonperformance.

Subsequent to the on-site monitoring visit, any findings or concerns identified will be transmitted to the subrecipient in writing via e-mail with requests for corrective actions to be undertaken. The resolution of findings occurs informally between the subrecipient and the project coordinator prior to the issuance of the Monitoring Results Letter

(report). Generally, the project coordinator should be in a position to draft the report within thirty days of the on-site monitoring visit.

The Monitoring Results Letter will provide a significant history of the on-site monitoring visit, including details on all findings and concerns identified and how those findings and concerns were resolved between the subrecipient and the City. The Monitoring Results Letter is also an opportunity to recognize the successes of the subrecipient in the implementation of their CDBG-funded activities and how those successes contribute to the City's achievement of its 5-year Strategic Plan goals. Through the issuance of the Monitoring Results letter subsequent to the satisfactory resolution of any findings of non-compliance or concerns, the monitoring review is closed.

High Risk Subrecipients

It is the intent of the City to cultivate positive partnerships with high-performing subrecipients. However, in the event that a subrecipient does not perform to expectations, the City has a responsibility to its residents and to HUD to address problems with subrecipients directly and fairly. There are three (3) progressive approaches to address subrecipients that are determined to be high risk, including early intervention, intervention for more serious or persistent problems and finally the imposition of sanctions.

- Early Intervention involves any combination of the following:
 - o The development of strategies with the subrecipient that include additional training and technical assistance; or
 - o Requiring more frequent or more thorough reporting by the subrecipient;or
 - o Conducting more frequent on-site monitoring visits.
- Intervention for More Serious or Persistent Problems involves any combination of the following measures:
 - o Placing restrictions on the subrecipient's payment requests; or
 - o Disallowance of subrecipient expenses; or
 - o Requiring repayment of CDBG funds expended in an ineligible manner; or
 - o Imposing probationary status whereby the subrecipient is limited in its ability to conduct certain business without prior review and written approval of the City.

- Imposing Sanctions involves any combination of the following measures:
 - o Temporarily suspending the subrecipient; or
 - o Not renewing or funding the subrecipient in subsequent program year(s); or
 - o Termination of the subrecipient's activity for the current program year; or
 - o Initiation of legal action.

RECORDS TO BE MAINTAINED

Complete on-site monitoring information should be placed in the corresponding CDBG activity file. The file includes, but is not limited to:

- Intent to Monitor Letter;
- Monitoring Tool;
- Supporting documentation;
- E-mail correspondence between subrecipient and project coordinator to resolve any findings; and
- Monitoring Results Letter (report).

CFR CITATIONS:

See <https://www.ecfr.gov/>

24 CFR 570.208 - Criteria for National Objectives

24 CFR 570.201-206 – Basic Eligible Activities, Eligible rehabilitation and preservation activities, Special economic development activities, Special activities by Community-Based Development Organizations (CBDOs), Eligible planning, urban environmental design and policy-planning-management activities, Program administrative costs

24 CFR 570.207 – Ineligible activities

24 CFR 570.500-570.506 – Definitions, Responsibility for grant administration, Applicability of uniform administrative requirements, Agreements with subrecipients, Program income, Use of real property, Records to be maintained

2 CFR 200 Subpart D – See attachment #1

2 CFR 200 Subpart E – See attachment #2

2 CFR 200 Subpart F – See attachment #3

24 CFR 570.601-602 Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063.

24 CFR 570.607(a) Employment and contracting opportunities

24 CFR 570.904 Equal opportunity and fair housing review criteria

24 CFR 8.6 Communications

STANDARDS FOR FINANCIAL AND PROGRAM MANAGEMENT

- §200.300 Statutory and national policy requirements.
- §200.301 Performance measurement.
- §200.302 Financial management.
- §200.303 Internal controls.
- §200.304 Bonds.
- §200.305 Payment.
- §200.306 Cost sharing or matching.
- §200.307 Program income.
- §200.308 Revision of budget and program plans.
- §200.309 Period of performance.

PROPERTY STANDARDS

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- §200.311 Real property.
- §200.312 Federally-owned and exempt property.
- §200.313 Equipment.
- §200.314 Supplies.
- §200.315 Intangible property.
- §200.316 Property trust relationship.

PROCUREMENT STANDARDS

- §200.317 Procurements by states.
- §200.318 General procurement standards.
- §200.319 Competition.
- §200.320 Methods of procurement to be followed.
- §200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.
- §200.322 Procurement of recovered materials.
- §200.323 Contract cost and price.
- §200.324 Federal awarding agency or pass-through entity review.
- §200.325 Bonding requirements.
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PERFORMANCE AND FINANCIAL MONITORING AND REPORTING

- §200.327 Financial reporting.
- 200.328 Monitoring and reporting program performance.
- §200.329 Reporting on real property.

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- §200.331 Requirements for pass-through entities.
- §200.332 Fixed amount subawards.

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- §200.333 Retention requirements for records.
- §200.334 Requests for transfer of records.
- §200.335 Methods for collection, transmission and storage of information.
- §200.336 Access to records.
- §200.337 Restrictions on public access to records.

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- §200.338 Remedies for noncompliance.
- §200.339 Termination.
- §200.340 Notification of termination requirement.
- §200.341 Opportunities to object, hearings and appeals.
- §200.342 Effects of suspension and termination.

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§200.343 Closeout.

POST-CLOSEOUT ADJUSTMENTS AND CONTINUING RESPONSIBILITIES

§200.344 Post-closeout adjustments and continuing responsibilities.

COLLECTION OF AMOUNTS DUE

§200.345 Collection of amounts due.

Subpart E—Cost Principles

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- §200.400 Policy guide.
- §200.401 Application.

BASIC CONSIDERATIONS

- §200.402 Composition of costs.
- §200.403 Factors affecting allowability of costs.
- §200.404 Reasonable costs.
- §200.405 Allocable costs.
- §200.406 Applicable credits.
- §200.407 Prior written approval (prior approval).
- §200.408 Limitation on allowance of costs.
- §200.409 Special considerations.
- §200.410 Collection of unallowable costs.
- §200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs.

DIRECT AND INDIRECT (F&A) COSTS

- §200.412 Classification of costs.
- §200.413 Direct costs.
- §200.414 Indirect (F&A) costs.
- §200.415 Required certifications.

SPECIAL CONSIDERATIONS FOR STATES, LOCAL GOVERNMENTS AND INDIAN TRIBES

- §200.416 Cost allocation plans and indirect cost proposals.
- §200.417 Interagency service.

SPECIAL CONSIDERATIONS FOR INSTITUTIONS OF HIGHER EDUCATION

- §200.418 Costs incurred by states and local governments.
- §200.419 Cost accounting standards and disclosure statement.

GENERAL PROVISIONS FOR SELECTED ITEMS OF COST

- §200.420 Considerations for selected items of cost.
- §200.421 Advertising and public relations.
- §200.422 Advisory councils.
- §200.423 Alcoholic beverages.
- §200.424 Alumni/ae activities.
- §200.425 Audit services.
- §200.426 Bad debts.
- §200.427 Bonding costs.
- §200.428 Collections of improper payments.
- §200.429 Commencement and convocation costs.
- §200.430 Compensation—personal services.
- §200.431 Compensation—fringe benefits.
- §200.432 Conferences.
- §200.433 Contingency provisions.
- §200.434 Contributions and donations.
- §200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements.
- §200.436 Depreciation.
- §200.437 Employee health and welfare costs.
- §200.438 Entertainment costs.
- §200.439 Equipment and other capital expenditures.
- §200.440 Exchange rates.
- §200.441 Fines, penalties, damages and other settlements.
- §200.442 Fund raising and investment management costs.
- §200.443 Gains and losses on disposition of depreciable assets.
- §200.444 General costs of government.
- §200.445 Goods or services for personal use.

- §200.446 Idle facilities and idle capacity.
- §200.447 Insurance and indemnification.
- §200.448 Intellectual property.
- §200.449 Interest.
- §200.450 Lobbying.
- §200.451 Losses on other awards or contracts.
- §200.452 Maintenance and repair costs.
- §200.453 Materials and supplies costs, including costs of computing devices.
- §200.454 Memberships, subscriptions, and professional activity costs.
- §200.455 Organization costs.
- §200.456 Participant support costs.
- §200.457 Plant and security costs.
- §200.458 Pre-award costs.
- §200.459 Professional service costs.
- §200.460 Proposal costs.
- §200.461 Publication and printing costs.
- §200.462 Rearrangement and reconversion costs.
- §200.463 Recruiting costs.
- §200.464 Relocation costs of employees.
- §200.465 Rental costs of real property and equipment.
- §200.466 Scholarships and student aid costs.
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- §200.508 Auditee responsibilities.
- §200.509 Auditor selection.
- §200.510 Financial statements.
- §200.511 Audit findings follow-up.
- §200.512 Report submission.

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§200.513 Responsibilities.

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- §200.514 Scope of audit.
- §200.515 Audit reporting.
- §200.516 Audit findings.
- §200.517 Audit documentation.
- §200.518 Major program determination.
- §200.519 Criteria for Federal program risk.
- §200.520 Criteria for a low-risk auditee.

MANAGEMENT DECISIONS

- §200.521 Management decision.
- Appendix I to Part 200—Full Text of Notice of Funding Opportunity
- Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards
- Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
- Appendix IV to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations
- Appendix V to Part 200—State/Local Governmentwide Central Service Cost Allocation Plans
- Appendix VI to Part 200—Public Assistance Cost Allocation Plans
- Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals
- Appendix VIII to Part 200—Nonprofit Organizations Exempted From Subpart E—Cost Principles of Part 200
- Appendix IX to Part 200—Hospital Cost Principles
- Appendix X to Part 200—Data Collection Form (Form SF-SAC)
- Appendix XI to Part 200—Compliance Supplement
- Appendix XII to Part 200—Award Term and Condition for Recipient Integrity and Performance Matters

**CITY OF TUCSON
HOUSING & COMMUNITY DEVELOPMENT DEPARTMENT**

**SUBRECIPIENT MONITORING
POLICY & PROCEDURE**

POLICY: It is the policy of the City of Tucson's Housing & Community Development Department to monitor all subrecipient contracts on an annual basis. All subrecipients will, at a minimum, be monitored by means of an office Desk-Review utilizing a monitoring checklist appropriate for the program/project. Those subrecipients whose Risk Assessment is High (4 or more factors checked) will receive an On-Site monitoring. Those subrecipients whose Risk Assessment is Medium (2 to 3 factors checked) will, time permitting, receive an On-Site monitoring with those with the higher number of risk factors being a priority. Those subrecipients whose Risk Assessment is Low (0 to 1 factor checked) will only receive a Desk Review monitoring. All subrecipients will receive an On-Site monitoring no less frequently than once every three years. The City reserves the right to perform an On-Site monitoring in the event it is requested by an authorized City, State or Federal official. Additionally, the City may, at its discretion, perform a Risk Assessment of a subrecipient at any time, and if the Risk Assessment warrants an On-Site monitoring, the City may perform same. All public facility projects require an on-site visit prior to making final payment.

PURPOSE: This policy and procedure is meant to ensure project production and accountability; ensure compliance with applicable federal, state and local requirements; and to evaluate and provide technical assistance for both the agency and its project's performance.

PROCEDURE: Project Coordinators will, on an annual basis after subrecipient awards are made, prepare a "Subrecipient Monitoring Risk Assessment" for each subrecipient project (see above Policy regarding type of monitoring tool to be utilized for subrecipient project). Project Coordinators will, after completing their Risk Assessments, prepare an On-Site subrecipient monitoring schedule for the fiscal/*program* year. Typically, subrecipients will be scheduled by letter and apprised of what documentation they should have available for the monitoring visit. Each federal program section will develop standard subrecipient monitoring forms appropriate to the unique compliance issues of their respective program/project. Normally, on-site monitorings will start in the 2nd quarter (October – December) and continue through the 4th quarter (April – June). The highest risk subrecipients/projects will have first priority in order on on-site visits. After the on-site monitoring is completed, Project Coordinators will prepare a written summary of their review. Subrecipients will be mailed a copy of the summary and requested to respond in writing to any concerns, findings or other areas of noncompliance. All subrecipient monitoring material will be kept in project files.

Rev: 07/2009

CITY OF TUCSON
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

SUBRECIPIENT MONITORING
RISK ASSESSMENT

Subrecipient: _____ Project: _____ Date: _____

Subrecipient Contact & Telephone # : _____ Contract # _____

Year Funded: _____ Award Amount: \$ _____

HCDD/PCD Contact (Person Doing Risk Assessment): _____

Program Funding: CDBG, ESG, SHP, HOPWA, GF, Other (Specify): _____

RISK FACTORS: Check as many as applicable-

- Agency new to program
- New project for existing agency
- Key or high staff turnover
- Implementing multiple federally funded projects for first time
- Unresolved issues from prior audit/monitoring
- Agency has not provided all back-up documentation for selected payment request
Insert date of last 'test' Satisfactory/Unsatisfactory
- Did not meet 75% of performance measures for this project in past year
- Recent history of late draw downs
- Involves economic development/micro-enterprise activities
- Involves the relocation of resident(s) and/or business(es)
- Project will be substantially implemented by agency volunteer(s)
- Project funded for \$100,000 or more
- Agency has multiple projects funded through the City of Tucson
- Project will require long-term monitoring (e.g. low-mod., affordability, etc.)
- Project not monitored On-Site in past three years NOTE: Agency
will receive an On-Site monitoring if checked **Last on site visit:** _____
- Recent history of late submittal of performance measures/required reports
- Other (specify) _____

Total Checked

High Risk (4 or more risk factors checked)

Med.Risk (2 to 3 risk factors checked)

Low Risk (0 to 1 risk factors checked)

Comments:

a) Eligible for A-133 Audit: Yes/No

See: http://www.whitehouse.gov/omb/financial_fin_single_audit/

Comments:

b) If agency receives less than \$750,000 in federal funds, has it provided a copy of audited financial statements to HCDD?

Comments:

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Recommend: On Site Monitoring & Desk-Review
 Desk Review Only

CITY OF TUCSON
HOUSING & COMMUNITY DEVELOPMENT DEPARTMENT
DESK REVIEW

AGENCY: _____

PROJECT: _____ FY: _____

Contract #: _____ Award Amount: \$ _____

Project Eligibility Determination: 24 CFR 570.?????

Low/Moderate Income Beneficiary: ??%

National Objective: 24 CFR 570.208(a)(2) City Resident Requirement: ??%

DATE	MONITORING ACTION	COMMENTS
NEW AGENCY		
	Attended Technical Assistance with project coordinator?	
	Articles & by-laws on file?	
	Pre-contract evaluation requested from COT Audit/fiscal staff? What follow up was undertaken?	
CONTRACT NEGOTIATIONS		
	Obtain/negotiate Scope of Services document	
	Obtain/negotiate project Budget	
	Obtain details of other funding sources <u>for this project</u>	
	Obtain/negotiate Performance Measures	
	Obtain Board of Directors' List	
	Certifications on file for ___ general insurance, ___ automobile insurance (or waiver), ___ workers' compensation, ___ fidelity bonding (\$ _____)	
	Discuss payment request form and procedure for billing	
	Discuss Contract Agreement issues	
ENVIRONMENTAL REVIEW		
	Discuss environmental review process with agency & provide ERR request to Environmental Review Officer	
	Clearance date: _____ Agency notified: _____	
	Agency notified prior to commencement of project	

DATE	MONITORING ACTION	COMMENTS
TECHNICAL ASSISTANCE		
	Discuss project eligibility	
	Discuss issues regarding National Objective	
	Discuss Contract/Intergovernmental Agreement	
	Discuss Memorandum of Understanding	
	Discuss collection of client demographics, unduplicated entries, and agency methods for confirming client eligibility. Is this a project where clients can self-certify income level? Explain:	
	Discussed issues regarding City-owned property	
	Project will be on M&C Agenda on _____ (date or N/A)	
	Mayor and Council date/project timeframe discussed with agency	
	Agency notified of Income Limits revision (relevant to all projects except for those designated as being an Area Benefit)	
	Discussed Realty Mortgage document, if applicable. Obtain copy of full legal description.	
REPORTING		
	1st Quarter performance measures received	
	2nd Quarter performance measures received	
	3rd Quarter performance measures received	
	4 th Quarter performance measures received	
	Year End IDIS/CAPER and/or close out report received and EEO4	
PUBLIC SERVICE PROJECTS		
	Ensure that at least 51% of clients served are at or below low/moderate income levels	
	Verify that the majority of clients served reside within the Tucson city limits	
HOUSING PROJECTS		
	Is agency submitting environmental review requests to COT project coordinator regularly and prior to draw down of funds for rehabilitation or acquisition activities? Yes/No	
	100% of (single family residence) beneficiaries OR 51% of (multi-family residence) beneficiaries must be low/moderate income	
	100% of beneficiaries must reside within City limits	

DATE	MONITORING ACTION	COMMENTS
REALLOCATION		
	Is project likely to lose funding? Explain:	
	Date of letter notifying agency	
	Letter on file from agency outlining specific reasons for variance and requesting extension of timeframe in which to expend funds? Yes/No	
	Outcome	
	Contract amended (if applicable)	
PROJECT COMPLETION		
	Did agency meet a National Objective? Yes/No	
	Did agency meet performance goals for this project? Yes/No	
	Copy of agency audit on file? Yes/No	
OTHER COMMENTS		



City of Tucson
Housing and Community Development Department/
Planning and Community Development Division
P.O. Box 27210
Tucson, AZ 85726-7210

Date

Contact
Agency Name
Address
Tucson, AZ 857XX

Dear Agency Director:

Community Development Block Grant (CDBG) Program
Monitoring Visit – (NAME OF PROJECT) FY 20XX - Contract # XXXXX

At your earliest convenience, I would like to schedule a monitoring visit for the above project.

A review of this nature is considered an in-depth monitoring, but not an audit. It is conducted to ensure our mutual compliance with required Department of Housing & Urban Development (HUD) regulations for the funds being used. Items to be reviewed include, but are not limited to:

- Activity meeting low and moderate income criteria;
- Activity operation within parameters of contract description;
- Evidence of adequate record-keeping;
- Understanding of subcontract obligations;
- Reporting and records match those submissions made to this department/HUD;
- Ability to perform operation as described in proposal.

Please contact me at 837-xxxx to set up a convenient date/time. I have attached copies of my monitoring review forms, and look forward to meeting with you.

Sincerely,

Staff Name
Project Coordinator
Housing and Community Development Department/
Planning and Community Development Division

Attachments

CITY OF TUCSON
Housing & Community Development Department
ON-SITE MONITORING FORM (Non-Services)

Agency: _____	Project: _____	Contract #: _____
Date Of On-Site Visit: _____		City of Tucson Project Coordinator: _____
Funding Source(s): _____	FY: _____	Grant Amount: \$ _____ Org./Activity #: _____

MONITORING QUESTIONS	Compliant? YES/NO	OBSERVATIONS OR COMMENTS
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CHANGES TO PROJECT / RISK FACTORS / PRIOR MONITORING OR AUDITS / CONCERNS OR STRENGTHS

Have there been any changes in the project's scope of services, staffing, service locations, budget, etc., that affect project performance/ outcomes?		
Are the risk factors that could affect project compliance with program requirements being addressed?		
When was the last on-site monitoring of this project? What, if any, corrective actions were requested? Have they been made?		
Have there been any prior audit findings or concerns? Have they been resolved?		
Are the service facilities (space, equipment, etc.) appropriate for the needs of the project?		
Do assigned project staff members possess qualifications (training and experience) appropriate to their responsibilities? List staff and titles, or ask agency to remit after visit		

PROJECT EVALUATION

How does the agency evaluate project performance, outcomes and activities? Obtain sample form.		
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AGENCY RECORDKEEPING - CLIENT DEMOGRAPHICS AND ELIGIBILITY FOR SERVICES

How is required client demographic information obtained and maintained? Are current HUD racial categories		
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being used? Is agency collecting ethnicity information separately?		
How does the agency obtain and maintain client income information, if required? Are current HUD income limits used to determine eligibility for services?		
How does the agency ensure that the majority of project beneficiaries reside within City limits?		

CLIENT ACCESS TO SERVICES AND CLIENT RIGHTS

Can the targeted client group effectively access service locations?		
Are accommodations provided to ensure access to all services by persons with disabilities?		
Are there postings in conspicuous, well-frequented places that reference the agency's compliance with applicable local, state, and/or federal non-discrimination laws regarding clients and employees?		
Are clients informed of rights and procedures for filing grievances or complaints? Have any discrimination or grievance complaints been made against the agency? Explain.		
Have any applicants been disqualified or excluded from receiving assistance? Explain.		
How are services and/or information provided to clients in a second language?		
How are client records and information maintained and secured to ensure confidentiality?		
Do files contain client authorizations of release of information? To whom is information released?		
Are services provided free of charge to city residents? If not, what is the fee structure?		

PROJECT ADHERENCE TO REQUIREMENTS / REGULATIONS

If CDBG funded, what is the eligibility citation?		
If CDBG funded, what national objective is being met?		

If CDBG limited clientele (low/mod income), how are client/household income levels determined and certified? Are 100% of project participants low-moderate income?		
If this is a CDBG presumed benefit project, what population is being served?		
If this is a CDBG area benefit project, is the area served defined by census blocks, what is the percent of low/mod income of the area?		
If CDBG funds are used, what is agency's procurement policy for subcontracting or hiring consultants?		
Has agency purchased any equipment with CDBG funds? Is equipment inventoried and tagged as COT property? Is a property register being utilized?		
If the agency has program income, how is it reported/monitored? Are liens being placed on housing units ?		
If project budget includes rent or lease expenses, obtain a copy available for review?		
Does the project require licensing or special conditions to operate? Explain.		
If a facilities project, will Davis-Bacon requirements apply? Do any compliance concerns exist? Section 3?		
If a facilities project, are there relocation issues? Are they appropriately addressed?		
If a facilities project, have there been any process delays or problems? How are they being addressed?		

<p>Is an approved Indirect Cost Rate in use by agency? YES/NO If 'Yes', consider the following:</p> <ul style="list-style-type: none"> a) Verify that the plan is still current, and confirm the expiration date b) Obtain a copy of the indirect cost rate plan approved by a cognizant Federal agency at time of monitoring visit. c) If salaries are charged to this project in addition to charges for salary and operations, verify whether the indirect cost pool includes personnel and operations. 		
<p>Are staff salaries being charged to this project? YES/NO If 'Yes', consider the following:</p> <ul style="list-style-type: none"> a) Is a system in place that verifies the distribution of salaries with personnel activity reports/time sheets for staff salaries that work on multiple activities or cost objectives? Explain <p>If a staff person works on one activity or cost objective, the agency should support the charges to salaries with a periodic certification that the employee works solely on that program for the period covered by the certification. Explain</p>		

Human Services / City of Tucson Monitoring Guidance

AGENCY	CONTRACT #
DATE OF ON SITE VISIT	CITY OF TUCSON PROJECT COORDINATOR:

Monitoring question	Compliant/ Non-compliant	Observation or comment
1. Is project implementation consistent with contracted scope of services?		
2. How does agency monitor project performance? Review method agency uses to compile performance measure information?		
3. Are project goals being met?		
4. If program requires licensing, what is expiration date of license?		
5. Are 51% of clients in program of low-moderate income bracket?		
6. What method does agency use to determine low-mod income of client? Is agency able to provide a breakdown of income levels?		
7. What method is agency using to compile demographic information?		
8. How is single female-head of household status being reported?		
9. How is agency ensuring that the majority of project beneficiaries reside in the City limits?		
10. Have there been any changes in the location of services from those described in the contract?		
11. What accommodations does the agency provide, which ensures access to all services by persons with disabilities?		
12. Does the agency display postings in conspicuous, well-frequented places which state the provisions of applicable local, state, and/or federal requirements for compliance with non-discrimination laws regarding clients?		
13. How have complaints of discrimination, involving the agency, been resolved?		

	<p>14. Have any applicants been disqualified or excluded from receiving assistance? What was the reason?</p>		
	<p>15. What is the agency's policy for translation of communications and publications to clients that do not communicate in English? What is the % of clients requiring this accommodation?</p>		
	<p>16. What are the expiration dates of documented insurance coverage? Are the certificates of insurance regularly provided to COT?</p>		
	<p>17. Is the list of the board of directors on file at COT current? What is agency's status with the AZ Corporations Commission?</p>		
	<p>18. Are all audit findings and concerns resolved?</p>		
	<p>19. Has the agency purchased any equipment with COT funds? If 'yes', explain</p>		
	<p>20. What is agency's procurement policy for subcontracting with COT- funded consultants?</p>		
	<p>21. What is agency's confidentiality policy for safeguarding client information? Is staff adhering to policy?</p>		
	<p>22. Is client's authorization of release of information in file?</p>		
	<p>23. What is agency's procedure for handling grievances? When and how are client's informed of this process?</p>		
	<p>24. Are services provided free of charge to city residents? If not, what is the fee structure?</p>		
	<p>25. Does agency have program income? What is agency's process for reporting program income to COT?</p>		
	<p>26. Is an approved Indirect Cost Rate in use by agency? YES/NO If 'Yes', consider the following: a) Verify that the plan is still current, and confirm the expiration date b) Obtain a copy of the indirect cost rate plan approved by a cognizant Federal agency at time of monitoring visit. c) If salaries are charged to this project in addition to charges for salary and operations, verify whether the indirect cost pool includes personnel and operations.</p>		
	<p>27. Are staff salaries being charged to this project? YES/NO If 'Yes', consider the following: a) Is a system in place that verifies the distribution of salaries with</p>		

<p>personnel activity reports/time sheets for staff salaries that work on multiple activities or cost objectives? Explain</p> <p>b) If a staff person works on one activity or cost objective, the agency should support the charges to salaries with a periodic certification that the employee works solely on that program for the period covered by the certification. Explain</p>		
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**On- Site Interview and Verification with Agency Personnel:
AGENCY STAFF INTERVIEWED:**

Name: _____ Title: _____ Date: _____

Name: _____ Title: _____ Date: _____

Name: _____ Title: _____ Date: _____

AGENCY MONITORING – DATE: _____

Entrance Conference

- Meet with key personnel and project staff
- View agency facility & check for postings/barriers, etc.
Web site resources for State/Federal posting requirements (employees/clients):
<http://www.azleg.gov/ArizonaRevisedStatutes.asp?Title=41>
http://www.ica.state.az.us/HomePage/HOME_Postor_Rules.aspx
<http://www.dol.gov/elaws/about.html>
<http://www.dol.gov/dol/audience/aud-nonprofit.htm>

On-Site Review

- Agency Overview of Project(s) Progress
- COT Monitoring Checklist
- Questions/Technical Assistance
- Review of Client Eligibility Files

Exit Conference

- Review of the visit

Report from COT (within 30 days)

- Finding – direct violation of a rule/regulation
- Concern – could lead to a finding
- Recommendation – typically corrective action to avoid a future concern/finding

Follow-up Confirmation from Agency (within 30 days)

- Ensure that items handled within 30 days of report

Intervention/Action

- As needed, based on report and outcomes

GUIDANCE NOTES FOR PROJECT COORDINATOR

Agency reporting

- By contract, not by program overall
- Quarterly reports, by separate contract
- Explanation of IDIS and end of year reporting, by each contract

Lead Paint/Environmental Reviews

- ERR clearance on file?
- Lead paint brochures/info to clients as applicable?

Client Satisfaction

- How is this measured?
- Who handles client grievances?

Client files

- Who does client eligibility – have they attended any trainings?
- Is there a need for individualized training?
- Are current DHUD limits in use?
- Collection of demographic information – accuracy – racial/ethnic distinction

CHECKLIST - DOCUMENTS REQUESTED PRIOR TO MONITORING VISIT

- Agency employee handbook
- Agency's organizational chart
- Agency's employee grievance form
- Program literature
- Program descriptions
- Agency marketing plan for funded programs
- Client application form(s)
- Client survey(s)
- Client grievance form/written procedure
- Copy of most recent audit/ date of last fiscal review
- Resumes for staff working on funded projects
- Salary breakdown per project (form provided)
- Copy of cost allocation plan (if applicable)
- Copy of approved indirect cost rate (if applicable)
- List of contractors used on project (if applicable)
- Current board of directors listing

Above documents/materials are requested within the next 7days.

Thank you.

_____ Date: _____

_____, Project Coordinator

City of Tucson

Housing & Community Development Department

Community Development Division

P.O. Box 27210

Tucson, AZ 85726-7210

Pete.lee@tucsonaz.gov

CITY OF TUCSON -- CDBG CASE FILE REVIEW

Agency: _____ Date of Visit: _____

Contract #: _____ Name of Project: _____

List below reference number/case ID or client identifier for each file examined:

1.
2.
3.
4.
5.

OR: provide explanation as to how agency meets a CDBG National Objective

.....

Does each case file contain all of the following elements/acceptable documentation:

	1.	2.	3.	4.	5.
1. Applicant's name/identifier and address?	Y/N	Y/N	Y/N	Y/N	Y/N
- Does the applicant reside within city limits?	Y/N	Y/N	Y/N	Y/N	Y/N
2. Sufficient information to show that the applicant meets the agency's program eligibility criteria?	Y/N	Y/N	Y/N	Y/N	Y/N
3. Sufficient information documenting applicant's income? Self certification?	Y/N	Y/N	Y/N	Y/N	Y/N
4. An indication of how income information was confirmed or verified? (such as a notation that the applicant's tax return was reviewed, wage stubs, self-declaration)	Y/N	Y/N	Y/N	Y/N	Y/N
5. Sufficient demographic information? (race, ethnicity, family status, etc.)	Y/N	Y/N	Y/N	Y/N	Y/N
6. Adequate documentation confirming outcome for this client?	Y/N	Y/N	Y/N	Y/N	Y/N
7. Signed release of information?	Y/N	Y/N	Y/N	Y/N	Y/N
8. Checklist, Client Income Certification on file?	Y/N	Y/N	Y/N	Y/N	Y/N



City of Tucson
Housing & Community Development Department/
Planning & Community Development Division
P.O. Box 27210
Tucson, AZ 85726-7210

CITY OF TUCSON

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM MONITORING AND EVALUATION REPORT

DATE:

Agency:

Contact Person:

Address: Phone No:

Name of Project:

Project Location:

City of Tucson FY 2018 Contract #: Termination Date: 6/30/18

CDBG funding allocation:

City Staff:
Project Coordinator

I. INTRODUCTION

The City of Tucson has contracted with agency to provide CDBG funded public services to low or moderate-income individuals according to Department of Housing & Urban Development (DHUD) federal income limits. This was a routine monitoring visit to observe program operations, assess compliance with contract provisions, and provide information and technical assistance as needed.

II. CHECKLIST

1. Eligibility citation applies to this project?
CDBG ELIGIBILITY (24 CFR 570.201 - 570.208)
Public Services - 24 CFR 570.201(e)
2. What are the major project objectives?

Performance outputs/outcomes are as follows:

OUTPUT:
OUTCOME:

OUTPUT:
OUTCOME:

OUTPUT:
OUTCOME:

3. Indicate below which National Objective is served:
 - a) a limited clientele, low-moderate income (LMI) certification project
24 CFR 570.208(a)(2) YES/NO
 - b) a limited clientele, presumed benefit project, YES/NO
 - c) a planning and administration project? YES/NO
4. If this is a limited clientele, low-moderate income certification project:
 - a) is each beneficiary determined eligible based on a certified income declaration?
 - b) is the agency reporting information on ethnicity of clients, single female-head of household, household size and income status of clients?
5. What is the proposed number of clients to be served during the contract year?
6. Are performance objectives, performance standards, reporting requirements and timelines clearly established for the project? YES
7. Do reports indicate that the agency is meeting contract performance objectives? YES
8. Are there any known special conditions affecting performance? NO
9. Do reports indicate that a minimum of 51% of clients are low-moderate income: YES

- 10. Are reports being submitted on time? YES
- 11. Are performance measures, demographic reports and project billings usually correct? YES
- 12. Are CDBG funds being spent at the planned rate? YES

III INSURANCE

- Has the agency submitted certification confirming insurance coverage? YES

IV ON-SITE INTERVIEW AND VERIFICATION WITH AGENCY PERSONNEL

AGENCY STAFF INTERVIEWED:

V CONTRACT PERFORMANCE & MANAGEMENT

- 1. List and discuss any part of ‘Service Specifications’ from the CDBG contract that need explanation, clarification, expansion, justification, etc. NONE
- 2. When was this project last monitored, and by whom? Projects not monitored within past three years.
- 3. Are there any unresolved internal audit findings or concerns? NONE
- 4. According to the CDBG contract, the majority of project beneficiaries must reside within the city limits of Tucson, Arizona. What control measures does the agency use to insure compliance with the foregoing clause? The case manager verifies clients’ eligibility during the intake and application process
- 5. Are any applicants disqualified or excluded from receiving assistance? Explain:
- 6. Are services provided free of charge to city residents? There is no fee charged to clients assisted through CDBG funding
- 7. What arrangements have been made to monitor program revenue or program income? N/A
- 8. What standards does the agency use to measure the quality of service provided? Does agency provide a client satisfaction survey? Clients are surveyed every 6 months and their input is reviewed by program staff/management. Agency personnel monitor their subcontractors, this could include meetings with agencies/businesses and visiting assisted clients in their homes.
- 9. Have there been any changes in the location(s) of services? NO

10. Has the agency purchased any equipment with CDBG funds? NO
11. If the agency subcontracts or hires consultants, what method of procurement is used?
12. Obtain a copy of any subcontracts/consultant agreements funded by CDBG. On file
13. How does the agency monitor project performance and activities? Completed client satisfaction surveys are examined and contract goals regularly reviewed.
14. Are there any factors affecting performance? NO
15. Discuss any concerns or special arrangements regarding the collection of client demographic information. (Is the agency using current DHUD Section 8 income limits, how is information obtained and recorded? etc.)
16. How are names and files of persons requesting or receiving services through this contract safeguarded from being released to outside sources without written permission?
Client files contain written permission to release information, as necessary
17. How is physical access to client and case records controlled?
Files are only accessible to specified project staff
18. How is the staff trained in procedures for safeguarding client information?
Management provides guidance and training as necessary
19. Are records kept showing when clients authorize release of information in their own case records? YES
20. Describe client grievance procedure used for handling service complaints, and how clients are informed of their rights to use this procedure. See copy on file

VI CIVIL RIGHTS

1. Does the agency display postings in conspicuous, well-frequented places, which state the provisions of applicable local, state, and/or federal requirements for compliance with non-discrimination laws regarding clients? YES
2. What measures does the agency use, and what physical accommodations has it made, to assure access to all services by handicapped persons? (What barriers are there?) No barriers identified

3. Does the agency supply services and/or information to clients in a second language? YES
4. Have any complaints of discrimination involving the agency been made with state or federal authorities NO

For further information regarding nondiscrimination, refer to Section 24 of City of Tucson 'General Contract Conditions' incorporated as a part of executed FY 2018 Human Services Agreement.

VII BOARD LISTING

Does the City have current listing? (If no, obtain current version) YES

VIII AREAS OF CONCERN/OTHER ITEMS TO BE ADRESSED

See specified area of concern below:

A. Item: Collection of Income/Demographic Data (EXAMPLE ONLY)

It was noted that:

- a) Project beneficiaries do not currently certify that income/demographic information provided is true and complete on agency's 'CDBG Eligibility' intake form
- b) The current CDBG Eligibility form does specify an upper income limit of 80% median income, but no breakdown is provided for 50% or 30% income levels
- c) The standardized assessment form used as the primary intake document for project beneficiaries does not have all ten racial categories that are used for City of Tucson projects

Requested Action: A 'Client Self-Certification' form has been provided to agency for possible use and adaptation. The ten (10) racial categories to be used are: White, Black/African American, Asian, American Indian/Alaskan Native, Native Hawaiian/Pacific Islander, American Indian/Alaskan and White, Asian and White, Black/African American and White, American Indian/Alaskan and Black and Other: Multi-Racial. Current, 4/10/18, HUD income limits for 80/50/30% LMI are specified on the form. Clients are to sign to confirm that information provided is true and complete. Use of this form will assist in the provision of accurate demographic information to the City at year-end. A copy of the revised CDBG Eligibility form is requested – or alternatively, confirmation that the 'Client Self-Certification' document is in use.

OTHER ITEMS:

HCD recommends the use of HUD's Equal Housing Opportunity and City of Tucson logos on applicable marketing materials.

Current DHUD income limits are in use, but these change periodically. Updates can be located at: <http://www.huduser.org/datasets/il.html>

Agency is to be commended for the excellent preparation ahead of this monitoring visit.

IX. ADMINISTRATIVE PROCESSING

This report is being mailed to Name, on May 24th, 2018. The City thanks the agency for the continuing spirit of cooperation shown by the staff in the monitoring process. Please send any responses to Concerns and Other Items listed in Section VIII to Project Coordinator, by June 25th, 2018.

Sincerely,

Name
Project Coordinator
Housing and Community Development Department
Planning & Community Development Division

Attachments:

1. Income & Demographic Certification Form
2. Exhibit E – FY 2018 End of Year Close-Out Report

Cc: Agency CEO/President
Name, Project Supervisor, City of Tucson

File

Project Monitoring/Construction Inspection and Completion Certification (CDBG)

Agency: _____

Project name: _____

Contract #: _____ Account #: _____

Project Manager: _____

General Contractor: _____

The Project located at _____ was inspected by HCDD on _____ and approved as complete and meeting the specified CDBG National Objective.

Final draws, retention, waivers and warranties have been received and processed as of _____ .

BY:

Peter J. Lee-PCDD Project Coordinator

NOTES: