



# Workforce Recovery Training Program Subrecipient Policies and Procedures

Version 1.1  
March 19, 2024

# VERSION HISTORY

Version Number	Change Date	Summary of Changes
1.0	3/17/2023	Original Document
1.1	3/19/2024	<p>As of July 1, 2023, and per Florida HB 5, ch. 2023-173, L.O.F. the former Florida Department of Economic Opportunity has been renamed the Florida Department of Commerce, referred to as "FloridaCommerce."</p> <p>To reflect this change, all references to the former Florida Department of Economic Opportunity (including "the Department" and "DEO") have been updated to represent FloridaCommerce. Associated branding (including logos, fonts, and colors) has been updated throughout the document.</p>

## VERSION POLICY

Version history is tracked in the Version History Table (page i), with notes regarding version changes. Dates of each publication are also tracked in this table.

Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. For example, a substantive policy change after the issuance of Version 1.0 would result in the issuance of Version 2.0, an increase in the primary version number. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

## POLICY CHANGE CONTROL

Policy review and changes for the State of Florida Community Development Block Grant - Disaster Recovery Program are considered through a change-control process. Policy clarifications, additions, or deletions are needed during the course of the program to more precisely define the rules by which the Program will operate. Program staff will document policy-change requests that will be tracked in the program files. Requests are compiled and brought before supervisory staff in a policy meeting. Subject matter experts working in a particular policy area or task area that will be affected by the policy decision may be invited to assist in policy evaluation, if necessary. Policy meetings will be held as frequently as is necessary to consider policy decisions critical to moving the Program forward in a timely manner. Policy decisions will be documented and will result in the revision of the Department of Commerce's Policies and Procedures Manual.

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## 1.0 Definitions and Acronyms

**Action Plan** – The Community Development Block Grant-Disaster Recovery Action Plan for Disaster Recovery provides the high-level strategy to carry out strategic and high-impact activities to minimize or eliminate risks and reduce losses from future disasters. The Action Plan also describes the opportunity to improve state and local planning protocols and procedures.

**Acquisition** – The acquiring of real property, in whole or in part, by the recipient, or other public or private nonprofit entity through purchase, long-term lease, donation, or otherwise for any public purpose, subject to the limitation of 24 CFR 570.207. Real property includes air rights, water rights, rights-of-way, easements, and other interests therein (24 CFR 570.201).

**Adjusted Gross Income (AGI)** – Gross income minus adjustments to income. Gross income includes your wages, dividends, capital gains, business income, retirement distributions as well as other income.

**Allocable Costs** – Costs assigned to a Community Development Block Grant-Disaster Recovery eligible activity with a methodology for clear determination of where to attribute costs.

**Allocation Announcement Notice (AAN)** – Publication announcing the Community Development Block Grant-Disaster Recovery allocations for specific disasters and including waivers and alternative requirements specific to the Appropriations Act that allocated the funding.

**Allowable Costs** – Costs deemed allowable under the Community Development Block Grant-Disaster Recovery rules and regulations and 2 CFR 200 Subpart E.

**Americans with Disabilities Act (ADA)** – Effective July 20, 1990, a federal law which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, state and local government services, public accommodations, commercial facilities, and transportation. It also mandates the establishment of TDD/telephone relay services.

**Applicant** – Any entity that submits a response to the request for applications for potential funding through the Community Development Block Grant-Disaster Recovery program.

**Area Median Income (AMI)** – The median household income for an area adjusted for household size as published and annually updated by the U.S Department of Housing and Urban Development. Once household income is determined, it is compared to the U.S Department of Housing and Urban Development's income limit for that household size.

**Bid** – An offer by a company, firm, or individual to provide goods or services, in response to solicitation for those goods or services.

**Business Concern** – A business entity formed in accordance with state law, and which is licensed under state, county, or municipal law to engage in the type of business activity for which it was formed. A business concern that provides economic opportunities for low- and very low-income persons.

**CENST** – Categorically Excluded Not Subject to 24 CFR 58.5.

**CEST** – Categorically Excluded Subject to 24 CFR 58.5.

**CFR** – Code of Federal Regulations.

**Change Order** – Work that is added to, or deleted from, the original contract activities that were to be performed. The order changes the original contract amount and/or the completion due date. The change order must be approved by the Department of Commerce's Office of Long-Term Resiliency, homeowner, subgrantee, contractor, subcontractor, and project architect and/or engineer, as appropriate, prior to implementation.

**CMP** – Compliance Monitoring Plan.

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

**Community Development Block Grant-Disaster Recovery (CDBG-DR)** – The Community Development Block Grant Disaster Recovery Program, administered by the U.S. Department of Housing and Urban Development, as authorized under Title I of the Housing and Community Development Act of 1974, as amended. These funds are provided as a last resort to help cities, counties, and states to recover from Presidentially declared disasters.

**Concern(s)** – An issue identified in the Department of Commerce’s monitoring report, or an environmental review memo sent to the subgrantee and/or subrecipient that, if not addressed or corrected, may result in a finding.

**Consolidated Notice** – The U.S. Department of Housing and Urban Development’s Community Development Block Grant-Disaster Recovery Consolidated Notice, Appendix B of Federal Register Vol. 87, No. 23. The Consolidated Notice governs all Office of Long-Term Resiliency Community Development Block Grant-Disaster Recovery grants beginning with 2020 disasters (Hurricane Sally) and includes amended requirements from previous Federal Register Notices and Community Planning and Development Notices that have regulated Community Development Block Grant-Disaster Recovery funds in the past. The Consolidated Notice includes waivers and alternative requirements, relevant regulatory requirements, the grant award process, criteria for action plan approval, and eligible disaster recovery activities.

**Contractor** – An entity competitively selected to provide clearly-specified goods or services meeting the procurement requirements at 2 CFR 200, Section 287.055, Florida Statutes, and Section 255.0525, Florida Statutes.

**Corrective Action** – Steps required to be taken to resolve findings and/or concerns identified in the Department of Commerce’s Office of Long-Term Resiliency monitoring report.

**CP** – Citizen Participation.

**Corrective Action** – Steps required to be taken to resolve findings and/or concerns identified in the Department of Commerce’s Office of Long-Term Resiliency monitoring report.

**Cost Reimbursement** – Payment made to the subgrantee and/or subrecipient after a request for funds has been submitted along with proper supporting documentation and has been approved by the Department of Commerce. In Community Development Block Grant-Disaster Recovery grant agreements, the subgrantees and/or subrecipients are required to pay in advance for all completed work that is associated with the deliverables set forth in the subrecipient agreement and is reimbursed based on the invoice and supporting documentation submitted to the Department of Commerce.

**CPD** – Community Planning and Development.

**CWHSSA** – Contract Work Hours and Safety Standards Act.

**DBA** – Davis-Bacon Act.

**Davis-Bacon and Related Acts (DBRA)** – Federal law requiring contractors and subcontractors performing on federally funded or assisted contracts for the construction, alteration, or repair of public buildings or public works to pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.

**Deficiency** – An inadequacy based on a federal or state statutory, regulatory, or program requirement.



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**Direct Cost** – Any project cost or project delivery cost that is identified specifically with completing an activity or product such as materials and labor. Costs identified specifically within a contract are direct costs of that contract. Administrative expenses are not generally considered direct costs.

**DR** – Disaster Recovery.

**Disability** – Federal nondiscrimination laws define a person with a disability to include any (1) individual with a physical or mental impairment that substantially limits one or more major life activities; (2) individual with a record of such impairment; or (3) individual who is regarded as having such an impairment consistent with federal law under The Social Security Act, as amended, 42 U.S.C. §423(d), The Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §12102(1) -(3), and in accordance with HUD regulations at 24 CFR 5.403 and 891.505.

**Disaster Recovery Grant Reporting (DRGR) System** – The U.S Department of Housing and Urban Development’s web-based reporting and grants management system.

**Duplication of Benefits (DOB)** – When a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose within the same time period, and the total assistance received for that purpose is more than the total need for assistance.

**Eligible Property** – A property that is located within designated areas or is located outside of the designated area and is substantially damaged and is a health and safety risk.

**Eligible receipt** – Proof of payment for items and services that are strictly for rebuilding, rehabilitating, or demolishing the disaster-affected structure.

**EA** – Environmental Assessment.

**Educational Institution** – Any public school, center, institution, or any other entity that is part of Florida’s education system under public K-12 schools, public postsecondary educational institutions, and the Florida Virtual School.

**EIS** – Environmental Impact Statement.

**Environmental Review Record (ERR)** – A written record of the review process undertaken to evaluate potential environmental impacts associated with a project to be conducted with the U.S. Department of Housing and Urban Development funds, including all associated documentation necessary to document the process and the outcome of the review process.

**ESOL** – English for Speakers of Other Languages.

**Family** – All persons living in the same household who are related by birth, marriage, or adoption.

**Federal Register (FR)** – The official journal of the Federal Government of the United States that contains government agency rules, proposed rules, and public notices issued by federal administrative agencies.

**FEMA** – Federal Emergency Management Agency.

**Finding(s)** – A specific issue of noncompliance with federal or state regulatory requirements, including the Community Development Block Grant subrecipient/subgrant agreement provisions, that is identified in a monitoring report produced by the Department of Commerce or in an environmental review memo sent to the subrecipient/subgrantee.

**Florida Accounting Information Resource (FLAIR) System** – The State of Florida’s official statewide accounting system managed by the Florida Department of Financial Services.

**Florida Department of Commerce (FloridaCommerce)** – Administrator of the Community Development Block Grant-Disaster Recovery and Community Development Block Grant-Mitigation programs funded by the U.S. Department of Housing and Urban Development. FloridaCommerce is the governor-designated state authority responsible for administering all long-term disaster recovery funds

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awarded to Florida from the U.S. Department of Housing and Urban Development. As used in this document, “Florida Commerce” refers to the Florida Department of Commerce.

**FONSI** – Finding of No Significant Impact.

**FIRM** – Flood Insurance Rate Map.

**Graduate** – Any individual who successfully completes training for a construction occupation through the WRTP.

**Grantee** – As used in this document, the grantee is the State of Florida Department of Commerce’s Office of Long-Term Resiliency as recipient of Community Development Block Grant-Disaster Recovery funds from the U.S. Department of Housing and Urban Development.

**HCDA** – Housing and Community Development Act of 1974, as amended

**Household** – All persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For workforce training activities, the test of meeting low-to-moderate income requirements is based on the income of the household.

**HUD** – The United States Department of Housing and Urban Development.

**HUD Act of 1968** – The Housing and Urban Development Act of 1968, as amended.

**IA** – (Federal Emergency Management Agency) Individual Assistance.

**Income** – Annual income as reported under the United States Census long-form for the most recent available decennial U.S. Census. This definition includes:

- Wages, salaries, tips, commissions, etc.;
- Self-employment income from own nonfarm business, including proprietorships and partnerships;
- Farm self-employment income;
- Interest, dividends, net rental income, or income from estates or trusts;
- Social Security or railroad retirement;
- Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;
- Retirement, survivor, or disability pensions; and
- Any other sources of income received regularly, including Veterans’ (VA) payments, unemployment compensation, and alimony.

**Indirect Cost** – Any expense not directly identified with a cost objective, such as a specific project, facility, or function. Indirect costs include administration, personnel, and security costs.

**Invitation to Bid (ITB)** – A written or electronically posted solicitation for competitive sealed bids.

**LEP** – Limited English Proficiency.

**Local Workforce Development Board (LWDB)** – A board established pursuant to section 107 of the Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, Title I, (WIOA) and Section 445.007, Florida Statutes. The local board serves as a strategic leader and convener of local workforce development system stakeholders, including employers, to develop and implement policies and investments that support the regional economy. The local board is responsible for establishing and maintaining a high-quality, customer-centered service delivery system and provides oversight over its workforce development system (20 CFR 679.300).

**Low Moderate Limited Clientele (LMC)** – An eligible activity in which 51 percent of the actual beneficiaries are Low-to-Moderate Income Persons.

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**Low Moderate Area Benefit (LMA)** – An eligible activity that benefits all residents in a particular area, where at least 51 percent of the residents are Low-to-Moderate Income Persons as determined by the most recently available decennial Census information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau, or a current survey of the residents of the service area.

**Low Moderate Housing Incentive (LMHI)** – Housing incentives tied to a voluntary buyout or other voluntary acquisitions of housing owned by eligible Low-to-Moderate Income Households and provided for the purpose of moving the eligible household outside the affected floodplain or to a lower-risk area, or improving residential structures that will be occupied by an LMI household.

**Low-to-Moderate Income (LMI) Household** – A household whose annual income does not exceed 80 percent of the median income for the area as most recently determined by HUD.

- LMI 30 refers to those individuals/families making less than 30 percent of the Area Median Income.
- LMI 50 refers to those individuals/families making less than 50 percent of the Area Median Income.
- LMI 80 refers to those individuals/families making less than 80 percent of the Area Median Income.
- Above LMI 80 refers to those individuals/families making more than 80 percent of the Area Median Income.

**Low-to-Moderate-Income (LMI) National Objective** – Activities that benefit households whose total annual gross income does not exceed 80 percent of Area Median Income, adjusted for family size. Pursuant to federal statute, the grantee is required to expend 70 percent of Community Development Block Grant-Disaster Recovery funds to meet the Low-to-Moderate-Income National Objective.

**Low-to-Moderate Income (LMI) Resident/Person/Individual** – A person whose annual income does not exceed 80 percent of the median income for the area as most recently determined by the U.S. Department of Housing and Urban Development.

**NOI** – Notice of Intent.

**Most Impacted and Distressed (MID) Areas** – Areas of most impact as determined by the U.S. Department of Housing and Urban Development or the state using the best available data sources to calculate the amount of disaster damage.

**NEPA** – National Environmental Policy Act of 1969.

**National Flood Insurance Program (NFIP)** –

- NFIP Zone A refers to those applicants within the 100-year flood zone.
- NFIP Zone V refers to those applicants within the 100-year flood zone with velocity (coastal storm surge risk).
- NFIP Zone X refers to those applicants outside of the 100-year flood zone.

**Offer** – A response to a solicitation that, if accepted, would bind the offer. Responses to an Invitation to Bid are offers called “bids” or “sealed bids”.

**Office of the General Counsel (OGC)** – The Florida Department of Commerce’s office designated to overseeing the Department of Commerce’s response to all public records requests, drafting, and reviewing agency contracts, handling all litigation involving the Department of Commerce, and serving as the Department of Commerce’s chief ethics officer.

**Office of Long-Term Resiliency (OLTR)** – The Florida Department of Commerce’s office dedicated to the administration of Community Development Block Grant-Disaster Recovery and Community Development Block Grant-Mitigation funded programs and activities.

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**OIG** – Office of Inspector General.

**OJT** – On-the-Job-Training.

**PA** – (Federal Emergency Management Agency) Public Assistance.

**Participant** – Any individual that receives workforce training services or other benefits under the Workforce Recovery Training Program.

**Program Income** – Gross income received by the subgrantee and/or subrecipient directly generated from the use of Community Development Block Grant-Disaster Recovery funds. Revenue that is received by a state, Unit of General Local Government, or subrecipient as defined at 24 CFR 570.500.

**Project Cost** – Direct costs of undertaking a Community Development Block Grant-Disaster Recovery project and which can be tied to a final cost objective and eligible activity. The project costs can count towards meeting the overall Low-to-Moderate Income benefit requirements.

**Project Delivery Cost** – Costs used specifically to meet the requirements to complete a particular project, especially as it applies to meeting Community Development Block Grant requirements.

**Project/Program/Activity** – The housing, infrastructure, economic development, or planning endeavor undertaken by Florida Commerce, the subgrantee and/or subrecipient using Community Development Block Grant-Disaster Recovery funds.

**Real Property** – Land, including all the natural resources and permanent buildings on it. Real property includes air rights, water rights, rights-of-way, easements, and other interests therein, as defined in 24 CFR 570.201.

**Reasonable Costs** – Costs that do not exceed what a prudent person would incur under similar circumstances, as demonstrated by the market price for comparable goods and services. For contracted work, the Responsible Entity should conduct an independent cost estimate to establish cost reasonableness as outlined in 2 CFR 200.

**Release of Funds (ROF)** – The U.S. Department of Housing and Urban Development's or Department of Commerce's granting approval to use Community Development Block Grant-Disaster Recovery funding. This approval, or authority to use grant funds, is executed through the U.S. Department of Housing and Urban Development form 7015.16. The authority to use Community Development Block Grant-Disaster Recovery funds usually occurs after the project environmental review is completed and approved by the Department of Commerce.

**Request for Applications (RFA)** – The Department of Commerce notice requesting applications for funding as a subrecipient for the Community Development Block Grant-Disaster Recovery program.

**Request for Funds (RFF)** – A subgrantee and/or subrecipient's request for funds from the Department of Commerce.

**Request for Proposals (RFP)** – A solicitation, often made through a bidding process, by an agency to communicate its requirements for goods or services to prospective contractors.

**Request for Qualifications (RFQ)** – A bidding solicitation where an entity request vendor to provide a cost quote to provide goods or services. RFQs are often used to procure the services of an engineering or architectural firm.

**Request for Release of Funds (RROF)** – A subgrantee and/or subrecipient request for a release of funds. This request is executed through the U.S. Department of Housing and Urban Development Form 7015.15.

**Response** – Any application received for Community Development Block Grant-Disaster Recovery funding.

**Responsible Entity (RE)** – The entity responsible for certain components of the Community Development Block Grant-Disaster Recovery administration process including environmental reviews,

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monitoring, and administration. The Responsible Entity can be the Department of Commerce or a Unit of General Local Government, also known as a subrecipient, as specified by FloridaCommerce.

**SAM** –System for Award Management.

**SBA** – The United States Small Business Administration, a federal agency.

**Sealed bid** – A method of contracting that encompasses a competitive bid process, the public opening of bids, and making the bid award.

**Section 3** –Section 3 of the Housing and Urban Development Act of 1968, as amended, and the implementing regulations at 24 CFR Part 135 and 24 CFR Part 75, as applicable, relating to employment and other economic opportunities for low and very low-income persons.

**Section 3 Business or Business Concern** – As related to Section 3 of the of the Housing and Urban Development Act of 1968, as amended:

- Is at least 51 percent owned and controlled by low or very low-income persons;
- Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 Workers; or
- A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

**Section 3 Covered Contracts** – A contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project.

**Section 3 Covered Non-Construction Project** – A project associated with a Section 3 Covered Project such as maintenance contracts, re-painting, routine maintenance, HVAC servicing, and professional services (architectural, engineering, legal, accounting, marketing, etc.).

**Section 3 Covered Project** – The construction, reconstruction, conversion, or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction such as roads, sewers and community centers, and buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

**Section 3 Workers** – A worker whose income for the previous or annualized calendar year is below 80 percent of the area median income for the area in which the worker resides, is employed by a Section 3 business concern, or the worker is a YouthBuild participant.

**Section 504** – A provision of the Rehabilitation Act of 1973 that provides that no qualified individual with a disability should, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

**Service Area** – The total geographic area to be directly or indirectly served by a subgrant project that addresses the Low-to-Moderate Income National Objective, in which at least 51 percent of the residents are low-to-moderate income persons. A service area must include all, and only those, beneficiaries who are reasonably served or would be reasonably served by the activity.

**Solicitation** – Any request to submit offers or quotations to the local government. Solicitations under sealed bid procedures are called “Invitations to Bid”. Solicitations under negotiated procedures are called “Requests for Proposals.” Solicitations under simplified acquisition procedures may require submission of either a quotation or an offer.

**Special Flood Hazard Area (SFHA)** – Areas where the National Flood Insurance Program’s (NFIP’s) floodplain management regulations must be enforced and the mandatory purchase of flood insurance applies.

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**Subcontract** – A contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract, or another subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

**Subcontractor** – Any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a subrecipient. As related to Section 3 of the of the Housing and Urban Development Act of 1968, as amended, any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor’s obligation for the performance of work generated by the expenditure of Section 3 covered assistance or arising in connection with a Section 3 covered project.

**Subgrantee** – A recipient that demonstrated its abilities to carry out competitive applications due to their expertise related to goals of the program.

**Subrecipient** – A competitively-selected recipient, usually a local government, that is provided Community Development Block Grant-Disaster Recovery funds from the Department of Commerce to agreed-upon eligible disaster recovery activities documented in a Subrecipient Agreement.

**Subrecipient Agreement** – An agreement between the Department of Commerce and the subrecipient for the subrecipient to undertake activities using Community Development Block Grant-Disaster Recovery funds.

**Subrecipient Enterprise Resource Application (SERA)** – The Department of Commerce’s web-based reporting and grants management system. This system is used by Community Development Block Grant-Disaster Recovery vendors, subgrantees, and subrecipients to submit invoices and supporting documentation in order to be reimbursed for goods and services. The transactions in this system are linked to the state’s Florida Accounting Information Resource system as well as the U.S. Department of Housing and Urban Development’s Disaster Recovery Grant Reporting system.

**Subrogation** – A legal doctrine that allows one entity to take on the rights of another. In the context of Disaster Recovery grants, a subrecipient must enter into a subrogation agreement in which the funding agency (the Department of Commerce) obtains the right to collect any additional disaster recovery payments the entity obtains for the same purpose after the entity has received disaster recovery benefits.

**TA** – Technical Assistance.

**Targeted Section 3 Worker** – A Section 3 Worker who is:

- A worker employed by a Section 3 Business concern; or
- A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
  - A resident of public housing or Section 8-assisted housing;
  - A resident of other public housing projects or Section 8-assisted housing managed by the Public Housing Authority (PHA) that is providing the assistance; or
  - A YouthBuild participant.

**Technical Center** – A public school or public technical center operated under a charter granted by a district school board or Florida College System institution board of trustees or a consortium, including one or more district school boards and Florida College System institution boards of trustees, that includes the district in which the facility is located, that is nonsectarian in its programs, admission policies, employment practices, and operations, and is managed by a board of directors.

**UGLG** – Unit of General Local Government.

**Uniform Relocation Assistance and Real Property Acquisition Act (URA) of 1970, as amended** – A federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real

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property for federal or federally funded projects pursuant to 49 CFR Part 24 and applicable waivers provided in the U.S. Department of Housing and Urban Development's Community Development Block Grant-Disaster Recovery Consolidated Notice, Appendix B of Federal Register Vol. 87, No. 23.

**Urgent Need** – A recent need that poses a serious and immediate threat to the health or welfare of the community.

**Vendor** – An entity competitively selected to provide clearly-specified goods or services meeting the procurement requirements at 24 CFR 85.36, 2 CFR 200, Section 287.055, Florida Statutes, and Rule 73-23.0051(3), Florida Administrative Code. In accordance with 24 CFR 85.36(c), such procurement actions must be conducted in a manner that provides for free and open competition.

**Very Low-Income (VU) Household/Family** – A household whose annual income does not exceed 30 percent of the median income for the area as most recently determined by HUD.

**Very Low-Income (VU) Person or Individual** – A person whose annual income does not exceed 30 percent of the median income for the area as most recently determined by HUD.

**Waiver** – A revision to the standard Community Development Block Grant-Disaster Recovery regulations, requirements, and activities, granted by the U.S. Department of Housing and Urban Development.

**WIOA** – Workforce Investment and Opportunity Act.

**YouthBuild** – A national organization administered by the U.S. Department of Labor with a community-based pre-apprenticeship program that provides job training and educational opportunities for at-risk youth ages 16 to 24 who have previously dropped out of high school.

## 2.0 Preface

The U.S. Department of Housing and Urban Development (HUD) provides supplemental Community Development Block Grant-Disaster Recovery (CDBG-DR) funds appropriated by Congress to assist in the recovery of areas declared by the President of the United States as disaster areas. The public notice regarding supplemental appropriations is included in the applicable disaster specific Allocation Announcement Notice (AAN) and specifies the disaster or the time period of the disaster declaration(s) for which funding is available, as well as any special provisions that will apply. Grant funds are generally based on unmet disaster recovery needs and made available to states and units of general local government, Indian tribes, and insular areas, unless otherwise specified in the supplemental appropriation legislation. HUD generally awards noncompetitive, nonrecurring disaster recovery grants by a formula that considers the amount of damage received in the area and the amount of unmet need that remains after considering other federal disaster assistance provided.

This Office of Long-Term Resiliency (OLTR) Workforce Recovery Training Program (WRTP) Subrecipient Policies and Procedures Manual is intended to identify applicable federal regulations that govern CDBG-DR funds, provide individual program summaries with program-specific policy and procedures referenced in appendices, and delineate state-level responsibilities for the Florida Department of Commerce (FloridaCommerce) OLTR staff members from its subrecipients' responsibilities. Florida Commerce will provide technical assistance for each subrecipient applying for disaster recovery assistance funding and will monitor those subrecipients who are successful in obtaining funding.

The Florida Department of Commerce's (FloridaCommerce) Office of Long-Term Resiliency (OLTR) Workforce Recovery Training Program (WRTP) is designed provide workforce training to low- and moderate-income (LMI) individuals, through job training in construction occupations and customized training tailored to the specific economic revitalization needs of a particular region. Career services, including job readiness and job placement assistance, will be provided to support successful participation in training or obtaining employment.

To ensure there are resources to support the recovery needs, training in Construction trades may include, but are not limited to:

- Roofing;
- Masonry;
- Carpentry;
- Concrete finishing;
- Plumbing;
- HVAC (heating, ventilation, and air conditioning);
- Electricity;
- Heavy equipment operations;
- Carpet laying;
- Glass / window installation;
- Plastering;
- Welding; and
- Customized training tailored to the specific economic revitalization needs of a particular region.

The WRTP will meet requirements for the LMI national objective utilizing the LMI limited clientele category. Services provided under this category serve a specific clientele, rather than providing services to all persons in a geographic area. The program will meet the LMI limited clientele category by serving LMI individuals as determined by household size and income. At least 51 percent of individuals served must meet LMI requirements.



## 3.0 Purpose

This Office of Long-Term Resiliency (OLTR) WRTP Subrecipient Policies and Procedures Manual (the “Manual”) provides overarching program guidance to assist program staff, subrecipients, and subrecipient subcontractors in implementing and managing disaster recovery grants through the WRTP program regulated by Appendix B of Federal Register Vol. 87, No.23 February 3, 2022 (the “Consolidated Notice”).

This Manual identifies applicable federal regulations that govern CDBG-DR funds, delineates state-level responsibilities for FloridaCommerce OLTR staff members from its subrecipients’ responsibilities, and provides the administrative framework for subrecipient responsibilities for the specified disaster(s) HUD allocations. It provides subrecipient staff with implementation and management tools necessary to monitor their projects and deliver a compliant HUD program.

This Manual is intended to provide subrecipients with guidance and tools necessary to successfully implement and execute compliant CDBG-DR–funded projects. The manual will be updated, as needed, to incorporate changes based on information obtained from attending CDBG-DR program-related training workshops, seminars, webinars, and other resources, including changes in federal and state laws, rules, regulations, and program policies and procedures. Information about FloridaCommerce’s disaster recovery efforts can be found at: [FloridaJobs.org/CDBG-DR](http://FloridaJobs.org/CDBG-DR).

To ensure consistent application of the procedures outlined in this Manual, it is the intent of OLTR to provide clear and concise guidance regarding the general requirements that apply to subrecipients and contractors. It is the responsibility of FloridaCommerce’s disaster recovery staff to ensure that recipients of CDBG-DR funding comply with all provisions of this Manual, state and federal rules and regulations, and the grant award agreement. FloridaCommerce will provide technical assistance for each subrecipient applying for disaster recovery assistance funding and will monitor those subrecipients who are successful in obtaining funding.

Subgrantees and subrecipients must also carry out proper and efficient grant administrative practices. These Policies and Procedures are intended to provide clear areas of responsibility to ensure consistent application of the procedures outlined herein. It is anticipated that circumstances will arise that will require deviations from the processes outlined in this document. In those instances, the reason for the deviations needs to be clearly documented and included in the subgrantees file. In some cases, these circumstances will require amending this document to include new or revised policies or procedures to accommodate these situations.

This Manual governs the following disasters:

1. Hurricane Sally—2020 Disaster

FloridaCommerce’s OLTR can be contacted at:

Florida Department of Commerce  
Office of Long-Term Resiliency  
107 East Madison Street  
Caldwell Building, MSC 420  
Tallahassee, FL 32399  
(850)-717-8404

[WorkforceRecovery@Commerce.fl.gov](mailto:WorkforceRecovery@Commerce.fl.gov)

## 4.0 Introduction

This Manual is intended to assist subrecipients in the administration of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds. CDBG-DR follows many of the same rules and regulations as the entitlement and small cities CDBG. However, there are key differences, particularly in how funds are allocated among activities and communities and the categories in which funds may be spent.

Disaster Recovery grants often supplement disaster programs of the Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), the U.S. Army Corps of Engineers (USACE), and any other entities. In addition, Home Investment Partnership (HOME) funds can provide an important resource for providing affordable housing to disaster victims. The HOME program is administered by the Florida Housing Finance Corporation.

HUD provides supplemental CDBG-DR funds as appropriated by Congress to assist in the recovery of areas declared by the President of the United States as disaster areas. The public notice regarding supplemental appropriations is included in the Federal Register and specifies the disaster or the time period of the disaster declaration(s) for which funding is available and any applicable special provisions. Grant funds are generally based on unmet disaster recovery needs and made available to states and units of general local government, tribes, and insular areas, unless otherwise specified in the supplemental appropriation legislation. HUD generally awards noncompetitive, nonrecurring disaster recovery grants by a formula that considers the amount of damage received by the area and the amount of unmet need that remains after considering other federal disaster assistance programs. Florida has received such an allocation for the recovery associated with a federally declared disaster.

Eligible activities in housing, infrastructure and economic development must meet at least one of three national program objectives, as described in the National Objectives and Eligible Activities sections of this document. Unless otherwise restricted by statute or provided by waiver, funds may be used for any activity eligible under Section 105(a) of the Housing and Community Development Act (HCDA) of 1974, as amended, that meets a national objective under Section 104(b)(3) of the Act, and the activities must be related to the covered disaster. For the Sally allocations, 70 percent of beneficiaries are to be persons of low- to moderate-income (LMI) under the guidelines for the 80 percent allocation. For the 20 percent set-aside competitive allocation, all direct benefit activities must benefit 100 percent LMI, and indirect benefit activities must benefit at least 51 percent LMI.

Eligible activities must be specified in a grant recipient's Action Plan, and funded activities cannot duplicate funding available from other sources such as the FEMA, the SBA, insurance, or any other sources of public or private funding that are available to undertake the same activity.

Eligible activities for the VHB must meet at least one of the following program national objectives:

- Benefit persons of low to moderate-income; or
- Meet other urgent community development needs because existing conditions pose a serious and immediate threat to the health and welfare of the community where other financial resources are not available.

Federal requirements state that the funds can be used only for disaster relief and long-term recovery in communities affected by the specified disaster(s) and directed to areas with the greatest unmet need. Funds cannot be used for a project or activity that was underway prior to the Presidential Disaster Declaration. All projects must be directly related to one or more of the disaster events defined in the Presidential Disaster Declaration. Activities that are reimbursable by FEMA, the National Flood Insurance Program (NFIP), private insurance, private or public donations, dedicated tax revenues, or available through the SBA cannot be reimbursed with these funds. CDBG-DR funds are funds of last resort.

For the WRTP disaster recovery program initiative, OLTR administers the federal funding allocation and oversees local implementation of disaster-recovery projects by UGLGs, also referred to as *subrecipients*,

***Workforce Recovery Training Program Subrecipient Policies and Procedures***

once they are under contract with OLTR. Each UGLG’s proposed project is competitively ranked for funding. Upon notice of preliminary eligibility, OLTR will schedule a pre-award site visit to assess potential subrecipient capacity and plans for project implementation. After a successful pre-award site visit and review of grant application materials, UGLGs may receive a final notice of award that identifies the projects funded and the level at which each is funded.

## 4.1 Hurricane Sally – 2020 Disaster

Hurricane Sally made landfall in Gulf Shores, Alabama, west of Pensacola, on September 16, 2020, as a Category 2 hurricane and brought hurricane-force winds along with torrential rains, a long duration storm surge, and significant freshwater flooding. Due to the storm’s asymmetrical structure, intensity, and slow movement, several communities in Northwest Florida suffered the brunt of the storm suffering damage to housing, businesses, and infrastructure. Due to the storm surge and rainfall, many roads and small bridges were washed out, while several other roads were made completely impassable. Thousands of structures were damaged in the HUD-identified Most-Impacted and Distressed (MID) areas—Escambia and Santa Rosa Counties—and approximately 50 structures were destroyed, while many other homes suffered roof and siding damage in the three state-identified MID areas, Okaloosa, Walton and Bay Counties.

In the wake of Hurricane Sally, Florida came together to recover and rebuild, but significant unmet needs remain. Recognizing this, Congress appropriated, and HUD allocated, an initial \$113,191,000 in funding which was published in Federal Register Vol. 87, No. 23 on February 3, 2022. Then HUD published AAN No. 22-049 to allocate an additional \$74,192,000 for a total of \$187,383,000 in funding to support long-term recovery efforts following Hurricane Sally through FloridaCommerce’s CDBG-DR Program. This funding is designed to address needs that remain after other assistance has been exhausted, including federal assistance as well as private insurance. FloridaCommerce is the entity responsible for administering the CDBG-DR funds allocated to the state.

FloridaCommerce recognizes its fiscal and regulatory responsibility to administer these funds consistent with all federal and state requirements. FloridaCommerce’s State of Florida Hurricane Sally Action Plan for Disaster Recovery was approved by HUD on August 5, 2022. The Rebuild Florida IRP for Hurricane Sally was launched on January 18, 2023.

In order to ensure that the funds assist the most-impacted areas, 80 percent of the funding must be expended on disaster recovery in HUD-identified MID areas for eligible disaster-related activities; these areas include Escambia and Santa Rosa Counties. The remaining 20 percent of funds may be spent in state-identified MID communities, which include Bay, Okaloosa, and Walton Counties.

**Table 1: Hurricane Sally WRTP Overview**

<b>Workforce Recovery Training Program Overview</b>	
<b>Eligibility</b>	The WRTP is a public service activity eligible under the Housing and Community Development Act, Section 105(a)(8).
<b>Applicable Appropriation Law</b>	Public Law 117-43
<b>Applicable Federal Register Notices</b>	87 Fed. Reg. 23 (February 23, 2022)
<b>Applicable Presidential Disaster Declaration</b>	FEMA 4564-DR

For Hurricane Sally, eligible applicants in the following counties may apply for funding.

	<b>Eligible Counties</b>	<b>Initial Budget</b>
<b>HUD MID Areas</b>	Escambia and Santa Rosa Counties	\$4,000,000

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State MID Areas	Bay, Okaloosa, and Walton Counties	\$1,000,000
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The WRTP is being implemented by FloridaCommerce as provided in the Hurricane Sally Action Plan and subsequent amendments, which may be accessed at <https://floridajobs.org/cdbg-dr/hurricane-sally>. FloridaCommerce will use a subrecipient model to deliver the WRTP through Florida’s Local Workforce Development Boards (LWDBs), educational institutions, and technical centers. Funding will be awarded to selected subrecipients through a request for applications (RFA) process in accordance with established application and evaluation criteria.

The WRTP will provide training to low- and moderate-income (LMI) individuals in the Hurricane Sally most impacted and distressed (MID) areas, primarily through job training in construction occupations. The program may include job training provided through class instruction, apprenticeships, on-the-job training, customized training, and other proposed innovative models. Support services, job readiness, and job placement assistance may also be provided. The WRTP is a public service program within FloridaCommerce’s economic revitalization activities for recovery from Hurricane Sally.

## 5.0 Overview of CDBG-DR

Before federal disaster recovery funds are made available to the State of Florida, the state must agree to accept CDBG-DR funds from HUD and prepare an Action Plan for HUD's approval. The Action Plan outlines how the funds will be used, describes the method of distribution to the recipient local governments, delineates the state's grant administration process, and defines when changes to the Action Plan are considered Substantial Amendments requiring public review and comment.

OLTR has the responsibility of notifying local governments of the amount of funding they can receive, preparing an application form that local governments can use to apply for funding, and preparing an application-review checklist. UGLGs have their own set of responsibilities in applying for, obtaining, and managing funding. These requirements are more fully laid out within this manual. UGLGs are encouraged to contact OLTR if further guidance is required.

HUD provides guidebooks for grantees and subrecipients under the CDBG-DR Program section on its website at <https://www.hudexchange.info/programs/cdbg-dr/toolkits/>.

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*FloridaCommerce's OLTR is responsible for developing a needs assessment and writing an Action Plan based on the requirements outlined in the Federal Register. A draft Action Plan must be made available for public comment. HUD will approve the final Action Plan and subsequently release funds to the state to select and monitor the approved projects.*

## 6.0 National Objectives

The core purpose of CDBG-DR is for the state and its subrecipients to meet national objectives through eligible projects related to the impacts of relevant declared disasters.

### 6.1 Meeting a National Objective

All projects funded under CDBG-DR must address the LMI National Objective:

Seventy percent of the overall funding benefit must meet the first national objective (i.e., it must be for the benefit of LMI persons.) For any project to count toward the 70 percent LMI National Objective goal, at least 51 percent of beneficiaries in a project area must be LMI individuals or households. For the State MIDs receiving 20 percent of the funding, 100 percent of funds must be used to benefit LMI persons or households for both direct- and indirect-benefit projects.

Subrecipients must identify the national objective of each proposed project and the percentage of LMI persons or households that will benefit from each project. OLTR will determine the eligibility of an activity and whether a national objective is met as a part of the application-review process. See 24 Code of Federal Regulations (CFR) 570.483 for more information about national objectives.

### 6.2 National Objective Documentation and Records

Under CDBG regulations, a project is not considered to have met a national objective until it has provided complete documentation that verifies the national objective has been met. Subrecipients must be aware of the national objective category and document compliance throughout the life of the project or program.

Subrecipients must maintain records showing that funded activities meet one of the national objectives. This information will also be useful in reporting performance measures information.

**LMI Limited Clientele (LMC):** Documentation that beneficiaries are of LMI or presumed to be of LMI is as follows (see 24 CFR 570.208):

- LMI job creation and retention number of jobs created or retained
- Type and title of jobs created or retained
- Income of persons benefiting from jobs created or retained

**Urgent Need:** Documentation should support decision to classify activity as urgent need and should include the following:

- Documentation of urgency of need and timing
- Certification that other financing resources were unavailable and that CDBG-DR is the only available funding source

## 7.0 Federal Register Notices

Federal Register Notices explain the congressional legislative intent of funding allocations. Generally, Federal Register Notices cite the specific disaster event/s, the amount of funding available, the geographic location of the areas to be assisted, and broad parameters for implementation. All disasters 2020 and onward are governed by the Consolidated Notice. All disasters receiving CDBG-DR funds will also be subject to any conditions or additional guidance outlined in the applicable AAN. The following Federal Registers also contain applicable AANs:

- Hurricane Sally – 2020 Disaster: Federal Register Vol. 87, No. 23 - Docket No. FR-6303-N-01

Federal Register Notices are linked on each disaster's corresponding page on the OLTR website at [FloridaJobs.org/CDBG-DR](https://FloridaJobs.org/CDBG-DR).

## 7.1 Citizen Participation

Citizen participation is a key element of CDBG-DR programs. Subrecipients are required to adopt Citizen Participation Plan that outlines broad CDBG-DR processes, including citizen-complaint procedures, amendment procedures, advertising requirements, and other basics of public participation. The requirement is found in 24 CFR 91.105. Subrecipients are required to maintain records related to citizen participation, including:

- Copies of all notices of public hearings held and proof of publications relating to the CDBG-DR program;
- Lists of persons attending public hearings and minutes of the meetings;
- Evidence of publicized citizen complaint procedures;
- Copies of citizen inquiries and complaints and correspondence responding to the inquiries and complaints;
- A copy of the Citizen Participation Plan with an adopting resolution;
- Records documenting implementation of, and compliance with, the Citizen Participation Plan; and
- Citizen-complaint procedures.

## 7.2 Beneficiaries

All CDBG-DR activities, except for planning and administration, are required to provide a benefit to the community. If CDBG-DR funds are spent and then, at the time of closeout, there are no apparent beneficiaries, then the cost will be disallowed. Therefore, all activities must be completed and must provide the benefit as outlined in the contract documents. Benefits may be either direct (e.g., housing rehabilitation) or indirect (e.g., infrastructure, public facilities).

When subrecipients report beneficiaries, they must maintain files that demonstrate the source of beneficiary data. For example, if a subrecipient reports beneficiaries from repairing stormwater systems within a designated location, OLTR staff should be able to readily determine the validity of that data through the subrecipient's record-keeping. Similarly, for projects qualified based on census or surveys, the completed project must correspond with the parameters of the project approved in the application. It is generally acceptable to exceed the number of beneficiaries outlined in the application, but it is inadvisable to reduce the number of beneficiaries without prior approval from OLTR.

Seventy percent of the overall funding benefit must be for the benefit of LMI persons. For any project to count toward the 70 percent LMI National Objective goal, at least 51 percent of beneficiaries on an area basis must be LMI individuals or households. CDBG-DR funds allocated through the 20 percent set-aside must benefit 100 percent LMI beneficiaries. Indirect activities such as infrastructure must meet the 51

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percent LMI threshold, while direct benefit activities such as housing must meet the 100 percent threshold.

Subrecipients must identify the national objective of each proposed project and the percentage of LMI persons or households that will benefit from each project. OLTR will determine the eligibility of an activity and whether a national objective is met as a part of the application-review process. See 24 CFR 570.483 for more information about national objectives.



## 8.0 Workforce Recovery Training Activities

To ensure that there are resources to support the remaining recovery needs, and to assist disaster-impacted individuals in obtaining employment, the WRTP will focus on workforce training in the construction trades.

### 8.1 Eligible Activities

Eligible activities under this program include:

- Workforce training in construction trades;
- Employment support services; and
- Job readiness and job placement assistance to support successful graduates of training in obtaining employment.

Activities requiring construction, rehabilitation, or renovation of any facilities or real property are not eligible activities under the WRTP.

### 8.2 Training

Training may be provided through multiple means, including classroom training, apprenticeship programs, on-the-job training, customized training, or other innovative models as proposed by subrecipients and approved by FloridaCommerce. Training may be delivered via subrecipient partnerships with public, private, or non-profit entities. If a subrecipient intends to utilize a partnership to deliver services, the subrecipient must document how partners will be selected. Any entity that is listed as excluded, debarred, or suspended on the System for Award Management (<https://sam.gov/content/home>), including affiliated businesses with the same Employer Identification Number (EIN), is not eligible to receive WRTP funds and may not be selected as a subrecipient, partner, subcontractor, or vendor.

#### 8.2.1 Training Subjects

To support housing recovery, all subrecipients are required to provide workforce training in construction trades. Construction trades include, but are not limited to:

- Roofing;
- Masonry;
- Carpentry;
- Concrete finishing;
- Plumbing;
- HVAC (heating, ventilation, and air conditioning);
- Electricity;
- Heavy equipment operations;
- Carpet laying;
- Glass / window installation;
- Plastering; and
- Welding.

Construction training must develop participants' specific occupational knowledge and skills that will prepare and contribute to participants' ability to obtain employment. Construction training does not have

to result in an industry recognized credential, but training curricula must reflect current industry standards and be sufficient to lead to employment within the relevant construction trade.

Each subrecipient may determine the timeframe for the training program in each construction trade and/or programming option it makes available to participants. The timeframe for training must be within the timeframe of the disaster specific WRTP, to ensure that all participants have the opportunity to complete the training program before the conclusion of WRTP training activities.

## 8.2.2 Training Schedule

Subrecipients must publish the schedule of class times for each term on the subrecipient's website at least 60 calendar days before the first day of the term or within 15 calendar days of execution of the subrecipient agreement, whichever is later. The subrecipient must submit a copy of the schedule of days and times of classes for each term to FloridaCommerce at least before the first day of the term or within 15 calendar days of execution of the subrecipient agreement, whichever is later.

Changes, updates, or cancellations to scheduled programming must be made at least 5 business days prior to the date of the originally scheduled activity. All information on the changes, updates, or cancellations must be posted to the subrecipient's website, provided in writing to all known attendees, and submitted to FloridaCommerce at least 4 business days prior to the date of the originally scheduled activity.

Exceptions to the timeframe for changes, updates, or cancellations may be made for extenuating circumstances, including emergency, extreme weather, and instructor illness. If FloridaCommerce determines that a subrecipient has made unreasonable or recurring changes, updates, or cancellations, FloridaCommerce may request a root cause analysis and corrective action plan from the subrecipient.

## 8.3 Support Services

CDBG-DR funds may be used for activities that provide employment support services. Support services include, but are not limited to, peer support programs, counseling, English to speakers of other languages (ESOL), transportation, childcare, computer skills / digital literacy, and other similar services. Support services may be provided to participants in the WRTP, but subrecipients are not required to provide support services. Subrecipients must clearly outline the support services that participants may receive, the eligibility determination process for support services, and any limitations on support service expenditures (including limited timeframes and maximum allowances) in written policies and procedures that are made available to participants and participant applicants. The support service policies and procedures and any amendments thereto must be approved by FloridaCommerce.

Support services are provided to reduce or eliminate barriers to an individual's ability to participate in WRTP activities or obtain employment. Subrecipients must assess participants individually to identify eligibility and need for support services. The rationale for providing support services must be documented in the participant's file.

Support services may be provided directly by the subrecipient or may be provided through referrals to other community resources and entities for support service delivery. Support services provided directly by the subrecipient should include consideration of the subrecipient's WRTP funding limitations and the availability of other community resources and entities, to leverage limited program resources to the greatest extent possible. Subrecipients are encouraged to explore viable alternatives available to the participant before providing support services.

Support services are not an entitlement. Subrecipient availability of support services do not obligate or commit the subrecipient to approve or provide services of any type to any participant.

Transportation and childcare support services must clearly be related to the participant's WRTP activities. For example, a subrecipient may provide a transportation allowance for bus fare to and from the training

site from the participant's residence but may not provide a transportation allowance for travel to non-WRTP locations. A participant's transportation allowance may not exceed \$6 per day.

Automotive repair assistance may not exceed \$500 per participant. Childcare support services may be provided for a participant's dependents who are up to twelve (12) years of age, not to exceed \$120 per week.

Materials and supplies provided to participants utilizing WRTP funds must be related to WRTP training activities. Clothing, with the exclusion of wearable materials and supplies related to WRTP training activities, such as steel-toed boots, hard hats, etc., may not be provided utilizing WRTP funds.

Subrecipients may provide support services to participants in the WRTP throughout the term of the beneficiary's participation in a workforce training program. Support services may not be provided to a participant after that participant has concluded workforce training components, for example, completion of a training program in the electrical trade.

## 8.4 Career Services

All subrecipients are required to provide job readiness and job search assistance to support successful graduates of training in obtaining employment. These services are intended to help prepare participants for the workforce and assist in obtaining a position on program exit. Job readiness and job search services may include, but are not limited to:

- Resume assistance,
- Interview preparation,
- Employability skills,
- Provision of information on market demand, vacancy listings, job skills requirements for vacancy listings, and wage information;
- Job search assistance,
- Career counseling,
- Individual employment plans, and
- Referral and direct employment opportunity assistance.

## 8.5 Case Management Services

Subrecipients are highly encouraged to provide case management services to participants to provide support and ensure successful program completion. Case management services may be provided throughout the entire duration of program participation, from the time of application intake through program exit. Case management services may include, but are not limited to:

- Administering assessments,
- Identifying barriers to program participation and recommending ways to remove such barriers, including provision of support services or referral to other support services providers;
- Financial assistance information,
- Support service screening and information,
- Tutoring information,
- Referrals to other sources of assistance,
- Certification, credential, or licensing assistance;
- Establishing training benchmarks, tracking participant progress, and verifying satisfactory progress; and
- Maintaining and/or monitoring participant files.

## 9.0 Participant Application

### 9.1 Application Process

Individuals seeking to receive training, support services, or other benefits through the WRTP must complete the official FloridaCommerce application. The official FloridaCommerce application is made available at [www.RebuildFlorida.gov](http://www.RebuildFlorida.gov). The official FloridaCommerce application is also provided to all subrecipients for use with individuals contacting the subrecipient for assistance. FloridaCommerce will ensure that all applications received through [www.RebuildFlorida.gov](http://www.RebuildFlorida.gov) are routed and provided to the relevant subrecipient(s) for review and processing. FloridaCommerce will not review applications prior to transmission to subrecipients. All application review and processing must occur at the subrecipient level.

Subrecipients are required to assist individuals who contact the subrecipient to complete an application by phone or by visiting a subrecipient office location. Subrecipients must provide a hard copy application by U.S. mail to any individual who requests a hard copy application. Subrecipients must accept completed applications from applicants, if provided directly to the subrecipient via email, mail, in-person, or other means. After WRTP subrecipients are selected, contact information for all subrecipients will be made available to the public and posted on [www.RebuildFlorida.gov](http://www.RebuildFlorida.gov).

#### 9.1.1 Application Period

Each subrecipient may set the application period for the subrecipient's program services. Any subrecipient application period must be documented in policies and procedures made available to participants and participant applicants. If no application period is provided in a subrecipient's policies and procedures, applications will be accepted on a rolling basis until all subrecipient funding has been expended.

#### 9.1.2 Application Intake

Subrecipients are responsible for processing applications. Each subrecipient must review and process all applications in which the participant applicant indicated that he or she would like to apply to that subrecipient's program. Subrecipients must ensure all applications and attached documentation are complete, and issue a notice of incompleteness, if applicable, detailing all incomplete elements of the application and information on how the applicant may submit the missing information. Subrecipients are responsible for maintaining the complete application file, including information received in the initial application and any additional information provided during application processing. Each subrecipient must have written policies and procedures documenting the subrecipient's application intake that are made available to participants and participant applicants. The application intake policies and procedures and any amendments thereto must be approved by FloridaCommerce. Subrecipients may not begin processing applications until the Subrecipient's relevant policies and procedures have been reviewed and approved by FloridaCommerce.

### 9.2 Participant Eligibility Screening Process

Subrecipients are required to screen each application received to determine eligibility in accordance with the WRTP Program Guidelines and other relevant program guidance. Participant applicants must provide documentation for eligibility criteria during the application process. Upon determination of eligibility or non-eligibility for program benefits, subrecipients must notify the participant applicant in writing of the determination and reasons for denial, if applicable. Subrecipients must maintain an accurate log of all participant applicant approval and denial determinations.

## 9.2.1 Priority Schedule

Participant applications may be accepted and eligibility for services and benefits determined on a priority schedule to ensure compliance with the LMI national objective. Veterans and eligible veteran spouses and dependents will receive priority in accordance with federal regulations. Each subrecipient may set its own priority schedule to meet these requirements. Each subrecipient must have written policies and procedures documenting the priority schedule set by the subrecipient that are made available to participants and participant applicants. The prioritization policies and procedures and any amendments thereto must be approved by FloridaCommerce.

## 9.3 Complaints and Grievances

Complaints and grievances may be filed regarding the procedures followed and services provided by the WRTP. Complaints or grievances, except complaints alleging unlawful discrimination, must be filed first with the appropriate subrecipient. Complaints or grievances relating to actions or decisions made by FloridaCommerce may be filed with FloridaCommerce. Any complaint or grievance filed with an inappropriate entity will be forwarded to the proper entity for action.

Subrecipients must document all complaints and grievances received. To comply with HUD requirements, a response to each complaint or grievance must be made within 15 working days of receipt. Subrecipients must provide the documented log of complaints and grievances to FloridaCommerce monthly and upon request. The log must include the number of complaints received, the nature of the complaint, and that the complaint was responded to within 15 working days of receipt.

Each subrecipient must have written policies and procedures on the process for filing and handling complaints and grievances that are made available to participants and participant applicants. The complaints and grievances policies and procedures and any amendments thereto must be approved by FloridaCommerce.

## 9.4 Appeals

Appeals may be filed only upon the deliverance of an adverse program decision regarding eligibility, benefits, or closure of an application, and only within the parameters set by the appeals procedure. Participants may not appeal program policy. If an individual is denied program services or benefits and desires to appeal, the individual should first file the appeal with the subrecipient that made the initial eligibility decision. All appeals must be filed with the subrecipient first. Any appeals filed with FloridaCommerce before a final determination on the appeal has been made by the subrecipient will be forwarded to the appropriate subrecipient for handling.

Each subrecipient must have written policies and procedures on the process for filing and handling appeals that are made available to participants and participant applicants. The appeals policies and procedures and any amendments thereto must be approved by FloridaCommerce.

## 9.5 Participant Program Assistance Requirements

In order to receive program assistance, participants must:

- Complete an official WRTP application.
- Provide all documentation required by the WRTP application.
- Sign a release so that information provided by the participant can be shared with state and federal agencies and certain third parties in order to verify information given to the program. The participant and everyone 18 and older in the household are required to sign the release.
- Swear to the accuracy and completeness of all information provided to the program under penalty of law.

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- Sign a subrogation agreement acknowledging that any overpayment of benefits will be subject to recapture.

Subrecipients are required to ensure that each participant has completed the required documentation and forms before providing program assistance. Subrecipients must retain completed participant documentation in the participant's file.

## 10.0 Program Oversight and Implementation

The WRTP will be implemented through a subrecipient model through Florida’s LWDBs, educational institutions, and technical centers. Subrecipients will be selected through an RFA process.

### 10.1 General Program Oversight

FloridaCommerce and its subrecipients are required to ensure that projects offered under the WRTP meet all CDBG-DR and program requirements. All projects must comply with any applicable federal laws and regulations. FloridaCommerce will monitor subrecipient activities and expenditures in connection with CDBG-DR funds. In accordance with HUD requirements, FloridaCommerce will submit a Quarterly Progress Report through the Disaster Recovery Grant Reporting System. FloridaCommerce will coordinate with HUD and other federal agencies, as required. FloridaCommerce and subrecipients will participate in monitoring by HUD and other federal entities, as required.

### 10.2 Subrecipient Selection

FloridaCommerce will select subrecipients through an RFA process. Eligible subrecipients will be invited to apply through a publicly posted RFA. All subrecipient applications will be reviewed for completeness and scored based on the scoring criteria provided in the program guidelines. Responses will then be ranked to determine the level of funding to award.

### 10.3 Eligible Subrecipients

The following types of entities located in the eligible areas that experienced damage from the applicable Presidentially Declared Disaster are eligible to apply for funding to provide services as a subrecipient through the WRTP:

- LWDBs whose service area includes a portion of the HUD-identified MID areas for the specific disaster. This includes LWDBs 1, 2, and 4.
- Educational institutions with physical locations within the HUD-identified MID areas for the specific disaster; and
- Technical centers with physical locations within the HUD-identified MID areas for the specific disaster.

#### 10.3.1 Hurricane Sally – 2020 Disaster

For Hurricane Sally, eligible applicants in the following counties may apply for funding.

Eligible Counties and Zip Codes	
Bay	Santa Rosa*
Escambia*	Walton
Okaloosa	

\*HUD MID Counties

#### 10.3.2 HCDA Eligible Activity

CDBG-DR activities must meet an eligible activity under Section 105(a) of the HCDA. The WRTP is provided as an eligible activity under HCDA Section 105(a)(8), provision of public services. The allocation for the WRTP complies with requirements that not more than 15 percent of the amount of assistance may be used for activities provided under the public services eligible activity.

## 10.4 Storm Tie-Back

Before any activity can be funded in whole or in part with CDBG-DR funds, the activity must be determined eligible under Title I of the HCDA, as amended. Federal requirements state that funds may be used for disaster relief; long-term recovery; restoration of infrastructure and housing, economic revitalization; and mitigation of risk associated with activities carried out for these purposes in communities affected by the specified disaster. Requirements provide that funds be directed to areas with the greatest need. All CDBG-DR funded eligible activities must tie to storm damage as specified in and not prior to the Presidential Disaster Declaration, unless allowed by an alternative requirement (e.g., mitigation activities allowable by Federal Register or applicable AAN).

Unlike recovery activities for which FloridaCommerce must demonstrate activities “tie-back” to damage from the applicable disaster and address a specific unmet need for which the CDBG-DR funds were appropriated, activities funded by a CDBG-DR mitigation set-aside do not require such a “tie-back” to an impact of the applicable disaster, but must be located in a corresponding MID area.

## 10.5 Application Documentation

OLTR will review documentation used to support the application. This will include items such as organizational capacity, claims made in the application regarding the project’s delivery and scope, budgetary information, key staff, and other items. OLTR will conduct conference calls and email communication with selected subrecipients to discuss and clarify information in the application. Between application and execution of the subrecipient agreement, application documentation may be clarified and improved with additional information (budget refinements, program scope refinements, etc.).

## 10.6 Initial Subrecipient Site Visits

Site visits are initial on-site visits from OLTR once an application is received, ranked, and funded. The initial site visit will be conducted after the execution of the subrecipient agreement. The purpose of the site visit is to confirm the subrecipient’s readiness to proceed and compliance with the subrecipient agreement, as well as provide technical assistance. OLTR will issue letters to each subrecipient outlining any documentation that will be required during the site visit.

## 10.7 Subrecipient Policies and Procedures Review

Subrecipients are required to provide all WRTP related policies and procedures to FloridaCommerce for review and approval. Required policies and procedures will be reviewed for compliance with program guidelines and applicable state and federal requirements. Subrecipient policies and procedures will be reviewed first by the assigned FloridaCommerce Grant Manager. Policies and procedures may also be reviewed by the Program Manager and Bureau Chief, as necessary. FloridaCommerce may request revision of policies and procedures determined to be non-compliant. The subrecipient will be notified of the acceptance of the Activity Work Plan and Project Budget via an electronic notification. All WRTP subrecipient policies and procedures will be retained by FloridaCommerce in the subrecipient’s file throughout the term of the subrecipient agreement and for at least six years thereafter.

## 10.8 Subrecipient Responsibilities

Subrecipients must comply with all responsibilities provided in the WRTP program guidelines and provided in the executed subrecipient agreement. Subrecipients are responsible for managing all aspects of program implementation and delivery of services, including, but not limited to:

- Conducting outreach to inform the public of the WRTP offerings and identify interested individuals to apply;
- Application intake;



- Eligibility screening;
- Enrollment in appropriate training and/or services;
- Tracking participant progress and completion;
- Tracking participant employment following program exit;
- Providing regular reports on subrecipient activities and participants to FloridaCommerce;
- Ensure subcontractor compliance with WRTP program guidelines and any applicable federal laws and regulations;
- Participating in monitoring and audits as required; and
- Maintaining documentation of activities and compliance throughout the term of the subrecipient agreement and for at least six years thereafter.

## 10.9 Reporting

Subrecipients are required to submit a monthly report to FloridaCommerce. Monthly reports will be used to assess program progress, timeliness, and to justify needs. Monthly reports will also be used to assess program and activity compliance, and to support requests for funds. FloridaCommerce will utilize information provided in the monthly reports to develop information provided to HUD on a quarterly basis. Subrecipients will submit reports in the format and means designated by FloridaCommerce.

## 10.10 Record Keeping

Subrecipients are responsible for developing a system of record to maintain all records relating to the WRTP. Subrecipients must maintain all WRTP records throughout the term of the subrecipient agreement for six years beyond the closeout of the agreement.

FloridaCommerce will maintain financial records in SERA (see 7.0 Financial Management below). Programmatic records and other records not maintained in SERA will be maintained by FloridaCommerce utilizing a network file shared drive or other electronic storage method.

Programmatic records and other records not maintained in SERA are maintained throughout the term of the subrecipient agreement and for six years beyond the closeout of the grant.

## 10.11 Conflict of Interest

All program staff supporting WRTP activities are required to disclose any relationship with a subrecipient, contractor, or partner. OLTR program staff, subrecipient staff, program administrators, contractor staff, and partners who disclose such relationships must be placed in roles where there is no opportunity for them to display favoritism or collude in order to financially or otherwise benefit themselves, the agency, or the contractor. For example, a subrecipient staff member may not perform work on the application of a family member. For purposes of this regulation, “family” is defined to include spouse, parents, mother-in-law, father-in-law, grandparents, siblings, brother-in-law, sister-in-law, and children of an official covered under the CDBG-DR conflict of interest regulations at 24 CFR 570.489(h).

FloridaCommerce may consider granting an exception to the conflict of interest provisions per 24 CFR 570.489(h)(4) if FloridaCommerce has determined that the subrecipient has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the HCDA and the subrecipient has complied with the requirements listed in 24 CFR 570.489(h)(4)(i) and (ii).

FloridaCommerce would consider whether the:

- Exception provides a significant cost benefit or essential degree of expertise;
- Opportunity was provided for under open competitive bidding or negotiation;

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- Person affected is an LMI person;
- Affected person has withdrawn from his or her functions or responsibilities;
- Interest or benefit was present before the affected person was in a position to benefit from the conflict of interest; or
- Undue hardship results from failure to grant the exception.

## 11.0 Subrecipient Agreement

Following application reviews, the Pre-Award Site Visits to verify the information in the application, and completion of the risk analysis, the subrecipient award process is initiated. During this process, contract numbers are provided by the Operations Unit and initial information regarding the subrecipient is entered into the Subrecipient Enterprise Resource Application (SERA) system, FloridaCommerce's grants management system. The Subrecipient Agreement is prepared, including scope of work and other attachments, but it is modified to meet the needs of the CDBG-DR program. This subrecipient agreement template is prepared within OLTR and then reviewed by OLTR's Budget, Grants, and General Counsel offices. Subrecipient Agreements are sent unsigned, to the subrecipient for review and approval. The subrecipient then signs and returns the agreement to FloridaCommerce. A final review is completed, the contract is executed by FloridaCommerce, and the requisite information is entered into SERA and the Integrated Disbursement and Information System (IDIS).

### 11.1 Activity Work Plan and Project Budget

The subrecipient agreement will provide an example Activity Work Plan and Project Budget. The subrecipient will be required to develop and submit these items to FloridaCommerce upon agreement execution. The Activity Work Plan and Project Budget will be reviewed for compliance with program guidelines and applicable state and federal regulations, as well as compliance with the funded application, allowing for changes and refinements made during the Application Documentation review process. The Activity Work Plan and Project Budget will be reviewed first by the assigned FloridaCommerce Grant Manager and the Program Manager. The Activity Work Plan and Project Budget may also be reviewed by the Bureau Chief, as necessary. FloridaCommerce may request revision of items determined to be non-compliant. The subrecipient will be notified of the acceptance of the Activity Work Plan and Project Budget via an electronic notification. All WRTP subrecipient Activity Work Plans and Project Budgets will be retained by FloridaCommerce in the subrecipient's file throughout the term of the subrecipient agreement and for at least six years thereafter.

OLTR staff will work with subrecipients throughout the implementation of WRTP programs to ensure that:

- The approved Activity Work Plan is implemented in a manner that is consistent with the application and subrecipient agreement;
- Activities are carried out and completed in a timely manner;
- Activities are conducted in accordance with the requirements and the primary objectives of the subrecipient agreement, program guidelines, and applicable state and federal regulations;
- Performance measures included in the Activity Work Plan are achieved, or a root cause analysis and/or corrective action plan is developed and executed in the event the subrecipient fails to achieve performance measures; and
- CDBG-DR funds are requested consistent with the program guidelines, state and federal regulations, subrecipient agreement, and approved Project Budget.

### 11.2 Amendments

During the term of the Subrecipient Agreement, changes may need to be made to the Agreement. If the Agreement requires revisions, the Subrecipient Agreement Modification form is used; this form is available online or may be sent to the subrecipient by OLTR staff. This form is filled out by the subrecipient and submitted to the Grant Manager for review and approval by OLTR. Typical modifications include extending the Subrecipient Agreement, budget revisions, and scope of work revisions. These amendments, along with procedures for requesting and reviewing these amendments, are discussed below.

- **Extension of Timeline:** Must be requested when the subrecipient determines that all project work cannot be completed prior to the Subrecipient Agreement expiration date.
- **Budget Revisions:** This type of amendment must be requested for the following:
  - A need to revise the number of proposed accomplishments or beneficiaries;
  - Transfer of excess administrative funds to an approved project activity;
  - Transfer of unobligated funds from a completed activity to another activity; or
  - Transfer of funds from one activity to another activity.
- **Scope of Work:** Must be requested when expanding or reducing the approved scope of work to be performed. Approval of project amendments is subject to the availability of funds remaining in the project's approved budget. In addition, all amendments must be reviewed by OLTR's Environmental Unit to determine if the amended scope of work requires an additional environmental review. Changing the scope of work usually involves a budget modification as well. Requests increasing the scope of work without an increase in the budget do not generally require an amendment.

### 11.2.1 Procedures for Submitting and Acting on an Amendment Request

Requests for amendments to a subrecipient agreement must be submitted by the subrecipient no later than 45 days prior to the subrecipient agreement expiration date. All amendments must be submitted on the Modification to Subrecipient Agreement form along with a transmittal letter explaining the need and providing a justification for the proposed amendment. The transmittal letter must be signed by the original signatory of the subrecipient agreement or an authorized designee. If an authorized designee is used, OLTR must have a designated authorized signee document on file approving the designee.

OLTR will provide written notification of approving or disapproving the subrecipient agreement request. All approved amendments will become a part of the original project award and will be subject to all applicable terms of the original subrecipient agreement.

**Note:** *If OLTR finds that a request for amendment is for an action that has already taken place, the amendment may not be approved.*

### 11.3 Subrogation Agreement

All subrecipients will be required to sign a subrogation agreement which allows one entity to take on the rights of another. In the context of disaster recovery grants, FloridaCommerce must secure the right from the subrecipient to collect any additional disaster recovery or insurance payouts the applicant receives for storm damages after the applicant has entered into a grant agreement for program benefits.

All duplicative funding received by a subrecipient must be remitted, or accounted for, by the subrecipient regardless of when it was received by the applicant. If a subrecipient receives additional funding for the same purpose as the CDBG-DR-funded grant award, even after an award is executed, the applicant is required to report the additional funding to FloridaCommerce. By accepting the award, subrecipients agree that they will report any duplicative funds to FloridaCommerce as soon as the subrecipient is aware of the duplication. Upon receipt of a report that additional benefits have been received, FloridaCommerce will recalculate the subrecipient's award and provide direction as to whether such funds must be used in construction prior to expending any additional CDBG-DR funding, or whether the subrecipient must remit such amounts to FloridaCommerce as reimbursement. In the event a subrecipient uses CDBG-DR funds on HUD unallowable costs, the subrecipient would be subject to repayment of such funds to FloridaCommerce.

## 12.0 Technical Assistance

To assist subrecipients in complying with all CDBG-DR regulations, policies and procedures, and program guidelines, OLTR staff will provide subrecipients with necessary technical assistance (TA) throughout the life cycle of the project. TA will include formal trainings (prepared materials and webinars, including subrecipient onboarding) and informal assistance (verbal or written advice, provided as needed, through in-person meetings, emails, or telephone calls). The nature and rigor of TA is continuously tailored to meet the subrecipient's unique needs.

## 13.0 SERA System

SERA is OLTR's web-based reporting and grants management system. SERA is designed to be the system of record for both the financial and the programmatic components of FloridaCommerce's CDBG-DR program. This system is the means by which subrecipients request cost reimbursement and reconcile online budgets. OLTR will provide each subrecipient with SERA training. A detailed guide to SERA is available, separate from this manual, from OLTR, upon request.

## 14.0 Financial Management

Financial management and control of CDBG-DR funds is the sole responsibility of the subrecipient that accepts the funds. This chapter describes accounting procedures that must be followed to comply with state and federal requirements for financial management. The subrecipient is required to have a financial management system that provides the following:

- Effective control over and accountability for all funds, property, and other assets.
- Accurate, complete, and timely disclosure of the status and financial results in accordance with specified requirements.
- Records that adequately identify (by activity) the source and use of funds for each CDBG-DR-supported project, including “reasonableness, allowability, and allocability” of costs.
- Procedures to comply with the timely distribution of funds.

The subrecipient’s responsibility is often divided between the local office that has primary responsibility for CDBG-DR program administration and the Finance Officer. The subrecipient program administrative office is usually responsible for reviewing and approving all transactions involving CDBG-DR funds before the transactions are processed by the Finance Officer. The administrative office’s responsibilities include the following:

- Approval of purchase orders and contracts to be paid with CDBG-DR funds.
- Receipt and approval of invoices.
- Assurance that transactions involving CDBG-DR funds are properly coded.
- Review and approval of requisitions for payments involving CDBG-DR funds.

The finance officer is usually responsible for maintaining official CDBG-DR financial records and for posting account transactions. Official records may be maintained in either an automated or a manual format. The Finance Officer’s responsibilities may also include such things as the following:

- Control of accounting documents once they are approved for processing by the program department.
- Preparation of financial reports (based on accounting records).
- Preparation of Requests for Funds (subject to review by the administration office).
- Entry of transactions into the accounting system.
- Assisting the local government’s auditor in preparing an annual financial audit.

Federal requirements that are applicable to financial management may be found in 2 CFR 200 and should be reviewed for more detailed information and for other additional information, including special circumstances.

### 14.1 Internal Controls

Internal controls consist of policies and procedures, job responsibilities, qualified personnel, and records management that are designed to safeguard assets such as cash, property, and other assets. The subrecipient must establish a system of internal controls that meets the following minimum requirements:

- A single individual must not be allowed to exercise complete control over all phases of any significant transaction. For example, the same person cannot purchase materials, receive materials, authorize payment for the materials, and write the check to pay for materials.
- Record keeping must be separate from operations and handling and custody of assets.
- Monthly reconciliation and verification of cash balances with bank statements must be made by employees who do not handle or record cash or sign checks.

- Actual lines of responsibility must be clearly established, and a single person identified to assume responsibility for management oversight of the entire financial management system.
- The person who prepares payrolls should not handle related paychecks. If signature stamps are used, they should not be under the control of the same individual who retains blank checks.

An adequate system of internal controls, with specific program and financial management responsibilities, will enable recipients to maintain records necessary to comply with Florida law and federal requirements. Where possible, accounting policies and procedures of the local government should mirror requirements of the Office of the Auditor General.

## 14.2 Financial System

Source documents should provide all details of a transaction. The information contained in source documents is necessary for accounting purposes and is recorded in one of the books of original entry before being filed. A variety of source documents and records are needed to properly account for CDBG-DR transactions. Supporting documentation is necessary to show that costs charged against CDBG-DR funds were incurred during the effective period of the subrecipient's agreement with the state, were actually paid out (or properly accrued), were expended on allowable items, and had been approved by the responsible official(s) in the subrecipient's organization. These documents include the following:

- **Purchase Orders** may be prepared in the same format as other purchase orders except that appropriate CDBG-DR program classification data should be coded on the document. Purchase orders should be approved by the subrecipient's program office. After approval, one copy should be retained by the program administrative office to verify receipt of goods, and remaining copies must be forwarded to the finance officer.
- **Contracts** should be filed in the CDBG-DR program administrative office. Each contract must identify the activity, program, or project to be charged. If multiple contracts are issued for each project or if non-contractual charges are recorded against a project, a separate record must be maintained for each contract to provide readily available information on contract balances. There should be a separate obligation for each contract relating to the same activity to prevent overpayment of any contract. In addition, a Cash Control Register should be maintained to provide summary information for all CDBG-DR contracts.
- **Vendor Invoices** to be paid with CDBG-DR funds should be referred to the program administrative office, compared to the purchase order, checked for appropriateness and accuracy, approved, and coded as necessary. Approved vendor invoices and appropriate supporting documents may then be forwarded to the finance officer for payment.
- **Time-distribution Sheets** for all employees paid from CDBG-DR funds. Employees must complete time sheets that indicate the number of hours worked on CDBG-DR projects, other grant projects, local government activities, and job duties. Time sheets are then referred to the finance department so that charges to the correct programs and projects can be computed and properly charged. Payroll expenses can only be paid from CDBG-DR funds based on time and attendance records.
- **CDBG Financial Files** that demonstrate the program's financial soundness and regulatory compliance. To maintain an orderly record of CDBG-DR transactions that will withstand the scrutiny of an audit, there must be a logical system for maintaining financial files. Two broad categories of files are recommended: *process files* and *permanent files* (see sections 7.3 and 7.4 below).
- **Space and Utilities:** Space costs must be supported by documentation such as rental or lease agreements. Utility costs will be supported by bills from utility companies. Both types of expenses will be supported by canceled checks. If the cost of space or utilities is split between the CDBG-DR program and other sources, a reasonable method must be in place to allocate the charges fairly among the sources.



- **Supplies** documentation includes purchase orders or requisition forms initiated by an authorized representative of the subrecipient, invoices from vendors that have been signed off by the subrecipient to indicate goods were received, canceled checks from vendors demonstrating payment was made, and information regarding where supplies are being stored and for what cost objective(s) they are being used.

Administrative funds are not available to subrecipients under this program. Therefore, all overhead costs must be allocated to projects. OLTR will provide guidance on the exact procedure for allocating costs.

## 14.3 Process Files

Process files are working files that are used until source documents are processed and posted. They include the following:

- **Open Purchase Order File:** All purchase orders that have been issued but not yet filled by vendors should be filed sequentially by purchase-order number. When goods are delivered, invoice received, and all appropriate approvals obtained, the purchase order should be removed and filed with related invoices and the receiving report in the pending payments file. This file contains encumbrances against the project budget.
- **Pending Payments File:** All source documents that will generate a cash disbursement are stored in the pending payments file and are maintained by due date. If a discount is offered for early payment, early payment should be made. A schedule of bills payable from approved invoices and the account to be charged is also kept in this file.
- **Pending Receipt File:** This file contains copies of outstanding bills and requests for funds submitted to the CDBG-DR program that have not yet been recorded in the Cash Receipts Journal or posted to the CDBG-DR Cash Control Register.
- **Personnel Payroll File:** This file contains a record for each employee who works on CDBG-DR activities and includes the rate at which the employee's salary can be charged to the CDBG-DR program. Time sheets showing the amount of time each employee spends on CDBG-DR activities must be kept on file. This file is maintained in addition to the local government's official personnel records.

## 14.4 Permanent Files

These files must be maintained for all source documents and other records once they have been processed or posted to books of original entry. Documents removed from process files are placed in the permanent files after all processing is complete (i.e., placing bank verifications or CDBG-DR contract payment transactions in a CDBG-DR Receipt File).

Purchase requisitions, purchase orders, and related invoices are filed together; contracts, related invoices, payment vouchers, and check copies are filed together; and grant fund receipt documentation is filed together. Permanent files contain the documents necessary for undertaking an audit of the program. A single individual should be assigned responsibility for file maintenance.

## 14.5 CDBG-DR Accounting Records

CDBG-DR records are used to accumulate CDBG-DR accounting information for financial reporting. The required CDBG-DR accounting records are listed and discussed below.

- **Cash Receipts Journal:** All receipts of cash that are deposited into the CDBG-DR account(s) are recorded in the cash-receipts journal. Receipts may include contract payments to the subrecipient from the CDBG-DR program, receipts from the disposition of land, program income, and any other cash received. The general procedure for using this journal is to record every CDBG-DR receipt by date in the order that it was received and indicate the source of the funds

received, account or activity line item to be credited, receipt number, and date. A notation regarding final disposition for all funds received must also be included in the journal.

- **Cash-disbursements Journal:** All encumbrances and expenditures for program costs are entered into the cash-disbursements journal. *Encumbrance* is a term used in government accounting to mean a reservation of funds against an appropriation for a future expenditure. An encumbrance is not necessarily an obligation; it is a commitment of funds. While encumbrances are not normally recorded in a disbursements journal, the practice is recommended for the CDBG-DR program to conform to the accrual basis required for reporting information to the CDBG-DR program. When goods or services are received by the local government, an obligation has been incurred. If the local government uses a warrant or other schedule for bills payable, it need not maintain a separate cash-disbursements journal but must maintain copies of individual warrants.
- **Property Register:** This is a listing of all property acquired in part or entirely using CDBG-DR funds. It must be maintained to comply with state and federal standards relating to acquisition, control, and disposition of real and personal property. Examples of property that would be recorded include both real property and office equipment.
- **Detailed Activity Ledger:** A subrecipient may have several ongoing projects (e.g., Smith Street sewer-line installation and Jones Street repaving). To maintain accounting control, a detailed project ledger must be established for each project. All financial transactions relating to a particular project should be recorded in this ledger.

## 14.6 Cash Control Register

In addition to the above control procedures, CDBG-DR financial reporting and control is enhanced by the use of the CDBG-DR Cash Control Register. This register is used to document and control the following:

- State of Florida funds received;
- Requests for payment (drawdowns on grant reservation);
- Balance of CDBG-DR cash on hand;
- Balance of CDBG-DR grant funds available by line item;
- Collections, refunds, and miscellaneous receipts; and
- Disbursements.

This register is important because it summarizes the status of CDBG-DR cash on hand. It should be reviewed daily to determine compliance with CDBG-DR rules and regulations relating to cash on hand. The register also serves as a cross-reference to the journal accounts such as cash receipts and disbursements and the detailed project ledger.

## 14.7 Accounting for Cash Receipts

Cash receipts for the CDBG-DR program come primarily from the state as contract payments based on Requests for Funds. Local sources of cash receipts may include loan repayments, payment for services provided, rent from CDBG-DR property, and other miscellaneous receipts. Other sources may include federal or state agencies participating in project funding such as Rural Development. All cash receipts must be logged in the Cash Receipts Journal, CDBG-DR Cash Control Register, and detailed Project Ledger.

## 14.8 Accounting for Cash Disbursements

The subrecipient should establish specific days on which it will disburse CDBG-DR funds. The frequency of these payment dates depends on transaction volumes and staff capacity. One payment date every one or two weeks may be sufficient. To allow time for orderly processing and requisitioning of CDBG-DR contract funds, cut-off dates for receipt of invoices to be paid the next pay date should be established.

All cash disbursements must be supported by source documentation that fully explains the reason for the disbursement (e.g. invoices, time sheets, payroll vouchers).

Contractor payments should be made only after determining that the contractor is performing in accordance with contract provisions and time schedules and that any problems identified by the subrecipient during compliance monitoring or inspections have been corrected. To facilitate adequate contract management, a CDBG-DR contract management control card should be maintained. All cash disbursements must be entered in the CDBG-DR Cash Disbursements Journal, the CDBG-DR Cash Control Register, and Detailed Activity Ledger.

## 14.9 Subrecipient Financial Management

The information provided in this Manual is provided as a general guide. Each subrecipient will have its own financial management system that must adhere to federal requirements as outlined in 2 CFR Part 200.

### 14.10 Allowable Costs

The standards for determining reasonableness, allowability, and allocability of costs incurred as part of CDBG-DR-financed activities are found in 2 CFR 200.403. According to general guidelines contained in 2 CFR 200.403, a cost is allowable under the CDBG-DR program as follows:

- The expenditure is necessary, reasonable, and directly related to the grant.
- The cost conforms with any limitations or exclusions established in 24 CFR 200 Subpart E (Cost Principles) or the CDBG-DR award.
- The expenditure is consistent with policies and procedures that apply uniformly to both federally funded and other activities of the state or the subrecipient.
- The cost is accorded equal treatment. For example, a direct cost cannot be assigned if in other similar circumstances the cost was allocated as an indirect cost.
- The cost is in accordance with generally accepted accounting principles, except for states, local governments, and tribes only, as otherwise provided for in 2 CFR 200.416 and 2 CFR 200.417 (Cost Allocation Plans and Indirect Cost Proposals), and 2 CFR 200.417 (Interagency Service).
- The cost is not used to meet cost-sharing or matching requirements of any federally funded program. See 2 CFR 200.306(b) regarding cost sharing and matching.
- Costs must be adequately documented. See 2 CFR 200.300 through 2 CFR 200-309 for more information.

For more information about allowable costs, see 24 CFR 570 and the HUD's State Community Development Block Grant Program: Guide to National Objectives and Eligible Activities, December 2014.

### 14.11 Reasonable Costs

Reasonable costs are described in 2 CFR 200.404: "A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost." In determining reasonableness of a given cost, consideration must be given to the following:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-federal entity or the proper and efficient performance of the federal award;
- Restraints or requirements imposed by such factors as sound business practices; arm's-length bargaining; federal, state, local, tribal, and other laws and regulations; and terms and conditions of the federal award;
- Market prices for comparable goods or services for the geographic area;

- Whether individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-federal entity, its employees, its students or membership (where applicable), the public at large, and the federal government; and
- Whether the non-federal entity significantly deviates from its established practices and policies regarding incurrence of costs, which may unjustifiably increase the federal award's cost.

## 14.12 Allocable Costs

Allocable costs are described in 2 CFR 200.405: "A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received."

This standard is met if the cost:

- Is incurred specifically for the federal award;
- Benefits both the federal award and other work of the non-federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- Is necessary to the overall operation of the non-federal entity and is assignable in part to the federal award in accordance with the principles in this subpart (2 CFR 200, Subpart E, Cost Principles).

### 14.12.1 Program Income

Program income means gross income received by a state, an UGLG, or a subrecipient of an UGLG that was generated from use of CDBG-DR funds that exceeds \$35,000 received in a single year, per 24 CFR 570.489(e). Examples of program income include the following:

- Proceeds from the sale or long-term lease of real property purchased or improved with CDBG-DR funds;
- Proceeds from disposition of equipment purchased with CDBG-DR funds;
- Gross income from use or rental of property acquired by the subrecipient or its subrecipient with CDBG-DR funds, less the costs incidental to the generation of such income;
- Gross income from use or rental of property owned by the subrecipient or other entity that was constructed or improved with CDBG-DR funds, less any costs incidental to the generation of such income;
- Payments of principal and interest on loans made using CDBG-DR funds;
- Proceeds from the sale of loans made with CDBG-DR funds;
- Proceeds from the sale of obligations secured by loans made with CDBG-DR funds;
- Interest earned on program income, pending the disposition of such program income; and
- Funds collected through special assessments made against nonresidential properties owned and occupied by households not of low and moderate income, where such assessments are used to recover all or part of the CDBG portion of a public improvement.

Program income received by a subrecipient must be recorded in the subrecipient's financial records system and must be recorded in the same activity line item as generated the program income. Program income must be spent first on subsequent expenditures; remaining program income after closeout or generated after closeout is returned to OLTR.

## 14.13 Common Deficiencies

The most common record-keeping deficiencies that are encountered during program audits are as follows:

- Inadequate financial records;
- Inadequate source documentation;
- Inadequate procedures for verification of cost allowability;
- Inadequate procedures for certifying operating agencies' financial systems;
- Delays between drawdown and expenditure of funds;
- Inadequate process to prevent overpayment of an activity budget line item;
- Inadequate accounting of program income; and
- Inadequate or untimely financial reports.

## 14.14 Contract Funding Process

Prior to transmission of contract funds, the subrecipient must complete and submit a SERA Access Authorization Form to OLTR. This form is used to inform OLTR of the names of persons permitted to sign Requests for Funds. Requests for Funds forms must be signed by one or more of the authorized individuals identified on the form. The Signature Authorization must identify the financial institution, its mailing address, telephone number, and the account number to which CDBG-DR funds should be transmitted.

There cannot be any erasures or corrections on the SERA Access Authorization Form. Three copies, each having original signatures, must be submitted to OLTR. Should it be necessary to change or update information on the Signature Authorization Form, the same instructions apply.

The subrecipient must use a separate, non-interest-bearing bank account for CDBG-DR funds. Any interest paid on the account must be remitted to OLTR by the subrecipient for return to the U.S. Treasury.

A subrecipient will be able to allocate up to five percent of the total awarded amount for administrative costs, but a subrecipient cannot expend or obligate more than \$5,000 for the administrative costs, prior to receiving a Release of Funds (ROF) from the CDBG-DR program. The release will clearly state that environmental conditions have been approved and funds have been released for expenditure. Furthermore, a subrecipient cannot draw funds for any activity that has been conditioned in the contract agreement until a Removal of Special Conditions is granted by OLTR. Subrecipients should check their contract award agreement for special conditions prior to obligating or requesting funds.

## 14.15 Record Keeping

In the simplest terms, CDBG-DR financial transactions involve receiving cash (such as contract funds from OLTR's CDBG-DR program or program income) and spending cash for eligible activities. Every CDBG-DR financial transaction must be recorded in the accounting records as soon as possible. To do this, there must be appropriate source documents, files, and accounting records. Records must be maintained for six years from the date of the receipt of the audit for the year in which the grant was closed out per 2 CFR 200.334.

## 15.0 Civil Rights

Recipients of CDBG-DR funds must comply with federal and state civil rights, fair housing, equal opportunity, and equal employment opportunity regulations and requirements. These laws are designed to ensure that members of protected groups are treated fairly by avoiding discrimination, providing equal opportunity, and taking affirmative action to correct past discrimination based on race, color, religion, gender, national origin, age, disability, and/or family status.

By signing the assurances in the CDBG-DR application and the subrecipient award agreement, the subrecipient agrees to the following:

- Comply with civil rights laws and conduct the CDBG-DR program in a non-discriminatory manner.
- Take affirmative action where discrimination has been found in the past to overcome the effects of discrimination.
- Ensure equal opportunity in employment and contracting opportunities connected with the CDBG-DR program.
- Maximize choice within the community's total housing supply; lessen racial, ethnic, and economic concentrations of housing; and administer the CDBG-DR program in a manner that affirmatively furthers fair housing;
- Develop and maintain records of efforts undertaken to ensure fair housing and conduct four quarterly activities each year to further fair housing; and
- Facilitate desegregation and racially inclusive patterns of occupancy and use of public facilities.

The Civil Rights Checklist is used to monitor subrecipients for compliance with civil rights issues discussed in this section. The checklist can be located at: <https://www.ojp.gov/program/civil-rights>.

### 15.1 Language Access

Subrecipients must ensure compliance with Title VI of the Civil Rights Act of 1964, Executive Order 13166 and HUD-issued Final Guidance 72 RF 2732, which require that recipients of federal financial assistance must take reasonable actions to ensure meaningful access to their activities, programs, and services for individuals with Limited English Proficiency (LEP). FloridaCommerce is committed to making services and information available to LEP individuals through the provision of free interpretation services upon request. Further, where a significant number or proportion of the eligible service population requires services or information in a language that is not English, FloridaCommerce is committed to providing vital program information in that language.

Subrecipients must comply with the FloridaCommerce Language Access Plan requirements for the applicable disaster. This Plan has identified English and Spanish as the primary languages spoken by LEP individuals in the majority of Florida. Additional languages may be added on a per-disaster basis, as deemed necessary based on the needs of those residing in the disaster's MID areas and requiring access to program services. In accordance with these requirements, subrecipients are required to provide services in English, and any additional languages as indicated in the applicable Action Plan. Each subrecipient must have written policies and procedures on language access that are made available to participants and participant applicants. The Language Access Plan and any amendments thereto must be approved by FloridaCommerce.

<b>Disaster</b>	<b>Primary Language(s)</b>
Hurricane Sally (2020)	English and Spanish

## 15.2 Equal Employment Opportunity Requirements

Subrecipients should strive to set a high community standard for providing equal employment opportunities. Suggested actions for furthering such opportunities include the following:

- Preparing accurate job descriptions for basing all employment-selection and testing criteria;
- Establishing a network of contacts, including workforce boards, newspapers, and radio and television stations, and notifying them of all CDBG-DR–related position openings and requesting assistance in the recruitment process;
- Distributing recruitment literature to women and minority organizations and organizations that assist persons with disabilities and older workers, and, where appropriate, translating materials into other languages;
- Identifying minority, women, and staff persons with disabilities to assist with applicant interviews and providing these staff persons with training in proper interviewing techniques;
- Encouraging employees to refer qualified minority and women candidates for job openings, training, promotions, and transfers;
- Evaluating local recruitment, hiring, and other personnel policies and materials to ensure that they do not contain or perpetuate discriminatory intent, practices, or procedures;
- Reviewing job turnover to determine vacancy patterns and plan appropriate recruiting efforts;
- Establishing entry-level professional positions to provide career opportunities for employees, particularly for minorities and women;
- Working with the private sector to fill job openings that result from economic development activities and establishing procedures that facilitate nondiscrimination and increased opportunities for women, minorities, persons with disabilities, and lower-income residents;
- Taking affirmative action to overcome the effect of past discrimination;
- Advertising as an equal opportunity employer in bid solicitations;
- Soliciting bids from minority, women, and locally owned businesses;
- Maintaining a list of locally owned businesses that were awarded contracts;
- Informing contractors of equal opportunity requirements at the pre-construction conference or through other means of notification; and
- Monitoring contractor compliance at work sites.

## 15.3 Reporting

Following a grant award to a subrecipient, OLTR is required to review recipient performance relating to civil rights requirements. The areas of the review include:

- Current employment and personnel policy;
- Civil rights profile;
- Job advertisements;
- Employment discrimination complaints;
- Employment data that indicates that persons are not being denied benefits or treated differently because of their race, color, sex, national origin, or disability status;
- Documentation of steps taken to further fair housing during the year and the annual fair housing activity;
- Housing discrimination complaints and documentation describing the process used to handle such complaints;
- Board minutes indicating when the local fair housing ordinance was adopted; and

- The title of the civil rights compliance officer.



## 16.0 Section 3

For more detailed information on Section 3, see the OLTR CDBG-DR Policy Manual, located on FloridaCommerce's disaster recovery website at [www.FloridaJobs.org/CDBG-DR](http://www.FloridaJobs.org/CDBG-DR).

### 16.1 Section 3 Requirements

Section 3 of the Housing and Urban Development Act of 1968, as amended requires recipients, to the maximum extent feasible, to ensure that area Section 3 residents and businesses receive priority for employment and contracts generated by CDBG-DR projects. Suggested actions include the following:

- Developing lists of minority-owned, women-owned, and local businesses in construction trades, business services, and professional services;
- Contacting minority-owned, women-owned, and contractor associations to obtain information on skill and resource capabilities;
- Establishing an action plan and goals for the use of minority-owned, women-owned, and local businesses, including opportunities for subcontracting in procurement and construction contracting-related activities;
- Establishing goals and taking steps to provide opportunities for minority equity investments in funded projects;
- Notifying minority-owned and women-owned firms of contract opportunities, including the date Request for Proposal or bid packages will be available or when Statements of Interest and Qualifications are due; and
- Requiring a Section 3 of the HUD Act of 1968 clause in all contracts.

Additionally, WRTP subrecipients are required to demonstrate efforts to recruit and target residents receiving public housing assistance and other low- and very-low income persons to apply to participate in the WRTP. Subrecipients will be required to report information on meeting this Section 3 participant goal, including a narrative of actions taken to comply with the requirements and documentation of impediments to reaching the target 30 percent participant goal, if applicable.

### 16.2 Section 3 Documentation and Record Keeping

Subrecipients must maintain records documenting compliance with fair housing, equal opportunity, and civil rights requirements. Documentation must be obtained concerning the following:

- Employment in each subrecipient operating unit that performs CDBG-DR funded projects;
- For direct benefit activities, records relating to persons who have participated in any CDBG-DR funded program;
- For area-wide activities, information on the area and the services provided and the race and ethnic character of the service area;
- Race, ethnic character, age, disability status, gender of heads of households, and number of elderly benefiting from the project;
- Race and ethnic character of households and disability status of persons displaced as a result of CDBG-DR activities;
- Actions undertaken to meet Section 3 requirements and the written Section 3 Plan;
- Information on the racial and/or ethnic character of each business that receives a contract or subcontract of \$10,000 or more paid with CDBG-DR funds, including identification of women-owned businesses; and
- Affirmative actions the subrecipient has taken to overcome the effects of prior discrimination in administering a CDBG-DR funded program.

## 17.0 Anti-Fraud, Waste, and Abuse

Rebuild Florida constituents, employees and contractors may report suspected fraud, waste, or abuse by contacting Constituent Management Services staff, submitting information via the Report Fraud, Waste or Abuse online form <https://floridajobs.org/rebuildflorida/report>; (all contact information fields are optional to allow for anonymity) or by sending an e-mail to [cdbg-dr\\_antifraudwasteabuse@Commerce.fl.gov](mailto:cdbg-dr_antifraudwasteabuse@Commerce.fl.gov)

All suspected cases of fraud will be taken seriously, and complaints will be reported to OLTR's Compliance and Reporting Manager and FloridaCommerce's Office of the Inspector General (OIG) at [OIG@Commerce.fl.gov](mailto:OIG@Commerce.fl.gov) If FloridaCommerce's OIG determines that it is appropriate, it will coordinate its investigation with agencies such as the Florida Office of the Inspector General, the Florida Office of the Attorney General, or the Florida Department of Business and Professional Regulation.

All substantiated cases of fraud, waste, or abuse of government funds will be forwarded to HUD, OIG Fraud Hotline (phone: 1-800-347-3735 or email: [hotline@hudoig.gov](mailto:hotline@hudoig.gov)) and FloridaCommerce's HUD Community Planning and Development (CPD) Representative. *OLTR must provide a timely response within 15 working days of the receipt of a complaint, as stated in the Consolidated Notice.*

Office of Long-Term Resiliency's comprehensive Anti-Fraud Waste and Abuse Policy can be found [here](#).

## 18.0 Procurement of Professional Services and Contract Requirements

This section establishes standards and guidelines for procurement of supplies, equipment, construction, engineering, architectural, consulting, and other professional services. These standards are provided to ensure that such goods and services are obtained efficiently and economically and in compliance with the provisions of applicable federal and state laws and executive orders.

This section provides an overview of the following federal and state requirements. These regulations should be reviewed for more detailed information:

- 2 CFR 200, Subpart D (federal procurement regulations);
- 24 CFR 75 (Section 3 of the Housing and Urban Development Act to guide economic development to low- and very-low income local residents and the businesses that hire them);
- Minority and Woman-Owned Business Enterprises reporting requirements;
- Section 255.0525, Florida Statutes (Advertising for competitive bids or proposals);
- Section 287.055, Florida Statutes (Consultants' Competitive Negotiation Act); and
- Section 287.133, Florida Statutes (Public entity crimes).

These standards do not relieve the subrecipient of any contractual responsibilities under its contracts. The subrecipient is responsible, in accordance with good administrative practice and sound business judgment, for settlement of all contractual and administrative issues arising out of procurement for goods and services entered into in support of the subrecipient. These include, but are not limited to, sole source evaluations, protests, disputes, and claims.

In the event that a subrecipient only receives a single response for any procurements, the subrecipient will need to conduct a second solicitation and open the Invitation to Bid (ITB), RFP, or Request for Qualifications (RFQ) a second time to ensure maximum participation. This means that in the event of any single response procurements, subrecipients are expected to bid out twice following the same processes and requirements as the initial ITB, RFP, or RFQ.

The Procurement Desk Monitoring Checklist, the Construction Procurement Monitoring Checklist, the Planning and Design Specifications Checklist, the Property Acquisition Monitoring Checklist, and the Housing Rehabilitation Monitoring Checklist address procurement. Section 3 and minority- and woman-owned business requirements are all resources used by OLTR to ensure compliance with federal requirements.

### 18.1 Procurement

Disaster recovery grant managers are responsible for monitoring of subrecipients to ensure procurement methods and contractual requirements and other reporting requirements are met. Plans and specifications, procurement for professional services, and construction procurement will be monitored by the disaster recovery grant manager.

Subrecipients are required to adopt local procurement procedures that meet local, state, and tribal laws (as applicable) and conform to the minimum federal requirements outlined in 2 CFR 200.318 if CDBG-DR funds will be used to procure for goods or services. These procurement procedures must be submitted to OLTR program staff. The requirements in 2 CFR 200.318 that must be addressed in subrecipient procurement procedures are as follows:

- Written standards of conduct must be in place covering conflicts of interest that prohibit employees, officers, or agents from participating in selection, award, or administration of a contract if the individual has a real or apparent conflict of interest due to the individual or the

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individual's immediate family, partner, or an organization that employs or is about to employ any of the individuals has a financial or other interest in or a tangible benefit from a firm considered for a contract. The policy should prohibit solicitation or acceptance of gratuities, favors, or anything of monetary value from contractors or parties to subcontractors. Disciplinary actions must be included for violations of these standards of conduct. An OLTR Conflicts of interest Policy is located on the OLTR subrecipient resources page and must be completed for each instance.

- In situations where a non-federal entity has a parent, affiliate, or subsidiary organization that is not a state or local government or tribe, procurement procedures must include written standards of conduct covering organizational conflicts of interest.
- Procedures must be in place to avoid acquisition of unnecessary or duplicative items. Consideration should be given to requiring consolidation or division of procurements for more economical purchases, lease-versus-purchase alternatives, and value-engineering clauses.
- Contracts should be awarded only to responsible contractors able to successfully meet the terms and conditions in the contract. Consideration will be given to contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Also applicable is 24 CFR 200.213, which restricts awards, subawards, and contracts with parties that are disbarred, suspended, or otherwise prohibited from participation in federal assistance programs or activities.
- Records should be maintained to detail the history of the procurement, including the rationale for the procurement method, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- Procedures should be developed to handle and resolve disputes relating to the subrecipient's procurement actions.

See 2 CFR 200.318.

In the event that a subrecipient only receives a single response for any procurements, the subrecipient will need to conduct a second solicitation and open the Invitation to Bid (ITB), Request for Proposal (RFP), or Request for Qualifications (RFQ) a second time to ensure maximum participation. This means that in the event of any single response procurements, subrecipients are expected to bid out twice following the same processes and requirements as the initial ITB, RFP, or RFQ.

## **18.2 Competition**

All procurement transactions must ensure fair and open competition as required by 2 CFR 200.319. Examples of practices that limit competition that are to be avoided include, but are not limited to:

- Establishing unreasonable requirements that would favor one firm over others;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants on retainer contracts;
- Organizational conflicts of interest;
- Requiring use of "brand name" products instead of allowing products that are as good and more economical; and
- Any arbitrary action in the procurement process.

Geographical preference requirements are not allowed unless federal statutes mandate or encourage geographic preference. In contracting for architectural and engineering services, geographical location may be used as a selection criterion provided there are a sufficient number of qualified firms to compete for the contract.

Written procedures for procurement must ensure that solicitations include clear and accurate descriptions for the goods and services to be procured and ensure that all requirements that must be fulfilled and factors to be used in the evaluation process are identified.

Prequalified lists of persons, firms, or products must be current and include a sufficient number of sources to ensure open and free competition.

See 2 CFR 200.319.

## 18.3 Methods of Procurement

- **Micro-purchases:** This method encompasses procurement of supplies or services where the aggregate dollar amount does not exceed the micro-purchase threshold established in 2 CFR 200.320(a)(1), which at the initial publication of this manual is \$10,000.
- **Small purchases:** This method refers to procurement of services, supplies, or other property that does not exceed the Simplified Acquisition Threshold, currently set at \$250,000.
- **Sealed bid:** Bids that are solicited through formal advertising, and a fixed price contract is awarded to the lowest, responsive, responsible bidder. This procurement method is the method of choice for construction contracts. Any and all bids can be rejected based on justified documentation.
- **Competitive proposals:** This method is used if the sealed bid process cannot be used. The fixed price or reimbursement contract is awarded to the firm whose proposal is the most advantageous to the program and includes consideration of price and other factors.
- **Noncompetitive proposals:** This method can be used when there is no other feasible procurement method available to select a vendor. This “single-source” or “sole-source” contract is permitted when the item is only available from a single vendor; public exigency or emergency will not allow a delay resulting from a competitive solicitation; or after solicitation from a number of sources, competition is determined inadequate.

*Note: Any sole-source, single-source, or noncompetitive contract exceeding \$25,000 must be approved by OLTR staff. For contracts below \$25,000, the subrecipient must document the justification for the award and maintain it in the grant file for review during the next OLTR onsite monitoring visit.*

Advertisement requirements for construction procurements are found in Section 255.0525, Florida Statutes and 2 CFR 200.320.

## 18.4 Methods of Procurement for Professional Services

Procurement of professional services must comply with Section 287.055, Florida Statutes and federal procurement regulations (2 CFR 200.320). This federal statute allows use of competitive proposal procedures for selection of architectural or engineering professional services based on qualifications, subject to negotiation of fair and reasonable compensation.

Procurement of professional services must also comply with Section 287.055, Florida Statutes, also known as the “Consultants’ Competitive Negotiation Act.” Procurement of grant administration services must be a separate process from any other procurement process for services and must comply with all program requirements if CDBG-DR reimbursement for these services will be requested.

## 18.5 Contracting with Small and Minority Businesses, Women Business Enterprises, and Labor Surplus Area Firms

Subrecipients must take affirmative actions to assure the use of minority businesses, women business enterprises, and labor surplus area firms when possible as required by 2 CFR 200.321. Affirmative actions include the following:

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- Placing small and minority businesses and women-business enterprises on solicitation lists;
- Soliciting small and minority businesses and women-business enterprises when they are potential sources;
- When economically feasible, dividing requirements into smaller tasks or quantities to encourage participation;
- When possible, establishing delivery schedules that encourage participation;
- Using services and assistance of organizations such as the SBA and the Minority Business Development Agency of the U.S. Department of Commerce; and
- Requiring prime contractors to take affirmative steps, such as those described above, when subcontractors will be used.

See 2 CFR 200.321.

## **18.6 Debarment and Public Entity Crimes**

Section 287.133, Florida Statutes, defines “Public Entity” as the State of Florida, any of its departments or agencies, or any political subdivision. It defines “Public Entity Crime” as a violation of any state or federal law by a person with respect to and directly related to transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States—including to any bid, proposal, reply, or contract for goods or services; any lease for real property; or any contract for the construction or repair of a public building or public work—involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

The System for Award Management (SAM) is a federal search tool located at <https://sam.gov/content/home>. A Convicted Vendor List, maintained by the Florida Department of Management Services, includes names of persons or affiliates (including firms) convicted of a public entity crime. The Florida Department of Management Services also publishes a quarterly list of convicted vendors in the Florida Administrative Register.

All invitations to bid, requests for proposals, and contract documents for procurements exceeding the threshold for Category Two (presently \$35,000) (Section 287.017, Florida Statutes) must contain a statement that no person or affiliate on the Convicted Vendors List, for a period of up to 36 months after being placed on the list, may submit a bid on a contract or request for proposals or be awarded or perform work as a contractor, supplier, subcontractor, or consultant.

## 19.0 Environmental Review

The purpose of the environmental review is to analyze the effect the proposed project will have on the people and the natural environment within the project area. This process examines projects relative to the National Environmental Policy Act of 1969 (NEPA), which was established to ensure environmental protection for federally-funded projects. All CDBG-DR funds are subject to provisions of HUD regulations implementing NEPA.

This section covers environmental regulations that must be followed on all CDBG-DR-funded projects. The environmental review must be completed prior to submission of the Environmental Review Record (ERR) to FloridaCommerce. The type of project a Responsible Entity (RE) is completing will determine the level of review and the necessary documentation that will be required.

Three basic steps environmental reviews must follow to correctly complete the review process are as follows:

1. **Project Aggregation:** The RE should evaluate the entire scope of the project and include all funding sources that may be used in conjunction with the project. The project scope should include any related activities necessary to accomplish the project.
2. **Determine the Level of Review:** The RE must determine which level of environmental review is appropriate for each identified activity within the project scope.
3. **Documentation:** The RE must complete all documents necessary for the appropriate level of environmental review as the process is comprehensive and detailed. The amount of information needed to complete the review depends on the type of project the RE is proposing.

### 19.1 Determine the Level of Review

The RE must ensure the level of environmental review is appropriate for the project in order to correctly complete the necessary documentation. Determining the activity classification is the responsibility of the RE. To do this, the Grant Administrator must list all activities associated with the project and match the activities to the appropriate classification.

Each level of environmental review is defined by HUD. The five environmental classifications are:

- Exempt;
- Categorically Excluded Not Subject to 24 CFR 58.5 (CENST);
- Categorically Excluded Subject to 24 CFR 58.5 (CEST);
- Environmental Assessment (EA); and
- Environmental Impact Statement (EIS).

The EIS is a comprehensive review for those projects that are larger in scope and will have a significant environmental impact.

Regardless of the number of activities associated with the project, it is only necessary to complete one environmental review due to project tiering. However, if activities have separate classifications, the RE must follow the review steps listed under the most stringent classification.

### 19.2 Exempt Activities

An activity is exempt and will not require an environmental review when there are no effects on the physical environment. Project activities that fall under this classification include the following:

- Environmental and other studies, resource identification, and development of plans and strategies;
- Information and financial services;

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- Administrative and management activities;
- Public services that will not have a physical impact or result in any physical changes, including services concerned with employment, crime prevention, childcare, health, drug abuse, education, counseling, energy conservation, and welfare or recreational needs;
- Inspections and testing of properties for hazards or defects;
- Purchase of insurance;
- Purchase of tools;
- Engineering or design costs;
- Technical assistance and training;
- Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deteriorations;
- Payment of principal and interest on loans made or obligations guaranteed by HUD; and
- Any of the categorical exclusions listed in § 58.35(a) provided that there are no circumstances which require compliance with any other federal laws and authorities cited in § 58.5.

If the proposed project only entails exempt activities, the RE will not have to publish a Notice of Intent/Request for Release of Funds (NOI/RROF).

For exempt activities, the RE is required to submit the following:

- Certificate of Exemption for HUD–funded projects;
- Documentation of compliance with 24 CFR Part 58.6 (a-d) Form; and
- Request for Release of Funds and Certification (7015.15) form (a state requirement to track funding).

### **19.3 Categorically Excluded Activities Not Subject to 24 CFR 58.5**

A project classified as CENST requires a limited environmental review. Activities that qualify under this classification include the following:

- (1) Tenant-based rental assistance;
- (2) Supportive services, including healthcare and housing services; permanent housing placement; daycare; nutritional services; short-term payments for rent, mortgage, and utility costs; and assistance in gaining access to local, state, and federal government benefits and services;
- (3) Operating costs, including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment, and other incidental costs;
- (4) Economic development activities, including equipment purchase, inventory financing, interest subsidy, operating expenses, and similar costs not associated with construction or expansion of existing operations;
- (5) Activities to assist homebuyers to purchase existing dwelling units or dwelling unit construction, including closing costs and down payment assistance, interest buydowns, and similar activities that result in transfer of title;



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- (6) Affordable housing pre-development costs, including legal, consulting, developer, and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities that do not have a physical impact;
- (7) Approval of supplemental assistance, including insurance or guarantees, to a project previously approved under this part, if the approval is made by the same RE that conducted the environmental review on the original project and the re-evaluation of the environmental findings is not required under 24 CFR 58.47;

If the proposed project is determined to be CENST, the RE will not have to publish a NOI/RROF.

For CENST activities, the Responsible Entity is required to submit the following:

- Certificate of Categorically Excluded and Not Subject to 24 CFR Part 58.5;
- Documentation of Compliance with 24 CFR Part 58.6 (a-d) form; and
- Request for Release of Funds and Certification (RROF) Form (this is a state requirement to track funding).

## **19.4 Categorically Excluded Activities Subject to 24 CFR 58.5**

A project that is considered CEST requires a limited environmental review. Activities that qualify under this classification include the following:

- (1) Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when facilities and improvements are in place and will be retained in the same use without change in size and capacity of more than 20 percent (e.g., replacement of water or sewer lines, reconstruction of curbs and sidewalks, repaving of streets).
- (2) Special projects directed to removal of material and architectural barriers that restrict mobility of and accessibility to elderly and handicapped persons.
- (3) Rehabilitation of buildings and improvements when the following conditions are met:
  - (i) In the case of a building for residential use (with one to four units):
    - (A) Density is not increased beyond four units and land use is not changed.
  - (ii) In the case of multifamily residential buildings:
    - (A) Unity density is not changed more than 20 percent;
    - (B) The project does not involve changes in land use from residential to non-residential; and
    - (C) The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.
  - (iii) In the case of non-residential structures, including commercial, industrial, and public buildings:
    - (A) Facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; and
    - (B) The activity does not involve a change in land use, such as from non-residential to residential, commercial to industrial, or from one industrial use to another.

(4) The following:

- (i) An individual action on up to four dwelling units where there is a maximum of four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between; or
- (ii) An individual action on a project for five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site; or
- (iii) Paragraphs (4)(i) and (ii) immediately above do not apply to rehabilitation of a building for residential use (with one to four units) (see paragraph (3)(i) of this section).

(5) Acquisition (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use; and

(6) Combinations of the above activities.

## 19.5 Environmental Assessment Activities

A project that cannot be classified as exempt or categorically excluded (either CENST or CEST) will require completion of an EA under 24 CFR 58.36. These activities are usually those that have a greater potential for a direct impact on the physical environment. Activities that require an EA include the following:

- Change in use;
- New construction;
- Major rehabilitation;
- A change in size or capacity by more than 20 percent; and
- New single-family housing in which 5 or more homes are located within 2,000 feet of one another.

If the proposed project entails an EA activity, the RE must prepare and maintain a written record of the environmental review undertaken for the project. This written record is called the ERR.

## 20.0 Duplication of Benefits

DOB is a component of the Stafford Act, which governs disaster recovery. Essentially, DOB prohibits recipients of federal disaster funds from being paid twice for the same activity (i.e., for repairs). Disaster recovery subrecipients who have already received funds from private insurance, flood insurance, homeowner's insurance, or other sources for disaster repairs may not also receive CDBG-DR funds for the same repairs. For expanded DOB policies, please refer to the OLTR CDBG-DR Policy Manual on the OLTR webpage.

### 20.1 Preventing Duplication

Subrecipients are responsible for verifying there is no duplication of resources, such as charitable or public grants pertaining to workforce training. Funds provided by any federal, state, or local government entity, or non-profit or private source intended for the same purpose as the WRTP are considered a DOB and under federal law must be deducted from the assistance provided by the WRTP. A DOB may occur at any point, including after receipt of CDBG-DR funds. Any additional funds paid to participants for the same purpose as the WRTP after the WRTP services are completed must be returned to FloridaCommerce.

Participant applicants will be required during the application process to provide information on any other funding or benefits relating to disaster recovery and/or workforce training, including charitable contributions, scholarships, or other sources of financial assistance. Participant applicants will also be required to complete authorization for subrecipients to verify information with federal, state, local, and private entities. Participants in the WRTP must sign a subrogation agreement, in which participants agree to repay any duplicative assistance considered a DOB. The subrogation agreement requires the participant to notify FloridaCommerce if additional funds are received and to assist FloridaCommerce in collecting any amounts owed to them from these sources.

All WRTP subrecipients must include a DOB review as part of the participant applicant eligibility screening process. Each subrecipient must have written policies and procedures documenting the subrecipient's DOB verification process. The DOB policies and procedures and any amendments thereto must be approved by FloridaCommerce.

Each subrecipient must maintain records of the DOB information reported by the participant applicant, verified by the subrecipient, and results of the DOB review, including any denial or reduction in award or benefits to the participant applicant, if applicable. DOB information must be maintained throughout the term of the subrecipient agreement and for six years thereafter.

### 20.2 Supplanting

CDBG-DR funds may not be used to supplant funds otherwise available for similar workforce training programs. Subrecipients must document that funds awarded are above and beyond any annual appropriations that are provided for the same purpose. Subrecipients must also document that WRTP funds expended on any participant are above and beyond any other funding available through other sources for the same purpose, including any funding available through the Workforce Innovation and Opportunity Act, the Wagner-Peyser Act, or other federal, state, or local funding. WRTP funds may be utilized after all other funds available to provide benefits to the participant for the same purpose have been expended. Any supplanting of funds will be treated as a duplication of benefits or fraud, waste, and abuse,<sup>1</sup> and is subject to recapture under the terms of the subrecipient agreement.

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<sup>1</sup> See Office of Disaster Recovery Anti-Fraud, Waste and Abuse Policy, available at [www.FloridaJobs.org/CDBG-DR](http://www.FloridaJobs.org/CDBG-DR).

## 20.3 Recapture

A subrecipient, subcontractor, or participant may be required to repay all or a portion of CDBG-DR funds received. Reasons for recapture may include, but are not limited to:

- A subrecipient, subcontractor, or participant is determined to have provided false or misleading information to the program;
- A subrecipient or subcontractor withdraws from the program prior to completion of the project;
- A subrecipient or subcontractor does not complete the project;
- A subrecipient or subcontractor fails to meet the national objective;
- A subrecipient or subcontractor is found to have used program funds for an ineligible activity; or
- A subrecipient, subcontractor, or participant fails to report the receipt of additional funds or benefits received that create a DOB.

A detailed Recapture Policy for the Rebuild Florida program can be found on FloridaCommerce's CDBG-DR website at [FloridaJobs.org/CDBG-DR](https://FloridaJobs.org/CDBG-DR).

## 21.0 Risk Assessment and Monitoring

For more information regarding Risk Assessment and monitoring, please see the OLTR CDBG-DR Policy Manual and the OLTR Compliance Monitoring Plan at [www.FloridaJobs.org/CDBG-DR](http://www.FloridaJobs.org/CDBG-DR).

### 21.1 Risk Assessment

The purpose of the Risk Assessment is to define the scope and focus monitoring efforts, including establishing a framework for determining the appropriate level of monitoring. The Risk Assessment is used to determine risk category as high, medium, or low. Based on the Risk Assessment, the individual subrecipient's monitoring plan is developed. The plan includes the method of monitoring (onsite or desk monitoring), specific areas of the program to be monitored, the frequency of monitoring, and areas where technical assistance and training may be needed.

A Compliance Monitoring Plan (CMP) has been developed to assist OLTR in conducting monitoring visits; and subrecipients may benefit from reviewing the CMP.

### 21.2 Monitoring Overview

Monitoring ensures that activities specified in the individual Subrecipient Agreements and their progress toward timely completion, allows for early identification of potential issues and problems so that they can be prevented or corrected. Monitoring should follow and reflect the individual subrecipient's monitoring plan.

Once a monitoring plan is finalized by the subrecipient, it should be sent to FloridaCommerce's Grant Manager for review.

### 21.3 Monitoring Preparation

When planning monitoring, subrecipients must follow and review their individual monitoring plan. From this plan, subrecipients can determine which type of monitoring is appropriate (onsite or desk monitoring). Monitoring priority and frequency should be based on the Risk Assessment. Subrecipients may reference OLTR's CMP for further guidance and definitions.

When conducting a monitoring, a standardized monitoring checklist(s) will be used. As a guide to develop this checklist, the subrecipient will utilize their Subrecipient Agreement with FloridaCommerce, any subcontracts procured by the subrecipient (contractors/vendors), and HUD's CPD Monitoring Handbook (6509.2) as applicable to the CDBG-DR program, which can be found at:

[https://www.hud.gov/program\\_offices/administration/hudclips/handbooks/cpd/6509.2/](https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/6509.2/).

### 21.4 Monitoring Results

When monitoring is conducted by the subrecipient, the results of the monitoring should be sent to FloridaCommerce's Grant Manager for review.

### 21.5 Technical Assistance

If a subrecipient requests guidance on any portion of the monitoring process, they should contact FloridaCommerce's Grant Manager.

## 22.0 Closeout

Subrecipients are responsible for timely submission of closeout documents. A Subrecipient Agreement cannot be closed out until all activities associated with the project have been completed and the national objective has been met. For example, a project that provides funds for a new sewage collection and treatment system cannot be closed out until the households are connected to the system and the system is fully functional.

OLTR staff coordinate with the subrecipient to ensure appropriate closeout documents are submitted. There are two stages in the closeout process: *Administrative Closeout* and *Final Closeout*.

Administrative closeout means that the subrecipient has received notice from CDBG-DR staff that all applicable administrative actions and all required work in the subrecipient agreement have been completed, with the exception of the submission and approval of the final audit required under 2 CFR Part 200.

Final closeout means that the subrecipient has received notice from CDBG-DR staff that the final audit has been submitted and that there are no outstanding audit issues to resolve or an attestation statement has been submitted that a 2 CFR Part 200 audit is not required.

To complete necessary closeout documents, subrecipients and their subcontractors must closeout any subcontracts or subrecipient agreements associated with the funded activities and settle any outstanding financial claims. Subcontractor(s) should be advised to prepare claims or invoices and submit them to the subrecipient within 30 days of the completion of the project to ensure payment requests are made before the closeout process begins.

The subrecipient's Administrative Closeout package must be submitted within 45 days after termination date of the Subrecipient Agreement or as soon as the project is completed. The closeout package includes data regarding accomplishments and beneficiaries served and documents how federal and local resources were expended in accordance with the current approved budget. The closeout package must be signed by the subrecipient's chief elected official or by the individual with a designation of signature authority signed by the chief elected official.

After final closeout, the subrecipient must keep all records related to the grant award for a minimum of six years after final closeout has been approved or from the end of any audit or legal proceedings involving the subrecipient award.

### 22.1 Closeout Process

The subrecipient must submit a subrecipient agreement closeout report and documentation to the OLTR within 45 days of the termination of the agreement or within 45 days of the completion of all activities.

Upon completion of activities contained in the subrecipient agreement, including any amendments, the subrecipient shall submit to OLTR a closeout report and documentation (closeout package) that includes the following:

- Final statement of costs and copies of the final invoices;
- Certification that all construction has been completed, inspected, and approved by all parties prior to the subrecipient end date and submission of the administrative closeout;
- Photographs of project activities, maps, documentation of fair-housing activities, documentation of resolution of citizen complaints, and any outstanding monitoring issues;
- Certification that all costs have been paid, including those reflected on the closeout report;
- Documentation of expenditure of any leverage;
- A report of final beneficiary data and final accomplishments;
- A list of the homes receiving direct benefit; and

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- Certification that each housing unit assisted was within the local government's jurisdiction for housing rehabilitation.

In addition:

- All funds drawn from the subrecipient award and not expended must be returned to OLTR prior to submission of the closeout report;
- The closeout report must contain original signatures;
- If a subrecipient fails to meet contractual requirements on time, OLTR shall financially (not administratively) close out a subrecipient to meet federal requirements for the timely distribution of funds set by HUD; and
- If an audit report is past due, the subrecipient cannot be administratively closed until the past due audit is received. If an audit report is owed but not past due, the administrative closeout can proceed. Final closeout will not occur until all required audits are received.

Upon receipt of a closeout, the staff will complete an examination of closeout documents:

- Audit findings
  - There can be no open audit findings.
- CDBG-DR funds on hand
  - Funds cannot exceed \$5,000 and must be properly reflected in the closeout documents.
- Monitoring
  - There can be no open findings.
- Program income (if funds were returned)
  - Unless otherwise authorized, all program income must be returned to FloridaCommerce's OLTR.
- Proper disposition of acquired property
- Meeting all special requirements (i.e., map and certification statement); and
- Final engineering certification.
  - Certification is required for all public infrastructure activities paid for with CDBG-DR funds. The Certification of Completion must be executed by a licensed professional engineer and must state that the activity meets design specifications (as may have been modified by change orders).

OLTR will respond to a closeout request by notifying the subrecipient by mail and identifying any issues that must be resolved before the OLTR will mail Notice of Outstanding Closeout Issues letter identifying these issues and the actions needed to resolve them.

Upon receipt and acceptance of the subrecipient's final audit required under 2 CFR Part 200, for a subrecipient that has already been administratively closed, OLTR will send the subrecipient a Notice of Final Closeout letter. All audits must conform to the provisions of 2 CFR Part 200 and the subrecipient requirements to be accepted by OLTR. If there are any audit findings related to the CDBG subrecipient, these findings must be resolved before the subrecipient can be final closed.

## **22.2 Procedure: Final Closeout**

An important part of the final closeout procedure is reviewing the subrecipient's audit. The subrecipient is responsible for mailing the audit to OLTR. Once the audit is received, OLTR and FloridaCommerce staff will review the audit for findings and concerns related to the CDBG-DR program. If there are none, final grant closeout will proceed.

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If unresolved findings and concerns are noted in the audit review, OLTR will contact the subrecipient and coordinate the resolution of the findings and concerns. Only after all findings and concerns are resolved may the final closeout be processed.

### **22.3 Grant Closeout**

After all the activities are completed and after final closeout of the subrecipient agreement, OLTR can close out the grant with HUD. The Grant Accounting Office completes and signs Standard Form 424 (Federal Financial Report) and completes HUD Form 40153 (State CDBG-Closeout Checklist). The FloridaCommerce Executive Director or authorized designee signs Form 40153. These forms and all attachments are mailed to:

Director, Community Planning and Development Division,  
4HD Charles Bennett Federal Building  
U.S. Department of Housing and Urban Development  
400 West Bay Street, Suite 1015  
Jacksonville, FL 32202

or as specified by HUD.