



# Hurricane Irma Workforce Recovery Training Program Subrecipient Policies and Procedures

VERSION 1.1

AUGUST 2021



## 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 Office of Long-Term Resiliency 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 document in question.

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# 1.0 Definitions

**Action Plan:** The *State of Florida Action Plan for Disaster Recovery (Action Plan)* and subsequent amendments detail the unmet needs remaining from Hurricane Irma and the programs that the state will implement to address the unmet needs for Floridians to recover from the storm. The *Action Plan* may be accessed at <http://floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/disaster-recovery-initiative/hurricane-irma>.

**Activity or Project:** These terms refer to a WRTP endeavor undertaken by a subrecipient.

**Applicant:** Any entity that submits a response to the request for applications (RFA) for potential funding through the WRTP.

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

**Bid:** A bid is an offer by a company, firm, or individual to provide goods or services submitted in response to solicitation for those goods or services.

## **Community Development Block Grant – Disaster Recovery (CDBG-DR)**

**Concern:** A concern is an issue identified in DEO's monitoring report sent to the subrecipient that, if not addressed or corrected, may result in a finding in a future monitoring report.

**Contractor:** This term refers to 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.

**Corrective Action:** This term refers to required steps to be taken to resolve findings and/or concerns identified in the DEO Disaster Recovery Unit's monitoring report sent to a subrecipient.

**Cost Reimbursement:** This term refers to payment made to the subrecipient after a request for funds has been submitted and approved by the State of Florida. In Community Development Block Grant (CDBG) Disaster Recovery (DR) agreements with subrecipients, subrecipients initially pay invoices for work completed under a CDBG-DR sub-agreement. The subrecipient is reimbursed for the payment made for work performed.

**Deficiency:** This term refers to an inadequacy based on a federal or state statutory, regulatory, or program requirement.

**Department of Economic Opportunity (DEO):** Administrator of a CDBG-DR program funded by HUD under Public Laws 115-56 and 115-123. DEO is the agency responsible for the administration of disaster funds allocated to housing, economic development, and infrastructure activities.

**Direct Cost:** This term refers to 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 with a contract are direct costs of that contract. Administrative expenses are not generally considered direct costs.

**Disability:** For the purposes of the program, "disability" is 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 System:** This is the U.S. Department of Housing and Urban Development's (HUD) web-based reporting and grants-management system.

**Duplication of Benefits:** A duplication of benefits will occur if the WRTP provides assistance to a participant for the same purpose as any previous financial or in-kind assistance provided to an individual for the same purpose. The WRTP is prohibited from creating a duplication of benefits. This prohibition comes from the Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) and therefore, these other sources of funds must be deducted from any potential award or expenditures for individual participants.

**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.

**Environmental Review Record:** This term refers to environmental file and documents associated with activities to be undertaken with CDBG-DR funds.

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

**Federal Register:** The official journal of the Federal government of the United States that contains government agency rules, proposed rules, and public notices. It is published daily, except on Federal holidays. A Federal Register Notice (FRN) is issued for each CDBG-DR funded disaster. The FRN outlines the rules that apply to each allocation of disaster funding.

**Finding(s):** This term refers to a specific issue of noncompliance with federal or state regulatory requirements, including CDBG-DR subgrant agreement provisions, that is identified in a monitoring report produced by DEO sent to the subrecipient.

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

**Grantee:** As used in this manual, this term refers to the State of Florida DEO Disaster Recovery Unit as recipient of CDBG-DR funds from HUD.

**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- and -moderate income requirements is based on the income of the household.

**Income:** Annual income as reported under the Census long-form for the most recent available decennial 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 cost not directly identified with a cost objective, such as a specific project, facility, or function. Indirect costs include administration, personnel, and security costs.

**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- and Moderate-Income (LMI) Household:** A household having an income equal to or less than the Section 8 low-income limit established by HUD.

**Low- and Moderate-Income (LMI) National Objective:** Activities that benefit households whose total annual gross income does not exceed 80% of AMI, adjusted for family size. Income eligibility will be determined and verified in accordance with HUD guidance. The most current income limits, published annually by HUD, will be used to verify the income eligibility of each household applying for assistance at the time assistance is provided.

- **Extremely low:** Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size.
- **Very Low:** Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size.
- **Low:** Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size.

**Low- and Moderate- Income (LMI) Person:** A member of a family having an income equal to or less than the Section 8 low-income limit established by HUD. Unrelated individuals will be considered as one-person families for this purpose.

**Low-Income Household:** A household having an income equal to or less than the Section 8 very low- income limit established by HUD.

**Low-Income Person:** A member of a family that has an income equal to or less than the Section 8 very low-income limit established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

**Most Impacted and Distressed (MID) Areas:** Areas of most impact as determined by HUD or the state using the best available data sources to calculate the amount of disaster damage. The HUD-designated MID areas include Brevard, Broward, Clay, Collier, Duval, Hillsborough, Lee, Miami-Dade, Monroe, Orange, Osceola, Palm Beach, Polk, St. Lucie, and Volusia counties; and zip codes 32084, 32091, 32136, 32145, 32771, 33440, 33523, 33825, 33870, 33935, and 34266. The state-identified MID areas also include those counties that received both Individual Assistance (IA) and Public Assistance (PA) through the Federal Emergency Management Agency (FEMA).

**Offer:** An offer is a response to a solicitation that, if accepted, would bind the offer. Responses to an Invitation to Bid are offers that are called "bids" or "sealed bids."

**Participant:** Any individual that receives workforce training services or other benefits under the WRTP.

**Program Income:** This term refers to gross income received by the subrecipient directly generated from the use of CDBG-DR funds (revenue that is received by a state, unit of general local government, or subrecipient as defined at 24 CFR 570.500).

**Project Cost:** This term refers to total CDBG-DR funds, local and other matching funds, and total business investment in the project.

**Project Delivery Cost:** This term refers to costs used specifically to meet requirements to complete a particular project, especially as it applies to meeting CDBG-DR requirements.

**Project, Program, or Activity:** These terms refer to housing, infrastructure, economic development, or planning endeavor undertaken by the subrecipient using CDBG funds.

**Real Property:** This term refers to 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 (24CFR 570.201).

**Release of Funds:** This term refers to HUD's or DEO's granting approval to use CDBG funding. This approval or authority to use grant funds is executed through HUD form 7015.16. The authority to use CDBG funds usually occurs after the project environmental review is completed and approved by DEO.

**Request for Applications (RFA):** The DEO notice requesting applications for funding as a subrecipient for the WRTP.

**Request for Funds:** This term refers to a subrecipient's request for funds from DEO.

**Request for Proposals (RFPs):** This term refers to a solicitation, often made through a bidding process, by an agency to communicate an entity's requirements for goods or services to prospective contractors.

**Request for Qualifications (RFQs):** This term refers to a bidding solicitation where an entity asks vendors 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:** This term refers to a subrecipient's request for a release of funds. This request is executed through HUD Form 7015.15.

**Response:** Any application for funding under the WRTP.

**Sealed Bid:** This is a method of contracting that employs competitive bids, public opening of bids, and awarding the bid.

**Section 3:** This term refers to Section 3 of the Housing and Community Development Act of 1968, as amended, and the implementing regulation, 24 CFR Part 135, relating to employment and other economic opportunities for low- and very-low-income persons.

**Section 3 Business or Business Concern:** This term, as related to Section 3 of the HUD Act of 1968, as amended, refers to a business that is 51 percent or more owned by Section 3 residents or whose permanent, full-time employees includes 30 percent of such residents as employees.

**Section 3 Resident:** This term refers to a public housing resident, tribal housing resident, or an individual residing in a metropolitan area or a non-metropolitan county who meets the definition of a low-income or very-low-income person.

**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:** This term refers to the total geographic area to be directly or indirectly served by a subgrant project that addresses the Low- and Moderate-Income National Objective, where at least 51 percent of the residents are low- and 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:** This term refers to any request to submit offers or quotations to the local government. Solicitations under sealed bid procedures are called "invitations for bids." Solicitations under negotiated procedures are called "requests for proposals." Solicitations under simplified acquisition procedures may require submission of either a quotation or an offer.

**Subcontract:** This term refers to any contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract or another subcontract. It includes purchase orders and changes and modifications to purchase orders.

**Subcontractor:** This term refers to any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another subcontractor.

**Subrecipient:** Any LWDB, educational institution, or technical center that has been awarded funding to implement a WRTP project and that has executed a subrecipient agreement.

**Subrecipient Agreement:** An agreement between DEO and a subrecipient that has been awarded funding to implement a WRTP project that provides the conditions under which funds are provided and contractual obligations to which the subrecipient must adhere.

**Subrecipient Enterprise Resource Application (SERA):** This is DEO's web-based reporting and grants management system.

**Subrogation:** Subrogation is a legal doctrine that allows one person to take on the rights of another. In the context of disaster recovery grants, a participant must enter into a subrogation agreement where the funding agency (DEO) obtains the right to collect any additional disaster recovery or workforce training payments the participant receives for the same purpose after the participant has entered into the WRTP and is receiving benefits.

**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.

## 2.0 Preface

On September 10, 2017, Hurricane Irma made landfall on Cudjoe Key in Monroe County as a Category 4 storm. Hurricane Irma then turned northward, making a second landfall near Marco Island and progressed northward through the center of the state. In the wake of this natural disaster, Florida officials and citizens came together to recover and rebuild, but significant unmet needs remain.

Hurricane Irma had a significant impact on the housing supply, creating an increased demand for new construction and home repair activities, with additional impacts on commercial construction and repair activities. The increased demand for construction activities following Hurricane Irma has created or increased the supply gap in many construction occupations. Unmet needs assessments for employment show a long-term supply gap for skilled workers in several construction trades, including construction laborers, carpenters, electricians, painters, plumbers, and roofers. By addressing the unmet needs in the construction trades, Florida can provide a new labor force to support the increased demands for post-disaster construction, as well as support Floridians looking for new employment in the post-disaster economy.

Utilizing data from the unmet needs assessment and research on disaster recovery workforce training programs in other states, the Florida Department of Economic Opportunity (DEO) developed the Rebuild Florida Workforce Recovery Training Program (WRTP) to address the unmet need for skilled trades. This program is a Community Development Block Grant – Disaster Recovery (CDBG-DR) program funded through the *Supplemental Appropriations for Disaster Relief Requirements Act, 2017* (Public Law 115-56) and the *Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018* (Public Law 115-123). Further guidance is provided in Federal Register, Volume 83, No. 28 (February 9, 2018) and Federal Register, Volume 83, No. 157 (August 14, 2018). The program is being implemented by DEO as provided in the State of Florida Action Plan for Disaster Recovery (Action Plan). This document includes the policies and procedures for the Workforce Recovery Training Program, which may be updated and revised to account for additional programming changes and/or Action Plan amendments.

This document is intended to identify applicable federal regulations that govern WRTP funds, provide program-specific policies and procedures, and delineate state-level responsibilities for DEO Office of Long-Term Resiliency (OLTR) staff members and subrecipient-level responsibilities. DEO will provide technical assistance for each subrecipient receiving disaster recovery assistance funding and will monitor those subrecipients throughout the term of their subrecipient agreement.

This manual supports DEO's ability to help individuals and communities achieve long-term recovery goals by providing compliance requirements that will keep Florida in good standing with HUD while delivering services to Floridians. It is intended to provide for consistent and efficient application of procedures across all WRTP activities, regardless of where and by whom these activities are conducted.

DEO anticipates that circumstances will arise where the application of the policies and procedures outlined in this manual may lead to an unintended consequence and that some circumstances may not fit within the policy and procedure framework. In these cases, deviations may be justified and necessary. Any deviation from these policies and procedures must be clearly documented and included in the specific file for the project requiring such deviation.

## 3.0 Purpose

These Policies and Procedures for the Workforce Recovery Training Program (WRTP) are provided to assist program staff, subrecipients, and subrecipient subcontractors in implementing and managing disaster recovery grants through the WRTP. It provides guidance regarding the general requirements that apply to subrecipients and contractors. It is the responsibility of the Department of Economic Opportunity'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.

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 need 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.

If there are any questions, subrecipients should contact the Florida Department of Economic Opportunity's Office of Long-Term Resiliency at:

Economic Development and Business Recovery Manager  
Office of Long-Term Resiliency  
Florida Department of Economic Opportunity  
107 East Madison Street  
Caldwell Building, MSC 160  
Tallahassee, FL 32399  
(850)-717-8407  
[workforcerecovery@deo.myflorida.com](mailto:workforcerecovery@deo.myflorida.com)

## 4.0 Introduction

Hurricane Irma had a significant impact on the housing supply, creating an increased demand for new construction and home repair activities, with additional impacts on commercial construction and repair activities. The increased demand for construction activities following Hurricane Irma has created or increased the supply gap in many construction occupations. Unmet needs assessments for employment show a long-term supply gap for skilled workers in several construction trades. By addressing the unmet needs in the construction trades, Florida can provide a new labor force to support the increased demands for post-disaster construction, as well as support Floridians looking for new employment in the post-disaster economy.

Utilizing data from the unmet needs assessment and research on disaster recovery workforce training programs in other states, the Department of Economic Opportunity (DEO) developed the Workforce Recovery Training Program (WRTP) to address the unmet need for skilled trades. DEO is the agency responsible for the administration of disaster funds allocated to housing, economic development and infrastructure activities in Florida.

Table 1: Workforce Recovery Training Program Overview

Workforce Recovery Training Program Overview	
<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 Laws 115-56 and 115-123
<b>Applicable Federal Register Notices</b>	83 Fed. Reg. 28 (February 9, 2018) and 83 Fed. Reg. 157 (August 14, 2018)
<b>Applicable Presidential Disaster Declaration</b>	FEMA 4337-DR

The WRTP is being implemented by DEO as provided in the *State of Florida Action Plan for Disaster Recovery (Action Plan)* and subsequent amendments, which may be accessed at <http://floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/disaster-recovery-initiative/hurricane-irma>. DEO has allocated \$20,000,000 in CDBG-DR funding for the WRTP. DEO 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 Irma 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 DEO’s economic revitalization activities for recovery from Hurricane Irma.

## 5.0 CDBG-DR Requirements

Each project that receives funding under the WRTP must meet CDBG-DR requirements, including tie to the disaster, national objective, and eligible activities.

### 5.1 Tie to the Disaster

All activities funded through CDBG-DR must in some way respond to a direct or indirect impact of the applicable disaster. The WRTP addresses impacts of Hurricane Irma across the MID areas of Florida. Hurricane Irma had a significant impact on the housing supply, creating an increased demand for new construction and home repair activities, with additional impacts on commercial construction and repair activities. The increased demand for construction activities following Hurricane Irma has created or increased the supply gap in many construction occupations.

The WRTP will address this unmet need by providing workforce training in construction trades to support post-disaster construction activities. Additionally, the WRTP will support Floridians looking for new employment in the post-disaster economy to encourage economic recovery of individuals and communities. For the WRTP, a tie to the disaster is demonstrated through the subrecipient's ability to provide training in construction trades and job opportunities to LMI persons in disaster impacted areas.

### 5.2 HCDA Eligible Activity

CDBG-DR activities must meet an eligible activity under Section 105(a) of the Housing and Community Development Act of 1974 (HCDA). The WRTP is provided as an eligible activity under HCDA Section 105(a)(8), provision of public services. The allocation for the WRTP within the total allocation for Hurricane Irma funding 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.

### 5.3 Meeting a National Objective

All CDBG-DR activities must meet a national objective. 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 WRTP will meet the LMI limited clientele category by serving LMI individuals as determined by family size and income. At least 51 percent of individuals served must meet LMI requirements based on total household income and total household size for the program to meet the LMI national objective. See 24 CFR 570.483 for more information about national objectives.

In the application for WRTP funding, each eligible subrecipient must provide a plan to ensure that at least 51 percent of individuals served by the subrecipient through WRTP funding meet LMI requirements. OLTR will determine whether the plan is sufficient to meet the national objective as a part of the application review process. Each subrecipient must maintain a copy of its plan to ensure that at least 51 percent of individuals served by the subrecipient through WRTP funding meet LMI requirements. If the subrecipient updates its plan, a copy must be provided to DEO for review and approval. DEO will maintain documentation of each subrecipient's plan in its program files.

Documentation must be retained throughout the term of the subrecipient agreement and for six years thereafter.

#### 5.3.1 National Objective Documentation and Records

Subrecipients must maintain records showing that funded activities meet the applicable national objective. Documents required to be maintained for purposes of demonstrating that the LMI national objective is being met include documentation that participants or beneficiaries are LMI based on family size and income (see 24 CFR

570.208), including verification of income in accordance with WRTP Program Guidelines Section 2.13. Documentation may include federal tax return documentation, an income self-attestation form, a zero income self-attestation form, or other appropriate documentation (see Appendix C: Forms).

Each subrecipient must have written policies and procedures regarding verification of income and income self-certification. The verification of income and income self-certification policies and procedures and any amendments thereto must be approved by DEO.

Under CDBG regulations, a project is not considered having 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.

## 5.4 Duplication of Benefits

Duplication of Benefits (DOB) is a component of the Stafford Act, which governs disaster recovery. The requirements of the Stafford Act prohibit any person, business concern, or other entity from receiving federal funds for any part of an activity for which they have already received financial assistance under any other program, private insurance, charitable assistance, or any other source. A DOB occurs when a recipient of federal disaster funds receives funding from more than once source for the same activity.

### 5.4.1 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 DEO.

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 DEO if additional funds are received and to assist DEO 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 duplication of benefits verification process. The duplication of benefits policies and procedures and any amendments thereto must be approved by DEO.

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.

### 5.4.2 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.

## 5.5 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 is included in the Hurricane Irma Policy Manual, available at [http://www.floridajobs.org/docs/default-source/office-of-disaster-recovery/hurricane-irma/hurricane-irma-policy-manual.pdf?sfvrsn=a28f4bb0\\_14](http://www.floridajobs.org/docs/default-source/office-of-disaster-recovery/hurricane-irma/hurricane-irma-policy-manual.pdf?sfvrsn=a28f4bb0_14).

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<sup>1</sup> See Office of Disaster Recovery Anti-Fraud, Waste and Abuse Policy, posted at <http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/disaster-recovery-initiative>.

## 6.0 Workforce 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.

### 6.1 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.

### 6.2 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 DEO. 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/SAM/>), 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.

#### 6.2.1 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 WRTP, to ensure that all participants have the opportunity to complete the training program before the conclusion of WRTP training activities on June 30, 2023.

## 6.2.2 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 DEO 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 DEO 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 DEO determines that a subrecipient has made unreasonable or recurring changes, updates, or cancellations, DEO may request a root cause analysis and corrective action plan from the subrecipient.

## 6.3 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, child care, 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 DEO.

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 child care 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. Child care 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.

## 6.4 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.

## 6.5 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.

## 7.0 Participant Application

### 7.1 Application Process

Individuals seeking to receive training, support services, or other benefits through the WRTP must complete the official DEO application. The official DEO application is made available at [www.RebuildFlorida.gov](http://www.RebuildFlorida.gov). The official DEO application is also provided to all subrecipients for use with individuals contacting the subrecipient for assistance. DEO 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. DEO 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).

#### 7.1.1 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.

#### 7.1.2 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 DEO. Subrecipients may not begin processing applications until the Subrecipient's relevant policies and procedures have been reviewed and approved by DEO.

### 7.2 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.

## 7.2.1 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 DEO.

## 7.3 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 DEO may be filed with DEO. 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 DEO 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 DEO.

## 7.4 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 DEO 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 DEO.

## 7.5 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.

- 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.

## 8.0 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 a Request for Applications (RFA) process.

### 8.1 General Program Oversight

DEO and 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. DEO will monitor subrecipient activities and expenditures in connection with CDBG-DR funds. In accordance with HUD requirements, DEO will submit a Quarterly Progress Report through the Disaster Recovery Grant Reporting System. DEO will coordinate with HUD and other federal agencies, as required. DEO and subrecipients will participate in monitoring by HUD and other federal entities, as required.

### 8.2 Subrecipient Selection

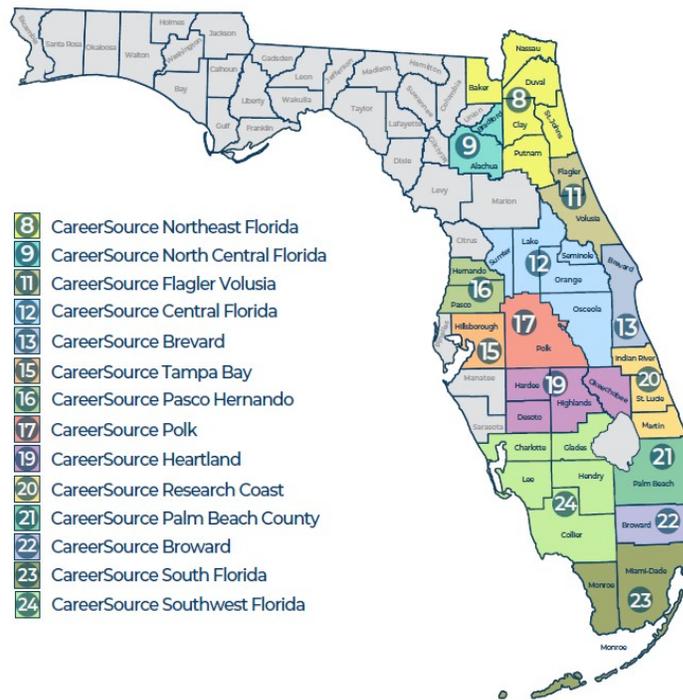
DEO will select subrecipients through an RFA process. Eligible subrecipients will be invited to apply through a publicly posted RFA. All subrecipient applications will be reviewed for completeness and scored based on the scoring criteria provided in the program guidelines. Responses will then be ranked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

### 8.3 Eligible Subrecipients

The following types of entities may submit an application for funding to provide services as a subrecipient through the WRTP:

- LWDBs whose service area includes a portion of the HUD-identified MID counties and zip codes for Hurricane Irma. This includes LWDBs 8, 9, 11, 12, 13, 15, 16, 17, 20, 21, 22, 23, and 24 (see Figure 1);
- Educational institutions located within the HUD-identified MID counties and zip codes for Hurricane Irma; and
- Technical centers located within the HUD-identified MID counties and zip codes for Hurricane Irma.

Figure 1: Local Workforce Development Boards Serving Most Impacted and Distressed Communities



## 8.4 Application Documentation

OLTR will review documentation used to support the application. This will include items such 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.).

## 8.5 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.<sup>2</sup> 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.

## 8.6 Subrecipient Policies and Procedures Review

Subrecipients are required to provide all WRTP related policies and procedures to DEO 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 DEO Grant Manager. Policies and procedures may also be reviewed by the Program Manager and Bureau Chief, as necessary.

<sup>2</sup> The timeframe of the visit may be impacted by temporary travel restrictions, such as those relating to COVID-19.

DEO 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 DEO in the subrecipient's file throughout the term of the subrecipient agreement and for at least six years thereafter.

## 8.7 Subrecipient Agreement

Following application scoring and award, the subrecipient agreement process is initiated. During this process, contract numbers are assigned and initial information regarding the subrecipient is entered into the Subrecipient Enterprise Resource Application (SERA) system, DEO's grants management system. The subrecipient agreement is prepared based on CDBG-DR requirements, with consultation of executed agreements in similar programs such as the Small Cities CDBG program, including scope of work and other attachments. This subrecipient agreement template is prepared within OLTR and also reviewed by DEO's Finance and Administration and General Counsel's offices. An initial draft of the scope of work and deliverables are sent to the subrecipient for review and comment. Once fully prepared, subrecipient agreements are sent unsigned to the subrecipient for final review and approval. The subrecipient signs and returns the agreements to DEO. A final DEO review is completed, the contract is executed by DEO, and the requisite information is entered into the SERA and Integrated Disbursement and Information (IDIS) systems.

### 8.7.1 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 DEO 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 DEO Grant Manager and the Program Manager. The Activity Work Plan and Project Budget may also be reviewed by the Bureau Chief, as necessary. DEO 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 DEO 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.

### 8.7.2 Amendments

During the term of the subrecipient agreement, changes may need to be made to the agreement. If the subrecipient 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 Time:** This type of amendment 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:** This type of amendment 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. Changing the scope of work usually involves a budget modification as well. However, increasing the scope of work without an increase in the budget does not generally require an amendment.

### 8.7.3 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.*

## 8.8 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.

## 8.9 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 DEO;
- 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 (6) years thereafter.

## 8.10 Reporting

Subrecipients are required to submit a monthly report to DEO. 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. DEO 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 DEO.

## 8.11 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.

DEO will maintain financial records in the Subrecipient Enterprise Resource Application (SERA) (*see 7.0 Financial Management below*). Programmatic records and other records not maintained in SERA will be maintained by DEO 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.

## 8.12 Subrogation Agreement

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

## 8.13 Conflicts 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).

DEO may consider granting an exception to the conflict of interest provisions per 24 CFR 570.489(h)(4) if DEO 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).

DEO would consider whether the:

1. Exception provides a significant cost benefit or essential degree of expertise;
2. Opportunity was provided for under open competitive bidding or negotiation;
3. Person affected is an LMI person;
4. Affected person has withdrawn from his or her functions or responsibilities;
5. Interest or benefit was present before the affected person was in a position to benefit from the conflict of interest; or
6. Undue hardship results from failure to grant the exception.

## 9.0 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.

OLTR staff uses the Financial Management I Monitoring Checklist: System Review and the Financial Management II Monitoring Checklist: Transaction Testing Checklist during monitoring visits, which are forms based on HUD’s monitoring checklists and which can be found online at DEO’s CDBG-DR website.

The first financial management checklist is used on the first pre-award and the initial onsite monitoring visit to review the subrecipient’s internal controls, separation of duties, the accounting system used by the subrecipient, and procedures for determining allowable costs and housing escrow accounts with staff from the local government. The Transaction Testing checklist is usually used at the second onsite monitoring visit to review the subrecipient’s accounting records and checks a sampling of invoices, contracts, distributions, and bank statements to ensure that the local government is complying with federal regulations and state laws.

### 9.1 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. This means, for example, that 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.

## 9.2 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.

## 9.3 SERA

SERA is OLTR’s web-based reporting and grants management system. SERA is designed to be the system of record for the financial components of CDBG-DR. This system is the means by which subrecipients draw funds 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.

## 9.4 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.

## 9.5 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.

## 9.6 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.

## 9.7 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.
- 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.

## 9.8 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.

## 9.9 Accounting for Cash Disbursement

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 1 or 2 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, such as invoices, time sheets, and payroll vouchers, that fully explain the reason for the disbursement.

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.

## 9.10 Subrecipient Financial Management

The information provided in these policies and procedures 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.

## 9.11 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.

## 9.12 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.
- 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.

## 9.13 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).

### 9.13.1 Program Income

Program income means gross income received by a state or a subrecipient that was generated from use of CDBG funds that exceeds \$35,000 received in a single year (24 CFR 570.489(e)2). 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.
- 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.

## 9.14 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.
- Inadequate or untimely financial reports.

## 9.15 Contract Funding Process

Prior to transmission of contract funds, the subrecipient must complete and submit to the CDBG-DR program a SERA Access Authorization Form. 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 cannot expend or obligate more than \$15,000 for administration, prior to receiving a Release of Funds from the CDBG-DR program. The release will clearly state that environmental conditions have been removed 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.

## 9.16 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 6 years from the date of the receipt of the audit for the year in which the grant was closed out (2 CFR 200.333).

## 10.0 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 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.

The Civil Rights Checklist is used to monitor subrecipients for compliance with civil rights issues discussed in this section.

### 10.1 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). DEO 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, DEO is committed to providing vital program information in that language.

Subrecipients must comply with the DEO Language Access Plan requirements for Hurricane Irma impacted areas. This Plan has identified Spanish and Haitian Creole as the primary languages spoken by LEP individuals residing in the Hurricane Irma impacted areas and requiring access to program services. In accordance with these requirements, subrecipients are required to provide services in English, Spanish, and Haitian Creole. Each subrecipient must have written policies and procedures on language access that are made available to participants and participant applicants. The language access policies and procedures and any amendments thereto must be approved by DEO.

### 10.2 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.
- Monitoring contractor compliance at work sites.

## 10.3 Section 3 Requirements

Section 3 of the Housing and Urban Development Act of 1968 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.
- 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.

## 10.4 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.
- Affirmative actions the subrecipient has taken to overcome the effects of prior discrimination in administering a CDBG-DR funded program.

## 10.5 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 the following:

- 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.
- The title of the civil rights compliance officer.

## 11.0 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 135 (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 Negotiations Act).
- 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.

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.

### 11.1 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 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.

- 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.

## 11.2 Competition

All procurement transactions must ensure fair and open competition. Examples of practices that limit competition that are to be avoided include the following:

- 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.
- 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.

## 11.3 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 200.67, which at the date of this manual is \$3,000.

- **Small purchases:** This method refers to procurement of services, supplies, or other property that does not exceed the Simplified Acquisition Threshold, currently set at \$150,000.
- **Sealed bid:** Bids are solicited through formal advertising, and the 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.

See 2 CFR 200.320.

## 11.4 Methods of Procurement for Professional Services

Required procurement of professional services must comply with Rule 73C-23.0051(3) of the Florida Administrative Code and federal procurement regulations (2 CFR 200.320(d)(5)). 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 “Consultant’s 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.

## 11.5 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. Affirmative actions include the following:

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

See 2 CFR 200.321.

## 11.6 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.

## 12.0 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 a project 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, provided in 24 CFR part 58.

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 to DEO. The type of project a Responsible Entity is completing will determine the level of review and the necessary documentation that will be required.

Other previously performed environmental reviews will not satisfy the program's requirements unless written notice has been provided to HUD and DEO that the subrecipient is adopting another federal agency's environmental review in accordance with all relevant provisions of the Stafford Act.<sup>3</sup> The subrecipient must retain a copy of the review in the subrecipient's environmental records. If an environmental condition identified on a proposed WRTP activity site cannot be cleared, the site may not be an eligible location for activities.

### 12.1 Determine the Level of Review

The Responsible Entity must ensure the level of environmental review is appropriate for the project in order to correctly complete the necessary documentation. Each level of environmental review is defined by HUD. The five environmental classifications are:

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

Determining the activity classification is the responsibility of the Responsible Entity.

DEO has conducted a preliminary review and determined that, in accordance with 24 CFR 58.34(a), the locations associated with WRTP activities are classified as CENST. The Responsible Entity must list all activities associated with the project and match the activities to the appropriate classification, to confirm the DEO preliminary determination. If the Responsible Entity determines that the activities fall under any categories other than CENST, the Responsible Entity should contact DEO for additional guidance.

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

### 12.2 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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<sup>3</sup> See sections 408(c)(4), 402, 403, 404, 406, 407, and 502 of the Stafford Act.

- 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.
- 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 Responsible Entity will not have to publish a Notice of Intent/Request for Release of Funds (NOI/RROF).

For exempt activities, the Responsible Entity 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.
- Request for Release of Funds and Certification (7015.15) form (a state requirement to track funding).

## 12.3 Categorically Excluded Activities Not Subject to § 58.5

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

- Tenant-based rental assistance.
- 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.
- Operating costs, including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment, and other incidental costs.
- Economic development activities, including equipment purchase, inventory financing, interest subsidy, operating expenses, and similar costs not associated with construction or expansion of existing operations.
- 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.
- Affordable housing pre-development costs, including legal, consulting, developer, and other cost 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.
- Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under this part, if the approval is made by the same responsible entity that conducted the

environmental review on the original project and re-evaluation of the environmental findings is not required under § 58.47.

If the proposed project is determined to be CENST, the Responsible Entity 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. This form may be accessed at: <https://www.hudexchange.info/resource/3141/part-58-environmental-review-exempt-or-censt-format/>. The basic requirements for clearance of these areas, as specified in 24 CFR 58.6, pertain to flood insurance, if required, coastal barrier resources, and clearance of a runway clear zone.
- Documentation of Compliance with 24 CFR Part 58.6 (a-d) form.
- Request for Release of Funds and Certification (RROF) Form (this is a state requirement to track funding).

## 12.4 Categorically Excluded Activities Subject to § 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.
- (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.
- (6) Combinations of the above activities.

## 12.5 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.
- Any new construction.
- Major rehabilitation.
- A change in size or capacity by more than 20 percent.
- 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 Responsible Entity must prepare and maintain a written record of the environmental review undertaken for the project. This written record is called the Environmental Review Record (ERR).

## 13.0 Monitoring and Risk Assessment

### 13.1 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 for subrecipients consistent within available resources. The risk assessment documents decisions and recommendations regarding where to apply staff and travel resources for monitoring, training and/or technical assistance to be directed to those subrecipients most in need of assistance to prevent potential problems, or to quickly resolve problems that arise.

The Risk Assessment is used to determine the risk category as high, medium, or low. Based on the Risk Assessment, an individual subrecipient monitoring plan is developed that includes the method of monitoring (i.e., onsite or from the grant manager's office), specific areas of the program to be monitored, the frequency of monitoring, and areas where technical assistance and training may be needed.

Prior to closeout, at least one onsite review should be conducted of all programs and projects implemented by the subrecipient. Project and program monitoring should occur early enough during program or project to provide adequate time for technical assistance and/or corrective action to resolve problems.

A Monitoring Plan has been developed to assist OLTR in conducting monitoring visits, and subrecipients may benefit from reviewing the plan as well as this policy.

### 13.2 Monitoring Overview

Monitoring is an important component of grant management. It ensures that activities specified in the subrecipient agreement progress toward timely completion and allows for early identification of potential issues and problems so that they can be prevented or corrected. The OLTR monitoring program includes desk monitoring and onsite monitoring. Monitoring will be conducted in accordance with the OLTR Monitoring Plan for CDBG-DR: Irma and at the discretion of the grant manager.

#### 13.2.1 Desk Monitoring

A desk review assesses compliance with program, contractual, HUD, CDBG, and other federal, state and local requirements without visiting the subrecipient. A desk review can assist with identifying potential problems early, preventing compliance violations, and helping improve performance. Typical desk monitoring includes review of contracts, procurement documents, and requests for payments and often the review of environmental documents. Risk Assessment results may be used to identify specific areas of concern and to determine the frequency of desk reviews.

Desk monitoring includes the following, as applicable:

- Review of procurement procedures used to select professional services;
- Plans and specifications;
- Subrecipient policies related to fair housing, equal opportunity, compliance with the Americans with Disabilities Act;
- Section 3 compliance;
- Responses to monitoring reports;
- Requests for funds;
- Financial audits and management decisions; and
- Review of periodic reports.

## 13.2.2 Onsite Monitoring

Onsite monitoring activities are those activities conducted at a site where program or project records are maintained, production occurs, or both. Onsite monitoring is an effective way to validate desk review results, identify and/or research discrepancies, and more closely monitor high-risk program components.

OLTR staff will conduct a minimum of three onsite monitoring visits. The first monitoring visit includes a review of the subrecipient's administrative and financial capabilities, including the subrecipient's capacity to monitor contractors, work progress, and policies and procedures. The second monitoring visit will be conducted to evaluate work progress, compliance with program requirements, Duplication of Benefits records, and financial transactions and records, among other considerations. A final monitoring visit is conducted to verify completion of activities and prepare for closing out the subrecipient. Additional monitoring visits will be scheduled based on the risk assessment and on the results of previous monitoring visits.

Typical onsite monitoring includes the following:

- Program administration; and
- Financial management.

## 13.3 Monitoring Visit

Prior to scheduling any monitoring visit, OLTR staff completes the Pre-Monitoring letter. This form identifies the areas to be monitored, any open findings or concerns, and any special conditions that have not been met. OLTR staff will notify the subrecipient by certified mail 30 days prior to onsite monitoring date. This letter is referred to as the "Coming to Town Letter" and includes the date of the monitoring visit and identifies the areas to be monitored.

For the first and all subsequent monitoring visits, the Program Administration Monitoring Checklist is used. An onsite entrance conference will be conducted at the beginning of the monitoring review. The entrance conference outlines the purpose of the monitoring visit and the files that will be reviewed.

Once the review is completed, OLTR staff will conduct an exit conference to discuss the preliminary results of the monitoring review. Any findings, concerns, or other issues relative to compliance with federal code, state law, administrative rule, program requirements, or subrecipient terms and conditions will be discussed at the exit conference. The discussion may include anticipated requirements for corrective action. It is recommended that the executive director, president, chief executive officer, or equivalent official be present for this conference.

Each monitoring visit will be different because different activities will be reviewed. OLTR staff will use standard HUD forms for the monitoring visits, and these forms may be referenced in the "Coming to Town Letter." Other forms may also be developed by OLTR but will be made available to the subrecipient and will include only those items required by statute, regulation, rule, or contract.

Upon returning to the office, a checklist will be completed during the monitoring visit and OLTR staff will prepare the monitoring report, in a letter format, summarizing items reviewed during the monitoring visit; identifying any findings, areas of concern, or other deficiencies; and including recommended corrective actions. A *finding* is a violation of a statutory, regulatory, or program requirement for which corrective actions are required. A *concern* is an issue that, if not addressed and corrected, may later result in a finding and may require a corrective action.

Monitoring reports are prepared and mailed to the subrecipient following the monitoring visit in accordance to the procedures provided in section 11.3.1 below.

If a finding remains uncorrected, one or more remedies will be imposed. The choice of remedies will be governed by the type and seriousness of the deficiency. Possible remedies include the following:

- Seek changes in personnel duties and responsibilities;

- Suspension of grant payments;
- Reduction of grant amount;
- Termination of grant;
- Reimbursement to the state for disallowed costs; or
- Legal action pursued by the state.

### 13.3.1 Recommended Subrecipient Monitoring Methodology

Monitoring priority and frequency should be based on the results of a Risk Assessment. (See the Risk Assessment section for more information.) The monitoring plan should include onsite monitoring and site visits. A representative sample of the subrecipient's grant files should be reviewed to draw valid conclusions about performance and capacity.

The following procedures are implemented to ensure OLTR's monitoring reports are prepared and mailed within 90 days after returning from a monitoring visit.

1. Monitoring reports are to be prepared within 90 days following the monitoring visit. If any additional information is needed from the subrecipient to complete the monitoring report, a request for that information is to be made within 2 weeks after returning from the monitoring visit. Requests for additional information must be documented in the grant file. Appropriate documentation includes copies of emails, telephone logs, memorandums, letters, or other similar documentation.
  - A. Documentation must also be included in the grant file to explain why a monitoring report could not be completed and mailed within the 90-day time period. For example, if there are delays in receiving additional information from the subrecipient, the grant file must include copies of emails, telephone logs, memorandums, letters, or other similar documentation regarding follow-up requests or reminders for the needed information.
7. After receiving a response to the monitoring report from the subrecipient, a letter to the subrecipient regarding the adequacy of its response will be prepared and mailed within 45 days of receipt of the response. If more than 45 days is needed to process the subrecipient's response, documentation must be included in the grant file providing a reason for the delay in responding.

### 13.3.2 Technical Assistance

When deficiencies are identified as a result of the monitoring, technical assistance may be required to assist in resolution of the deficiency. The objective of technical assistance is to aid the subrecipient in its day-to-day compliance with HUD and state regulations and program requirements as it administers its programs. The nature and extent of technical assistance should be determined at the discretion of the monitor. Some examples of technical assistance include verbal or written advice, formal training, and documentation and guidance.

### 13.3.3 Follow Up

In the event that deficiencies are identified during the monitoring review, follow-up actions should be scheduled to address the progress of the proposed resolution. Timing and frequency of follow-up communication and activities should be determined at the discretion of the monitor and should be based on the severity of the deficiency.

If previous deficiencies remain unresolved or uncorrected, these issues will also require follow-up activity. All follow-up actions should be documented and communicated. Target dates should be assigned for resolution of deficiencies.

## 14.0 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 construction training cannot be closed out until all training activities have concluded.

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 officer or by the individual with a designation of signature authority signed by the chief officer.

After the subrecipient is final closed, 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.

### 14.1 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 activities have been completed prior to the subrecipient end date and submission of the administrative closeout;
- Documentation of project activities, including documentation of training, support services, and career services, resolution of complaints and grievances, resolution of appeals, 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; and
- A list of the participants receiving direct benefit. 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.
- 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 the DEO OLTR.
- Proper disposition of acquired property
- Meeting all special requirements (i.e., certification statement)

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.

## 14.2 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 DEO staff will review the audit for findings and concerns related to the CDBG-DR program. If there are none, final grant closeout will proceed.

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.

## 14.3 Grant Closeout

After all the activities are completed and all subrecipient agreements are final closed, 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 DEO 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

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

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U.S. Department of Housing and Urban Development

400 West Bay Street, Suite 1015

Jacksonville, FL 32202

or as specified by HUD.

## Appendix A: Acronyms

ADA	Americans with Disabilities Act
AGI	Adjusted Gross Income
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant – Disaster Recovery
CENST	Categorically Excluded Not Subject to § 58.5
CEST	Categorically Excluded Subject to § 58.5
CFR	Code of Federal Regulations
DEO	Department of Economic Opportunity (Florida)
DOB	Duplication of Benefits
DR	Disaster Recovery
DRGR	Disaster Recovery Grant Reporting System
ESOL	English for Speakers of Other Languages
FEMA	Federal Emergency Management Agency
HCDA	Housing and Community Development Act
HUD	U.S. Department of Housing and Urban Development
LEP	Limited English Proficiency
LMI	Low- and Moderate-Income
NEPA	National Environmental Policy Act of 1969
NFIP	National Flood Insurance Program
NOI	Notice of Intent
OLTR	Office of Long-Term Resiliency
OJT	On-the-Job Training
RROF	Request for Release of Funds
SAM	System for Award Management
SBA	Small Business Administration
SERA	Subrecipient Enterprise Resource Application
TA	Technical Assistance
WIOA	Workforce Investment and Opportunity Act