CHAPTER 15 – MONITORING

Goal
The Department’s goal is to ensure that CDBG-funded projects are implemented in a timely manner, meet national objectives and proposed outcomes and are managed within the rules of the program.

Objectives of Monitoring
- Document compliance with program rules
- Ensure timely expenditure of CDBG funds and timely closeout of projects
- Track program/project performance
- Identify technical assistance needs

Compliance Review
To ensure that all statutory and regulatory requirements are being met for activities with HUD funds, the Department uses various monitoring standards and procedures.

The Department is responsible for ensuring that grantees under the CDBG program carry out projects in accordance with both Federal and State statutory and regulatory requirements. These requirements are set forth in the grant contract executed between the State and the grantee. The Department provides maximum feasible delegation of responsibility and authority to grantees under the program. Whenever possible, deficiencies are rectified through constructive discussion, negotiation and assistance.

The Department conducts two basic types of monitoring that is determined by the established “Risk Analysis” process: off-site, or “desk” monitoring, and on-site monitoring. Department staff regularly reviews each project to verify that it is proceeding in the manner set forth in the CDBG Contract in accordance with applicable laws and regulations. The “Risk Analysis” monitoring plan determines whether a project review is conducted by a “desk” monitoring or on-site monitoring. Desk monitoring is an ongoing process in which the program representative responsible for overseeing the grantee’s project uses all available information to review the grantee’s performance in carrying out the approved project. This review process enables the Department to identify problems requiring immediate attention and to schedule projects for on-site monitoring. Material used for this review includes, but is not limited to: Amendments/Extensions to the CDBG Contract; Project Status Reports, Requests for a Drawdown of Funds; and other supporting documents.

On-site monitoring is a structured review conducted by the program representative at the locations where project activities are being carried out or project records are being maintained. One on-site monitoring visit is normally conducted during the course of a project, unless determined otherwise by the “Risk Analysis” process. The “Risk Analysis” components for determination of “desk” or on-site monitoring compliance review includes, but is not limited to: a) grant award amount, b) length of time since grantee monitored, c) length of time Certified Administrator last evaluated, d) significant outstanding audit issues, e) significant outstanding compliance issues, and f) types of prior projects monitored. The review considers all available
evidence of conforming to approved program, substantial progress toward program goals, compliance with laws, and continued capacity to carry out the approved program. Checklists are utilized to ensure that all issues are addressed. The number of times a project is monitored depends upon the issues that arise during the desk and on-site monitoring. In summary, the Department uses the following processes and procedures for monitoring projects receiving HUD funds: evaluation on program progress, compliance monitoring, technical assistance, project status reports, monitoring technical assistance visits, special visits and continued contact with grantees by program representatives.

**On-Site Review Process**
The Department uses the following process to set-up, undertake and report on on-site monitoring visits:

1. Program Representative calls the grant administrator to schedule an on-site visit.
2. Program Representative sends a letter prior to visit that confirms date and time, the checklists that will be used, and the people and files needed during the visit.
3. Program Representative conducts on-site visit, reviews files, inspects property, completes checklists and writes report.
4. Program Representative submits monitoring report to the grantee within 30 days of visit unless circumstances noted on the checklist would indicate a delayed report would be more appropriate.
5. Program Representative works with grantee until monitoring is cleared.

**File Preparation**
The Department expects the grantee to have all documents needed for review to be available at the site of the visit. All grant records must be maintained and under the control of the grantee. The records must be readily accessible by the Department. Furthermore, all documentation should be well organized for easy review. A good organization approach should be based upon the structure of the monitoring checklist.

**Monitoring Report**
The monitoring report issued to the grantee following a review contains the following as applicable:

(1) Compliance areas reviewed, files reviewed, who conducted the review and the date it occurred;

(2) A brief description of the specific statute, regulation or requirement examined;

(3) The conclusion (i.e. Satisfactory Performance, Concern, Question of Performance, Finding) and basis for the conclusion reached.

(a) A Satisfactory Performance determination is a conclusion that the grantee is meeting its statutory and regulatory responsibilities.

(b) A Concern raises an issue that does not involve a statute, regulation or requirement, but may involve a management suggestion or program improvement.
(c) A Question of Performance is an inconclusive review that raises a question of whether or not a violation of a statute, regulation or requirement has occurred or compliance cannot be demonstrated. In this case the reviewer will first informally discuss the review with the grantee. If a determination of compliance still cannot be made, the reviewer will request additional information, to be provided within a 30-day period, to determine whether a violation did occur. This determination is only for a limited period of time. When the Grantee responds to the question, a final determination will be made.

(d) A Finding is a clear, specific and identifiable violation of a statute, regulation or requirement about which there is no question. The action normally requested is for the grantee to explain, within a 30-day period, what steps it will take to remedy and/or prevent a recurrence of the violation.

**Monitoring Checklist**
The attached checklist provides guidance to grantees on the areas of CDBG projects the Department reviews through desk monitoring and on-site visits.
Nebraska Department of Economic Development  
Community Development Block Grant Monitoring Checklist  

| A. National Objective / Activity Eligibility |  |
| B. Program Progress |  |
| C. Environmental Review |  |
| D. Grantee File Documents |  |
| E. Financial Management |  |
| F. Procurement |  |
| G. Professional Services Contracts |  |
| H. Civil Rights |  |
| I. Construction |  |
| J. Acquisition |  |
| K. Relocation |  |
| L. Housing Rehabilitation |  |
| M. Demolition |  |
| N. ED Legal/Loan Documents |  |
| O. Job Creation/Retention Verification |  |
| P. Equipment Verification |  |
| Q. Performance and Capacity Considerations |  |

Date Project Began: | Current Status:  
Location of Project: |  
Project Budget: | Expenditures to Date:  
Ending Date: |  

Performance Review Monitoring Checklist  
Enter Monitoring Dates (Month/Day/Year) for areas monitored (If not applicable insert NA in box).
A. National Objective / Activity Eligibility

List each approved activity from the project and any approved amendments. Indicate the national objective being met as identified in the funding approval.

<table>
<thead>
<tr>
<th>Activity Code/Title</th>
<th>National Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
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<tr>
<td>3.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
</tr>
</tbody>
</table>

If National Objective is LMA:

Total Number of beneficiaries are _____

Number of beneficiaries that are LMI _____ Percentage that are LMI _____%

Are beneficiary numbers from _____ census or ____ survey (check one that applies)

If survey: When was the survey conducted? _______________________________________
Who conducted the survey? ____________________________________________
What survey method was used? ___________________________________________
Was there a sufficient response rate? Yes or No

If National Objective is LMC:

Total Number of beneficiaries are _______

What clientele benefit from the activity? (i.e. – elderly, handicapped, LMI persons)
__________________________________________________________________________

Do actual beneficiary numbers differ from what was originally proposed for the activity? State if higher or lower and explanation grantee has for the difference.
__________________________________________________________________________
__________________________________________________________________________

If activity is for the removal of architectural barriers, give a brief description of barrier and what was done to remove it.
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

If National Objective is LMH:

If Rehab:

How many owner occupied LMI housing units were proposed for rehab? _______
How many owner occupied LMI housing units were actually rehabbed? _______

Were all applications for rehab properly recorded and tracked? Yes or No
Were household income verifications properly done for all housing units that were rehabbed?  
Yes or No

If Homebuyer Infrastructure:

How many total housing units benefited from the infrastructure? _____  
How many housing units were purchased by LMI households? _____  % of total units _____

If National Objective is LMJ:

Total number of jobs created or retained are _____  
Number of jobs created or retained that are held by LMI individuals _____  % that are LMI _____

Job creation/retention records are complete and support job creation/retention totals and LMI figures?  
Yes or No

If National Objective is Slum or Blight:

If Slum/Blight is for an area basis:

Has area been officially designated as Slum or Blighted by local or county government? Yes or No  
Is there proper documentation? Yes or No

If Slum/Blight is on a spot basis:

What makes the property considered blighted? (brief description)
______________________________________________________________________________________  
______________________________________________________________________________________  
______________________________________________________________________________________
______________________________________________________________________________________

B. Program Progress (Applicable to all Grants)

1. Compare the status of each activity to the projected status in the implementation schedule. For each activity, indicate whether the activity is substantially on schedule or behind schedule. Note implementation schedule quarter and ending date.

If any activity is substantially behind schedule (three months or more), note the circumstances/reasons. Does the grantee anticipate difficulty completing the activity by the projected completion date? If so, can the implementation schedule be revised to extend the program period or will a program extension be necessary?

<table>
<thead>
<tr>
<th>Activity Code</th>
<th>Activity Description</th>
<th>Substantially On Schedule</th>
<th>Ahead of Schedule</th>
<th>Behind Schedule</th>
</tr>
</thead>
</table>
C. Environmental Review (Applicable to All Grants)

Check the applicable items at the time of the visit and note any deficiencies:

1. Is there an Environmental Review Record (ERR) with a project description including location(s) and all related HUD or non-HUD funded activities? Yes ___ No ___
2. Is there a written Finding of Exemption signed by the Chief Elected Official (CEO), consistent with the activities undertaken? Yes ___ No ___ N/A ___ (If all activities are exempt, the remaining items are not applicable)
3. Is there a written Finding of Categorical Exclusion signed by the CEO, consistent with the activities undertaken? Yes ___ No ___ N/A ___
4. Has clearance been obtained from the State Historic Preservation Officer? Yes ___ No ___ N/A ___
5. Is there evidence that other federal laws listed at 24 CFR 58.5 have been addressed and appropriate authorities recognized as sources to support determinations (refer to notes, maps, consultation letters and other sources of documentation on Statutory Checklist)? Yes ___ No ___ N/A ___
6. If project is located in a floodplain or wetland, were Floodplains/Wetland notices published? Yes ___ No ___ N/A ___
   Date of Early Public Notice ___________________________ 15 day comment period Yes ___ No ___
   Date of Notice of Explanation ________________________ 7 day comment period Yes ___ No ___

For those projects requiring environmental assessments: N/A ___
7. Did the assessment consider impacts of the project on the character and resources of the project area? Yes ___ No ___
8. Did the assessment include alternatives and modifications considered and mitigation measures needed? Yes ___ No ___
9. Is there a written Finding Of No Significant Impact signed by the CEO? Yes ___ No ___
10. Is there a Finding of Significant Impact? Yes ___ No ___

For projects requiring publication and public comments: N/A ___
11. Is there a copy of the (published or posted) Notice Of Intent to Request Release Of Funds? Yes ___ No ___ Date ___________
12. Is there a copy of the (published or posted) Notice of FONSI? Yes ___ No ___ Date ___________
13. Note any public comments and recipient responses to these comments.
14. Were all appropriate agencies notified of the Notice of Intent to Request Release Of Funds and other applicable requirements? Yes ___ No ___
15. List the recipients of the NOI/RROF and other applicable requirements: _____________________________
16. Is the Request for Release Of Funds and Certification signed by the CEO, and submitted to DED, after appropriate comment period? Yes ___ No ___ (NOI/RROF 7-10 days, FONSI/NOIRROF 15-18 days)
17. Is the Release of Funds signed by DED in the file? Yes ___ No ___ Date of Letter ___________
18. Was a Pre-Agreement Letter (for ED projects) issued by DED? Yes ___ No ___ Date of Letter ___________
19. Do records show that no funds were obligated or spent, or that no physical development activities began, prior to receipt of Release of Funds or Pre-Agreement Letter? Yes ___ No ___

For projects requiring re-evaluation: N/A ___
20. Were there substantial changes in the nature, magnitude or extent of the project, new circumstances or new conditions after the initial assessment? Yes ___ No ___
21. If so, were the new circumstances evaluated and original finding validated with Certificate of Continued Environmental Compliance? Yes ___ No ___

Explain all No responses below. Identify or explain any issues or concerns.

_________________________________________________________________________
_________________________________________________________________________

15-7 July 2005
D. Grantee File Documents (Applicable to all Grantees)

_____ Grant Application

_____ Citizen Participation Plan

_____ Residential Anti-displacement Plan

_____ Survey Records

_____ Notice of Approval (Date of the Notice ________________ )

_____ Grant Contract (Contract Completion Date ________________ )

_____ Notice of Release of Funds (Date of the Notice ________________ )

_____ Citizen Comments/Complaints at First Public Hearing

_____ Code of Conduct (Date of Adoption ________________ )

_____ Procurement Procedures (Date of Adoption ________________ )

_____ Environmental RROF Certification (Date Signed ________________ )

_____ Financial Management Certification

_____ Authorization to Request Funds

_____ Implementation Schedule

_____ Grantee Information Sheet

_____ Excessive Force Certification

_____ Proposed Fair Housing Actions

_____ Citizen Comments/Complaints at Second Public Hearing

_____ Requests for CDBG funds (The number of requests __________ )

_____ Notifications of Annual Audit (Notifications for fiscal years __________ )

_____ Copies of Audits (Audits for fiscal years __________ )

_____ CDBG Contract Amendments (# approved___ Last Approval Date_________)

_____ CDBG Contract Extensions (# approved___ Last Approval Date_________)

15-8 July 2005
E. Financial Management (Applicable to All Grants)

1. Internal Control

Determine if the grant has established the following:

An adequate system to review and approve all billings presented for payment under the grant. Describe:

________________________________________________________________________

________________________________________________________________________

A regular payment cycle to ensure bills are paid promptly and that the timing of the cycle has been conveyed to vendors and contractors. Describe:

________________________________________________________________________

________________________________________________________________________

2. Cash Management

Are drawdowns deposited promptly to the proper account?

Are funds drawn down only to meet immediate needs (determine if grantee tries to maintain a cushion in the CDBG account or if at any time the balance in the account exceeded $5,000 for more than 10 working days)?

Are bank statements reconciled promptly? (Note who performs reconciliation.)

Are accounts with CDBG funds interest bearing?

Is the person(s) responsible for handling CDBG Funds (Deposits and/or Disbursements) properly bonded according to state law?

3. Property Management

Has grantee received written approval for all purchases exceeding $300?

List items purchased which exceed $300.00

________________________________________________________________________

________________________________________________________________________

Does the grantee maintain an inventory of all property, furnishings and equipment purchased with CDBG funds?
4. Accounting Records

Determine the types of accounting records maintained for the grant (i.e. ledgers, computerized systems, etc.). Record must be reviewed to verify the following:

Are obligations tracked and activity budget balances maintained?

Can program costs and obligations be traced to source documentation (invoices, billings, contracts, canceled checks, timesheets, etc.)?

Does the grantee’s records identify matching and other funds applied to each activity and proper matching percentage has been maintained? (If grantee has received waiver approval, note the terms of the waiver.)

If grantee is utilizing in-kind matching contributions, documentation that such contributions meet the criteria set forth in 24 CFR 85.24. If volunteer labor is utilized, documentation of the time each volunteer contributed and the value of that time.

Does the grantee maintain a contract file for each contract and use control cards or ledgers to track payments for each contract?

Determine if the grantee’s system adequately tracks local administration costs incurred.

Describe how these costs are accumulated and reimbursed (City/Village employee’s time spent on the grant must be supported by timesheets.)

What is the method of accounting for other costs such as copies or supplies if charged to the grant?

If the grantee charges indirect costs to the program, does the grantee have an indirect cost allocation plan which has been approved or acknowledged by a cognizant federal agency or Nebraska Department of Economic Development?

- Note date of plan and date of DED approval.

Grantee’s records agree to reported amounts (i.e. drawdown requests, audits).

Select representative samples of costs charged to the grant and verify the following: (Note which drawdowns/expenditures were tested. List all exceptions.)

- Costs are allowable per OMB Circular A-87 and grant agreement.
- Costs can be traced to source documentation.
- Costs are charged to the proper activity.
- Costs have been reviewed and approved prior to payment.
- Costs were not obligated prior to the Notice of Release of Funds or Preagreement Authorization except administration costs which should not be obligated prior to the Notice of Approval.
5. Audits

Are Notifications of Single Audit (or other Records) on file for each year which support the grantees determination whether an audit in accordance with OMB Circular A-133 was required?

Are copies of audits on file with any correspondence regarding audit findings?

6. Program Income

Determine if the grantee has earned program income from any grant activities. If yes, verify the following:

- Grantee has used program income to further the activity from which it was generated.
- Grantee has expended or committed all available program income prior to drawing down additional CDBG funds.

If grantee has earned program income, which is to be committed to a revolving loan fund or a Reuse Plan, verify the following:

- Has the grantee submitted a Notice of Intent to use program income? (Date must be within 90 days of Notice of Approval)
- Has the grantee submitted a Reuse Plan for their program income? (Date must be within 180 days of Notice of Approval)
- Has the grantee submitted their first reuse project to DED for approval? (Date must be within 24 months from the date of first receipt of program income for a Local Reuse Plan or 36 months for a Regional Plan)
- Is Program income that is received for a revolving loan fund held in a separate interest bearing account?
- Are funds that are held in the revolving loan fund expended for their intended use prior to drawing down CDBG funds for that activity?
- Does the grantee maintain repayment schedules for all outstanding loans and promptly follows up on all delinquent payments?

If grantee has program income or revolving loan funds from prior grants which must be applied to this grant has the grantee expended all program income prior to drawing down CDBG funds under this grant?
<table>
<thead>
<tr>
<th>Draw #</th>
<th>Date Received</th>
<th>Payee/Contractor</th>
<th>Invoice Date</th>
<th>Invoice Amount</th>
<th>Approval Date</th>
<th>Payment Date</th>
<th>Check #</th>
<th>Breakdown of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Local $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CDBG $</td>
</tr>
</tbody>
</table>

**Draw-down Table**

15-12       July 2005
F. Procurement

Review the grantee’s procurement records to determine if procedures used in obtaining goods and services are consistent with the grantee’s written procurement procedures and code of conduct and are in compliance with 24 CFR 85.36. Review and identify procurement effort direct to minority and female firms. List all types of services or goods sought.

This section does not apply to the procurement of construction contracts; these procurement are covered under Section I - Construction.

For each procurement reviewed, note the following:

1. Type of service or Item Sought (examples of services are administrative, engineering/architectural, appraisal, audit, housing rehabilitation administration, testing).

2. Method of Procurement (competitive negotiation, competitive sealed bids, small purchase, non-competitive negotiation) and Grantee’s Rationale for Method (if method was non-competitive negotiation, grantee must document that only one source could provide the service or item or that competition was determined to be inadequate).

3. Was Method of Procurement Appropriate? ______

4. If Procurement Was Made by Competitive Negotiation, Does Grantee Have All of the Following Items on File?
   a) Copy of RFP or Request for Statements of Qualifications and list where sent or published; If sent, did grantee contact at least 3 qualified sources?; Does solicitation have clear and accurate description of all requirements and all factors to be used in evaluating proposals or statements?; Does solicitation clearly state that contract amount will not be based on cost plus a percentage of cost or percentage of construction cost?
   b) Copies of all proposals or statements received? Proposals received from:
   c) Written evaluation criteria including criteria for judging responsiveness of proposals, reasonableness of costs and responsibility of firms.
   d) Written evaluation of proposal or statement based on written criteria.
   e) Written statement explaining the basis for selection and basis for selection of contract type.
5. If Procurement Was Made by Competitive Sealed Bids (Formal Advertising), Does Grantee Have All of the Following Items on File?

   a) Bid Advertisement /Proof of Publication; Does advertisement provide a clear and accurate description of all requirement and all factors to be used in evaluating bids?; Does advertisements clearly state that contract amount will not be based on cost plus a percentage of cost or percentage of construction cost?

   b) Evidence bids were logged in; copies of all bids received? Bids received from:

   c) Written evaluation criteria including criteria for judging responsiveness and reasonableness of bids and responsibleness of bidders.

   d) Minutes of bid opening, bid tabulation and recommendation for award based on written criteria.

6. If procurement was made by small purchase procedures, did grantee obtain price or rate quotations from at least 3 qualified sources?

7. Has the grantee established procurement procedures, which attempt to obtain goods and services from minority owned or female owned businesses? What efforts in this area were made?

8. Is there any indication that a conflict of interest or potential conflict of interest existed in the procurement?

   a) Was procurement proposal prepared by a firm or individual that submitted a proposal? If so, identify and provide review.

   b) Is the evaluation unduly restrictive and limits a firm or individual from competing fairly? If so, provide statement.

9. Did grantee procure multiple-services (more than one distinct service) in a proposal? If so, list the services. Is the procurement consistent with the CDBG Program policy on multiple services? If not, provide an explanation in the monitoring report.
G. Professional Services Contracts (Applicable to Grantees Having Professional Services Contracts)

The grantee must have all of the following items on file for each professional services contract. A separate file should be established for each contract. Review the grantee’s contract file for administration, engineering, housing rehabilitation and appraisal services; for each file reviewed, check the times on file and note any deficiencies:

1. Indicate all professional services contracts that the grantee has entered into by naming the contractor and the type of professional service provided.

<table>
<thead>
<tr>
<th>Contractor’s Name</th>
<th>Service Provided</th>
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<tr>
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</tbody>
</table>

Note any deficiencies.

Are there any multi-service contracts? Note the particulars.

2. Review the executed contract and evidence of approval by the governing body. Note the date the contract was approved by the governing body. Note any deficiencies.

3. Each executed contract must consist of the following:
   - Method of Compensation Including Basis for and Frequency of Partial Payments.
   - Time of Performance/Completion Date:
   - Provision for Amendments/Changes to Contract.
   - Clause Prohibiting Transfer of Interest/Assignment.
   - Access to Records/Maintenance of Records (24CFR85.42(b) (c))
   - Conflict of Interest Clause (24CFR85.36(c))
   - Termination of Cause/Convenience (24CFR85.44)
   - Title VI Clause (Civil Rights Act of 1964)
   - Section 109 Clause (HCDA of 1974)
   - Age Discrimination Clause (Age Discrimination Act of 1975)
   - Rehabilitation Act Clause (Section 504 of the Rehabilitation Act of 1973)
   - Section 3 Clause and Requirement for Written Plan if Contract is $10,000 or Over.
   - Equal Employment Opportunity Provisions (Executive Order 11246)

   Is contract amount fixed or included not to exceed clause (amount cannot be based on cost plus a percentage of cost)?

   Contract Execution Date: ____________
   Does contract execution date precede Notice of Release of Funds? ____________

   For administrative services contracts, Contract Execution Date: ____________
   Does admin services contract precede Notice of Approval Date? ____________

4. Review copies of any reports, plans, or work products under this contract. Indicate what reports, plans, work products were reviewed. Not any deficiencies.

5. How many minority or woman owned businesses were contracted with?
   a. Type of professional service (please note each type, if more than one)
   b. Dollar amount (separate by each business)
**H. Civil Rights** (Applicable to all grantees)

The grantee’s records must contain the following information to document their compliance with the civil rights requirements. For each grantee reviewed, check the applicable items for compliance and note any deficiencies.

1. Program Beneficiaries

   Examine any eligibility requirements the grantee may have established (e.g. in a housing rehab program) to determine whether the criteria or methods of administration may have the effect of subjecting individuals to discrimination on the basis of race, color, sex or national origin.

   Determine whether any programs are being administered in a manner which tends to limit the number of minority or women beneficiaries or the level of benefits to minorities and women.

   Grantees are to maintain and update this information throughout the project. Grantees will be asked to show source documentation. All items in this section are to be completed. Note any deficiencies.

   a) Total beneficiaries in the project

   Total numbers /male /female

<table>
<thead>
<tr>
<th>Single Race</th>
<th>Total</th>
<th># Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. White</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Black/African American</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Asian</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. American Indian/Alaskan Native</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Native Hawaiian/Other Pacific Islander</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Racial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. American Indian/Alaskan Native &amp; White</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Asian &amp; White</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Black/African American &amp; White</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. American Indian/Alaskan Native &amp; Black/African American</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Asian &amp; Black/African American</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Other Multi-Racial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

   Female head of household _______

   Disabled _______

   b) CONCLUSIONS:

   Are there any indications that any person or group was denied benefit on the grounds of race, age, sex, or disability?

   If yes please explain.

2. Employment

   Does the grantee have written equal opportunity employment/personnel policies and practices?

   Are there any indications that any person or group was denied employment on the grounds of race, age, sex or disability?

   If yes please explain.
3. Fair Housing

The grantee records must document what meaningful action was taken to comply with the Title VIII of Civil Rights Act of 1968 concerning affirmatively furthering fair housing.

List activity(ies) undertaken by grantee during the grant period to affirmatively further fair housing.

4. SECTION 504

   a) Has the grantee completed a self-evaluation of program access?

   b) Does the grantee have 15 or more employees?
      i. Has the grantee designated a Section 504 Coordinator?
         Provide name and title:
      ii. Has the grantee adopted a written grievance procedure to resolve complaints regarding Section 504?

   c) Is the grantee’s file for this compliance area complete?
I. Construction (Applicable to Grantees Having Construction Contracts Exceeding $2,000 or Other Contracts Exceeding $2,500 Involving Laborers or Mechanics).

The grantee should have a separate file for each construction contract. Review at least one general contract file and one subcontractor’s file, if any; for each reviewed, note the following:

1. Project Name/Description: _____________________________________________________________
2. Contractor Name: _________________________________________________________________
3. Bid Opening Date: _________________________________________________________________
4. Contract Award Date: _______________________________________________________________
5. Contract Execution Date (Cannot be Prior to Notice of Release of (Fund)): ________________
6. Contract Amount: __________________________________________________________________
7. Start of Construction Date: __________________________________________________________
8. Force Account Used?: ______________________________________________________________
9. Name of Labor Standards Compliance Officer: _________________________________________

The grantee should have all of the following items on file for each construction contract. For each file reviewed, note the items on file and note any missing items or deficiencies:

11. Evidence Any necessary Property, Easement or Right-of-Way Acquisition Was Completed Prior to Bid Advertisement.
12. Request for Wage Rate Determination and Acknowledgement (Construction Contracts Exceeding $2,000).
13. Bid Package and Evidence of Review By Municipal Attorney; Bid package to consist of:
   a. General Conditions.
   b. Contractors and Subcontractors Certifications of Prevailing Wage Rate.
   c. Wage Determination No. ___________ Mod# ___________ Date ___________ and Transmittal Form (Construction Contracts Exceeding $2,000).
   d. Bonding and Insurance Requirements Clause (Federal Bonding Requirements Apply to Contracts Over $100,000; Smaller Contracts Must Comply Only With Local Bonding Requirements).
   e. HUD 4010 Labor Standards Provisions (Construction Contracts Exceeding $2,000).
   f. Title VI Clause (Civil Rights Act of 1964) {Attachment 3}
   g. Section 109 Clause (HCDA of 1974) {Attachment 3}
   h. Age Discrimination Clause (Age Discrimination Act of 1975) {Attachment 3}
   i. Rehabilitation Act Clause (Section 504 of the Rehabilitation Act of 1973) {Attachment 3}
   j. Section 3 Clause and Requirement for Written Plan if Contract is $10,000 or Over (HUD Act of 1968)
   k. Equal Employment Opportunity Provisions:
      3 Paragraphs for Contracts $10,000 and Under 7 Paragraph E.O. 11246 Clause for Contracts Over $10,000 {Attachment 4}
   l. Access to Records/Maintenance of Records Clauses {Attachment 5}
   m. Conflict of Interest Clause {Attachment 5}
   n. Certification of Compliance with Clean Air/Water Acts (Contracts Over $100,000) {Attachment 6}
   o. Plans and Specifications.
14. Bid Advertisement/Proof of publication; Does Advertisement Provide a Clear and Accurate Description of All Requirements and All Factors to be Used in Evaluating Bids?

| Bid Advertisement Table
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15. Addenda to Bid Documents, If Applicable.
16. Evidence Bids Were Logged In; Copies of All Bids Received.
17. Evidence Wage Determination Checked 10 Days Prior to Bid Opening and, If Necessary, Revised (Construction Contracts Exceeding $2,000).
   a. Minutes of Bid Opening;
   b. Bid Tabulation.
   c. Recommendation for Award Based on Written Criteria; and
   d. Wage Determination Was in Effect At Time of Bid Opening (construction contract exceeding $2,000).
20. Request for Contractor Clearance and Acknowledgement.
21. Authorization of Contract Award by Governing Body Date:_________________
22. Awarding Contract:
   a. Notice of Contract Award and Pre-Construction Conference.
   b. Evidence Notice Sent to DED Within 10 Working Days of Contract Award;
   c. Wage Determination was in Effect at Time of Contract Award (construction contract exceeds $2,000).
24. Executed Contract Documents Consisting of:
   a. Bid Documents (See Item #13 Above).
   b. Bid Proposal Including 5% Bid Bond; Bid Cannot be Based on Cost Plus a Percentage of Cost.
   c. Contractor/Subcontractor Certifications of Insurance/ Bonding.
25. Minutes of Preconstruction Conference.
26. Evidence Contractor Requested and Received Wage Rate Determination for Any Classification(s) Not Included in Original Determination (HUD 4230A) (Construction Contracts Exceeding $2,000).
27. Contractor’s Written Section 3 Plan if Contract is $10,000 or Over.
28. Contractor’s Bonding/Insurance for 100% of Contract Amount; Check to See if In Effect at Time of Contract Execution, if applicable (contracts of $100,000 or less may be in compliance with local bonding requirements if so stated).
29. Copy of Contractor’s Apprentice or Trainee Program Registration From DOL, If Applicable.
30. Evidence Notice to Proceed Issued to Contractor Date:________________
31. Evidence Notice of Start of Award Sent to DED Date:_________________
32. Payroll Verifications:
   - Copies of Weekly Payrolls and Evidence of Grantee Review/Verification;
   - Payrolls Submitted Weekly and That They are Numbered and Signed;
   - Payrolls in Compliance with Wage Determination (Rate of Pay Must be Correct for Each Employee);
   - Additional Classifications Have Been Included;
   - Apprentices or Trainees Have Been Paid Appropriately; and
   - Computation of Overtime Pay Correct.
33. Weekly Statements of Compliance Form Contractor and Subcontractors (Construction Contracts Exceeding $2,000).

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35. Evidence that Grantee has complied with Employee Interview Requirements:
   a. Copies of Record of Employee Interview;
   b. Grantee Has Interviewed All Classifications Represented on the Job; and
   c. Reviewed Contractor’s Use of Apprentices/Trainees (construction Contracts Exceeding $2,000).

36. Evidence that Grantee Has Inspected Job Site for Posting the Following:
   __ Wage Determination (Construction Contracts Exceeding $2,000).
   __ Notice to Employees Poster.
   __ Job Safety and Health Protection Poster.
   __ Equal Employment Opportunity Poster.

37. Project Inspection Reports.

38. Review of Payment Procedures Against:
   a. Requests for Partial Payments;
   b. Certification of Pay Estimates; and
   c. Inspection Reports.

39. Final Inspection/Acceptance of Work Form.

40. Copy of As-Built Plans.

41. Evidence of Final Payment Date:___________________

42. Evidence Final Wage Compliance Report Sent to DED (Construction Contracts Exceeding $2,000).

43. Correspondence and Documentation Regarding Violations/Complaints and Actions Taken.

44. How many minority and female contractors and subcontractors participated in the program?
   a. Type of work (please note each type, if more than one)

   ____________________________________________________________

   ____________________________________________________________

   ____________________________________________________________

   ____________________________________________________________

   b. Dollar amount (separate by each contractor)

   ____________________________________________________________

   ____________________________________________________________

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J. Acquisition (Acquisition from another public entity and temporary easements are not subject to the URA)

1. Is there a separate file for each acquisition: Yes___ No___
2. Is there evidence that the General Information Notice was hand delivered or mailed with certified receipt filed? Yes___ No___ (If the acquisition was a donation go to 20. If a voluntary acquisition go to 21)
3. Is there a copy of the appraisal in the file? Yes___ No___
4. Is there evidence that the owner was invited to accompany the appraiser? Yes___ No___
5. Was a review appraisal done? Yes___ No___
6. Were qualified independent appraisers used? Yes___ No___
7. If not appraised, was the value of the property $10,000 or less? Yes___ No___
8. If less than $10,000, was the value based upon a review of the available market data? Yes___ No___
9. Is a copy of the written offer to purchase in the file? Yes___ No___
10. Was the offer issued promptly after the appraisal? Yes___ No___
11. Was a statement of the basis for determining the offer included with the offer? Yes___ No___
12. Is there evidence of clear title, a current survey, deed and legal description of the property on file? Yes___ No___
13. Was a statement of settlement costs included in the file? Yes___ No___
14. Is proof of receipt of payment in the file (cancelled check)? Yes___ No___
15. Was payment timely? Yes___ No___
16. Is there proof of recording deed in the file? Yes___ No___
17. If recipients determined not to purchase after distributing the notice to acquire and/or offer, is there a written notice of such decision in the file with evidence of hand delivery or by certified mail? Yes___ No___ N/A___
18. If the recipient permitted an owner or tenant to occupy the real property acquired, was the rent charged equivalent to the fair rental value of the property? Yes___ No___ N/A___
19. Was a copy of any appeal or payment for incidental expenses or certain litigation expenses in the file? Yes___ No___
20. If property was donated: N/A___
   • Is a signed release of the grantee’s obligation to an appraisal in the file? Yes___ No___
   • If appraisal obligation is not waived, is a copy of appraisal or determination of value data on file? Yes___ No___
   • Is a signed waiver of rights of “just compensation” in the file? Yes___ No___
   • Is a copy of all required title documentation included in file (recorded deed or easement)? Yes___ No___
   • Was grantee’s payment of all incidental costs to the transfer of title documented (recording fees, survey, title insurance, transfer fees, prorated taxes, deed preparation)? Yes___ No___
21. If property was voluntarily acquired: N/A___
   • Was it acquired by public advertisement? Yes___ No___
   • Was it acquired by invitation? Yes___ No___
   • Was it acquired by other means? Yes___ No___ Specify____________________________
   • Is the advertisement or invitation in the file? Yes___ No___
   • Did the advertisement or invitation contain language that made a general request for a non-specific site (general request for land for a water tower site or lagoon site or a dilapidated housing site)? Yes___ No___
   • Did the grantee inform the responding property owner, in writing, that in the event the negotiation failed, the grantee will not acquire the property? Yes___ No___
K. Relocation (Applicable to grantees providing relocation assistance or otherwise displacing persons by the use of CDBG funds)

Date on the race, ethnic, and gender characteristics of displaced households:

Documentation of the location of the CDBG-funded activity, which caused the displacement.

Did the grantee carry out relocation activities in a manner which promoted fair housing by providing displaces with a maximum choice of replacement housing in the community’s total housing supply regardless of race, color, religion, sex or national origin?

Records documenting that relocation services and benefits to displaced persons and businesses were provided in a manner, which did not result in different or separate treatment on account of race, color, sex, or national origin.

Part 1 Residential Relocation

The grantee should have all the following items on file for each household displaced. A separate file should be established for each household. Review the displacing – causing activity to determine if it is subject to the uniform Act or Section 104(d). See Relocation module for additional information. Review at least one completed relocation case file, noting the name and addresses (former and current) of the displaced household. For each file reviewed, check the items on file and note any deficiencies:

1. Record Form Indicating:
   a. Date that the occupant was initially contacted provided general information about the relocation.
   b. Address of acquired dwelling and date of household’s initial occupancy;
   c. Name, age, minority-group classification, marital status, disabilities or head of household;
   d. Name, age and sex of household member;
   e. Monthly gross income of all adult household members;
   f. Monthly housing cost at acquired dwelling; and
   g. Relocation needs of household.

2. Evidence of notice of Relocation Eligibility, Review Adequacy of Notice; Notice to be Issued Promptly After the Initiation of Negotiations.

3. Documentation of Services and Assistance Provided, Including Nature and Dates.

4. Evidence of Referrals to Comparable Replacement Housing, Including Date of Referral, Address, Sale or Rental Price, Monthly Housing Cost and Date of Availability. If Referral is Rejected, Reason(s) for Rejection.

5. When Applicable, Copy of Any Lease or Other Occupancy Agreement Between the Grantee and Occupant and a Statement Identifying the Basis for Grantee’s Determination of the Fair Rental After Acquisition.

6. Copy of 90-Day Notice and Evidence of Receipt; Review Adequate and Timing of Notice.

7. Copy of 30-Day Notice and Evidence of Receipt, Review Adequacy and timing of Notice.

8. Record of Inspection, Date of Inspection, Address and Description of Replacement Dwelling; Date of the Relocation. Note What Standards Grantee Uses to Determine if Replacement Dwelling is Decent, Safe and Sanitary.
9. Copy of Each Relocation Claim Form and Supporting Documentation; Copy of Worksheets Used to Determine Benefits; Review Correctness of Computations and Determination of Benefits.

10. Evidence of Verification of Claim and Receipt of Payment.

11. Appeal, if Filed, and Disposition.

12. Copies of Correspondence.

13. If Relocation Has Not Been Completed Within 6 Months Following Acquisition of Property, Explanation of Delay and Plan for Timely Completion.

Interview Member of Displaced Household Using HUD Form 4002-.

Part 2. Nonresidential Relocation

The grantee should have all of the following items on file for each business displaced. A separate file should be established for each business. Review at least one completed relocation case file and check for the items below, noting any deficiencies:

1. Record from form indicating
   a. Date that the occupant was initially contacted and provide general information about the relocation;
   b. Name, age, minority-group classification, disabilities of business owner (or principal official);
   c. Address, complete name, telephone number, and type of business;
   d. Approximate annual gross sales, payroll and number of employees;
   e. Size of business by square feet, number of stories, parking area, space leased or owned;
   f. Monthly rental or mortgage cost (not landlord or institution receiving payment);
   g. Number of years in business and at present location.

2. Evidence of Notice of Relocation Eligibility, Review Adequacy of Notice. Notice to be Issued Promptly After the Initiation of Negotiations.

3. Relocation Requirements (should reflect those of description in item 1.).

4. Evidence of Referrals and Other Assistance, Including Date, Address, Purchase or Rental Price, Date of Availability. If Referral is Rejected, Reason(s) for Rejection.

5. Copy of 90-Day Notice and Evidence of Receipt.

6. Description of Replacement Location.
   a. Address.
   b. Size.
   c. Date Move Initiated and Completed.
   d. Manner of Move (self move, commercial, etc.)
   e. Cost (monthly rental/mortgage payment)
7. Copy of Each Relocation Claim Form and Supporting Documentation; Copy of Worksheets Used to Determine Benefits; Review for Accuracy.

8. Evidence of Verification of Claim and Receipt of Payments.

Moving costs.

Reestablishment costs (cannot exceed $10,000)

9. Appeal, if Filed, and Disposition.

10. Copies of Correspondence.

11. If Relocation Has Not Been Completed Within 6 Months Following Acquisition, Explanation of Delay and Plan for Timely Completion.
**L. Housing Rehabilitation** (Applicable to Grantees Undertaking Housing Rehabilitation)

1. Rehabilitation Program Guideline and Standard and Evidence of Adoption by Governing Body.

   Review Standards to check for required language regarding removal of existing lead-based paint hazards and prohibiting the use of lead-based paint.

   Review Guidelines to determine if all of the following elements are addressed, as applicable:

   Types and amounts of financial assistance available; determine types(s) of program – e.g. streamlined, self-help, grantee representing owner.

   Eligibility criteria (applicant and property), including income eligibility and any exclusions; review income provisions to determine if program exclusively benefits low-moderate income households.

   Eligible property improvements;

   Determination of the feasibility of rehab and treatment of infeasible rehabs;

   Relocation or alternatives to rehab policies, if applicable;

   Selection process;

   Conflict of interest provision;

   Contracting requirements;

   Grievance procedure;

   Treatment of emergencies, if applicable;

   Rehab outside the target area(s), if applicable;

   Role of advisory committee, if applicable;

   Responsibilities of the recipient; (relate to type of program)

   Operating procedures including those relating to change orders, dispute resolution and acceptance of work;

2. Application Forms; Do the Forms Request Sufficient Information to Determine Applicants’ Eligibility?

3. Applications for Rehabilitation Assistance, Including Those Not Selected; Written Basis for Selection or Non-Selection.

4. Documentation all Applicants Have Been Notified of Selection of Non-Selection; for Non-selected Applicants, Notification Should include Reasons for Non-Selection.

5. For Each Applicant Selected, A Rehab Case File Consisting of the Following: (Not Name and Address of Property Owner).

   Completed Application

   Family Survey.

   Title Search.

   Verification of Income, Employment, etc.

   Letter of Clearance from the State Historic Preservation Office.

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July 2005
Bid Package. NOTE: Bids not required if the owner is responsible for contracting the work.

Bid Advertisement/Proof of Publication; Does Advertisement Provide a Clear and Accurate Description of All Requirements and All Factors to be Used in Evaluating Bids?

Evidence Bids Were Logged In; Copies of All Bids Received.

Written Evaluation Criteria Including Criteria for Judging Responsiveness and Reasonableness of Bids and Responsibleness of Bidders

Bid Tabulation and Recommendation for Award Based on Written Criteria.

Executed Contract Documents; Contract Must Include Work Write-Up and Required Language Regarding Removal of Existing Lead-Based Paint Hazards and Prohibiting Use of Lead Based Paint; Contract Must Specify Contract Amount, time of Performance, Method Schedule of Payments, Who Will Be Responsible for Performing Each Work Item, and Must Include Loan Agreement, if Applicable; Check to See that Contract Amount is Not Based on Cost Plus a Percentage of Cost

Evidence Lead-Based Paint Brochure Was Received by Property Owner/Occupants.

Truth-In-Lending and Loan Disclosure Statement and Notice of Right Recision, if Lien is Place on Property. Notice to Proceed (Must be Dated After Any Right of Recision, Period and Should Specify When Work is to Begin and is to be Completed).

Site Inspection Reports That Are Dated and Signed; Note How Often Inspections Are Made.

Requests for Partial Payments and Documentation; Documentation Must Include Verification of Specific Contact Work Items Completed; Not Whether Grantee Retains a Portion of Payment Due Until All Work Completed Record of Date and Amount of Partial Payments, signed by all parties.

Change Orders, Signed by All Parties, Note the Extent of Work/Certificate of Completion.

Contractor/Subcontractor, Materialman Affidavit, Warranties, Release of Liens.

Evidence of Final Payments.

Evidence of Follow-up Inspection(s) Prior to Expiration of Contractor’s Warranty.

Correspondence and Documentation Regarding Complaints, If Any, and Actions Taken.

If possible, perform limited inspection of completed units and units under construction.

Note the number of rehab applications received.

The number of jobs completed; in progress, and pending: .

How is the program publicized and how are applicant solicited? If the grantee has brochures or other literature used to publicize program, obtain copies.

How many contractors bid on rehab jobs? How does the grantee pre-qualify contractors?
M. Demolition (Applicable to grantees with demolition activity)

The grantee should have a separate file for each demolition project. If the unit was acquired by the grantee, the file may be the same as under the Acquisition section of the checklist. If not, determine how the units were chosen for demolition.

Evidence that the demolition contract was competitively selected and that the procurement process meets adopted procedures.

A copy of the contract used meets CDBG requirements. (Demolition contracts not subject to Davis Bacon wages unless it is a phase of construction project which is.)

Notice to Proceed issued. Date:______________ .

Project inspection reports.

Final inspection and evidence of final payment approval.

One for One Replacement Requirement for Residential Demolition.

If the demolition was of a housing unit and it was occupied or vacant, but occupiable, then the unit must be replaced with a similar unit within 3 years (see Residential Antidisplacement and Relocation Assistance Plan Certification).

Review the requirements with the grantee for replacement of lower income housing lost from the community’s stock through federally assisted activities.

Does the grantee have a definition of occupiable, i.e. suitable for rehabilitation.

Evidence that the grantee submitted the information required from the Residential Antidisplacement and Relocation Assistance Plan Certification (Exhibit G of the CDBG application).

Determine if there is a need for follow-up technical assistance and describe below.

---------------------------------------------------------------------

N. Legal/Loan Documents (Applicable to ED projects)

The grantee should have all applicable legal documents duly executed and on file.

Memorandum of Understanding Date .

Loan Agreement Date:

Promissory Note Date .

Security Instruments:

- Mortgage Deed Date:
- Security Agreement Date:
- UCC Filings Date:
- Corporate/Personal Guaranty Date
Insurance Policies:

- Personal Key Man Life Insurance Expiration Date:
- Property Insurance Expiration Date:

Counsel Opinion Date:

Other Necessary/Appropriate Documents

**O. Job Creation/Retention Verification** (Applicable to ED Projects)

Verification of the job creation/retention information will require the grantee to make at least one on-site visit to the business and have access to certain payroll and personnel records. In order to confirm the reported beneficiaries, the following information must be verifiable in the business’ records for each employee tested:

Date of Hire:  
Date of Termination:  
Average number of hours worked per week and per year:  
Employee Certification for or other documentation of LMI qualification:  

Following an on-site visit to verify jobs created or retained, the following information should be summarized for the CDBG files maintained by the grantee. Does the grantee’s file contain the following information:

Date of on-site visit:  
Name of Business:  
Name of persons representing the business during the on-site visit:  
Name of positions reviewed:  
Number of individual employee records reviewed:  
Names of company records reviewed to verify date of hires, hours worked  
Number of Employee Certification Forms reviewed:  
Summary of any issues or problems discussed with the business:  
Based on a review of the above information, was the grantee’s on-site review of job creation/retention records adequate?
**P. Equipment Verification** (Applicable to ED Projects)

1. Equipment Inventory Listing

The grantee should have the following information:

- Description of the Equipment
- Manufacturer
- Model Number
- Serial Number
- Date of Purchase
- Purchase Price

Does the equipment inventory listing identify all equipment purchased, both from CDBG funds and from matching leveraged funds.

2. On-Site Inspection

Did the grantee physically inspect all equipment purchases made by the business? Including both equipment purchased with CDBG funds and equipment purchased with leveraged funds?

Did the inspection include identification of equipment by model and serial numbers?

Did the grantee compare information from each piece of equipment inspected to the equipment inventory list?

Did the grantee discuss with the business the inventory control procedures the business maintains, such as inventory numbering system and the frequency of physical inventories taken?

Were issues or problems discussed with the business while on site?
Q. Performance and Capacity Considerations (Applicable to all Grantees)

1. Is the grantee implementing the local program as specified in the approved application, funding approval, and grant agreement?
   If not, explain.

2. If amendments were made, were the proper procedures followed? Is the DED approval of the amendment on file?
   Amendment date:

3. If extensions have been granted, what is date for completion?
   Is grantee meeting time lines to assure timely completion?
   How many extensions have been granted:
   Most Current Extension Date:

4. Compare the status of each activity to the project status in the implementation schedule. For each activity, indicate if the activity is on schedule, ahead of schedule or behind schedule. Note progress in monitoring letter.

   If any activity is substantially behind schedule (three months or more), note the circumstances/reasons. Does the grantee anticipate difficulty completing the activity by the projected completion date? If so, can the implementation schedule be revised to extend the program period or will a program extension be necessary? Note determination in monitoring letter.

5. Are the grantee and CDBG certified administrator demonstrating an adequate administrative capacity to implement the program?
Revisions

July 2005

General formatting on checklist
Page 15-8 – Include Citizens Comments for first and second public hearing
Page 15-11 – Change to OMB-133 under “Audits”
Page 15-15 – Include CFR References on Checklist
Page 15-23 -- #7 & #8 change from $2,500 to $10,000