



**Homes and
Community Renewal**

CDBG Orientation Webinar Series

3. Financial Management

December 13, 2022

The Orientation Webinar Series

1. Getting Started – November 29, 2022 (Completed)
2. Environmental Review – December 6, 2022 (Completed)
3. Financial Management – Today
4. Program Administration – December 20, 2022
5. Lead Based Paint Compliance – January 4, 2023



Grant Agreement Reminder

- Must execute within 45 days of OCR issuing grant agreement
- Must be signed by the Chief Elected Official (CEO)
- Any Applicable Schedule A Condition(s) must be met to the satisfaction of the OCR

For projects awarded through the 2022 Funding Round:

Grant Agreements were sent electronically on November 22, 2022, and are due back by
Thursday, January 12, 2023

If this date cannot be met, contact your
Community or Economic Developer



Grant Agreement Reminder

Go to <https://hcr.ny.gov/community-development-block-grant>

Select Grant Agreement Forms:

- Authorized Signature Form
- ACH/Direct Deposit
- Section 3 Compliance
- Form 7-2 Program Schedule
- Form 8-1 Project Team
- Required insurance documentation
- Executive Order 16



Today's Topics

- Federal financial management standards & regulations
- Categories of allowable costs
- Program income
- Disbursements
- Reporting & audit requirements



Uniform Administrative Requirements

2 CFR Part 200 – for all federal grants after 12/26/14

- Subpart D – financial management, (replace 24 CFR 85.22)
- Subpart E – cost principles (replacing A-87)
- Subpart F – audit (replacing A-133) – audits of fiscal years beginning after 12/26/14

24 CFR Part 2400 – applies 2 CFR Part 200 to all HUD awards to non-Federal entities (12/19/14)

- Federal awards after 12/12/16 subject to Part 200 rather than 24 CFR Part 85

24 CFR 570.489



Financial Management System Requirements; A 200.302

- Accurate, current and complete disclosure of the current status and financial results of the NYS CDBG program in accordance with specified requirements
- Records that adequately identify, by activity, the source and use of funds for each NYS CDBG supported project
- Effective control over and accountability for all funds, property, and other assets
- Written procedures to comply with the requirement for timely distribution of funds



Financial Management System, cont.

- Written procedures for determining that costs are reasonable, allowable and accountable (2 CFR Part 200, Subpart E)
- Provision for a comparison of actual outlays with budgeted amounts for each line item, including grant funds and matching funds
- Accounting records supported by source documentation
- Internal controls and segregation of duties designed to eliminate fraud and abuse



CDBG Funds Financial System

- Cash Receipt Journal
- Cash Disbursement Journal
- General Ledger
- Journal Voucher
- Fixed Asset or Property Management Ledger
- NYS CDBG Cash Register
- Detailed Activity Ledger



Internal Control; A 200.303

“Establish and maintain effective internal control over the federal award”

Internal control is a process to help the recipient to:

- Run its operations efficiently and effectively
- Report reliable information about its operations
- Comply with applicable laws and regulations

Standards for Internal Control in the Federal Government (the “Green Book”)

<http://www.gao.gov/assets/670/665712.pdf>



OCR Internal Control Guidelines

- No individual shall have complete control over all phases of any significant transaction
- Record keeping must be separate from operations and the handling and custody of assets
- Monthly reconciliations and verifications of cash balances with bank statements shall be made by employees who do not handle or record cash, or sign checks
- Actual lines of responsibility shall be clearly established and adhered to as closely as possible
- Persons preparing payrolls should not handle paychecks
- All persons handling financial transactions shall be bonded in accordance with State law



Source Documentation

Accounting records must reflect each individual transaction and be supported by adequate source documentation:

- Documents containing details of transactions: purchase orders, contracts or agreements, invoices, deposit slips, canceled checks, time sheets, bank statements, etc.

Guidance:

- Every invoice recorded as an expenditure. Payment should never be made without original invoices or vouchers in hand
- Administrative costs charged to administration and not program delivery
- Payroll supported by timesheets (hours worked on program)
- Indirect costs must be supported by a cost allocation plan
- Retained for 3 years after closeout

Allowable Costs

Allowable costs:

- Necessary
- Reasonable – consistent with sound business practice & market prices
- Allocable to the grant
- Eligible – Part 570 & Part 200
- Not charged to any other federal program
- Funds may not be used for general operating expenses of State and local governments

Administrative Costs

Salaries, wages, related costs of staff/consultants/subrecipients engaged in program administration:

- General program administration & review
- Managing/supervising/training program personnel
- Public information & program environmental review
- Program budget, schedules, agreements
- Compliance systems, monitoring & evaluation
- Program audits & reporting
- Capital equipment for grant administration

Ineligible: general operating costs of a municipality or a non-profit organization

Program Delivery

Varies by type of activity, but generally:

- Marketing
- Client intake & eligibility
- Education/counseling
- Site environmental review
- Loan documents, closing, recording
- Professional & legal fees
- Permits
- Design, specifications, bidding & contracting
- Labor standards & construction monitoring
- Payment processing



Direct Project/Activity Costs

Costs to implement a specific project or activity:

- Construction, materials
- Equipment & capital expenditure
- Staff salaries associated with specific project

Indirect Cost

Indirect costs are those costs that cannot be specifically identified with the NYS CDBG funded project

- Generally, facilities & general administration expense of recipient

Indirect costs can be charged to grant:

- Cost allocation plan approved by federal agency (2 CFR 200.331(a)(4) & .414(b))
- 10% indirect rate may be used (200.414(f))



Program Income

Gross income generated by Recipient or Subrecipient from the use of CDBG funds, such as:

- Sale/lease/disposition of property purchased or improved with CDBG
- Gross income of rental property constructed/improved with CDBG
- Principal and interest payments on CDBG loans
- Interest earned



Program Income (PI) Procedures

- OCR has revised program income policy
- After March 31st, 2019, all program income generated from NYS CDBG must be returned to the OCR

Moving Forward:

- All revolving loan revenues generated from NYS CDBG are considered program income
- All non-revolving loan revenues generated from NYS CDBG must be held until the end of the State's fiscal year (3/31) – “Treated as PI until it is not”
- Recipients will remit PI on monthly (for revolving loans) and annual basis (other PI)



OCR Financial Forms: Authorized Signatures

AUTHORIZED SIGNATURE FORM FOR REQUEST FOR FUNDS

Recipient Name			
CDBG Project #			
Contact Person			Title
Phone		e-mail	
New Submission	Yes <input type="checkbox"/> No <input type="checkbox"/>	Updated <input type="checkbox"/>	Date of initial submission

Request for Funds requires two signatures

All signatures are required to be municipal employees, non-municipal employees cannot be authorized to sign Request for Funds

Persons Authorized to Sign Request for Funds Forms 1-4, 1-5 and 1-6 cannot also sign any check related to the disbursement of NYS CDBG funds

Chief Elected Official and non-municipal employees, Subrecipients and Consultants cannot be authorized signatories on this form

1	Signature		Date	
	Typed Name			Title
	By signing this, I acknowledge that I am not authorized to sign CDBG checks			
2	Signature		Date	
	Typed Name			Title
	By signing this, I acknowledge that I am not authorized to sign CDBG checks			
3	Signature		Date	
	Typed Name			Title
	By signing this, I acknowledge that I am not authorized to sign CDBG checks			
4	Signature		Date	
	Typed Name			Title
	By signing this, I acknowledge that I am not authorized to sign CDBG checks			

I certify that the signature(s) shown above are the legal signatures of those municipal employees authorized to sign requests for CDBG funds from the Office of Community Renewal. The Chief Elected Official may not sign this document prior to obtaining the signatures of authorized individuals.

Signature of Chief Elected Official Date
(must be at least one day later than above dates)

Name Title

OCR Financial Forms: ACH/Direct Deposit



New York State
Housing Trust Fund Corporation

NYS CDBG Program
Project #

ACH/DIRECT DEPOSIT AUTHORIZATION

Instructions: <ul style="list-style-type: none"> Type all requested information, hand written forms will not be accepted. Attach a voided or canceled check with the recipient organization name imprinted to verify account ownership.
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PART 1: Payee Identification

Payee Name			
Payee Email Address		Payee Phone Number (with area code)	
Street Address	City	State	Zip Code

WARNING: Federal law prohibits HTFC from processing international ACH transactions (IAT). If any payment to you from HTFC will result in an IAT under National Automated Clearing House Association's operating rules or if you are unsure if the rules apply to you, **DO NOT COMPLETE THIS FORM.**

Please initial in the box to the right to indicate you have read the above warning.

If you fail to initial here, direct deposit will not be approved.

PART 2: Financial Institution Information

Name of Financial Institution	Account Number
Name on Account	Account Type <input type="checkbox"/> Individual/Consumer <input type="checkbox"/> Commercial (Corporation, Partnership, etc.)
Nine Digit Routing Number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

PART 3: Authorization

I authorize HTFC to deposit payments by electronic funds transfer (ACH) into the above referenced account. I acknowledge that if I fail to provide complete and accurate information on the authorization form, processing of this form and payments may be delayed.

Authorized Signatory	Date
Printed Name	Title

OCR Disbursement Guidelines

- Municipality is responsible for the expenditure of funds (including payments)
 - not consultant or subrecipient
- The Recipient must maintain control of the CDBG account
- Funds may be drawn from OCR as costs are incurred; must be disbursed to beneficiaries/vendors within 3-5 days
- If prepaying project costs with local funds, do not transfer any local funds into the NYS CDBG account; when CDBG funds deposited, show the transfer reimbursement
- If project costs paid with local CDBG program income, those costs are no longer eligible for CDBG reimbursement
- To the extent possible, do not include cover sheets
- **All disbursements must be sent to: disbursements@hcr.ny.gov**



OCR Disbursements: Housing Request for Funds

Form 1-4
Housing Request for Funds

Section I – CDBG Recipient Information				Drawdown Number	
CDBG Project Number		Total Amount Requested			
Recipient Name		ROF Date		Contract End Date	
Section II – Financial Information (CDBG FUNDS ONLY)					
Budgeted Activities	A	B	C	D	
	Total CDBG budget amount	Total CDBG requested prior to the draw	Total amount requested this draw	Balance remaining after this draw	
Program Activity	% of total grant	% column A			
Housing Rehab (SU)					
Housing Rehab (MU)					
Housing Rehab (4MU)					
Homeownership (HO)					
Manufactured Housing (MH)					
Wells and Septic (WS)					
Public Housing (PH)					
Total					
Program Delivery	% of total grant	% column A			
Program Delivery (SU)					
Program Delivery (MU)					
Program Delivery (4MU)					
Program Delivery (HO)					
Program Delivery (MH)					
Program Delivery (WS)					
Program Delivery (PH)					
Total					
Administration	% of total grant	% column A			
Program Administration					
Total					
Balance of CDBG funds on hand					
Amount of CDBG funds requested and not received					
Amount of CDBG funds requested and received					
Section III – Local Approval (Authorized Signatures Only (refer to Form 1-1))					
<small>By signing below, I certify that all representations and warranties contained in all documents executed in conjunction with this grant agreement remain true and correct; that the information and expenditures for which the unit of government named above is seeking payment and/or reimbursement in this submission are true and correct; comply with the program requirements; are eligible expenses; and that the payment and/or reimbursement of expenditures identified in the attached materials does not duplicate reimbursement for any costs and/or expenses from any other source. Note that drawing Program Delivery and/or Administrative funds in advance of completion of Program Activity(ies) is done at the risk of the Recipient.</small>					
Date	Name	Title			
Signature					
I attest that funds are being requested under federal CFDA number 14.228 for the Community Development Block Grant Program					
Date	Name	Title			
Signature					
I attest that funds are being requested under federal CFDA number 14.228 for the Community Development Block Grant Program					

Form 1-4A Housing Disbursement Summary

Recipient	CDBG Project #			Drawdown #		
OCR Only Uses	Activity #	Expenditure Description	Vendor Name	Date Paid/Payable	CDBG funds expended	
Total Requested						
Summary	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5	Activity 6
Amount Requested						
OCR use only						
	Activity 7	Activity 8	Activity 9	Activity 10	Activity 11	Activity 12
Amount Requested						
OCR use only						
Prepared By	Name			Phone		Total Requested
	EMAIL ADDRESS			Date		



OCR Disbursements: Housing Request for Funds

New Housing 1-4B Coming Soon!

Will be posted to OCR Website by 12/31/2022

**Moves some items from 1-4B to a new
Tier II Environmental Checklist**



OCR Disbursement: Public Infrastructure/Facility/Planning

Form 1-5
Public Infrastructure/Facility Request for Funds

Section I – CDBG Recipient Information		Drawdown Number		
CDBG Project Number	Total Amount Requested			
Recipient Name				
ROF Date			Contract End Date	
Section II – Financial Information (CDBG FUNDS ONLY)				
Budgeted Activities	A	B	C	D
	Total CDBG budget amount	Total CDBG requested prior to the draw	Total amount requested this draw	Balance remaining after this draw
Program Activity	% of total grant	% column A		
Public Water				
Sanitary Sewer				
Storm Sewer				
Other Public Infrastructure				
Public Facility				
Lateral Connection (HR)				
Engineering				
Community Planning				
Total				
Program Delivery	% of total grant	% column A		
Program Delivery				
Program Delivery (Lateral)				
Total				
Administration	% of total grant	% column A		
Program Administration				
Total				
Balance of CDBG funds on hand				
Amount of CDBG funds requested and not received				
Amount of CDBG funds requested and received				
Section III – Local Approval (Authorized Signatures Only (refer to Form 1-1))				
<small>By signing below, I certify that all representations and warranties contained in all documents executed in conjunction with this grant agreement remain true and correct, that the information and expenditures for which the unit of government named above is seeking payment and/or reimbursement in this submission are true and correct, comply with the program requirements, are eligible expenses, and that the payment and/or reimbursement of expenditures identified in the attached materials does not duplicate reimbursement for any costs and/or expenses from any other sources. Note that drawing Program Delivery and/or Administrative funds in advance of completion of Program Activity(ies) is done at the risk of the Recipient.</small>				
Date	Name	Title		
Signature _____				
<small>I attest that funds are being requested under federal CFDA number 14.228 for the Community Development Block Grant Program</small>				
Date	Name	Title		
Signature _____				
<small>I attest that funds are being requested under federal CFDA number 14.228 for the Community Development Block Grant Program</small>				

Form 1-5A Public Infrastructure/Public Facility Disbursement Summary

Recipient	CDBG Project #		Drawdown #		
OCR Only Uses	Activity #	Expenditure Description	Vendor Name	Date Paid/Payable	CDBG funds expended
Total Requested					

Summary	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5	Activity 6
Amount Requested						
OCR use only						
	Activity 7	Activity 8	Activity 9	Activity 10	Activity 11	Activity 12
Amount Requested						
OCR use only						
Prepared By	Name			Phone	Total Requested	
	EMAIL ADDRESS			Date		



OCR Disbursement: ED, Small Business, Microenterprise

Form 1-8
Economic Development/Small Business/Microenterprise Request for Funds

Section I – CDBG Recipient Information				Drawdown Number
CDBG Project Number				Total Amount Requested
Recipient Name				
ROF Date				Contract End Date
Section II – Financial Information (CDBG FUNDS ONLY)				
Budgeted Activities	A	B	C	D
	Total CDBG budget amount	Total CDBG requested prior to the draw	Total amount requested this draw	Balance remaining after this draw
Program Activity	% of total grant	% column A		
Economic Development				
Small Business				
Microenterprise				
Program Delivery	% of total grant	% column A		
Program Delivery				
Administration	% of total grant	% column A		
Program Administration				
Total				
Balance of CDBG funds on hand				
Amount of CDBG funds requested and not received				
Amount of CDBG funds requested and received				
Section III – Local Approval (Authorized Signatures Only (refer to Form 1-1))				
<small>By signing below, I certify that all representations and warranties contained in all documentation executed in conjunction with this grant agreement remain true and correct; that the information and expenditures for which the unit of government named above is seeking payment and/or reimbursement in this submission are true and correct, comply with the program requirements; are eligible expenses; and that the payment and/or reimbursement of expenditures identified in the attached materials does not duplicate reimbursement for any costs and/or expenses from any other source. Note that drawing Program Delivery and/or Administrative funds in advance of completion of Program Activity(ies) is done at the risk of the Recipient.</small>				
Date	Name	Title		
Signature				
I attest that funds are being requested under federal CFDA number 14.228 for the Community Development Block Grant Program				
Date	Name	Title		
Signature				
I attest that funds are being requested under federal CFDA number 14.228 for the Community Development Block Grant Program				

Form 1-6A Economic Development/Small Business/Microenterprise Disbursement Summary

Recipient	CDBG Project #	Drawdown #			
OCR Only Uses	Activity #	Expenditure Description	Vendor Name	Date Paid/Payable	CDBG funds expended
Total Requested					

Summary	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5	Activity 6
Amount Requested						
OCR use only						
	Activity 7	Activity 8	Activity 9	Activity 10	Activity 11	Activity 12
Amount Requested						
OCR use only						
Prepared By	Name			Phone		Total Requested
	EMAIL ADDRESS			Date		



OCR Disbursement: ED, Small Business, Micro

FORM 1-6B
MICROENTERPRISE BUSINESS PROJECT SUMMARY FORM

Section I – CDBG Recipient Information				
Recipient Name	CDBG #			
Duplication of Benefits (CDBG-CV Projects Only) - Has the DOB form been submitted for this business to OCR before/with this set up form? Yes <input type="checkbox"/> No <input type="checkbox"/> If no, please attach to this form.				
Section II – Business Information				
Business Name	Business DUNS			
Owner Name				
Owner Name				
Business Address	NY		ZIP + 4	
Type of Business				
Total Number of Current Employees Including the Owner(s)				
Date Business Owner Completed Entrepreneurial Training				
Date Business was Awarded Microenterprise Assistance by Recipient				
Was a Full Environmental Assessment conducted at the programmatic level for this project? Yes <input type="checkbox"/> No <input type="checkbox"/>				
If YES, what date was the Tier 2 (Form 2-6) review conducted on the business?				
Is this a Start-Up or Existing Business?	Start-Up <input type="checkbox"/>	Existing <input type="checkbox"/>		
Year Business Established				
Is the Business Located in a NY Main Street Target Area Program?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Section III – National Objective Information				
The business must meet one of the following in order to be eligible for a NYS CDBG Microenterprise grant. Check whether the business will create at least one LMI job or if the owner(s) qualify as low-to-moderate-income. (Select LMJ or LMCMC)				
<input type="checkbox"/>	LMJ - LOW/MOD CREATION 24 CFR 570.208(a)(4): Activities designed to create/retain permanent FTE jobs, at least 51% of which employ LMI persons.			
If LMJ: <input type="checkbox"/> Jobs will be made available to LMI Persons <input type="checkbox"/> Jobs will be held by LMI persons				
<input type="checkbox"/>	LMCMC - LOW/MOD LIMITED CLIENTELE MICROENTERPRISE 24 CFR 570.208(a)(2)(iii): Activities that are carried out under 24 CFR 570.201(o) and the owner(s) /entrepreneur(s) are LMI persons.			
Section IVa – Job Creation Information				
If the business is proposing to meet the LMJ National Objective, complete the chart below for each job title to be created.				
Job Classification Title and Skills Required	Full – Time Jobs		Part – Time Jobs	
	Total #	Total # LMI	Total #	Total # LMI
Total	0	0	0	0
Average Number of Hours Worked Per Week for Part-Time Jobs:				
Normal Hours of Operation:				

Section IVb – Job Retention Information (CDBG-CV Projects Only)					
Retention Eligibility – Has a financial analysis been submitted for this business to OCR before/with this set up form? Yes <input type="checkbox"/> No <input type="checkbox"/> If no, please attach to this form.					
Full – Time Jobs		Part – Time Jobs		Average Number of Hours Worked Per Week for Part-Time Jobs:	
Total #	Total # LMI	Total #	Total # LMI		
				Normal Hours of Operation:	
Section V – Scope of Work: Please provide a brief scope of work for the business.					
Section VI – COVID Connection (CDBG-CV Projects Only): Please explain how the proposed business activities will prepare, prevent, and/or respond to COVID 19. Attach additional pages as needed.					
Section VI – Project Cost Information					
Use of Funds	Source Of Funds				
	NYS CDBG	Equity	Other	Other	Subtotal
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Direct Assistance to Business	0.00	0.00	0.00	0.00	0.00
% of Total Project Cost	0%	0%	0%	0%	0%
Entrepreneurial Training					0.00
Program Delivery					0.00
Total Amount of Funding	0.00	0.00	0.00	0.00	0.00
Section VII – Certification of Microenterprise Business Project Summary Form					
I certify that, to the best of my knowledge, this project summary is an accurate and truthful reporting of project details.					
Typed Name of Chief Elected Official					
Signature of Chief Elected Official					
Date		CEO Title			
Prepared by	Name				
	E-Mail				
	Phone		Date		



OCR Disbursement Guidelines - Budget Modification

BUDGET MODIFICATION FORM

CDBG Project Number		Modification Number	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>
Recipient Name		Award Date	Contract End Date

OFFICE USE ONLY	ACTIVITY (REFER TO SCHEDULE B)	APPROVED BUDGET (REFER TO SCHEDULE B)			PROPOSED MODIFICATION (+/-)		AFTER MODIFICATION*			CDBG FUNDS AVAILABLE
		CDBG	OTHER SOURCES	TOTAL	CDBG	OTHER SOURCES	BUDGET			
IDIS #	NAME/USE	CDBG	OTHER SOURCES	TOTAL	CDBG	OTHER SOURCES	CDBG	OTHER SOURCES	TOTAL	
	Total									

Certification: To the best of my knowledge and belief, the modifications indicated have been duly authorized by the governing body of the applicant.

Chief Elected Official	Name		Date	
	Title			
Chief Elected Official Signature				
Prepared by	Name			
	E-mail			
OCR APPROVAL	Signature			Program Director

* MODIFICATIONS TO BUDGET ALSO MODIFY SCHEDULE B OF THE NYS CDBG AGREEMENT. BUDGET MODIFICATIONS MUST BE REFLECTED ON ALL FUTURE REQUESTS FOR FUNDS
Office of Community Renewal 10/2018

File Maintenance

Financial Management files

- Resolution, Signatory and Depository Forms
- Financial management system procedures, accounts, records, journals, etc
- Approved budget (and any modifications)
- Commitment of other funds
- Requests for funds
- Cost & transaction source documentation
- Insurance
- Program income
- Monthly financial status reports
- Audit & correspondence

Federal Performance Measurement

Federal agency “must require the recipient to relate financial data to performance accomplishments of the Federal award.” (2 CFR 200.301)

“...Recipients must also provide cost information to demonstrate cost effective practices (e.g., through unit cost data).”

Financial Reporting Requirements

Federal Assistance Expenditure Reports

- Due within 60 days after the end of recipient's fiscal year
- Form 9-1
- Used to determine if single audit threshold met (\$750,000 in all federal funds expended during year)

Single Audits

- Due 9 months after the end of recipient's fiscal year
- Submit to Federal Clearinghouse and directly to OCR



Question and Answer



After this Webinar

If you have any further questions following the conclusion of this webinar, submit your questions to ocrinfo@hcr.ny.gov or contact the Office of Community Renewal at 518-474-2057

Please visit the OCR website at:

<https://hcr.ny.gov/community-development-block-grant>

Upcoming Webinars

Next up in the Program Orientation Webinar Series:

1. Program Administration – December 20, 2022
2. Lead Based Paint Compliance – January 4, 2023