

## **H. MONITORING AND CLOSEOUT**

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## **H. MONITORING AND CLOSEOUT**

### **Task H-1: Monitoring of LCDBG Programs by the State**

The LCDBG staff may schedule a monitoring visit with the City/Parish at any time to review the program performance on site. A visit may be a comprehensive program evaluation or it may be oriented toward assessing performance in specific areas. In either case, you should cooperate with the State staff and provide them with all records and files pertaining to the program, as well as any other information requested. Before the LCDBG staff leaves your community, they will sit down with you to discuss their findings in an exit conference; it is desirable that the chief elected official be present for this conference. The LCDBG staff, to the extent possible, will work with you on site to correct any problems. Any problems that cannot be corrected will be discussed in the monitoring letter.

Following the monitoring visit, the State will send you a letter which identifies both the positive and negative findings of the monitoring review. **Exhibit H-1** provides an example of a monitoring letter. Since this letter becomes a part of your record at the State, it is to your advantage to minimize the number and scope of negative findings.

The State generally allows you thirty to forty-five days to respond to the findings of deficiency noted in the letter. You must describe all corrective actions taken or provide new information not reviewed during the visit. An example of a response to the State's monitoring letter is given in **Exhibit H-2**. The corrective actions should generally follow the recommendations made by the LCDBG staff. State staff will then inform you if your response is sufficient to permit them to clear the findings. All findings from monitoring visits must be cleared prior to closeout.

**Exhibit H-6** contains the monitoring checklists that the LCDBG staff utilizes when monitoring LCDBG programs on-site. These checklists were current at the time this handbook was prepared; however, they are revised continuously to reflect changes in State and Federal regulations.

### **Task H-2: Preparing The Program Completion Report**

Upon completion of the project, the grantee must take the steps necessary to close-out its program. The program cannot be closed out until the improvements/construction undertaken with grant funds is in full operation. For example, the program funding a new sewerage collection and treatment system cannot be closed-out until the households are connected to the system and the system is fully functional.

All grantees are required to submit a Program Completion Report when all activities are complete. The forms which comprise this report are shown in **Exhibit H-3**. The instructions for the completion of each form in this report are also provided.

When preparing these forms, these general guidelines should be kept in mind:

- ~ Identify activities on the forms exactly as they are identified in the contract or as were established by any program amendments.
- ~ Provide current data on obligated and expended amounts by activity. In most instances, the amount obligated will be the same as the amounts expended.
- ~ On all tables, make sure that the rows and columns of figures subtotal accurately.
- ~ Identify methods used to determine beneficiaries. For new water and sewer systems, the beneficiaries will be determined by the persons actually connected to the new system.
- ~ Submit two copies of the report to the Division of Administration/Office of Community Development.
- ~ Submit three copies of the Certificate of Completion all of which have original signatures.

As part of the Completion Report, the grantee must prepare three Certificate of Completion forms, all of which have original signatures. This form summarizes all costs incurred by the program which were paid for with LCDBG funds and program income. If grant funds received exceed grant costs, you will be notified by the State to send a check for the amount of excess grant funds received. The State will also ascertain the amount of grant funds utilized for administrative costs; any funds in excess of those allowed by the State will also have to be returned.

The State will also require a clear lien certificate and copies of any change orders issued to the construction contract prior to closing-out the program.

Upon receipt and approval of your Certificate of Completion and a check for excess grant payments, when applicable, the State will make any necessary adjustments to your LCDBG account. The State will also monitor funds earmarked for the payment of unpaid costs and unsettled third party claims. If unsettled third party claims were included, upon resolution of these claims, you must submit a revised Certificate of Completion for State review before the project can receive a final closeout.

When the State considers the closeout documents to be complete and in order, you will be notified in writing of such.

In most instances, a grantee will receive conditional closeout prior to receiving a final closeout. Conditional closeout is given when all audit/monitoring findings have been cleared, the Program Completion Report has been accepted, the final disposition of funds is accepted by the State, a clear lien certificate has been issued, all change orders have been reviewed, and a Final Wage Compliance Report has been accepted. Generally, a conditional closeout is given prior to a final closeout because all audits covering the expenditure of the total LCDBG funds have not been received. In such instances, upon receipt and acceptance of the final audit, final closeout is given by the State. Prompt closeout of your grant is most desirable since the State views it as an indicator of local capacity. Delays in program closeout may be indicators of poor performance and can influence the State's review of subsequent applications.

### **Task H-3: Audit and Financial Review Findings**

Under the provisions of the Single Audit Act of 1996 (OMB Circular A-133), a single audit is required whenever the amount of federal financial assistance (LCDBG program funds plus all other federal financial assistance, both direct and indirect) expended in a fiscal year equals or exceeds \$300,000. (Beginning with the Fiscal Year Ending December 31, 2003 the threshold rose to \$500,000.) For further guidance see **Task A-6: Audit Process**. One of the purposes of audits is to perform a compliance review of the recipient of federal funds with federal and state program requirements. When an auditor finds an area of noncompliance with program requirements he is required to make a supplemental report of findings and/or questioned costs. Grant recipients should insure that their responses are included in the audit report. The Office of Community Development reviews all audit reports to insure audit findings are addressed. Examples of audit findings and questioned costs are found in **Exhibit H-4**. A sample response is found in **Exhibit H-5**.

### **Task H-4: Understanding Corrective and Remedial Actions**

#### **Introduction**

This policy describes the types of administrative actions that can be taken by the Office of Community Development in cases of improper or inadequate performance by recipients of LCDBG Program grants. In each instance, to the extent possible under the circumstances, the action taken will be intended, first, to prevent a continuation of the deficiency; second, to mitigate any adverse effects or consequences of the deficiency; and, third, to prevent a recurrence of the same or similar deficiencies.

## **Types of Deficiencies**

A deficiency is an instance of non-performance of activities or non-compliance with requirements set forth in the contract between the State of Louisiana and the recipient of LCDBG funds. Examples of deficiencies include, but are not limited to, the following:

1. Failure to clear monitoring findings within 120 days of the issuance date by the Office of Community Development. An on-site monitoring visit (for the purpose of assuring the grant recipient's compliance with the federal and state requirements governing the LCDBG Program) may be conducted as a matter of routine monitoring or whenever problems come to the attention of the Office of Community Development. Following the monitoring visit, a letter is written to the grant recipient which identifies findings of deficiency as well as findings of merit, the corrective action required to clear findings of deficiency, and a target date for the accomplishment of the corrective actions. Upon receipt and review of the grant recipient's response, the Office of Community Development determines whether or not the response is sufficient to resolve the findings. If any monitoring findings are not properly resolved by the initial target date, the grant recipient is advised of such and is assigned a second target date for the clearance of those findings. All monitoring findings not resolved by the second target date remain open until resolved.
2. Failure to file reports as required or failure to file reports within established timeframes. Such reports include but are not limited to the Minority Business Report, financial reports, and closeout documents.
3. Failure to resolve an audit finding within 120 days of the issuance date by the Office of Community Development.
4. Incurring costs for ineligible activities in accordance with state and federal regulations.
5. Lack of continuing capacity to administer the LCDBG program.
6. Failure to execute approved activities in accordance with the implementation schedule included between the State and the grant recipient.
7. The implementation of a program change without prior written approval from the Office of Community Development.

## **Notice of Deficiency**

The first step in the corrective procedure is for the Office of Community Development to send a written Notice of Deficiency to the grant recipient. The notice will describe the deficiency specifically and objectively, describe actions the grant recipient must take in order to remedy the deficiency and a deadline for doing so, and describe the consequences for failure to remedy the deficiency (i.e. administrative sanctions or legal action).

## **Sanctions**

If the deficiency remains uncorrected, one or more sanctions will be imposed. The choice of the sanction(s) to be issued is governed by the objectives identified in the Introduction, the type of deficiency, and the seriousness of the deficiency. Possible sanctions include but are not limited to:

1. Required administrative change: For example, if the consultant administering the program is doing a poor job but the grant recipient has the continuing capacity to administer the grant, the grant recipient may be required to discharge the consultant and engage someone else to administer the program.
2. Suspension of grant payments.
3. Reduction of grant amount.
4. Termination of grant.
5. Reimbursement of costs disallowed by the Office of Community Development.
6. Disqualification from consideration for other LCDBG funds.. The criteria for disqualification shall be consistent with, but not limited to, the State's threshold requirements for funding.
7. Legal action pursued by the State.

If the grant recipient does not address the cited problem after having been sanctioned, additional sanctions may be imposed, or the matter may be referred for legal action.

## **Appeals**

The grant recipient may appeal any imposed sanctions through the following process. The grant recipient must submit a written request for an appeal within ten working days after the written notice of sanction has been received. A written decision shall be rendered within ten working days of receipt of the request for appeal unless additional time is agreed to by the recipient.

## **Duration of Imposed Sanction**

The Office of Community Development will maintain a sanction list of those sanctions which render the grant recipient ineligible for additional grant awards. The list will identify the grant recipient, a brief description as to why the sanction was imposed, and what steps must be taken to remove the sanction.

The sanction will remain in effect until the deficiency has been corrected or for no more than ten LCDBG program years with the following exception. Sanctions involving LCDBG funds which were expended for ineligible activities as identified in the federal regulations (24CFR 570.207) cannot be excused unless those funds have been repaid to the State or a satisfactory arrangement for

the repayment of those funds have been made and payments are current. The grant recipient will be advised in writing when the sanction has been lifted.

### **Internal Procedures for Issuing/Clearing Sanctions**

1. If a Local Government Rep (LGR) feels that he/she should issue a sanction, he/she should set up a meeting which includes his/her Program Manager, the Policy and Programs Coordinator, and the Community Development Director. The purpose of this meeting will be to determine if a sanction should be issued. If a determination is made to issue a sanction, the penalty/time frame attached to that sanction will also be determined. Every effort will be made to insure consistency among the sanctions imposed.
2. The LGR will advise the grant recipient in writing of the sanction. That letter will identify the deficiency which has resulted in the sanction, the steps that can be taken to correct the deficiency, the penalty which will be imposed, and any timeframe associated with the sanction. If the grant recipient will be prohibited from receiving LCDBG funds for a specified time period, the timeframe must be clearly and specifically identified. A copy of this letter will be given to the Policy and Programs Coordinator.
3. The Policy and Programs Coordinator will be responsible for maintaining the Sanction List which tracks those sanctions having an effect on a potential applicant's eligibility for future funding. The information contained in the letter issuing the sanction will be summarized on this list.
4. When the grant recipient corrects the deficiency or the timeframe associated with the sanction period ends, the LGR will advise the grant recipient of such in writing. A copy of that letter will be given to the Policy and Programs Coordinator who will remove the grant recipient from the Sanction List, if applicable.
5. The permanent working files for the grant associated with the sanction must remain in the Office of Community Development as long as the sanction is in effect; these files cannot be archived until the sanction has been lifted.
6. The final determination of the issuance and clearance of each sanction rests with the Director of the Office of Community Development.

Fictional Sample

STATE'S MONITORING LETTER

July 5, 2003

RE: Monitoring Report  
FY 2002 LCDBG Program  
Contract Number 101-0000

Dear Mayor Mayor:

On June 7, 2003, members of this office visited your City for the purpose of monitoring your FY 2002 Louisiana Community Development Block Grant (LCDBG) Program. The courtesy and cooperation extended to the staff during their visit is appreciated.

During their visit, a review of selected items was undertaken in the following program areas: (a) National Objectives, (b) Program Performance, (c) Environmental Review, (d) Record Keeping, (e) Public Facility Improvements, (f) Fair Housing/ Equal Opportunity, (g) Labor Standards, (h) Procurement, (i) Citizen Participation, (j) Financial Management, (k) Anti-Displacement, (l) Acquisition, and (m) Disclosure.

Their review indicated that you have the continuing capacity to carry out the program activity in a timely manner. The program has been implemented in accordance with the requirements and primary objectives of the Housing and Community Development Act and other applicable laws, with the exceptions identified herein. Although other deficiencies may exist, they were not detected during our review.

FINDINGS OF DEFICIENCY

LABOR STANDARDS

Our review of this area encompassed the bid/contract document, payrolls sheets, employee interview forms and wage decisions.

Finding Number 101-0000-1-1-030

The Statements of Compliance for the payrolls of Oops, Inc. were signed by Ms. Dizzy Deshotel, payroll clerk. All Statements of Compliance must be signed by a company official or an "authorized" payroll signor as required in **Task B-1** of the Grantee Handbook.

Corrective Action Required: In order to clear this finding, the City must submit a copy of the written authorization from Oops, Inc. designating Ms. Deshotel as the authorized payroll signor.

### FINANCIAL MANAGEMENT

A review of the financial management records for the LCDBG Program was conducted. The records were tested for compliance with the requirements of OMB Circulars A-87 and A-102 and with other federal and state laws, regulations, and policies.

#### Finding Number 101-0000-1-1-010

In reviewing the financial management records, it was noted that bank statements were missing for the months of December, 2002, January, 2003, February, 2003, August through December, 2003, and January, 2004. Also there were no canceled checks for check numbers 1003, 1004, 1005, 1006, and 1007. Without this documentation, the City cannot be considered as having a complete set of financial records.

Corrective Action Required: The City must provide us with copies of the missing bank statements and canceled checks identified herein. Following our review of those items, we will advise you if any other action must be taken.

#### Finding Number 101-0000-1-1-011

One of the LCDBG program requirements is that all local officials and employees who sign checks and/or handle the program funds be bonded in accordance with State law (refer to **Task A-3** in the Grantee Handbook). There was no evidence in the files to indicate that any of the elected officials in your City who are authorized to sign checks are bonded.

Corrective Action Required: Please provide us with documentation to support that those persons signing the LCDBG checks are bonded.

### FAIR HOUSING/EQUAL OPPORTUNITY

Our review of this area encompassed recipient employment, Section 3 and Section 504 requirements, fair housing, and program beneficiaries.

#### Finding Number 101-0000-1-1-040

Although the City has a Section 3 Plan, it does not cover actual and anticipated hirings. Please refer to the sample Section 3 Plan included in **Exhibit B-5** in your Grantee Handbook.

Corrective Action Required: The City must revise its Section 3 Plan to include current employment data. The City must fill out the "Anticipated City/Parish Hiring" portion of the Section 3 Plan and submit the revised plan to us.

Finding Number 101-0000-1-1-041

When the City signed the Assurances in its application, it agreed to take actions which would further fair housing in the City. According to information in the files, the only action taken by the City to further fair housing was the adoption of a Fair Housing Ordinance; that ordinance was

adopted for a previous funding program and cannot be considered as an action taken to further fair housing during the course of the FY 2002 LCDBG Program.

Corrective Action Required: The City must undertake some other activity which will further fair housing in the community. Examples of such activities are provided on pages 30 - 31 in the first section of the Grantee Handbook. Although it is not shown on those pages, the City may also choose to hold a fair housing seminar for its citizens. Once you have accomplished this, please send us documentation of such.

PUBLIC FACILITY IMPROVEMENTS

The review of this area encompassed the bid document, construction contract, project plans and specifications, and contractor certifications as related to the construction undertaken by Oops, Inc.

Finding Number 101-0000-1-2-110

At the time of our visit, no evidence could be found to support that the plans and specs for the sewer project had been reviewed by the appropriate state agency.

Corrective Action Required: Please submit documentation to support that the plans and specs for this project were submitted to the appropriate state agency for their review.

PROCUREMENT

The City's general files on procurement were reviewed in addition to the procurement procedures utilized in hiring engineering, administrative consulting, and construction services.

Finding Number 101-0000-1-2-080

The contract between the City and the engineering firm did not contain the following required language: Termination for Cause; Termination for Convenience; Equal Opportunity; Title VI; Access to Records; Conflict of Interest; Section 3; and Section 109.

Corrective Action Required: The contract must be amended to include all the provisions listed above and a copy submitted for our review.

AREA OF CONCERN

FINANCIAL MANAGEMENT

Two checks written on the LCDBG account had only one signature. As of June, 2002, we require two signatures on all checks written from LCDBG funds.

## FINDINGS OF MERIT

### NATIONAL OBJECTIVES

The City's local survey revealed that approximately eighty-one percent of the persons benefitting from the sewer project were of low and moderate income. The City is maintaining a copy of the local survey in its files. Based upon our review of the target area during the monitoring visit, this figure appears accurate.

### PROGRAM PERFORMANCE

The City's actual progress in completing the program activities in accordance with the schedule (Exhibit B) in the contract with the State was reviewed. That schedule projects that the construction of the project will be complete by February of 2005. Therefore, the program is progressing ahead of the proposed schedule.

### ENVIRONMENTAL REVIEW

No activities or project sites have changed from those approved in the original application for funds. Therefore, the previously accepted Environmental Review Record remains relevant and complete.

### RECORD KEEPING

The City is maintaining the program records in accordance with the State's program requirements. When the staff requested specific information during the monitoring visit, the supporting documentation was easily retrievable.

### ANTI-DISPLACEMENT

No displacement occurred as a result of this grant. A review of the anti-displacement file was made and it was found to be in compliance with the LCDBG program requirements.

Please submit the items necessary to address the findings of deficiency to us no later than August 30, 2004. Your cooperation in this matter will be appreciated. If you have any questions or need further clarification, please contact Dolly Dolittle at 504/342-7412.

### CITIZEN PARTICIPATION

The citizen participation files were reviewed for and found to be in compliance with the federal and state program requirements.

DISCLOSURE

The initial and updated disclosure reports were reviewed for compliance with the LCDBG program requirements. It was determined that acceptable disclosure reports were submitted as required.

Sincerely,

U.R. Good  
State LCDBG Director



EXAMPLE

RESPONSE TO STATE'S MONITORING LETTER

August 25, 2004

Mr. U. R. Good  
Division of Administration  
Post Office Box 94095  
Baton Rouge, Louisiana 70804

Dear Mr. Good:

This letter is in reference to your letter of July 25, 2004.

LABOR STANDARDS

Finding Number 101-0000-1-1-030

Enclosed is a copy of the written authorization from Oops, Inc. designating Ms. Deshotel as the authorized payroll signor.

FINANCIAL MANAGEMENT

Finding Number 101-0000-1-1-010

The missing bank statements and canceled checks requested in your letter are enclosed.

Finding Number 101-0000-1-1-011

Enclosed is documentation which supports that all City officials are now bonded in accordance with State Law.

FAIR HOUSING/EQUAL OPPORTUNITY

Finding Number 101-0000-1-1-040

A copy of the revised Section 3 Plan is enclosed.

Finding Number 101-0000-1-1-041

Documentation of other activities that we have now undertaken to further fair housing is enclosed.

PUBLIC FACILITY IMPROVEMENTS

Finding Number 101-0000-1-2-110

Enclosed is a letter from the Department of Health and Hospitals regarding their review of the plans and specs for the sewer project.

PROCUREMENT

Finding Number 101-0000-1-2-080

Our amended contract with the engineering firm is enclosed.

I am sorry we had so many findings. We had no idea that your monitoring staff would be looking so closely at our files. I wish we had followed the suggestions made during the Grantee Workshop; if we had, then we could have saved ourselves a lot of trouble trying to clear the findings. I give you my written assurance that we will do better on our next grant.

Sincerely,

I.B. Mayor, Mayor

AA/ZZ:ff

Enclosures



## INSTRUCTIONS FOR THE COVER SHEET

### ITEM NUMBER

1. Type in name of your City/Parish.
2. Type in the official City/Parish address.
3. Type in contract number.
4. Attach the citizen participation information as identified and required. As a reminder, public hearings are required: a) for the development of the LCDBG application, b) for the review of the application being submitted to the State, c) for comments regarding any amendments to the Program, and d) for review of the grantee's program performance as a part of closeout. Identify the date and purpose of each public hearing. Also include a summary of each comment received during the program and the local governing body's response to each comment received. These comments must also include any complaints received regarding the program.
5. The Mayor's/President's signature on this page certifies that the data in the report is correct and the LCDBG Program files are being maintained in the local governing body's offices.
6. Type in the name and title of the chief elected official, e.g., the Mayor/President.
7. The Mayor/President must sign in this block.
8. Enter the date signed.

## CITIZEN PARTICIPATION INFORMATION



LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
GRANT PROGRESS FORM

1. Grantee:

2. Contract Number:

3. Name of Activity	4. National Objective Addressed	5. Actions Accomplished	6. Actions Remaining to Anticipated Completion Date	7.* Current LCDBG Budget	8.* LCDBG Funds Obligated	9.* LCDBG Funds Expended
			10. TOTAL	\$	\$	\$

\*If other funds were injected into the project, attach a separate sheet identifying the amount of, source of, and use of funds per each activity. This is required for all economic development projects; however, it may also pertain to housing, public facilities, and demonstrated needs projects. The amounts shown in columns 7, 8, and 9 should involve only LCDBG funds.

## INSTRUCTIONS FOR THE GRANT PROGRESS FORM

### ITEM NUMBER

1. Type in the name of your City/Parish.
2. Type in the contract number.
3. List the name of each activity identified exactly as it is shown in the contract or as established by any program amendments; for example, sewer system improvements, housing rehabilitation, demolition, etc. Acquisition will not be shown as a separate activity. If acquisition of land was necessary to complete a sewer project, the funds for acquisition will be included with the funds for sewer.
4. Note the national objective served by each activity, e.g., "benefit to low moderate income persons" or "prevention/elimination of slums and blight. " Although administration will be identified as an activity, do not identify that a national objective has been addressed by this activity.
5. Identify the specific actions accomplished under this activity, e.g., "replacement of 750 linear feet of sewer line, rehab of 24 houses, demolition of 3 houses," etc.
6. List the actions remaining to complete the activity and anticipated completion date, e.g., "finishing, inspection, and acceptance (5/03)" or identify the activity as "completed". In most instances, all of the activities will be completed when this form is prepared.
7. Show the current approved LCDBG amount budgeted for each activity.
8. List the total amount of LCDBG funds obligated for each activity as of the date of the report. The amount obligated generally means the amount under contract or for which expenses have been incurred. If other funds (state, local, or federal) were injected into the project, attach a separate sheet identifying the source of funds and use of funds for each activity. All economic development projects involve other funds; therefore, the amount, source and use of other funds (private and/or public) must be identified for economic development projects. Other funds may also have been used in conjunction with a housing, public facilities, demonstrated needs, LaSTEP or technology project.
9. Show the total LCDBG funds expended for each activity as of the date of the report.
10. Enter the total amounts under columns 7, 8, and 9.

Louisiana Community Development Block Grant Program—Program Beneficiary Form				
1. Name of Grantee				
2. Contract Number				
		Activity A	Activity B	Activity C
3. Name of Activity(s)				
4. Total Number of Beneficiaries				
5. Total Moderate, Low, & Extremely Low Income Beneficiaries	#			
	%			
6-A. Moderate Income Beneficiaries	#			
	%			
	O			
	R			
6-B. Low Income Beneficiaries	#			
	%			
	O			
	R			
6-C. Extremely Low Income Beneficiaries	#			
	%			
	O			
	R			
Items 7 & 8 will be based on all beneficiaries regardless of income level				
7-A. American Indian or Alaskan Native	Total	#		
	Hispanic	#		
7-B. Asian	Total	#		
	Hispanic	#		
7-C. Black or African American	Total	#		
	Hispanic	#		
7-D. Native Hawaiian or other Pacific Islander	Total	#		
	Hispanic	#		
7-E. White	Total	#		
	Hispanic	#		
7-F. American Indian and White	Total	#		
	Hispanic	#		
7-G. Asian and White	Total	#		
	Hispanic	#		
7-H. Black and White	Total	#		
	Hispanic	#		
7-I. American Indian and Black	Total	#		
	Hispanic	#		
7-J. Other Multi-Racial	Total	#		
	Hispanic	#		
8-A. Handicapped Persons		#		
8-B. Handicapped Families		#		
8-C. Female-headed Families		#		
8-D. Total Families		#		
9. Source For Determining Beneficiary Data:				
10. We certify that to the best of our knowledge and belief the beneficiary data entered on this form is true and correct as of the date below. For those projects involving the construction of new water and/or sewer systems, the number of beneficiaries shown reflects only those persons/households which are physically connected to the system.				
Signature, Chief Elected Official			Date	
Signature, Administrative Consultant			Date	
Signature, Engineer/Architect			Date	

## INSTRUCTIONS FOR THE PROGRAM BENEFICIARY FORM

1. Grantee: Enter the name of the local governing body.
2. Contract Number: Enter the grantee's contract number.
3. Activity: Enter the name of each activity. The activities shown must correspond to those identified on the Grant Progress Form.
4. Total Number of Beneficiaries: For each activity shown in row 3, provide the total number of beneficiaries for all income levels for that activity. All income levels include the following four income levels: High, Moderate, Low and Extremely Low. Do not identify any beneficiaries for administration. **For new water and sewer systems, only enter the number of persons actually connected to the new system as beneficiaries.**
5. Total Moderate, Low, and Extremely Low: For each activity shown in row 3, enter the total number and percent of moderate, low, and extremely low income persons benefiting from the project. This total number should equal the sum of the income level components shown for moderate, low, and extremely low income beneficiaries listed in 6-A through 6-C.
6. Components of Moderate, Low, and Extremely Low: Enter the number and percent of (6-A) moderate income persons benefiting, of (6-B) low income persons benefiting, and of (6-C) extremely low income persons benefiting. The numbers in these three categories, when combined, should equal the total number in row 5.

**For housing rehabilitation, relocation, and public facilities rehabilitation activities (installation of or improvements to water or sewer service connection lines) which take place on private property, the number of owners, "O", and renters, "R", must also be identified by each income category. The owner/renter status does not need to be identified for any other activities.**

The number of extremely low income persons will only be reported beginning with the FY 2000 grants. For grants awarded prior to the FY 2000 program year, the number of low income persons may also include the number of extremely low income persons as that is how the data was captured from the local surveys.

7. Racial and Ethnicity Origin: Item 7 pertains to all beneficiaries regardless of income level. Enter the number of persons benefiting by their racial origin (7-A through 7-J); then enter the number of persons in that racial origin that are of Hispanic or Latino ethnicity.
8. Family Characteristics: Item 8 pertains to all beneficiaries regardless of income level. In 8-A, enter the number of handicapped persons and in 8-B enter the number of families headed by a handicapped person. In 8-C, enter the number of families headed by females. In 8-D, enter the total number of families benefiting from the program. (Note: For housing grants enter the number of households in items 8-B, 8-C & 8-D.)
9. Sources: Identify the source/methodology used for determining the beneficiary data.
10. Signatures: The beneficiary data on this form must be verified by means of signatures by the chief elected official, administrative consultant, and engineer/architect.

### Definitions:

American Indian or Alaskan Native. A person having origins in any of the original peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment.

Asian: A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Black or African American: A person having origins in any of the black racial groups of Africa.

Native Hawaiian or Other Pacific Islander: A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White: A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

Hispanic or Latino: A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Handicapped. A person receiving disability benefits or a person who has an obvious physical handicap.

Elderly: A person who is 62 years of age or older.

<b>Louisiana Community Development Block Grant Program—Applicant Data Form*</b>			
		1. Name of Grantee	
		2. Contract Number	
		3. Name of Activity	
4. Persons in Applicant Households	All Income Levels	#	
5. Persons in Applicant Households	Moderate, Low, & Extremely Low Income Levels	#	
		%	
6-A. Persons in Applicant Households	Moderate Income Level	#	
		%	
		Own	
		Rent	
6-B. Persons in Applicant Households	Low Income Level	#	
		%	
		Own	
		Rent	
6-C. Persons in Applicant Households	Extremely Low Income Level	#	
		%	
		Own	
		Rent	
Items 7 & 8 will be based on all persons in applicant households regardless of income level			
7-A. American Indian or Alaskan Native	Total	#	
	Hispanic	#	
7-B. Asian	Total	#	
	Hispanic	#	
7-C. Black or African American	Total	#	
	Hispanic	#	
7-D. Native Hawaiian or Other Pacific Islander	Total	#	
	Hispanic	#	
7-E. White	Total	#	
	Hispanic	#	
7-F. American Indian and White	Total	#	
	Hispanic	#	
7-G. Asian and White	Total	#	
	Hispanic	#	
7-H. Black and White	Total	#	
	Hispanic	#	
7-I. American Indian and Black	Total	#	
	Hispanic	#	
7-J. Other Multi-Racial	Total	#	
	Hispanic	#	
8-A. Handicapped Persons		#	
8-B. Handicapped Households		#	
8-C. Female-headed Households		#	
8-D. Total Households		#	
9. Source for determining applicant data:			
*This form must be completed only for housing programs and public facilities programs which include work undertaken on private property.			

## INSTRUCTIONS FOR THE APPLICANT DATA FORM

In accordance with the federal regulations governing the Community Development Block Grant Program, the Applicant Data Form must be completed by all FY 1993 and later LCDBG recipients who utilized LCDBG funds for a housing program or for a public facilities program which included the activity of rehabilitation loans and grants. The information reported on this form must include the data for all persons applying for financial assistance for housing rehabilitation or replacement housing and all persons applying for financial assistance for the installation and/or repair of water and/or sewer service lines on private property. The numbers on this form will include all persons applying for the financial assistance – including those who received the assistance and those who did not receive the assistance. Often, the number of persons applying for assistance will exceed the number of beneficiaries since all who apply do not necessarily receive the assistance.

Any time an activity is included on this form, the Applicant Data Form, the same activity must also be listed on the Program Beneficiary Form. Whereas the Applicant Data Form identifies all applicants, the Program Beneficiary Form identifies only those applicants who received assistance (beneficiaries).

1. Grantee: Enter the name of the local governing body.
2. Contract Number: Enter the grantee's contract number.
3. Name of Activity: Enter the name of the activity. The only activities applicable to this form are housing rehabilitation loans and grants, public facilities rehabilitation loans and grants (hook-ups), and relocation payments and assistance. If your program did not have monies budgeted for any of these activities, do not complete this form. Any activity listed on this form should also be listed on the Program Beneficiary Form.
4. Persons In Applicant Households—All Income Levels: For the activity shown in row 3, provide the total number of persons in applicant households for “All Income Levels”. “All Income Levels” includes the following four income levels: High, Moderate, Low, and Extremely Low. This means that all persons in the households applying for assistance, regardless of income level, must be shown.
5. Persons in Applicant Households—Moderate Plus Low Plus Extremely Low Income: Enter the total number and percent of moderate, low and extremely low income persons in the applicant households.
6. Component Listing of Persons in Applicant Households: Enter the number and percent of persons in applicant households according to the following income level components: (6-A) Moderate, (6-B) Low and (6-C) Extremely Low. This data can be obtained from the applications for assistance which were completed by the applicants. The numbers in these three categories, when combined, should equal the number on row 5.

**For housing rehabilitation, relocation, and public facilities rehabilitation activities which take place on private property, the number of owners and renters must also be identified by each income category.**

7. Racial/Ethnic Origin: Item 7 pertains to all persons in applicant households regardless of income level. Enter the number of persons in the applicant households by their racial origin (7-A through 7-J); then enter the number of persons in that racial origin that are of Hispanic or Latino ethnicity. All persons who applied for assistance will be included whether they received assistance or not. The total number of persons listed in rows 7-A through 7-J by racial/ethnic characteristics should equal the number of persons listed in row 4.
8. Household Characteristics: Item 8 pertains to all households/persons who applied for assistance regardless of income level. In 8-A, enter the number of handicapped persons who reside in households which applied for assistance. In 8-B, enter the number of applicant households which were headed by handicapped persons. In 8-C, enter the number of applicant households which were headed by females. In 8-D, enter the total number of applicant households.
9. Source: State the source/methodology used for determining the applicant data.

Definitions: Refer to the back of the “Program Beneficiary Form” for definitions on race, ethnicity, handicapped and the elderly.

<p>LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM</p> <p>HOUSING OPPORTUNITIES FORM</p>	<p>1. GRANTEE:</p> <p>2. CONTRACT NUMBER:</p>				
<p>3. Actions taken to affirmatively further fair housing in your community:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th data-bbox="256 588 446 619" style="text-align: left;"><u>Actions Taken</u></th> <th data-bbox="941 588 1039 619" style="text-align: left;"><u>Results</u></th> </tr> </thead> <tbody> <tr> <td style="height: 200px;"></td> <td></td> </tr> </tbody> </table>		<u>Actions Taken</u>	<u>Results</u>		
<u>Actions Taken</u>	<u>Results</u>				
<p>4. Actions taken to increase housing opportunities for lower income:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th data-bbox="256 1312 446 1344" style="text-align: left;"><u>Actions Taken</u></th> <th data-bbox="941 1312 1039 1344" style="text-align: left;"><u>Results</u></th> </tr> </thead> <tbody> <tr> <td style="height: 200px;"></td> <td></td> </tr> </tbody> </table>		<u>Actions Taken</u>	<u>Results</u>		
<u>Actions Taken</u>	<u>Results</u>				

INSTRUCTIONS FOR THE HOUSING OPPORTUNITIES FORM

ITEM  
NUMBER

1. Type in the name of your City/Parish.
2. Type in the contract number.
3. List all actions taken to affirmatively further fair housing in your community and the results of those actions.
4. Identify all actions taken to increase housing opportunities for lower income households in your community and the results of those actions.

LOUISIANA COMMUNITY DEVELOPMENT  
BLOCK GRANT PROGRAM  
MISCELLANEOUS INFORMATION FORM

1. GRANTEE:

2. CONTRACT NUMBER:

3. Did you receive any program income during the course of this grant? Yes \_\_\_\_\_ No \_\_\_\_\_  
(See the instructions on the back of this form.)

4. If yes,  
a. Enter the sum of program income received during this program \$ \_\_\_\_\_  
b. For all program income received, list separately the source and original LCDBG Program year which generated the program income and the amount received.

<u>SOURCE</u>	<u>ORIGINAL LCDBG PROGRAM YEAR</u>	<u>AMOUNT</u>
---------------	--	---------------

5. Was any property or equipment (property having a useful life of more than one year and an acquisition cost of \$300 or more per unit) purchased with LCDBG funds? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, provide a description and dollar amount paid for such purchases.

<u>DESCRIPTION</u>	<u>AMOUNT</u>
--------------------	---------------

Disposition of property acquired with federal funds must be in compliance with OMB Circular A-87. You will be notified of the proper procedures for disposition of the property described above.

6. If a fire truck was purchased, a copy of the title for each truck must be submitted with the close-out documents.

7. Was any land acquired/donated in order to complete the project?

Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, identify the number of parcels donated \_\_\_\_\_ and acquired \_\_\_\_\_.  
(number) (number)

8. For public facilities projects or other projects (including economic development) which involve infrastructure construction and which were funded prior to the FY 2000 LCDBG program year, attach a copy of any change orders issued to the construction contract after the monitoring visit. (For projects awarded beginning with the FY 2000 LCDBG program year and thereafter, all change orders should have already been submitted to the LCDBG engineer.)

9. Has or will the local governing body transfer ownership of the system/asset to another entity? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, a copy of the executed intergovernmental cooperative agreement must be attached to the closeout documents.

10. If your project included infrastructure construction, a copy of the recorded clear lien certificate must be submitted with the closeout documents.

11. If your project involved infrastructure construction which was subject to Davis Bacon and Related Acts, a Final Wage Compliance Report must be submitted.

INSTRUCTIONS FOR THE MISCELLANEOUS INFORMATION FORM

ITEM  
NUMBER

1. Type in the name of your City/Parish.
2. Type in the contract number.
3. Program Income  
The LCDBG program requires Economic Development loan repayments be submitted to the state as program income. The rules governing Program Income requirements are explained in Section IV(J) of the Financial Management Manual. There are some situations which may arise whereby the State will allow a unit of local government to keep program income. This does not include ED loan repayments. 100% of loan payments must be sent to the State. If you have received our permission to earn and retain program income, the following information is needed.  
  
Identify whether or not any program income was received during the course of the grant for which these closeout documents are being prepared. The program income, however, may have been received as a result of a previous grant. For example, during the life of a FY 2003 CDBG program, the Town may receive program income from a FY 2001 economic development grant award.
4. a. Enter the sum of income received during the program, if applicable.  
b. Identify the source and dollar amount of all program income received. If applicable, distinguish between principal and interest. Also, identify the original grant year from which these funds were generated. If additional space is needed, provide the information on a separate sheet.
5. Indicate if any property or equipment was purchased with LCDBG funds and, if applicable, provide a description and cost.
6. If a fire truck was purchased with LCDBG funds, a copy of the title for each truck must be submitted.
7. If any land was acquired or donated in order to complete the project, please identify the number of parcels acquired and/or donated.
8. For all projects awarded prior to the FY 2000 LCDBG program year involving public facilities construction or improvements, a copy of all change orders issued after the monitoring visit must be submitted. Beginning with the FY 2000 LCDBG program
9. For all projects which involve the transfer of ownership of the system or asset purchased, improved, or constructed with LCDBG funds, a copy of the executed intergovernmental cooperative agreement must be attached to the closeout documents.
10. For all projects involving infrastructure construction (including economic development), a copy of the recorded certificate of substantial completion or a copy of the recorded clear lien certificate must be submitted with the closeout documents.
11. Attach Final Wage Compliance Report for those projects which were subject to Davis Bacon and Related Acts.



**Part II: Contracts Awarded**

1. Construction Contracts:

- A. Total dollar amount of all construction contracts awarded on the project \$ \_\_\_\_\_
- B. Total dollar amount of construction contracts awarded to Section 3 businesses \$ \_\_\_\_\_
- C. Percentage of the total dollar amount that was awarded to Section 3 businesses \_\_\_\_\_%
- D. Total number of Section 3 businesses receiving construction contracts \_\_\_\_\_
- E. Enter the number of Section 3 businesses receiving construction contracts by Racial/Ethnic code(s)(see page 1 for codes)

1 /\_\_\_\_\_/    2 /\_\_\_\_\_/    3 /\_\_\_\_\_/    4 /\_\_\_\_\_/    5 /\_\_\_\_\_/    6 /\_\_\_\_\_/

2. Non-Construction Contracts

- A. Total dollar amount of all non-construction contracts awarded on the project/activity \$ \_\_\_\_\_
- B. Total dollar amount of non-construction contracts awarded to Section 3 businesses \$ \_\_\_\_\_
- C. Percentage of the total dollar amount that was awarded to Section 3 businesses \_\_\_\_\_%
- D. Total number of Section 3 businesses receiving non-construction contracts \_\_\_\_\_
- E. Enter the number of Section 3 businesses receiving non-construction contracts by Racial/Ethnic code(s)(see page 1 for codes)

1 /\_\_\_\_\_/    2 /\_\_\_\_\_/    3 /\_\_\_\_\_/    4 /\_\_\_\_\_/    5 /\_\_\_\_\_/    6 /\_\_\_\_\_/

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**Part III: Summary**

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- \_\_\_\_\_ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- \_\_\_\_\_ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents
- \_\_\_\_\_ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- \_\_\_\_\_ Coordinated with Youth build Programs administered in the metropolitan area in which the Section 3 covered project is located.
- \_\_\_\_\_ Other; describe below.

## **Instructions for Completing Section 3 Report**

1. Recipient: Enter the name and address of the recipient submitting this report.
2. Contract Number: Enter the number that appears on the contract with the State.
3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
- 4&5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the grant award and the recipient's implementation of Section 3.
6. Reporting Period: Indicate the time period (months and year) this report covers.
7. Date Report Submitted: Enter the appropriate date.
8. Program Code: Enter 8

### **Part I: Employment and Training Opportunities**

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e., architects, engineers, administrative consultant, attorneys, appraisers, and accountants). Include any City/Parish persons hired by the grantee to work on project. For construction positions, list each trade and provide data in columns B through E for each trade where persons were employed. The category "Other" includes supervisors.

Column B: Enter the percentage of all the new hires in connection with this project who are Section 3 residents. New Hires include full-time positions (permanent, temporary and seasonal).

Column C: Enter the percentage of the total staff hours worked for Section 3 employees and trainees connected with this award. Include staff hours for part-time and full-time positions.

Column D: Enter the number of Section 3 residents that were hired and trained in connection with this award.

Column E: Enter under each racial/ethnic code (1-5) the number of employees and trainees recorded in column D.

### **Part II: Contract Opportunities**

#### Block 1: Construction Contracts

Item A: Enter the total dollar amount of all construction contracts awarded on the project/program.

Item B: Enter the total dollar amount of construction contracts connected with this project/program

awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of construction contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving construction contracts.

Item E: Enter each racial/ethnic code (1-6) to total the number recorded in Item D.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all non-construction contracts awarded on the project/program. (Basically, these will be professional service contracts).

Item B: Enter the total dollar amount of non-construction contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of non-construction contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving non-construction contracts.

Item E: Enter each racial/ethnic code (1-6) to total the number recorded in Item D.

**Part III: Summary of Efforts** - Self-explanatory

Louisiana Community Development  
Block Grant Program

1. Grantee:

2. Contract Number:

**CERTIFICATE OF COMPLETION**

**FINAL STATEMENT OF COST**

Program Activity Categories	3. Paid Costs	4. Unpaid Costs	5. Total Costs	6. State Use Only
A. Acquisition of Real Property	\$	\$	\$	\$
B. Public Works, Facilities, Site Imp.				
1. Sewer				
2. Water (Potable)				
3. Water (Fire Protection)				
4. Streets				
5. Multi-purpose Community Centers				
6. Other				
C. Code Enforcement				
D. Clearance, Demolition				
E. Rehabilitation Loans and Grants				
1. Housing				
2. Public Facilities				
F. Provision of Public Services				
G. Relocation Payments and Assistance				
H. Economic Development				
1. Acquisition-Land-Building				
2. Infrastructure Improvements				
3. Building Construction/Imprmts.				
4. Industrial and Commercial Fac.				
5. Inventory				
6. Working Capital				
7. Capital Equipment				
8. Other				
I. Administration (TOTAL)				
1. Pre-Agreement Costs				
2. Housing Rehabilitation				
3. Public Facilities				
4. Economic Development				
J. Other				
K. Other				
L. TOTAL PROGRAM COST				
M. Prog. Income Applied to Prog.Cost				

**COMPUTATION OF GRANT BALANCE**

Description	To be completed by Grantee	State Use Only
	7. Amount	8. Approved Amount
A. Grant amount applied to Prgm. Cost	\$	\$
B. Unsettled third party claims		
C. Subtotal		
D. Grant amount as per contract		
E. Unutilized Grant		
F. Grant Funds Received		
G. Balance of Grant Payable		

- 
9. List any unpaid costs and unsettled third-party claims against the LCDBG Program. Describe circumstances and dollar amounts involved.

\_\_\_\_\_ Check if continued on additional sheet and attach

---

CERTIFICATION OF RECIPIENT

It is hereby certified that all activities undertaken by the recipient with funds provided under the contract identified hereof, have, to the best of my knowledge, been carried out in accordance with the contract; that proper provision has been made by the recipient for the payment of all unpaid costs and unsettled third-party claims identified hereof; that the State of Louisiana is under no obligation to make any further payment to the recipient under the contract in excess of the amount identified in line 7.C. hereof, and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date.

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10. Date	11. Typed Name and Title of Recipient's Chief Elected Official	12. Signature of Recipient's Chief Elected Official
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LCDBG APPROVAL

13. This Certificate of Completion is hereby approved. Therefore, I authorize cancellation of the unutilized contract commitment and related funds reservation and obligation of \$ \_\_\_\_\_ less \$ \_\_\_\_\_ previously authorized for cancellation.  
(from Line 7.E.)

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Date	Typed Name and Title of State Authorized Official	Signature of State's Authorized Official
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CLOSEOUTS

## INSTRUCTIONS FOR THE CERTIFICATE OF COMPLETION FORM

### Item Number

1. Type in the name of your locality.
2. Type in the contract number.
3. List the costs paid as of the date of the report for all program activity categories shown (A through K). Identify LCDBG funds only.
4. Show any unpaid costs as of the date of the report for all program activity categories shown (A through K). Identify LCDBG funds only.
5. Total the paid and unpaid costs (3 + 4) as of the date of the report for all program activity categories shown (A through K).  
  
3-5. L. Add lines A-K and enter the total on line L under columns 3, 4, and 5.  
3-5. M. Enter program income received that was applied to the program cost on line M; do not include program income dedicated to the economic development revolving loan fund.
6. Leave blank for State use.
7. Complete as follows:
  - A. Enter amount shown on line 5.L.
  - B. Enter estimated amount of any unsettled third-party claims; do not enter unpaid costs on this line.
  - C. Add 7.A. and 7.B. and enter the total.
  - D. Enter grant amount per LCDBG contract.
  - E. Subtract 7.C. from 7.D. and enter difference.
  - F. Enter grant funds actually received.
  - G. Subtract 7.F. from 7.C. and enter amount (if 7.F. exceeds 7.C. enter amount of the excess in 7.G. as a negative amount; this amount must be repaid to the State by check made payable to the Division of Administration).
8. Leave blank for completion by State staff.
9. List any unpaid costs and unsettled third-party claims against the LCDBG Program. Describe circumstances and dollar amounts involved.
10. Type in the preparation date of the report.
11. Type in the name and title of the chief elected official.
12. Have the Mayor/President sign in the space provided.
13. Leave blank for completion by State staff



**FINAL WAGE COMPLIANCE REPORT**  
**LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**  
Office of Community Development  
Division of Administration

Grantee: _____	Contract Number: _____
----------------	------------------------

Type of Project: _____	Project Completion Date: _____
------------------------	--------------------------------

1. While you or your representative were reviewing the contractor's/subcontractor's payrolls, were any laborers or mechanics paid less than the minimum wage rate plus fringe benefits as specified in the Secretary of Labor's Wage Decision that applied to the project? \_\_\_\_\_ yes \_\_\_\_\_ no

2. If yes, provide the following information:

a. Total amount of restitution paid (difference between what was first paid and what was required to be paid): \$ \_\_\_\_\_

b. Method of restitution: \_\_\_\_\_ paid by contractor  
\_\_\_\_\_ paid by City/Parish with funds withheld from payment to contractor/subcontractor

c. Contractor or Subcontractor Name	Names of Employees Affected	Amount of Restitution Paid to Employee	Nature of Violation Leading to Restitution

Signed: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

*For State Use Only*

## INSTRUCTIONS FOR THE FINAL WAGE COMPLIANCE REPORT

This form must be filled out if the project was subject to Davis Bacon and Related Acts (DBRA). Most LCDBG projects are subject to DBRA with the primary exceptions being housing projects and projects which only involve the purchase of fire trucks and/or equipment.

Type in the grantee's name, LCDBG contract number, type of project (water, sewer, etc.) and completion date.

### Item Number

1. Answer "yes" or "no" based on the duration of the project from start to finish.
- 2a. If restitution was paid, enter the total of all restitution payments.
- 2b. If restitution was paid, check the method(s) of payment utilized.
- 2c. If restitution was paid, list all contractors who paid restitution including prime contractors and subcontractors. List the name of each employee. List the amount paid to each employee. List the nature of the violation leading to restitution such as "underpayment", "miscalculation", or other reason.

The document must be signed by the Chief Elected Official (Mayor or Parish President) or the designated Labor Compliance Officer for the grant (usually the consultant). Identify the title of the signor and the date on which this document was signed.

**EXAMPLE****AUDIT REPORT EXCERPTS**

Honorable I.B Good  
City of Good Hope

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM ON INTERNAL CPONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR 133**

We have audited the compliance of the City with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

As described in item 2004-03 in the accompanying schedule of findings and questioned costs, the City did not comply with the requirements regarding documentation of related expenses.

Section – Federal Awards Findings and Questioned Costs

Finding 2004-3

**Statement of Condition.** During our review of required documentation supporting requested reimbursements we noted the following two items lacked sufficient documentation:

1. An expenditure of \$145.92 to Xerox is unsupported by documentation indicating it was an LCDBG expense as opposed to a general City administrative cost.
2. The \$4,700.00 expended for the salary of Ellen Smith, City Clerk, is unsupported by payroll records documenting the hours spent on LCDBG activities as opposed to general City administration.

**Criteria.** The 2003 LCDBG Handbook states:

1. Office equipment may be purchased or leased with LCDBG funds when it is needed to carry out the LCDBG Program. ... any LCDBG funds expended to lease or purchase equipment will result in disallowed costs unless the grantee can establish - and has fully documented in the grant files - that the expenditure(s) was reasonable, necessary, and allowable to the grant,

and was not a general expense required to carry out the overall responsibilities of local government as required by OMB Circular A-87 Cost Principles for State and Local Governments.

2. All employees paid in whole or in part from LCDBG funds should prepare a timesheet indicating the hours worked and detailed duties performed on LCDBG projects for each pay period.

**Effect of Condition** Potential misuse of federal funds.

**Cause of condition** Not following standard booking procedures and recording keeping.

**Recommendation** Accounting department should conduct a review of procedures.

**Questioned Costs** \$4,845.92

## EXAMPLE

### RESPONSE TO AUDIT LETTER

Dear Mr. State:

In response to the Audit Report by John Sean and Associates of the City's LCDBG Program:

1. The \$145.92 Xerox bill was paid with LCDBG funds based upon a six-cent/unit page cost for 2,432 units of copying recorded for the LCDBG Program over the year ( $2,432 \times \$0.06 = \$145.92$ ). Our Xerox machine is equipped with a counter and all charges made to #4 are LCDBG costs. We paid the \$145.92 invoice in lieu of transferring funds from one account to another. A copy of the record is enclosed for your review.
2. Journal entries in Capital Project Fund show a Due from Intergovernmental Grant accounts for a total of 423 hours at \$8.05 per hour. A copy is attached. However the General Ledger did not report the entries in the regular payroll account. This accounts for \$3,405.15 of the disallowed \$4,700.00, leaving \$1,294.85 as an ineligible cost. It will be paid out of the City's General Fund. We have instituted a time sheet procedure to avoid a recurrence of this problem.

We look forward to your response.

Sincerely,

I. B. Goode,  
Mayor



Monitoring

Checklists