

Guide for Review of Conformance to Method of Distribution			
Name of Program Participant:			
Staff Consulted:			
Name(s) of Reviewer(s)		Date	

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding.**"

**Instructions:**

Section 104(e)(2) of the Act and 24 CFR 570.493(a)(1) require HUD to determine whether or not the state has distributed its funds in conformance with the method of distribution described in its annual Action Plan. (Consolidated Plan Action Plan requirements for states are at 24 CFR 91.320.) While the method of distribution may not include all the elements on this Exhibit, the distribution method must include selection criteria for every category that the state chooses to fund. When the state's method of distribution does include the other elements in this Exhibit, these elements *must* also be reviewed to determine the extent to which conformance is met.

**Questions:**

**A. FUND DISTRIBUTION**

Review the method of distribution and grant award announcements to determine if the awards designated for each category of funds were within the limits established by the method of distribution.

ACTION PLAN REVIEWED (Year): _____			
Fund Category	Proposed Amount	Actual Amount	Difference
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00

1.

Describe the rationale for any differences between proposed and actual amounts in the chart above.
<b>Describe Basis for Conclusion:</b>

2.

Does the method of distribution permit such difference?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Yes</b>	<b>No</b>	<b>N/A</b>
<b>Describe Basis for Conclusion:</b>			

B. METHOD OF DISTRIBUTION

3.

Does the State clearly communicate its Method of Distribution (MOD) to units of general local government (UGLGs) and how is it communicated and documented? [24 CFR 91.320(k)]	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Yes</b>	<b>No</b>
<b>Describe Basis for Conclusion:</b>		

4.

a. Describe the State's process for reviewing and approving project amendments.
<b>Describe Basis for Conclusion:</b>

b. Does the process comply with the state's citizen participation plan? [24 CFR 91.115(c)]	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Yes</b>	<b>No</b>
<b>Describe Basis for Conclusion:</b>		

<p>c. Does this process comply with the local government citizen participation requirements specified in the state’s Citizen Participation Plan and in 24 CFR 570.486(a)(6)? [24 CFR 91.115(i); 24 CFR 570.486(a)(6)]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <b>Yes</b> <b>No</b></p>
<p><b>Describe Basis for Conclusion:</b></p>	

5.

<p>Describe the State’s standards for determining when it is necessary to have a project amendment.</p>
<p><b>Describe Basis for Conclusion:</b></p>

C. SAMPLE REVIEW AND FILE ANALYSIS

**Instructions:** Select a sample of applications from each category included in the state’s program. Based on file information and staff interviews, if necessary, determine if the state’s review criteria were followed for the selected applications. Use Table I to list the selection factors. Insert the name of each funding category reviewed in the 1<sup>st</sup> column and the selection criteria for that category in the 2<sup>nd</sup> column, list ceilings in the 3<sup>rd</sup> column and any other threshold factors in the 4<sup>th</sup> column, if applicable.

The reviewer should use Table II when reviewing files. List the name of the applicant file selected in the 1<sup>st</sup> column and the amount requested in the 2<sup>nd</sup> column. Insert the amount approved in the 3<sup>rd</sup> column, putting a “P” beside the amount if program income funds are included and an “R” beside the amount if recaptured funds are included. If the application was not funded, insert “0.” In the 4<sup>th</sup> column, write “Y” for “Yes” or “N” for “No” to indicate if the award was within the ceilings; similarly, indicate “Y” (for “yes”) or “N” (for “no”) in the 5<sup>th</sup> column when other threshold factors were met and check the box in the 6<sup>th</sup> column if the selection criteria were satisfied.

<b>TABLE I. SELECTION FACTORS</b>			
<b>Funding Category</b>	<b>Selection Criteria</b>	<b>Ceiling (If Any)</b>	<b>Other Threshold Factors (If Any)</b>
		Maximum	

<b>TABLE II: FILES REVIEWED</b>					
<b>Name of Applicant</b>	<b>Amount of Request</b>	<b>Award Amount Approved</b>	<b>Selection Within Ceiling (Check = "Yes")</b>	<b>Threshold Satisfied (Check = "Yes")</b>	<b>Criteria Satisfied? (Check = "Yes")</b>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FILE ANALYSIS

**Instructions:** Based on the results of the above review, and information contained in the Annual Action Plan, answer the questions for the following 5 elements that are applicable to the state's program (Program Income, Recaptured Funds, Section 108 Loan Guarantees, and Float Loans).

\* **NOTE:** If a state distributed funds from a category, but failed to include the category in its original method of distribution or an action plan amendment, this constitutes a "finding."

Program Income

6.

Does the state have a method of distribution in its current annual Action Plan for program income it has distributed during the program year being reviewed? [24 CFR 91.320(k)(1)(i)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes No N/A</b>
<b>Describe Basis for Conclusion:</b>	

7.

a. Does the state have a state revolving fund to distribute program income received from certain types of activities?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes No N/A</b>
<b>Describe Basis for Conclusion:</b>	

b. If the answer to "a" above is "yes," does the method of distribution specify that grants which will be funded out of state revolving funds must be for the same types of activities which generated the program income to begin with? [24 CFR 91.320(k)(1)(i) and 24 CFR 570.489(f)(2)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes No N/A</b>
<b>Describe Basis for Conclusion:</b>	

Recaptured Funds

8.

Has the state distributed recaptured funds (i.e., funds previously awarded to a recipient(s) that are returned to the state)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b>			

9.

Does the state have a method of distribution in its current Action Plan for recaptured funds? [24 CFR 91.320(k)(1)(i)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b>			

Section 108 Loan Guarantees

10.

Has the state pledged or used CDBG funds to support the commitment of a Section 108 Loan Guarantee to a unit of local government?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b>			

11.

a. Does the state have a method of distribution in the Action Plan being reviewed for Section 108 Loan Guarantees? [24 CFR 91.320(k)(1)(ii)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b>			

b. If the answer to “a” above is “yes,” describe the state’s method for distributing funds for Section 108 Loan Guarantees.

**Describe Basis for Conclusion:**

12.

Does the method of distribution indicate the amount of Section 108 Loan Guarantee commitments that it will allow for the state’s CDBG program as a whole and for an individual community? [24 CFR 91.320(k)(1)(ii)]	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><b>Yes</b></td> <td><b>No</b></td> <td><b>N/A</b></td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
<b>Yes</b>	<b>No</b>	<b>N/A</b>					
<p><b>Describe Basis for Conclusion:</b></p>							

13.

Does the method of distribution include the criteria that the state will use in deciding whether to support a unit of local government’s Section 108 proposal? [24 CFR 91.320(k)(1)(ii)]	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><b>Yes</b></td> <td><b>No</b></td> <td><b>N/A</b></td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
<b>Yes</b>	<b>No</b>	<b>N/A</b>					
<p><b>Describe Basis for Conclusion:</b></p>							

Float Loans

14.

Has the State made grant awards to units of local government for float-funded activities, i.e., used funds already awarded to another unit of local government?	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><b>Yes</b></td> <td><b>No</b></td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Yes</b>	<b>No</b>
<input type="checkbox"/>	<input type="checkbox"/>				
<b>Yes</b>	<b>No</b>				
<p><b>Describe Basis for Conclusion:</b></p>					

15.

a. Does the state have a method of distribution in its current Action Plan for float-funded activities? [24 CFR 91.320(k)(1)(i)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes No N/A</b>
<b>Describe Basis for Conclusion:</b>	

b. If the answer to “a” above is “yes,” describe the state’s method for distributing funds for float-funded activities.
<b>Describe Basis for Conclusion:</b>

16.

Does the method of distribution indicate the amount of float-funded activities that it will allow for the state’s CDBG program as a whole and for an individual community? [24 CFR 91.320(k)(1)(i)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes No N/A</b>
<b>Describe Basis for Conclusion:</b>	