

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

**P.L. 115-123 Financial Management and
Grant Compliance Certification
for States and Grantees subject to
State CDBG Requirements**

Submissions After
September 2018

Instructions to Grantees:

The term “Grantee” refers to an entity (a State, including the Commonwealth of Puerto Rico, or an entity subject to State CDBG requirements, including the U.S. Virgin Islands) that received a direct allocation from HUD of **Community Development Block Grant Disaster Recovery (CDBG-DR)** Funds appropriated by the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-123) (the Appropriations Act).

The Appropriations Act requires that the Secretary certify, **in advance of signing a CDBG-DR grant agreement**, that the following requirements are met:

- That the Grantee has in place proficient financial controls;
- That the Grantee has in place proficient procurement processes;
- That the Grantee has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155) (section 312 of the Stafford Act);
- That the Grantee has established adequate procedures to ensure timely expenditure of funds;
- That the Grantee has established adequate procedures to maintain comprehensive websites regarding all disaster recovery activities assisted with the CDBG-DR funds; and
- That the Grantee has established adequate procedures to detect and prevent fraud, waste, and abuse of funds.

New Grantees Compliance Certification:

The *Federal Register* Notice that allocates funds (the Notice) requires the States of California, Georgia, and Missouri to complete this Compliance Certification to enable the Secretary’s review of these matters and to support his certification.

To complete this Compliance Certification, grantees must respond to every question and prompt in this document directed to “Grantee.” This includes providing identifying information, responding to all questions and prompts in Parts A through F by indicating “Yes,” “No,” or “N/A” as appropriate, completing the Certification in Part G, providing appropriate and specific cross-references in each instance where Grantee is requested to “Provide Cross-Reference to Standards,” and providing all required additional documents where Grantee is directed to submit, provide, or attach documentation. Specific cross reference is usually the name of the document and a page number. CPD Specialists or CPD Representatives, and CPD Financial Analysts can assist the Grantee in completing Parts A through G of the Compliance Certification.

Grantees Required to Update P.L. 115-56 Financial Management and Grant Compliance Certification:

The Notice provides that the certification of financial controls and procurement processes and the Department's determination of the adequacy of the grantee's implementation and capacity assessment pursuant to HUD's Federal Register notice published on February 9, 2018 (the "Prior Notice"), shall remain in effect for the allocations under the Notice, however, grantees are required to provide updates to reflect any material changes to their prior P.L. 115-56 Financial Management and Grant Compliance submission.

Florida, Texas, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands must complete this Compliance Certification, if necessary, to reflect any material changes to their prior P.L. 115-56 Compliance Certification submission. If necessary, these Grantees shall respond *ONLY to the questions and prompts in Parts A through F that require an update* by indicating "Yes," "No," or "N/A" as appropriate, completing the Certification in Part G, and providing appropriate and specific cross-references and required additional documents where Grantee is directed to "Provide Cross-Reference to Financial Standards" or to submit, provide, or attach documentation by the question or prompt the Grantee is updating. HUD reviewers will only evaluate the updated responses, leaving all others blank.

All Grantees:

In most cases, the "N/A" option is an available response option if the Grantee has not adopted the provisions of 2 CFR part 200 to satisfy the requirement to adopt fiscal controls and accounting procedures in 24 CFR 570.489(d). In all cases where the Grantee has not checked "N/A" or no "N/A" option is provided, the Grantee must respond to support the Secretary's certification.

Some questions and prompts include citations in brackets, which have been provided for convenience to identify sources that served as the basis for the development of these questions.

The Grantee is required to adhere to the controls, standards, processes, corrective actions, and procedures described in this Compliance Certification and related documentation (including any previous documentation the Grantee submitted in response to the Prior Notice that remains in effect for the allocations under the Notice) for the life of the grant, unless amended with HUD's approval.

Grantees must submit this document and all required information to the designated HUD representative. The HUD representative will review the Grantee's submission and also complete and sign the Compliance Certification, including the "HUD only" portion, to demonstrate that it was satisfactorily completed by the Grantee.

The Grantee's documentation must be submitted within 60 days of the effective date of the Notice. Failure to submit the checklist and documentation within 60 days of the effective date of the Notice may result in the cancellation of the award.

Questions on this checklist may be submitted to Disaster_Recovery@hud.gov. In the alternative, Grantees may call (202) 708-3587.

Grant agreements will not be executed until HUD has approved the Grantee's certifications and the Secretary has signed the corresponding *Certification of Proficient Financial Controls, Processes, and Procedures for Community Development Block Grant Disaster Recovery Funding* required by P.L. 115-123.

Index

PART A. Financial Standards	pg. 6.
1. FINANCIAL CONTROLS	pg. 6.
2. INTERNAL CONTROLS	pg. 8.
3. PAYMENT AND FINANCIAL REPORTING	pg. 9.
4. IMPROPER PAYMENTS	pg. 11.
5. PROGRAM INCOME	pg. 12.
6. REVISION OF BUDGET AND PROGRAM PLANS	pg. 12.
7. PERIOD OF PERFORMANCE	pg. 14.
8. RECORD RETENTION AND ACCESS	pg. 14.
9. AUDIT REQUIREMENTS	pg. 15.
 PART B. Procurement Processes	 pg. 19.
PART C. Procedures for Prevention of Duplication of Benefits	pg. 21.
PART D. Procedures to Determine Timely Expenditures	pg. 22.
PART E. Procedures to Maintain a Comprehensive Website	pg. 23.
PART F. Procedures to Detect Fraud, Waste, and Abuse of Funds	pg. 24.
PART G. Certifications	pg. 25.
PART H. HUD Review	pg. 26.

Grantee	Name of Recipient:	
	Name of Departmental organization(s) responsible for executing the Grantee's certifications:	
	Staff Consulted:	
	Name and Title of Grantee Staff Completing Form:	
	Signature:	
	HUD CPD Representative Consulted:	Date:
HUD	Name and Title of HUD Staff Completing Form:	
	Signature:	Date:
	HUD Financial Analyst Consulted:	

PART A. FINANCIAL STANDARDS

1. FINANCIAL CONTROLS

a. OMB Audit and Financial Statement	Grantee		HUD	
i. The Grantee has attached its most recent single audit, including a schedule of findings and questioned costs, produced in response to the Grantee's most recent audit conducted in accordance with 2 CFR part 200, subpart F.	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
ii. The Grantee has attached its most recent annual financial statement and a schedule of expenditures prepared in accordance with 2 CFR part 200, subpart F.	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
iii. Do the single audit, financial statement, or schedule of expenditures indicate that the Grantee has material weaknesses, significant deficiencies, or questioned costs?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
iv. If the Grantee's answer to question iii is yes, has the Grantee attached documentation showing how the issue(s) have been fully corrected or are being addressed to the satisfaction of HUD?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A	<input type="checkbox"/> N/A
Has the Grantee met the requirements of this section?			<input type="checkbox"/> YES	<input type="checkbox"/> NO
HUD, if "NO," describe basis for conclusion:				

b. Financial Management	Grantee		HUD	
Has the Grantee attached its financial standards demonstrating its financial controls and identified the appropriate sections of its financial standards that respond to each question or prompt in this document that requires the Grantee to provide cross-reference to its financial standards?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
HUD, if "NO," describe basis for conclusion:				

Part A.1**c. Accounting Records**

The Grantee must have a system for accounting records to identify adequately the source and application of funds for CDBG-DR-funded activities. The Grantee can facilitate compliance with this requirement if it accounts for a HUD program in a separate accounting fund (e.g., Special Revenue Fund), however, HUD will not impose specific accounting requirements (such as requiring the Grantee to utilize an accrual basis of accounting).

	Grantee	HUD
i. Does the Grantee have standards that require accounting records to contain information on the CDBG-DR grant award, authorizations, obligations, unobligated balances, assets, liabilities, expenditures, program income (as defined by the Prior Notice), and interest?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
ii. Does the Grantee have standards to maintain adequate source documentation for the information identified in question i?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
iii. Does the Grantee have standards established to provide a comparison of expenditures to the budget amounts for the CDBG-DR award? NOTE: Grantees will usually demonstrate compliance with this requirement by making entries in its accounting records of the amounts budgeted/allocated for activities to be undertaken with the assistance provided under the HUD award which in turn facilitates preparation of financial statements that provide for such comparison.	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
iv. Does the Grantee have standards to clearly classify the use of CDBG-DR funds in its accounting records according to the eligible activity authorized by statute, regulations, or applicable Federal Register Notices?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
v. Does the Grantee have standards to ensure information on obligations, expenditures, and program income (as defined by the Prior Notice) submitted to HUD in the Disaster Recovery and Grant Reporting System (DRGR), Quarterly Performance Reports (QPR), or other applicable report(s), reconcile with the Grantee's accounting records? NOTE: If the Grantee maintains its records on other than an accrual basis, it must be able to support accrual data for its reports on the basis of the documentation on hand.	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

Part A. 1.

d. Financial Controls	Grantee	HUD
Does the Grantee have standards to maintain adequate control over all CDBG-DR funds, and CDBG-DR acquired property and other assets to ensure they are used solely for authorized purposes?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

2. INTERNAL CONTROLS

The Grantee must establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the Grantee is able to manage the Federal award in compliance with grant requirements.

Note to HUD Reviewers: Reviewers should examine portions of the financial standards cross-referenced in the questions below. When reviewing the internal controls in the financial standards to determine whether they are "proficient," the HUD reviewer should make an overall determination about the sufficiency of the internal controls.

Specifically, the reviewer should examine whether Grantee's internal control system covers a broad range of considerations (e.g., procurement, cost principles) that together are adequately designed to provide reasonable assurance that transactions are likely to be recorded and accounted for, that transactions are executed in compliance with requirements applicable to the award, and that assets are safeguarded against loss.

a.	Grantee	HUD
Does the Grantee have internal control standards or a plan to implement standards that are designed to provide reasonable assurance that transactions are likely to be recorded and accounted for, that transactions are executed in compliance with requirements applicable to the award, and that assets are safeguarded against loss, and does the Grantee have standards to perform a self-assessment of its internal control system?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

b.	Grantee	HUD
Does the Grantee have a written policy or standards to take reasonable measures to safeguard protected personally identifiable information (PII) and other information that HUD or a pass-through entity designates as sensitive, or the Grantee considers sensitive, consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

Part A.2.

c.	Grantee	HUD
Has the Grantee submitted an organization chart that sets forth the actual lines of responsibility for the CDBG-DR award?	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

d.	Grantee	HUD
Does the Grantee have standards to ensure duties and responsibilities are segregated (to the extent practicable) so that no one individual has complete authority over a financial transaction? (For example, the Grantee's procedures preclude one person from issuing purchase orders, receiving merchandise, and approving payment vouchers.)	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

3. PAYMENT AND FINANCIAL REPORTING

a.	Grantee	HUD
Does the Grantee have standards to ensure that it will minimize the time elapsing between the transfer of funds from the United States Treasury and the State's payout of funds for Federal assistance program purposes, whether the transfer occurs before or after the payout of funds, so that the timing of the transfer is as close as is administratively feasible to the State's actual cash outlay?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> YES NO N/A	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> YES NO N/A
Note: for all Grantees, if the CDBG-DR award is governed by a Treasury-State Cash Management Improvement Act (CMIA) agreement, the Grantee is subject to the requirements of subpart A of 31 CFR Part 205. If not, the Grantee must comply with subpart B of that part.		
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO" or "N/A," describe basis for conclusion:		

Part A. 3

b.	Grantee	HUD
If the Grantee transfers grant funds to subrecipients, does the Grantee have standards to ensure the time elapsing is minimized between the receipt of funds from the Federal government and the transfer of funds to the subrecipients?	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
c.	Grantee	HUD
Does the Grantee use Federal funds to reimburse local accounts for eligible costs? If Yes, skip to question 3.e.	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
HUD, if "NO," describe basis for conclusion:		
d.	Grantee	HUD
If a Grantee holds cash advances in excess of three business days, including cash advances provided to subrecipients, does the Grantee have standards to provide a sufficient justification? (NOTE: Holding cash advances for a period longer than three business days is not a violation per se; it may become a preliminary screening measure to determine whether further explanations are required).	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> YES NO N/A	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> YES NO N/A
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO" or "N/A," describe basis for conclusion:		
e.	Grantee	HUD
Does the Grantee have standards to disburse funds available from program income (as defined by the Prior Notice), in accordance with the Prior Notice before requesting additional cash payments? Note: The Prior Notice includes a separate requirement for the disbursement of program income before additional grant funds are drawn for program income in the form of payments to a revolving fund. Payments to a revolving fund are program income and must be substantially disbursed from the revolving fund before additional grant funds are drawn from the U.S. Treasury for payments that could be funded from the revolving fund. Other program income shall be used or distributed before additional withdrawals from the U.S. Treasury are made to the maximum extent feasible.	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

Part A.**4. IMPROPER PAYMENTS**

a.	Grantee	HUD
<p>Does the Grantee have standards to ensure program expenditures will not result in improper payments?</p> <p>NOTE: Pursuant to section 303 of title III of PL 115-72, the terms and conditions applicable to the funds provided PL 115-72 Div. A shall also apply to the funds made available in the Appropriations Act. Therefore, in accordance with section 305(b) of title III of PL 115-72 Div. A, all programs and activities receiving funds under the Appropriations Act shall be deemed to be "susceptible to significant improper payments" for purposes of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note), notwithstanding section 2(a) of such Act.</p> <p>Under the Improper Payments Information Act of 2002, the term 'improper payment':</p> <p>"(A) means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and</p> <p>(B) includes any payment to an ineligible recipient, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), and any payment that does not account for credit for applicable discounts."</p>	<div> <input type="checkbox"/> <input type="checkbox"/> </div> <div> YES NO </div>	<div> <input type="checkbox"/> <input type="checkbox"/> </div> <div> YES NO </div>
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

b.	Grantee	HUD
<p>If the Grantee were to discover that an improper payment was made, does the Grantee have a system to take appropriate corrective action(s)?</p> <p>[The Prior Notice, 2 CFR 200.302(b)(4), and 2 CFR 200.303(d)]</p>	<div> <input type="checkbox"/> <input type="checkbox"/> </div> <div> YES NO </div>	<div> <input type="checkbox"/> <input type="checkbox"/> </div> <div> YES NO </div>
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

Part A.**5. PROGRAM INCOME**

a.	Grantee	HUD
If revenue-generating activities will be undertaken (e.g., rehabilitation loans, economic development loans), does the Grantee have a system to account for and record program income in its accounting records (as defined by the Prior Notice)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

b.	Grantee	HUD
1) Does the Grantee have a system to track program income (as defined by the Prior Notice) and report it timely and accurately in DRGR as required by the Prior Notice?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
2) Upon expiration of any agreements between the Grantee and its subrecipients, does the Grantee have a system to ensure the timely transfer of program income (as defined by the Prior Notice) returned to the Grantee; and the timely transfer of outstanding loans or accounts receivable? [24 CFR 570.503(b)(7). The Notice and the Prior Notice makes this regulation applicable to Grantees that are subject to the State CDBG regulations if they choose to carry out programs directly or through subrecipients.]	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

6. REVISION OF BUDGET AND PROGRAM PLANS

a.	Grantee	HUD
i. Does the Grantee have standards to ensure that any changes made to the approved DRGR Project's budget, scope, or objectives will be identified in an action plan amendment, and approved by HUD? [The Notice and Prior Notice]	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

Part A. 6.

Part A. 6. b.	Grantee			HUD		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	N/A	YES	NO	N/A
Does the Grantee have standards to require HUD approval before making any of the following changes to a non-construction award?						
i. Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).						
ii. Change in a key person specified in the application or the Federal award.						
iii. The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.						
iv. The inclusion, unless waived by HUD, of costs that require prior approval in accordance with Subpart E—Cost Principles of 2 CFR part 200, or 45 CFR part 75 Appendix IX, <i>Principles for Determining Costs Applicable to Research and Development under Awards and Contracts with Hospitals</i> , or 48 CFR part 31, <i>Contract Cost Principles and Procedures</i> , as applicable.						
v. The transfer of funds budgeted for participant support costs as defined in §200.75, <i>Participant support costs</i> , to other categories of expense.						
vi. Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award, including fixed amount subawards as described in §200.332, <i>Fixed amount subawards</i> (this provision does not apply to the acquisition of supplies, material, equipment or general support services).						
vii. Changes in the approved cost sharing or matching provided by the Grantee.						
viii. The need arises for additional Federal funds to complete the project.						
[2 CFR 200.308(c)(1)]						
Grantee, provide cross-reference to Financial Standards:						
HUD, if "NO," describe basis for conclusion:						

Part A. 6. c.	Grantee	HUD
Does the Grantee have standards to require HUD approval before making any of the following budget revisions whenever i, ii, or iii below applies to a construction award?	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
i. The revision results from changes in the scope or the objective of the project or program. ii. The need arises for additional Federal funds to complete the project. iii. A revision is desired which involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in 2 CFR part 200, Subpart E—Cost Principles. [2 CFR 200.308(g)]		
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

7. PERIOD OF PERFORMANCE

	Grantee	HUD
Does the Grantee have standards to ensure it will charge to the HUD award only allowable costs incurred during the period of performance (except as described in §200.461, Publication and printing costs, for states that adopt part 200) and authorized pre-award costs?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

8. RECORD RETENTION AND ACCESS

	Grantee	HUD
Does the Grantee have standards to comply with applicable record retention and access requirements? [The Prior Notice; 24 CFR 570.502 (applicable to states acting directly or through subrecipients); and 24 CFR 570.490]	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

Part A.**9. AUDIT REQUIREMENTS**

Instructions: A Grantee that expends \$750,000 or more during the Grantee's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR part 200, Subpart F, Audit Requirements. A subrecipient must also have a single or program-specific audit if it meets the \$750,000 expenditure threshold.

Grantees that provide Federal awards to subrecipients are "pass-through entities." Pass-through entities are required by 2 CFR 200.331 to ensure compliance with Subpart F. A Grantee that expends less than \$750,000 in Federal awards during the entity's fiscal year is exempt from audit requirements for that year, except as noted in 2 CFR 200.503.

This section of questions is designed to assist the HUD reviewer in determining whether the Grantee is able to comply with the required elements of an audits management system.

a.	Grantee	HUD
Does the Grantee expect to meet the annual expenditure threshold (\$750,000) which requires an audit to be conducted under 2 CFR part 200 subpart F? If "no," skip questions b through e	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

Part A. 9. b.	Grantee	HUD
<p>i. Does the Grantee have standards to procure or arrange for audit services in accordance with the applicable procurement requirements at 2 CFR 200.509, in addition to other requirements imposed by the Notice and Prior Notice?</p> <p>Note: All Grantees must comply with 2 CFR 200.509, which makes grantees subject to the requirements of 200.317 for the procurement of audit services (see 24 CFR 570.489(n)). For Grantees completing this Compliance Certification, this generally means that the procurement of audit services must follow the same policies and procedures the State, the Commonwealth of Puerto Rico, or the U.S. Virgin Islands uses for procurements from its non-Federal funds, taking into consideration certain factors identified in 2 CFR 200.509(a), and every purchase order or other contract must include any clauses required by 2 CFR 200.326. As required by the Notice and Prior Notice, all procurements, including procurement of audit services must be based on full and open competition, and require an evaluation of the cost or price of the product or service.</p>	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
<p>ii. Does the Grantee have standards to request proposals for audit services that clearly state the objectives and scope of the audit, and to request a copy of the audit organizations' peer review report which the auditor is required to provide under Generally Accepted Government Auditing Standards (GAGAS) [2 CFR 200.509(a)]</p>	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
<p>iii. Does the Grantee have standards to apply the factors to be considered in evaluating the proposal for audit services, which include the responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of peer and external quality control reviews, and price? [2 CFR 200.509(a)]</p>	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
<p>iv. Does the Grantee have standards to make positive efforts to utilize small businesses, minority-owned firms, and women's business enterprises, in procuring audit services as stated in §200.321, Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms? [2 CFR 200.509(a)]</p>	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

Part A. 9. c.	Grantee	HUD
Does the Grantee have standards requiring the auditee to prepare appropriate financial statements, including the schedule of expenditures of Federal awards, in accordance with 2 CFR 200.510? [2 CFR 200.508(b)]	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

d.	Grantee	HUD
Does the Grantee have standards requiring an auditee to promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with 2 CFR 200.511(b) and 2 CFR 200.511(c), respectively? [2 CFR 200.508(c), 2 CFR 200.303(d) (if applicable), 2 CFR 200.331(d)(2)]	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

e.	Grantee	HUD
Does the Grantee have a system requiring the auditee to electronically submit to the Federal Audit Clearinghouse the data collection form described in 2 CFR 200.512(b) and reporting package described in 2 CFR 200.512(c) within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period? [2 CFR 200.512]	<input type="checkbox"/> <input type="checkbox"/> YES NO	<input type="checkbox"/> <input type="checkbox"/> YES NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

Part A. 9. f.	Grantee	HUD
i. Does the Grantee have standards to inform subrecipients of the 2 CFR part 200, Subpart F audit requirements and impose those requirements on subrecipients at the time of the subaward? [2 CFR 200.331(a)(2), 24 CFR 570.489(m)]	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
ii. Does the Grantee have standards to verify that every subrecipient is audited, as required by 2 CFR part 200 Subpart F, when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the \$750,000 expenditure threshold? [2 CFR 200.331(f), 24 CFR 570.489(m)]	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
iii. Does the Grantee have standards to ensure that the subrecipients take timely and appropriate action on all deficiencies pertaining to the CDBG-DR award provided to subrecipients from the Grantee that are detected through audits, on-site reviews, and other means? [2 CFR 200.331(d)(2), 24 CFR 570.489(m)]	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
iv. Does the Grantee have standards to issue a management decision for audit findings that relate to HUD awards that it makes to subrecipients as required by 2 CFR 200.521? [2 CFR 200.331(d)(3), 24 CFR 570.489(m)]	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		
	Grantee	HUD
v. Does the Grantee have standards to ensure that the CDBG-DR award is charged no more than a reasonably proportionate share of the costs of audits required by, and performed in accordance with 2 CFR part 200, Subpart F, and that unallowable audit costs identified in 2 CFR 200.425 are not charged to the award? [2 CFR 200.425, 24 CFR 570.489(p)]	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Grantee, provide cross-reference to Financial Standards:		
HUD, if "NO," describe basis for conclusion:		

PART B. Procurement Processes

Instructions: All Grantee procurement processes/standards must uphold the principles of full and open competition with evaluation of the cost or price of the product or service.

State Grantees (including the Commonwealth of Puerto Rico) and the U.S. Virgin Islands may:

(1) adopt 2 CFR 200.318 through 200.326; or

(2) follow the Grantee's own procurement policies and procedures and establish requirements for procurement policies and procedures for local governments and subrecipients based on full and open competition pursuant to 24 CFR 570.489(g), provided that the procurement requirements include evaluation of the cost or price of the product or service; or

(3) adopt 2 CFR 200.317, meaning that the Grantee follows the Grantee's own procurement policies and procedures and evaluate the cost or price of the product or service, but impose 2 CFR 200.318 through 200.326 on its subgrantees and subrecipients.

Therefore, a Grantee must ONLY answer either question 1., 2., or 3. below, depending on which question corresponds to procurement option selected by the Grantee from (1), (2), or (3) above. All Grantees must answer question 4.

	Grantee			HUD		
1. Has the Grantee adopted the specific procurement standards at 2 CFR 200.318 through 200.326?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	N/A	YES	NO	N/A
If yes:						
I. Has the Grantee attached a copy of its procurement policies and procedures that incorporate 2 CFR 200.318 through 200.326?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	N/A	YES	NO	N/A
II. Do the procurement processes uphold the principles of full and open competition with evaluation of cost or price of the product or service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	N/A	YES	NO	N/A
III. Do the standards indicate which personnel or unit is responsible for each item, along with contact information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	N/A	YES	NO	N/A

Part B					
2. Has the Grantee opted to follow its own procurement processes and standards? If yes:			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			YES	NO	N/A
I. Has the Grantee attached its procurement policies and procedures and does the overall effect of the standards provide for full and open competition?			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			YES	NO	N/A
II. Do the procurement processes uphold the principles of full and open competition with evaluation of cost or price of the product or service and establish procurement policies and procedures for local governments and subrecipients based on full and open competition consistent with the requirements of 24 CFR 570.489(g), and require an evaluation of cost or price of the product or service?			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			YES	NO	N/A
III. Do the processes indicate which personnel or unit is responsible for each item, along with contact information?			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			YES	NO	N/A
3. Has the Grantee adopted the specific procurement requirement at 2 CFR 200.317? If yes:			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			YES	NO	N/A
I. Has the Grantee attached a copy of its procurement policies and procedures that incorporate 2 CFR 200.317 by showing that it will follow its own procurement policies and procedures, but impose 2 CFR 200.318 through 200.326 on its subgrantees and subrecipients?			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			YES	NO	N/A
II. Do the procurement processes uphold the principles of full and open competition with evaluation of cost or price of the product or service?			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			YES	NO	N/A
III. Do the standards indicate which personnel or unit is responsible for each item, along with contact information?			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			YES	NO	N/A
4. Has the grantee provided HUD with a legal opinion that it has proficient procurement policies and procedures.			<input type="checkbox"/>	<input type="checkbox"/>	
			YES	NO	
HUD ONLY: Has the Grantee met the requirements of question 1., 2., or 3., and fulfilled the requirements of question 4.?			<input type="checkbox"/>	<input type="checkbox"/>	
			YES	NO	
Grantee, Provide Cross-Reference to Financial Standards :					
HUD, if no or N/A, describe basis for conclusion:					

PART C. Procedures for Prevention of Duplication of Benefits

	Grantee		HUD	
1. Has the Grantee attached its uniform prevention of duplication of benefits procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
Do these procedures identify the Grantee's processes for:				
I. Verifying all sources of disaster assistance received by the Grantee or applicant prior to the award of CDBG-DR funds to the applicant, as applicable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
II. Determining the Grantee's or an applicant's unmet need(s) before committing funds or awarding assistance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
III. Ensuring beneficiaries agree to repay any duplicative assistance if they later receive other duplicative disaster assistance for the same purpose?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
IV. Providing that, prior to the award of assistance, the Grantee will use the best, most recent available data from FEMA, the Small Business Administration (SBA), insurers, and any other sources of funding to prevent the duplication of benefits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
2. Do the procedures indicate which personnel or unit is responsible for each task along with contact information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
HUD ONLY: Has the Grantee met the requirements of questions 1. and 2.?			<input type="checkbox"/>	<input type="checkbox"/>
			YES	NO
Grantee, Provide Cross-Reference to Financial Standards :				
HUD, if no, describe basis for conclusion:				

PART D. Procedures to Determine Timely Expenditures

	Grantee		HUD	
1. Has the Grantee attached procedures to determine timely expenditures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
2. Do the procedures indicate how the Grantee will track expenditures each month?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
3. Do the procedures indicate how the Grantee will monitor expenditures of its subrecipients?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
4. Do the procedures indicate how the Grantee will account for and manage program income?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
5. Do the procedures indicate how the Grantee will reprogram funds in a timely manner for activities that are stalled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
6. Do the procedures indicate how the Grantee will project expenditures to expend 100% of its allocation of CDBG-DR funds on eligible activities within the period of performance (e.g., 6 years of HUD's execution of the grant agreement)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
7. Do the procedures indicate which personnel or unit are responsible for the task along with contact information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	YES	NO
HUD ONLY: Has the Grantee met the requirements of questions 1., 2., 3., 4., 5., 6., and 7.?			<input type="checkbox"/>	<input type="checkbox"/>
			YES	NO
Grantee, Provide Cross-Reference to Financial Standards :				
HUD, if no, describe basis for conclusion:				

PART E. Procedures to Maintain a Comprehensive Website

	Grantee		HUD	
1. Has the Grantee attached procedures to maintain a comprehensive website regarding all CDBG disaster recovery activities that provides information accounting for how all grant funds are used and managed/administered?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
2. Do the procedures indicate that the Grantee will have a separate page dedicated to its CDBG-DR funds that will contain links to all information required by the Prior Notice:				
i. Action Plans, Action Plan Amendments, the current approved DRGR Action Plan, and activity/program information for activities described in the action plan;	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
ii. Procurement policies and procedures, a description of services and goods currently being procured by the Grantee, a copy of contracts the Grantee has procured directly;	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
iii. A summary of all procured contracts, including those procured by the grantee, recipients, or subrecipients (e.g., a summary list of procurements, the phase of the procurement, requirements for proposals, and any liquidation of damages associated with a contractor's failure or inability to implement the contract, etc.)	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Performance reports (i.e., Quarterly Performance Reports (QPRs));				
iv. Citizen participation requirements; and	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
v. Any other information necessary to account for the use of the funds.	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
3. Do the procedures indicate the frequency of website updates, indicating, at a minimum, monthly updates to the website?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
4. Do the procedures indicate which personnel or unit are responsible for the task along with contact information?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
5. Please provide a link to the Grantee's CDBG-DR Website, if available.				
HUD ONLY: Has the Grantee met the requirements of questions 1., 2., 3., and 4.?			<input type="checkbox"/> YES	<input type="checkbox"/> NO
Grantee, Provide Cross-Reference to Standards:				
HUD if no, describe basis for conclusion:				

PART F. Procedures to Detect Fraud, Waste, and Abuse of Funds

	Grantee		HUD	
1 Has the Grantee attached procedures that indicate how the Grantee will verify the accuracy of information provided by applicants?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
2. Has the Grantee provided a monitoring policy that indicates:				
I. How and why monitoring is conducted;	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
II. The frequency of monitoring; and	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
III. Which items are monitored?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
3. Do the Grantee's procedures demonstrate that it has an internal auditor that provides both programmatic and financial oversight of Grantee activities and do they include includes a document signed by the internal auditor that describes his or her role in detecting fraud, waste, and abuse?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
4. Do the procedures require the Grantee and its subrecipients to attend any fraud related training provided by HUD OIG?"	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO
HUD ONLY: Has the Grantee met the requirements of questions 1., 2., 3., and 4.?			<input type="checkbox"/> YES	<input type="checkbox"/> NO
Grantee, Provide Cross-Reference to Standards:				
HUD if no, describe basis for conclusion:				

PART G. Certifications

As required by the Notice and Prior Notice, the Grantee must make the certification below by signing where indicated.

Compliance Certification

The Grantee certifies that: it has reviewed the requirements of Public Laws 115-123 and the *Federal Register* Notice allocating CDBG-DR funds; that its responses to this checklist and submitted supporting documentation are accurate; that it will adhere to the controls, standards, processes, corrective actions, and procedures it described in this checklist and supporting documentation for the life of the grant, unless amended with HUD's approval; and that it has in place proficient financial controls and procurement processes and that it has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, to ensure timely expenditure of funds, to maintain comprehensive Websites regarding all disaster recovery activities assisted with these funds, and to detect and prevent waste, fraud, and abuse of funds.

Signature of Certifying Official

(Printed Name of Certifying Official)

(Date)

PART H. HUD REVIEW

For revised Certification, only answer relevant Part and strikeout entire answer box for unchanged Part.

Based on your review of the responses to Part A and the related submissions by the Grantee, have you determined that the Grantee has in place proficient financial controls?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Based on your review of the responses to Part B and the related submissions by the Grantee, have you determined that the Grantee has in place proficient procurement processes?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Based on your review of the responses to Part C and the related submissions by the Grantee, have you determined that the Grantee has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Based on your review of the responses to Part D and the related submissions by the Grantee, have you determined that the Grantee has established adequate procedures to ensure timely expenditure of funds?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Based on your review of the responses to Part E and the related submissions by the Grantee, have you determined that the Grantee has established adequate procedures to maintain comprehensive websites regarding all disaster recovery activities assisted with the CDBG-DR funds?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Based on your review of the responses to Part F and the related submissions by the Grantee, have you determined that the Grantee has established adequate procedures to detect and prevent fraud, waste, and abuse of funds?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Based on your review of the responses to this entire Compliance Certification and all supporting documentation, including previous submissions as updated by this Compliance Certification (if applicable), do you recommend that the Secretary make the certification required by Public Law 115-123? <i>Absent extraordinary extenuating circumstances, this response should be no if the Grantee was unresponsive, checked "NO" or had deficiencies in this checklist or supporting documentation submitted to HUD.</i>	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Provide any relevant comments, if necessary to explain deficiencies or any "no" responses to the questions above:		