

ICDBG IMPLEMENTATION TRAINING FOR GRANTEES

—

Financial Management

OFFICE OF NATIVE AMERICAN PROGRAMS



FINANCIAL MANAGEMENT: RULES & REGS.

➤ REVIEW THE FOLLOWING:

- **24 CFR § 1003.501:** Applicability of Uniform Administrative Requirements & Cost Principles
- **2 CFR § 200, Subpart D:** Administrative Requirements for Grants and Cooperative Agreements – Post Federal Award
- **2 CFR § 200, Subpart E:** Cost Principles - Establishes principles and standards for allowable and unallowable costs
- **2 CFR § 200, Subpart F:** Audit Requirements
- **ICDBG REGULATIONS – 24 CFR § 1003 Subpart C** – Identifies eligible activities / ineligible activities
- **Original ICDBG application** – considered to be an integral part of the grant agreement

- Review the financial management system in place; determine if it meets the requirements



FINANCIAL MANAGEMENT: ELIGIBLE COSTS

ELIGIBLE COSTS: **Administration & Planning (“A&P”) Costs**

ADMIN AND PLANNING (A&P) COSTS – Limited to NO MORE THAN 20% of the ICDBG Award

May include (24 CFR § 1003.206):

- Reasonable costs to plan and execute the project
- General management, oversight and coordination
- Budget and project schedule preparations
- Accounting services and audit services
- Utilities, office supplies and insurance
- Travel costs associated with the project

Reminder: Direct Project Costs are **NOT** included in Planning & Admin. (e.g., project manager, architect, etc)



FINANCIAL MANAGEMENT: ELIGIBLE COSTS (cont.)

ELIGIBLE COSTS: **Public Service Cost Limits**

PUBLIC SERVICE COSTS ARE LIMITED TO 15% OF THE GRANT – Only if included in application

See 24 CFR § 1003.201 (e) – Basic Eligible Activities

May include:

- Providing services related to daycare, crime prevention, fair housing counseling, health services, drug abuse
- Labor, Supplies, Materials and Furnishings for public services and facilities



FINANCIAL MANAGEMENT: ALLOWABLE COSTS

- SOURCE DOCUMENTATION
- This is the most common reason for costs being disallowed.



See 24 CFR § 1003.207 for Ineligible Costs under ICDBG

FINANCIAL MANAGEMENT: CASH MGMT.

WHAT YOU NEED:

- Cash receipts and disbursement journal
- Recipient should expend funds from LOCCS **within 3 days** of funds being electronically transferred to the recipient's financial institution
- Excess funds must be returned to LOCCS if not expended within 3 days of draw
 - Return funds via www.pay.gov
 - Talk to your GMS/GES about repayment procedure



FINANCIAL MANAGEMENT: INTERNAL CONTROLS – OVER PROPERTY

➡ Real Property Regulations –

- ❖ 2 CFR § 200.311 (Real Property)
- ❖ 24 CFR § 1003.504 – “These standards shall apply from the date ICDBG funds are first spent for the property **until five years after the closeout of the grant** from which the assistance to the property was provided”

➡ Establish a system to keep supplies & materials safe and secure – **things to consider:**

- ❖ Provide oversight to contractors
- ❖ Keep construction materials in a location that is protected from loss, damage, and/or theft



FINANCIAL MANAGEMENT: BUDGET CONTROL & SUB-RECIPIENT COMPLIANCE

➡ BUDGET CONTROL

- The recipient is responsible for completing the project within budget
- Project must be completed as described in the Cost Summary, HUD-4123, submitted with the ICDBG application

➡ SUB-RECIPIENT COMPLIANCE

- The recipient is responsible for overseeing sub-recipient compliance
- Sub-recipient **must comply with all regulations:**
 - 24 CFR § 1003.501 (a) or (b)
 - 24 CFR § 1003.502 (Sub-recipient Agreements)
 - 2 CFR § 200 Subpart E (Cost Principles)
 - 2 CFR § 200 Subparts B-D (Administrative Reqs.)



FINANCIAL MANAGEMENT: AUDITS

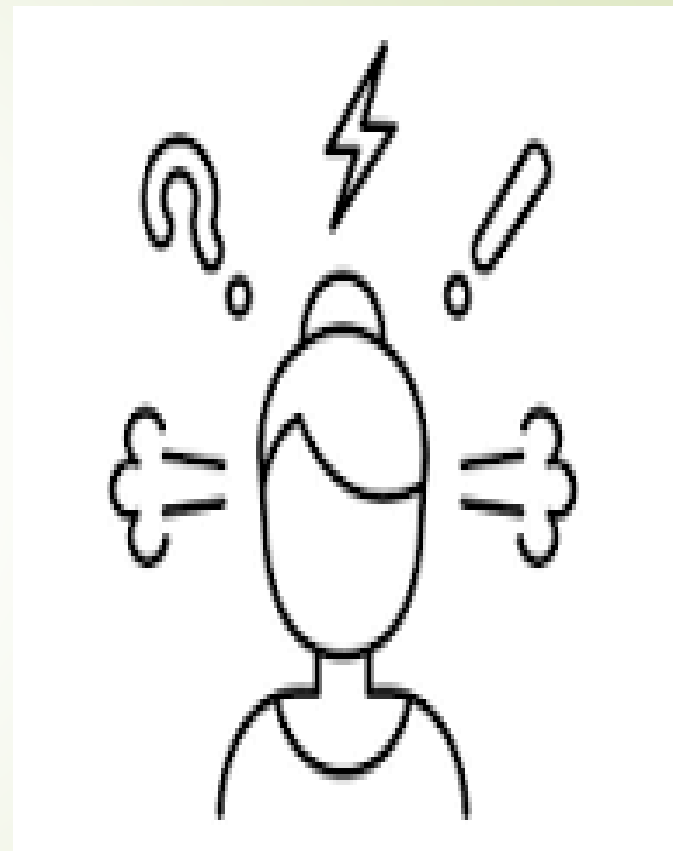
Dollar Thresholds for Audit Requirement:

- ❖ Recipients that expend \$1,000,000 or more in a year in Federal funds – will have an audit conducted in accordance with 2 CFR §200 Subpart F (2 CFR §200.500-520)
- ❖ If under \$1,000,000 a year in Federal funds is expended, records must be available for review by the Federal Agency



OVERWHELMED?!? NEED HELP???

- **Contact your Area ONAP**
- Your GMS is here to help guide you towards solutions & understanding
- Additional Training & Technical Assistance may also be available



https://www.hud.gov/program_offices/public_indian_housing/ih/codetalk/training

HUD CONTACTS: AREA ONAP POCs

All Area ONAP Offices and Contact Information is listed on the ONAP Codetalk website:

[ONAP and Tribe Contacts.pdf](#)

Bookmark this link on your computer so you have a quick and easy way to reach-out for help or guidance going forward



QUESTIONS?

thank you

